

1 Executive Summary

Caherciveen Wind Limited (“CWL” or the “Company”) is seeking a €2.5m investment (the “Tranche B Investment”) for its primary business activity, the Caherciveen Wind Farm (the “Wind Farm”), through the Employment and Investment Incentive Scheme (“EII”). The Tranche B Investment will be effected by qualifying Irish resident investors (the “Investors” or the “Tranche B Investors”) subscribing for Ordinary Shares (“the HoldCo Ordinary Shares”) in a newly incorporated holding company (“HoldCo”), and HoldCo will use all of the investment proceeds to fund the subscription of up to 1,936,618 B Ordinary Shares in the Company at a price of €1.29 each (the “B Ordinary Shares”) and the Tranche B Investment shall (subject to meeting the conditions set out in the Finance Act 2011) qualify for income tax relief. The EII monies raised by the Company will be used to fund the completion and operation of the Wind Farm including debt servicing obligations.

All subscription monies must be received before 21 December 2012. Financial close for this fundraising will be on or about 31st December 2012. Investors who subscribe for the HoldCo Ordinary Shares will have the right to subscribe for future Ordinary Shares issued by the HoldCo in priority to prospective new investors, subject to the terms of the governing agreements. Mainstream Renewable Power Offshore Holdings Limited (“MRPOH”), HoldCo and the previous Tranche A investors shall have the right to subscribe for future share issues in CWL in priority to new investors. This is consistent with EII legislation and does not impact the Investors’ ability to seek to claim tax relief under the scheme.

The legal and beneficial interest in the B Ordinary Shares in CWL will be held directly by HoldCo whose sole activity will be holding shares in CWL and matters associated directly with acting as the holding company for the Investors. HoldCo will be an entity wholly owned by the Investors, and the Investors will appoint directors of HoldCo.

HoldCo’s constitutional documents will provide the power to the directors of HoldCo to subscribe for up to 1,936,618 B Ordinary Shares in CWL and to hold these shares on for the investment term in accordance with the terms of the Tranche B Investment.

Principal features of this investment opportunity

Investment	Investment in ordinary shares in HoldCo, the proceeds of which investment in turn be used by HoldCo to subscribe for B Ordinary Shares of €1.29 each in CWL ranking pari passu with all other shares save for the Maximum Disbursement and Maximum Dividend.
Expected Term**	A minimum of 3 years with a complete expected exit in Year 4
Tax Relief*	30% in year 1 with an expected further 11% in year 4 (41% total)**.

Principal features of this investment opportunity (continued)	
Investor Return*:	At the end of 3 years Mainstream will have the obligation and right to purchase the HoldCo Ordinary Shares from the Investors via a put and call agreement, exercisable at market value. As HoldCo's activities will solely be holding an investment in CWL, its market value will be determined by the rights attaching to the B Ordinary Shares it holds in CWL. The memorandum and articles of association of both HoldCo and CWL will provide that B Ordinary Shares and the HoldCo Ordinary Shares are subject to the Maximum Disbursement and the Maximum Dividend (targeted return of 109% of the original investment). At the targeted return, and assuming top marginal tax rates and all tax reliefs are accessible by the Investor, the IRR would be c. 18%.
Fees	An investment management fee of 1.5% is payable by the Investors to Dolmen/IFG upon maturity. Dolmen/IFG will be paid a success fee on completion of the Tranche B Investment by the Company directly of up to 4.5% of monies raised. Dolmen will be paid a structuring fee in relation to the Tranche B investment.
Minimum Subscription Amount	€25,000.
Maximum Subscription	€150,000. (Please see Appendix II for further details)

*Investors should seek their own professional tax advice.

** The further 11% tax relief can be claimed in the tax year following the end of the 3 year period.

1.1 Investment Overview

CWL is a Special Purpose Vehicle (SPV) whose sole business purpose is the construction and operation of a wind farm for generation of electricity sold onto the Irish National Grid, pursuant to a power purchase agreement with an electricity supplier, Viridian Energy Limited. The operation of a wind farm is a “qualifying activity” for the purposes of the EII legislation and the funds raised by CWL pursuant to the Tranche B Investment will be used to fund this qualifying activity, which shall (subject to meeting the conditions set out in TCA 1997) qualify for income tax relief.

Prior to the issue of 1,384,500 A Ordinary Shares to the EII Investors in December 2011 (“the Tranche A Investment”), CWL was 100% owned by International Mainstream Renewable Power Limited (“IMRPL”), itself a subsidiary of Mainstream Renewable Power Limited (“Mainstream”). Following the Tranche A Investment, IMRPL's shareholding was diluted to 2%.

In April 2012, IMRPL transferred its shareholding in CWL to MRPOH, a wholly owned subsidiary of IMRPL.

CWL has entered into a Design, Construct, Operate and Maintain Agreement (“DBOM”) with Mainstream under which Mainstream provides all services in relation to the design, construction, operation and maintenance of the Wind Farm.