

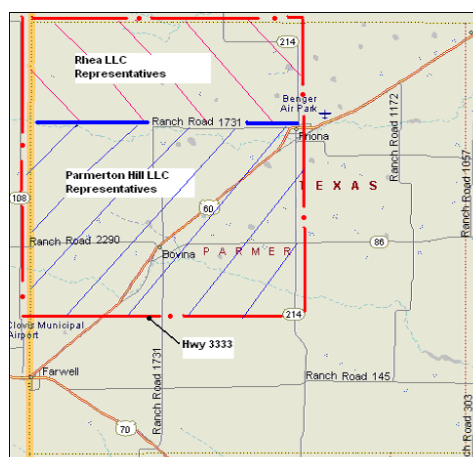


Prepared By Jim Swafford

**Mariah Project Status Report Table of Content**

- The Mariah Project Scope
- The Scandia Wind Southwest Team
- Our First Introduction to Havgul & Alpha Wind Energy
- Building a Strategy and Plan
- Grid Consultant, Get the Best
- Political Strategy, Visit Key Legislators In Austin
- Landowner Meetings
- Forming a Landowners LLC – Update Report
- Land Lease Agreement sent to Landowners
- Landowners Review of Lease by LLC attorney
- Land Lease Negotiation Time Table
- Land Lease Signing Time Table
- Metering and Siting – Update Report
- Public Relations – Admarc Southwest
- Building a Data Base for the Project

**The Mariah Project Panhandle of Texas, Bovina, Texas, Parmer County, Texas**



### **The “Mariah Project” Team**

Jim Swafford – CEO Scandia Wind Southwest

Kay Swafford – Scandia Wind Southwest

Mike Prather – Scandia Wind Southwest and President of XIT Options Inc.

Gina Prather – Scandia Wind Southwest

### **First Meeting with Havgul, Alpha Wind Energy and Premium Wind Coalition**

- February 2, 2009
- Eight separate meetings were conducted during a two day period to introduce Havgul and AWE to our project and landowners.

### **Best Grid Consultant Selected In the State of Texas and Building a Strategy Plan**

- Debbie Lewis R&R Engineering, Austin, Texas, March 10, 2009

### **Political Meetings with Texas State Senators and State Representatives**

- Texas State Capitol Austin, Texas, March 2009
- Harald Dirdal Havgul, Jim Swafford, Kay Swafford, and Mike Prather spent two days visiting Texas state senators and representatives

### **Forming an Landowners LLC – Update Report**

- May 14, 2009 – Mailed Ballots out to elect LLC negotiating representatives
- May 22, 2009 – Counted Ballots and selected LLC negotiating representatives
- May 30 – Harald met with LLC representative for introduction to the Mariah Project. Presenter Mike Prather
- June 1, 2009 – LLC formed “Parmerton Rhea LLC”
- June 2, 2009 – Postcards mailed to all 432 landowners in Mariah Project notifying them of their representatives
- June 5, 2009 – Scandia Wind Southwest presented final land lease agreement to “Parmerton Rhea LLC”
- June 8, 2009 – LLC representatives reviewed Land Lease Agreement and will select a lawyer to represent them in the negotiation process

- June 11, 2009 – Application mailed out to all 432 landowners in Mariah Project with information on how to join.
- June 19, 2009 Personal call campaign was made to all 432 landowners in the “Parmerton Rhea” Mariah Project.
- **June 22, 2009 number of acres signed up in the “Parmerton Rhea LLC” is 32,000 acres.**
- June 25, 2009 homemade ice cream social at the Senior Citizens Building for all “Parmerton Rhea” LLC landowners to give them the opportunity to sign up their land with the LLC.

#### **Landowners Review of Lease by LLC attorney**

- Returned Applications will be processed so landowners can have access to a land lease agreement.
- Landowners are given several days to review land lease and send comments to their representative.
- June 23, 2009 landowners to interview and select an attorney to represent them.
- Representatives meet with Attorney to make LLC’s offer to Scandia Wind.
- Expected date to have Land Lease presented to Scandia Wind LLC for review is the week of July 15, 2009

#### **Land Lease Contract Signing Timetable**

- Expected target date for completion of signing up 1000 MW contiguous (84,000 acres) in Mariah Project is September 15, 2009.
- Expected target date to have 80% (160,000 acres) of Mariah Project signed up November 15, 2009

#### **ERCOT Application**

- June 19, 2009 Scandia Wind Southwest submitted final application for 1000 MW to connect Mariah Project to the CREZ power grid. Application was accompanied by a \$5,000 check to ERCOT. We appreciate the help of Debbie Lewis in the application process

#### **Metering and Siting Update:**

- Alpha Wind Energy has sited turbines on the entire Mariah Project site over 200,000 acres
- Alpha Wind Energy has updated the Bovina 1 wind data tower that measures data at 50, 75 and 100 meters. Bovina 1 tower has approximately 2 ½ years of wind data. This tower is being updated via Klavs Andersen's report.
- Alpha Wind Energy installed wind data equipment on Bovina tower 2 the week of June 12 through June 15. Wind is measured at 75, 100, 125 and 150 meters.
- Alpha wind has plans to install wind data equipment of Bovina tower 3 within the next few months. All equipment has arrived and all booms and support items are in storage.

### **Public Relations**

- Admarc Southwest in Amarillo Texas is the firm we have chosen for our P R. Admarc has released two successful press releases that have given the “Mariah Project” international coverage.
- Admarc Southwest continues building the Scandia Wind Brand Name in the press coverage, news stories, local events and promotional items.
- Admarc, in conjunction with Scandia Wind Southwest, will develop a DVD to send to landowners to encourage them to join the “Mariah Project”.

### **Building Local Relationships by Using Local Resources**

- Scandia Wind Southwest has used local manufacturers, retail, and labor force to build a good relationship with the community, local business and city leaders.

### **Building a Data Base for the Mariah Project**

- Cities Locations
- House Locations
- Land Descriptions
- Land Operators
- Land Owners
- Turbine locations
- Lease Agreements
- Supporting Documents

**Conclusion:**

In just four months, we as a team have accomplished many things. Harald Dirdal's strategic detailed planning has set the pace and goals we need to achieve. Holding landowners meetings throughout the county in both large and small groups gave a personal touch needed to build trust and explain Scandia Wind's business model.

We want to thank Jens Petersen and the AWE staff that mapped the land and sited the turbines giving the Mariah Project its personality and visual presents. Also thanks to the many hours of hard work by Jens and the Scandia Wind Southwest team to update the Bovina 1 tower and get the Bovina 2 mast up and running.

We still have many items to complete in the development phase. We have now done the ground work, planted the seed for the "Mariah Project" and now we must water and make it grow. Even though we will continue to work on other issues our focus must now be on the landowners. Without them we have no Project.

Finally, I want to say what an awesome website we have. I pledge Scandia Wind Southwest's heart and soul in the support to everyone involved.

Jim Swafford  
CEO Scandia Wind Southwest LLC