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New Energy Capital Corp. Acquires 16 MW Biomass-Fired Power Generation Facility in Greenville, Maine

Plant Will Be Upgraded to Supply Renewable Energy to New England Market

September 21, 2005, Hanover, NH – New Energy Capital Corp. announced today the acquisition of a majority interest in the Greenville Steam Company (GSC), a 16 MW biomass-fired operating power generation facility in Greenville, Maine. NEC acquired the plant from Hafslund, USA, Inc., a wholly-owned subsidiary of Hafslund ASA of Norway.

New Energy Capital will make a multi-million dollar investment in the facility over the next nine months to improve performance, increase generating capacity, and reduce emissions. After the refurbishment and upgrade, the facility will qualify as a New Renewable Generating Unit under Massachusetts regulations making it eligible to sell “Renewable Energy Certificates” to load serving entities and establishing Greenville as an important source of renewable energy for the New England market.

The Greenville Steam Company power plant has been in operation since 1985 and directly employs twenty four people. The refurbishment and upgrade will create approximately 30 jobs during construction and will ensure the continuing operation of the facility. New combustion and controls technology will be supplied by Energy Products of Idaho, Inc. and Mobotec USA, Inc. of Walnut Creek, California. Fastco, Inc. of Lincoln, Maine will provide installation services.

Scott Brown, Chief Executive Officer of New Energy Capital, commented: “The refurbishment and upgrade will significantly reduce plant emissions, allowing Greenville Steam Company to help fill the growing demand for clean, renewable energy in the Northeast. We are fortunate to inherit an excellent management team and workforce, and we appreciate the support that the State of Maine and the Commonwealth of Massachusetts are providing to maintain jobs and supply clean power to the region.”

New Energy Capital’s Chief Financial Officer, Dan Goldman, commented: “The Greenville project represents an ideal addition to our portfolio of clean energy projects. We are pleased to play a role in further diversifying New England’s energy mix and look forward to strategically expanding our portfolio in the region.”

Ray Kusche, President of Greenville Steam Company Operations, said: “I am excited to be working with New Energy Capital as we write a new chapter in the life of the Greenville Steam Company. This investment will be good for our employees at the facility, good for the Town of Greenville, good for Maine, and good for our environment.”

The refurbishment and upgrade of the facility is expected to be completed by mid-2006.

New Energy Capital Corp. (www.newenergycapital.com) is a New England-based company that invests in, owns and operates renewable energy and distributed generation projects. NEC has investments in ethanol and biodiesel production, on-site cogeneration, and biomass-fired power generation. The Company is funded by VantagePoint Venture Partners (www.vpvp.com) one of the nation's largest and most active venture capital firms, and the California State Teachers' Retirement System (CalSTRS).