



PRESENTATION OF THE

European Clean Energy Fund

June 2005

TO THE

**Special session of the EE21 Steering Committee on the
Implementation of the Kyoto Protocol, Energy Efficiency and
Climate Change Mitigation**

Geneva 29 June 2005

Summary of Presentation

- I. History of the Fund (MW)
 - II. Market Opportunity (MW)
 - III. Sponsors (MW/WB)
 - IV. Fund Highlights (WB)
 - V. Investment Strategy (WB)
 - VI. Wrap Up (WB)
- Contact Details and Appendix



ECEF: U.N. Accredited Investment Vehicle

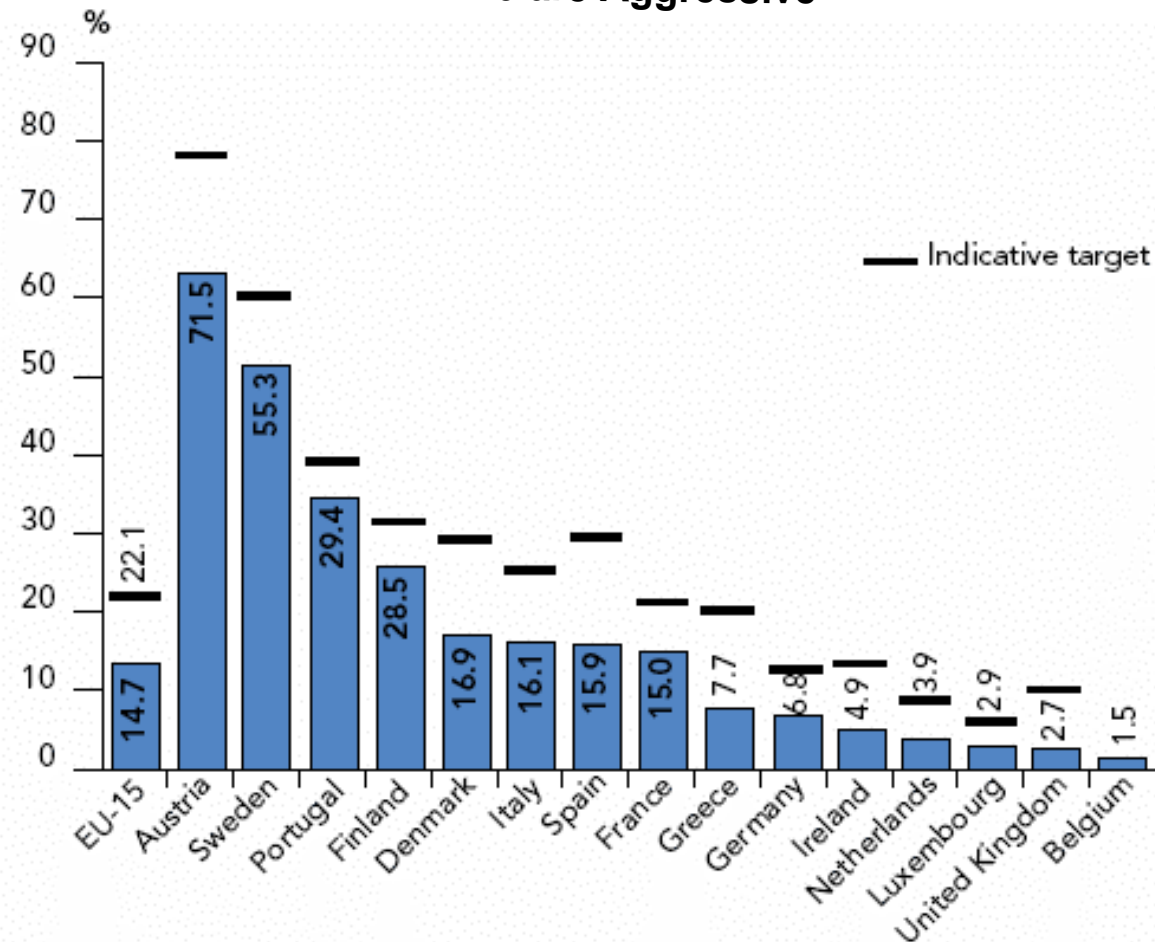
- First presented fund concept to UNECE Dec/03
- Subsequently awarded mandate by the U.N. Economic Commission for Europe (UNECE) under the Energy Efficiency (EE) 21 Project.
- Qualifies the fund as an accredited investment vehicle within the U.N. system
- Eligible to participate in UNECE project financing initiatives
- Eligible to receive U.N. grant money for Kyoto Protocol- and Climate Change-Related Projects



The European Renewables Market is Especially Attractive

- E.U. goal: 12% of E.U. energy from renewable energy (RE) by 2010
- Capital requirements to meet E.U. 2020 RE targets are €500 Billion to 2020:
- E.U. market liberalization opening the door for smaller developers and operators
- Political and economic climate has resulted in stable investment opportunities in the CEE energy sector

EU-15 Targets for % of Electricity Consumption Met by Renewables by 2010 are Aggressive



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E.U. Targets for Renewable Energy Technologies

Anticipate 10% Growth Rates for Wind and Biomass

Energy Type	1995 Capacity	2001 Capacity	Annual Growth Rate (95-01)	EU Targets to 2010	Annual Growth Rate Required (01-10)
Wind	2.5 GW	17.2 GW	37.9 %	40 GW	9.8 %
Hydro	87.1 GW	91.7 GW	0.9 %	100 GW	1.0 %
Photovoltaics	0.04 GWp	0.26 GWp	36.6 %	3 GWp	31.2 %
Biomass	44.8 Mtoe	56.5 Mtoe	3.6 %	135 Mtoe	10.3 %
Geothermal	2.72 Mtoe	3.43 Mtoe	3.9 %	5.2 Mtoe	4.7 %

Source: European Renewable Energy Council (EREC; www.erec-renewables.org)



Carbon Finance is a Central Element of the Fund's Strategy

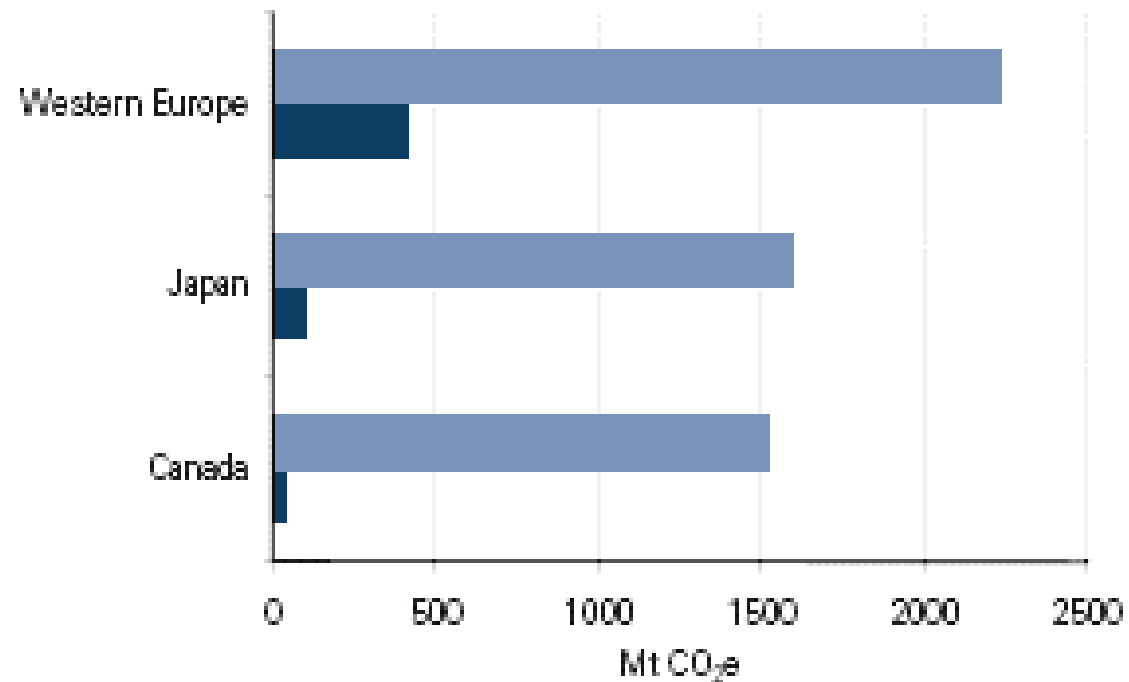
- Forecast global carbon market range from \$10 billion to more than \$1 trillion by 2010.
- Current demand for project credits is estimated to be about \$1.5 billion for up to 225 million tons.
- Kyoto target shortfalls could increase demand dramatically
- Carbon credit supply from Kyoto-based projects is currently limited.
- Early investors in renewable projects to reap higher rewards.



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Carbon Finance is a Central Element of the Fund's Strategy

Kyoto Shortfall to Boost Demand for Credits



Source: Point Carbon

■ Total credit demand ■ Kyoto gap



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Carbon Finance is an Essential Element of Investment Process

- Candidate projects assessed for availability of carbon credits during screening and due diligence process
- ECEF will negotiate the rights to receive carbon credits as part of overall investment decision
- Additional 'carbon cash flow' will enhance overall deal economics
- ECEF will provide technical and managerial assistance to project developers during creation of carbon credit
- Limited Partners to be offered a preferential position with respect to purchase of credits; excess credits sold to external parties
- ECEF monitors emissions reductions and fulfilment of contractual arrangements



Overview of Swiss Re*

- Swiss Re is the world's largest life reinsurer, occupies a top position in the property and casualty market, and offers its clients extended financial services products
- 70 offices in 30 countries, including Eastern Europe and the CIS
- AA S&P long term debt rating; Moody's rating Aa2 (stable)
- 2004 net income of € 1.6 billion from revenues of € 23.4 billion
- Direct insurer to Fortune 2000
- Climate Change is a 'Top Topic'
- Extensive experience in developing the emission and greenhouse gas market



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Swiss Re Environmental Markets Group

■ Group-Wide Responsibility

- First major financial institution to form a dedicated carbon markets unit
- Situated within Client Markets Group
- 4 full time employees (Zurich and New York)

■ Mandate to Commercialize Swiss Re's Sustainability Commitment

- Carbon finance advisory and market development
- Traded and structured carbon market services
- Renewables insurance
- Integrated weather and emissions products

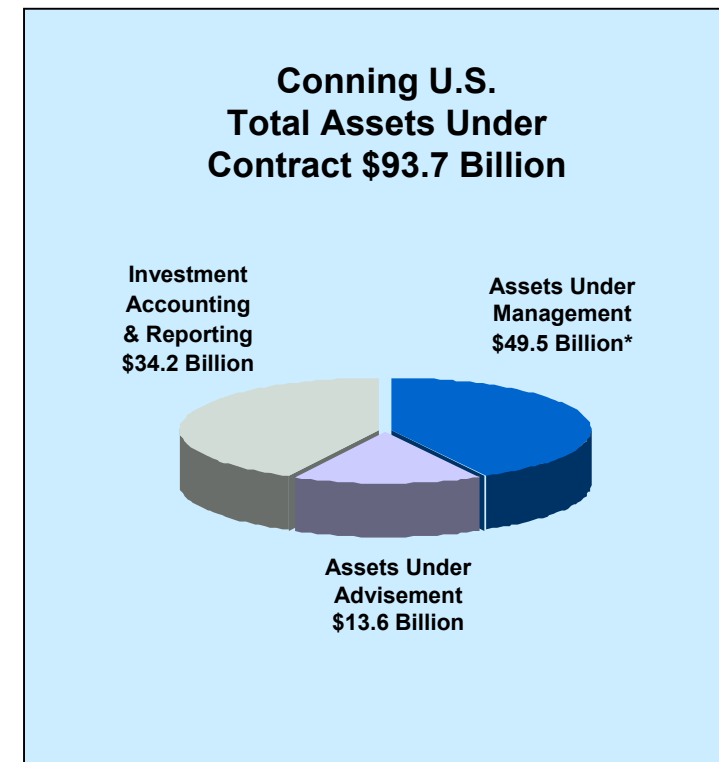
■ A Leading Voice in the Industry

- High profile with regulators, media, market participants
- Extensive network within clean energy/carbon industry worldwide



Overview of Conning Asset Management*

- Founded in 1912. Headquartered in Hartford, Connecticut. Offices in London and Dublin
- A wholly owned subsidiary of Swiss Reinsurance Company acquired in 2001
- 60 investment management professionals and 161 employees with more than 120 institutional clients
- Provides investment advisory, portfolio management and investment accounting & reporting services



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TCW Energy & Infrastructure Group

The Investment Team

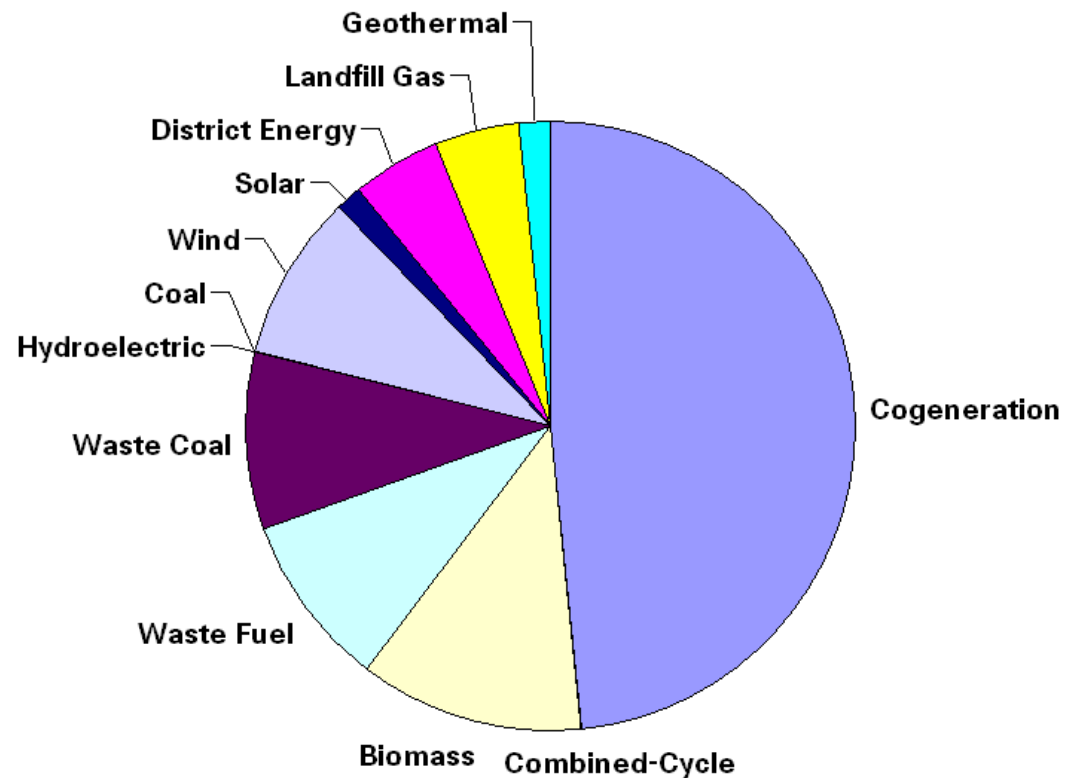
- Experience
 - Eleven funds raised with more than \$4.4 billion in commitments
 - 23-year audited track record of successful energy project investing
 - Record built on fundamental bottom-up credit and cash flow analysis, extensive due diligence, and active portfolio management
- Leader in energy and infrastructure project financing
 - Energy and Infrastructure Group has funded over 150 investments totaling approximately \$3.0 billion, leveraging over \$14.3 billion in total capital
- Cogeneration Fund, a \$694 million fund focused on power investments
- Energy X Fund, \$734 million fund, focused on energy in North America, Western Europe and Australia
- Global Project Fund (GPF II), a leveraged \$700 million Cayman based project fund investing in global energy and infrastructure projects
- Offices in New York, Los Angeles, Washington DC, Houston, and London



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Mezzanine Clean Energy Investments

- TCW has made 44 mezzanine clean energy investments, totaling \$715 million, over the last 20 years
- Technology distribution of these investments as follows:



ECEF Terms of Transaction - Highlights

Main Fund	A European-based fund that invests in clean energy projects throughout Europe
Co-investment Fund	A parallel co-investment fund will co-invest with the Main Fund in all investments in Eastern Europe
Fund Sponsors	Conning Asset Management, TCW Group, Swiss Re
Target Fund Size	Main Fund: € 200 million Co-investment Fund: € 50 million



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ECEF Terms of Transaction – Highlights (Cont.)

Sponsor Investment € 25 million

Initial Term Ten years, two one year renewal options

Investment Period Four years from initial closing



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ECEF Terms of Transaction – Highlights (Cont.)

Initial Closing	4th Quarter 2005.
Target Projects	Projects in Western Europe, Eastern Europe & CIS that are environmentally beneficial and/or generate carbon credits and/or tradable renewable energy certificates. Examples include wind energy, biomass, cogeneration, fuel switching, district heating and electric, efficiency retrofit.
Target Return	IRR:15-20% gross (excluding carbon credit and/or renewable energy certificate cash flows)



ECEF Terms of Transaction – Roles of the Parties

Sponsors	Structuring, documentation and administration of the Funds
Conning	Capital Raising and Investor Relations. Investment Committee Member
TCW	Management of the investment portfolio, including sourcing, evaluating, structuring, documenting and closing Fund investments, ongoing monitoring of Fund investments, and, as necessary, sale or restructuring of Fund investments. Investment Committee Member
Swiss Re	Monetization of carbon credits and renewable energy certificates. Investment Committee Member
Advisory Committee	Made up of significant fund investors to review portfolio valuations and potential conflicts of interest.



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ECEF Strategy

- Investment Type:** Mezzanine investments in self-liquidating projects, with excess cash flow providing equity-style return boost.
- Disciplined Style:** Apply TCW's proven investment process to locate and close quality investments via proprietary sources.
- Project Status:** Favour projects with creditworthy PPAs in place or similar dependable income streams. Preference for projects with 50-70% senior debt
- Avoid Losses:** Thorough due diligence and rigorous monitoring of all projects
- Carbon Credits:** Offer investors a preferential position with respect to purchasing credits. Excess credits sold outside fund



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Appendices

TCW's EIG Team

Arthur R. Carlson

Managing Director and Chairman of TCW Energy & Infrastructure Group responsible for ultimate management of Debt & Royalty Funds I, II, III, IV, V & VI, Cogeneration Fund, General Mills Equity Fund and TCW Global Project Fund. Prior to joining TCW in 1982, Mr. Carlson was Chief Administrative Officer and a Senior Credit Officer and Portfolio Manager of Capital Markets for Prudential Life Insurance Company.

Brian J. Daly

Managing Director and Senior Portfolio Manager of the TCW Cogeneration and Infrastructure Fund. Prior to joining TCW in 1992, Mr. Daly was Project Manager with Axel Johnson Energy, where he was responsible for the firm's independent power development activities and fuel sales to generators. Mr. Daly was an engineer with Long Island Lighting Co., where he negotiated power purchase agreements and designed tariffs for independent power producers and demand side management programs.

Thomas F. Mehlberg

Managing Director of TCW and Senior Portfolio Manager of Debt & Royalty. Prior to joining TCW in 1987, Mr. Mehlberg was affiliated with Citicorp USA in the Utilities Department. Before Citicorp, he was associated with Crocker National Bank as First Vice President and Chief Petroleum Engineer in the Energy and Natural Resource Group.

R. Blair Thomas

Managing Director of TCW and Senior Portfolio Manager of TCW Global Project Fund. Formerly he was a Senior Investment Officer in the Private Sector Department of the Inter-American Development Bank, where Mr. Thomas was involved in all aspects of structuring and negotiating project finance transactions. Prior to working at IDB, Mr. Thomas was a project finance attorney at the law firm of Brown & Wood in New York.



Swiss Re's Environmental Markets Team

Christopher T. Walker

Managing Director and head of Swiss Re's Environmental Markets Unit. An attorney, Mr. Walker, is a member of the California Climate Change Advisory Commission, Environmental Entrepreneurs (E2), on the board of advisors for The Climate Group, the Global Development Bonds initiative of the UN Foundation. Mr. Walker received his BA in Government from St. John's University, and is also a graduate of the St. John's School of Law. Before joining Swiss Re in 1996, he practiced law in New York and New Jersey.

Martin Whittaker

A Senior Vice President at Swiss Re, Dr. Whittaker focuses on investment and risk management products in the renewable energy and carbon markets. Previous to this he was Managing Director with Innovest Strategic Value Advisors, Inc.. He is also an Adjunct Professor at the University of Toronto where he taught environmental finance. He holds a Ph.D. from the University of Edinburgh, an MBA in international finance from the University of London, as well as Bachelor's and Master of Science degrees from, respectively, the University of St. Andrew's and McGill University, Montreal.

Wolfgang Ortloff

Vice President, Greenhouse Gas Risk Solutions since 2002. He has been with Swiss Re since 1998 where he spent 4 years in property underwriting, i.e. structuring and pricing reinsurance contracts. Wolfgang received his diploma in forestry sciences from the University of Freiburg in Germany. He then joined the Swiss Federal Institute for Forest, Snow and Landscape Research as the scientific assistant to the director. He also holds a masters degree in Environmental Management from EAEME (European Association for Environmental Management Education).

Ben Lashkari

Mr. Lashkari is a Senior Vice President in the Corporate Risk Underwriting unit of Risk Solutions at Swiss Re Financial Services Corporation (New York). He is responsible for strategy and new products development within the Power and Technology Industry Practice. Prior to this, Mr. Lashkari was a Senior Vice President in the Credit Solutions and Asset Re units of Swiss Re New Markets (SRNM). He has more than twenty years of experience in capital markets, risk management and insurance/reinsurance. Mr. Lashkari holds a Ph.D. from Stanford University.



Conning Team

Walter J. Blasberg, CFA, is Managing Director and Head of Client Business Development at Conning Asset Management. Mr. Blasberg was with Continental Asset Management for 21 years prior to the firm being acquired by TCW in 1995. He was named President of Continental Asset Management in 1989 and became its Chief Executive Officer in 1994. Previously, Mr. Blasberg specialized in options at Icahn & Co. Mr. Blasberg has addressed many industry groups across the country and has made numerous presentations on asset/liability management for insurance companies. Mr. Blasberg is a graduate of the University of Vermont with a BA in Political Science. He is a member of the New York Society of Security Analysts, The Institutional Options Society, and the Fixed Income Analysts Society.

Alan Hickey is the Managing Director of Conning Asset Management (Europe) Limited, in Dublin and is responsible for managing all aspects of the investment operation in Ireland. Mr. Hickey has worked with Conning since 1996. Mr. Hickey has worked for the last 16 years in many aspects of finance within Insurance and reinsurance including managing Irish, UK and Euro equities as well as IEP and EUR denominated bonds. Mr. Hickey is a graduate of Dublin City University, a management accountant, a corporate treasurer and an alumni of the London Business School Investment Management Program.

Tony Maximchuk, CFA, is a Managing Director and Client Relationship Manager at Conning Asset Management Limited where he is responsible for the development of prospect clients and the subsequent management of client relationships for the U.K., Nordic Region, the Netherlands and Ireland. Prior to joining Swiss Re Asset Management in 1999, Mr. Maximchuk was employed in investment banking, working in institutional bond sales to central banks, government agencies and investment management companies. Mr. Maximchuk earned his MBA from Durham University.

Markus van der Burg is a Client Relationship Manager at Conning Asset Management Limited where he is responsible for developing prospective clients and the subsequent management of client relationships in the Netherlands and Nordic Countries. Prior to joining Conning Asset Management Limited, Mr van der Burg worked as an independent equity investor for three years in Denmark and London after a ten year investment banking career for the London Branch of a major Austrian bank; most recently investing in securities, especially mezzanine tranches of asset backed securities. Mr van der Burg earned his MBA with distinction from the London Business School.



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An investment in the Fund is speculative and involves significant risks, including the risk of loss of the entire investment. These risks include, but are not limited to the following: an investor may lose its entire investment; an investment in the Fund is a long term investment, the interests are illiquid and an investor may not be able to transfer its interest because of restrictions on transferability of interests; any potential return on an investor's investment will be reduced by the Fund's fees and expenses; an investor in default with respect to its obligation to fund required capital contributions may expect to experience material adverse effects on its investment and the Fund may, in its discretion, cause a defaulting investor to share in the Fund's future losses without being entitled to share in the Fund's future profits; and a defaulting investor may lose the right to participate in any investments made after such investor's default. Before deciding to invest in the Fund, prospective investors should pay particular attention to the investment considerations and conflicts of interest contained in the Memorandum. Investors should have the financial ability and willingness to accept the risks associated with an investment in the Fund for an indefinite period of time.

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