

Ministerium für
Wirtschaft und Arbeit

Ministerium für Wirtschaft und Arbeit des Landes Sachsen-Anhalt
Postfach 391144, 39135 Magdeburg

SHEC Energy Corporation
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**State Secretary
Detlef Schubert**

**Construction of Works for the Production of Solar Concentrator Modules
in Saxony-Anhalt**

Date: .01.2009
Sign: 21-32310

Dear Mr. Stott,

Processed by: Herrn Namyslo
Tel.: (0391) 567-4492
email

I am happy to confirm that the investment project you are planning is of special interest to the Government of the Federal State of Saxony-Anhalt, and that for this reason we are prepared to give you the full support that is available to us in realizing your project.

(email address only for informal
messages without electronic signature)

Our interest is especially based on the fact that in Saxony-Anhalt – as you are aware – there are already a number of large enterprises from the solar and photo voltaics industry that have settled here. Moreover, based on our experiences in approving and subsidizing these matters, we are certain that we will also create ideal conditions all around for your project.

For the planned project, which includes an investment volume of up to 49 million Euros and the associated creation of 103 permanent jobs in the planned investment period 2010, the following support is possible:

1. Direct Investment Grant:

The Federal State of Saxony-Anhalt is gladly prepared to fund the establishment investment according to Part II of the 36th GA Framework Plan, and the guideline on granting funds under the Joint National and Federal State Program "Improvement of the Regional Business Structure" (MoE Circular Decree of

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Deutsche Bundesbank
Filiale Magdeburg
BLZ 810 000 00
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28.11.2006 – 22-32320-10) with a subsidy rate of up to 50 %, on the condition that the requirements for a small enterprise are fulfilled according to the EU definition of appendix 1 of the general group exemption regulation (ABl. EU 2008 Nr. L 214). Concerning the rate of subsidy, there will be an exemption made from the state specific GA regulations in section 2.1.4 of the regulations within the framework of an isolated case decision. This rate of subsidy contains subsidy values from other public subsidy programs that may be engaged.

Specifically, this subsidy rate also contains the investment grant (to be requested from the Finance Office responsible for the investment location) according to the Investment Subsidy Act 2007 (InvZulG2007) and the Investment Subsidy Act 2010 (InvZulG2010). You are legally entitled to receive these subsidies. They are exempt from tax, and will, for a small enterprise, amount to up to 25 % of subsidizable movable goods of the invested capital, and up to 12,5 % for buildings.

The key prerequisite for approval of this grant is verification of the arranged overall financing and the economic activities of the project. The arranged overall financing scheme must include at least 25 % internal funds that are not subsidized. Land purchases are not eligible for grants.

A legally binding decision concerning the actual amount of the investment grant is conditional on the decision of the Investment Bank Saxony-Anhalt, because all information and data can be verified only in the application process.

The legally binding decision concerning the investment grant is made by the Finance Office responsible.

If, in carrying out your investment, the subsidizable costs should exceed 50 million Euros, then your project is to be categorized as a large investment project according to the *Guidelines for State Subsidies with Regional Target 2007-2013* of the European Commission (ABl. C 54/13 v. 04.03.2006). According to this guideline, no SME bonus is to be granted for projects of this size. The maximum subsidy rate will then be 30 %, and will decline with rising subsidizable costs. The excess granted subsidies would be demanded back or would not be paid. The grant would be reported to the European Commission.

Since funds from the European Regional Development Fund (ERDF) are used to co-finance the Improvement of the Regional Business Structure grant, an application for participation of the European Commission, General Management for Regional Policies, would be necessary in the event that the overall costs exceed 50 million Euros. The respective costs of the application process would have to be carried by your enterprise. We will be happy to assist you with your application.

2. FuE Subsidies:

Additionally, the Federal State of Saxony-Anhalt is willing to subsidize potential FuE projects at the production location of Saxony-Anhalt on the basis of the effective Federal State subsidies guidelines as a project subsidy. This would be financing in the form of shares with a non-refundable or conditionally refundable grant.

The standard subsidy rate for small enterprises is 70% for projects in industrial research, and 45% for projects in experimental development. These rates can be increased by another 15% each in instances of

- cooperation with another independent enterprise or
- cooperation with a non-profit research institute.

The maximum subsidy rate for small enterprises is 80 % for projects in industrial research and 60 % for projects in experimental development.

3. Staff Qualification Subsidies:

a) Choice of Staff and Qualification (before the employment relationship commences)

Together with the job agency responsible, the Federal State of Saxony-Anhalt will, if required, assist you in choosing staff and conducting necessary training sessions before employees are taken over in an unlimited employment contract. Even before the signing of an employment contract with new employees, there is the possibility to train future staff by conveying general knowledge (which would be useful on the job market) in a training session lasting up to twelve weeks. The qualification of management is possible within the framework of further training that is not to exceed five months. The responsible job agency will carry 100% of the costs if personal requirements are given.

b) Staff Qualification (before and after the employment relationship commences)

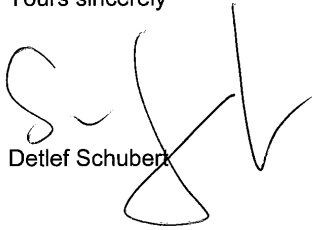
The Federal State of Saxony-Anhalt is also happy to subsidize your investment project in the framework of the grant strategy of the Federal State for the structural fund period 2007 to 2013 with further support possibilities in the choice of staff and the qualification preparation of staff for their tasks within the business. For this purpose, Saxony-Anhalt offers flexible and enterprise-specific support instruments.

The qualification of employees from Saxony-Anhalt will be of central importance during hiring. As an alternative to the extra-occupational qualification, the Federal State is also prepared to ensure financial support for a business oriented staff pool for parts of the future staff subsequent to the job agency's grant possibilities even prior to the actual employment relationship. This will assist a tailored and industry oriented guarantee of qualified staff, and will make a targeted preparation for

the start of the business possible. The subsidy rate varies according to the size of the enterprise and on how specific the qualification is to be.

Finally, I can assure you once again that Saxony-Anhalt is very interested in your project. My staff as well as the staff of the Investment and Marketing Association, Ms Koebcke-Friedrich (tel.: +391-568-9927; mobile: 0151-526 264 64), will give you any support you may need to realize your project.

Yours sincerely



Detlef Schubert