



FINANCIALS
FOR
MATAGORDA COUNTY POWER PROJECT
PHASE ONE
OF
IDFS, INC. 6.7 BILLION POWER AND SYNCHRONIZATION PROJECT
IN
TEXAS URBAN TRIANGLE

FINANCIALS

PART ONE: PREAMBLE:

The Financials which are presented below will only provide Financial details for the Combined-cycle Power production facility and the income stream which will be created by the 600MWe of Natural-gas fired electrical production.

PROJECT FUNDING REQUEST: The total amount of funding requested for the **IDFS, INC.** project is: **US \$6,700,000,000.00.**

The first disbursement will be in the amount of **\$700,000,000.00 (Seven hundred million)**, to be used as follows:

A. \$200,000,000.00 will be deposited in the **A/E Construction Account of AscenTrust, LLC. at JPMORGAN-CHASE.**

These funds represent the total Project Management Fees charged by **AscenTrust** for the Management of all facets of the projects involved in this very complex Energy Project. These funds will be used as needed to ensure the expeditious advancement of every phase of the projects.

B. \$500,000,000.00 will be deposited in an Escrow or Trust Account at **Merrill-Lynch/Bank of America.** During the licensing, permitting and construction phase of the projects these funds will only be used to supply proof of financial capabilities for the licensing and construction of the Combine-cycle power plant, the Solar Farm and the Wind Farm. At the end of the Construction period the Funds will be used by our Energy Trade Group to Supply power to our Retail outlets.

C. The balance of the Funds will be distributed as needed.

The total amount of funding is expected to be available in tranches. However, in order to minimize the number of assumptions used and to minimize the complexity of the Financials calculations we will be assuming that the total amount of the Investment is **Equity** and we will be using a ten year due date on the whole amount.

The spreadsheet and financials to follow refer only to the 600 MWe, Combined-Cycle power production facility. The Financial for the Wind Farm, the Solar Farm, the Energy Trading and the Synchronization Project will add a considerable amount to the Cash Flow to our Project. Both of the Green Energy portions of the project will qualify for **Federal Funds** from the **Infrastructure Bill** which has just been passed by Congress. We will be licensing our first project as an **Independent Power Producer** in the State of Texas and we will be using the first site in Matagorda County, Texas as a prototype **Dispatchable**, Green Energy, Electrical Production Facility. This prototype Energy Production Project can be repeated on any appropriate piece of property in Texas. All other production facilities in Texas will have a common equipment list and will be constructed using the same construction manual and the same subcontractors. The Senior Engineer of **AscenTrust, LLC.** has a long working history with the majority of the Engineers, contractors and Construction Management Organization to be used on these Power Projects.

The Construction spreadsheet will be followed by a synopsis of the income for the power plant for the ten years of the

Investment.

TWO, SECTION EIGHT: FINANCIALS

PLANT 1, PART ONE: IDFS, INC. Matagorda Power, Inc.: CAPITAL EXPENDITURES AND REVENUE STREAM (In \$1,000.00)

This Power Generating Facility will be located in Matagorda County, Texas on a property known as the Sliva/Milberger Ranch This spreadsheet outlines the Capital Expenditures and the revenue stream of the power plant (600 Mwe-Nominal) broken down into yearly quarters

PART ONE: CAPITAL EXPENDITURES												
	Escrow	Qtr-1	Qtr-2	Qtr-3	Qtr-4	Qtr-5	Qtr-6	Qtr-7	Qtr-8	Qtr-9	Qtr-10	Qtr-11
I- Matagorda Power, Inc.												
Incorporation	250	250										
Operations On Site		250	250	250	250	250	250	250	250	250	250	250
Corporate Op. in Spring	250	250	250	250	250	250	250	250	250	250	250	250
Licensing as I.P.P.		250	250	250	250	250	250					
II-Site Acquisition	8,500	80,000										
III Site Engineering												
Street/Utility Design		500	500	500								
SWPPP		200	200									
IV Building Design												
Power Plant	1,000	900	900	900								
Office Buildings	200	900	900	900								
V Equipment Acquisition												
Gas Turbines		200,000	200,000									
HRSG		75,000	75,000									
Gas Turbine Balance of Plant			50,000	50,000								
Distributed Control System			1,000	1,000	1,000							
Transmission Voltage Equipment			6,000	6,000	6,000							
VI Licensing and Permitting												
Power Plant Permit		400	500	500								
VII Civil Construction												
Site Work				500	500	500	500					
Utilities/Water&Sewer				500	500	500	500					
Utilities/Electrical&Gas				500	500	500	500					
Concrete				500	500	500	500					

	Roads, Parking, Walkways				500	500	500	500					
VIII Building Construction Including Office													
1	General Conditions		2,000	2,000	2,000	2,000	2,000	2,000	2,000	2000	2000	2000	
2	Site work		250	250	250								
3	Concrete/Masonry		250	250	250	250	250	250					
4	Metal					250	250	250					
5	Wood/Plastic						250	250	250				
6	Thermal Protection						250	250	250				
7	Doors/Windows							250	250	250			
8	Interior Finish/Furnishings									250	250	250	
9	Fixed Equipment/Elevator							10,000	10,000	10,000	10000	10000	
10	Fire Suppression							500	250	250			
11	Plumbing							250	250	250			
12	Heating/AC/Ventilation							2,000	2,000	2,000	2000		
13	Electrical							3,000	3,000	3,000	3000	500	
14	Exterior Finish							500	500	500	500	500	
15	Instrumentation							2,000	2,000	2,000	500	500	
IX Off-Site and Connection Costs													
	Transmission interconnection					2,000	2,000	2,000	1,000				
	Natural gas interconnection					2,000	2,000	2,000	500				
	Water and Sewer Installation					1,000	1,000	1,000	500				
X AscenTrust, LLC. General Conditions													
	Construction management				2,000	2,000	2,000	2,000	2,000	2000	2000	2000	
	Insurance/Workmans Comp		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1000	1000	1000	
	Spare Parts & Materials					2,000	2,000	2,000	2,000	2000	2000	2000	
	Contingency:			5,000	5,000	5,000	4,000	4,000	3,000	2000	2000	1000	
	Third Party Accounting/Fund Control		400	500	500	500	500	500	500	500	500	500	
	Legal Fees		1,000	500	400	300	300	200					
	Consulting Fees		1,000	1,000	500	500	500	500	500	500	500	467	
Totals for Construction		10,200	364,800	346,250	74,950	29,050	21,550	39,950	32,250	29,000	26,750	21,217	
Cumulative		10,200	375,000	721,250	796,200	825,250	846,800	886,750	919,000	948,000	974,750	995,967	995,967
Interest on Credit Line			2,813	5,409	5,972	6,189	6,351	6,651	6,893	7,110	7,311	7,470	62,167
Loan total Including Interest payments to 30 Months: \$1,058,134,000.00													1,058,134

PART TWO: FINANCIALS FOR RETURN OF INVESTMENT

1. Income from Bay City Power Plant (Combined-cycle only):

- 600 MWe, Natural-Gas fired, attached to a proper, existing node to the Texas Grid.
- We project that each plant will be operational in the 30th month after the initial launch the particular project.
- **Gross Income** from 600MWe power plant on the Grid at today's price of five and a half cents per kilowatt hr. of production, at baseload or 720 hours per month is:
600,000 Kwe-hr. x .055/Kwe-hr = \$33,000.00 per hr. of production
- \$33,000.00 per Hr x 720 hrs per month = \$23,760,000.00 per month.
- **Net Income:** In the first five years of operations the majority of the operating expenses will be related to the cost of natural gas. We can therefore set the maximum operating cost at \$0.022 per KWe-hr. This cost figure leaves us with \$0.033 per Kwe-hr of net Income (This translates to \$33.00 per megawatt-hr). The net monthly income after expenses will be:

\$23,760,000.00 per month x .66 = \$15,681,600.00 per month

\$15,681,600.00 per month x 6 months = \$94,089,600.00 for the first year

\$15,681,600.00 per month x 12 months = \$188,179,200.00 per year.

\$188,179,200.00 x 7 years = \$1,317,254,400.00

Total Income for first Power Plant for life of Investment _____ **\$1,411,344,000.00**

2. Income from \$500,000,000.00 Trust Account;

After the Construction phase of the project, the Trust Account will be used primarily to issue Financial Instruments acting as Guarantors for our Energy Trading Platform and our Energy Retailing Company. We project the minimum **ROI** on the Five hundred Million to be 20% per year. We will therefore set the value of the Fund at the end of the tenth year as **\$1,000,000,000.00**.

3. ACCUMULATED INCOME

For the life of the Investment we are going to assume that the tax structure will be arranged so that we do not have any Federal Tax owing on the Income generated in the last five years of the loan. As far as the State is concerned we have no tax liability because the State has no Income tax. On the issue of property Tax, we will be negotiating property tax abatement from each County where we will be building the power production facilities. We will only select sites that are in Counties which will give us at least 30 years of total tax abatement. For the first power project in Matagorda County we will be getting the same tax abatement which the County gave to **Tenaris**. **Tenaris** is the global leader in the manufacturing of seamless steel piping and have built a large plant outside of Bay City, Matagorda County, Texas. **Tenaris** was given 60 years of Tax abatement in Bay City and 50 years in Matagorda County. We have already negotiated the property tax abatement with Michael Ferdinand, the Matagorda County Executive Director of the **EDC**.

All of the accumulated income from the production of electricity from the 600MWe power plant will be deposited in a Special Account at **Merrill-Lynch (Bank of America) or JPMorgan CHASE**. We are not relying on any income which will be produced by these funds.

Total Income for first Power Plant for life of the Investment _____ \$1,411,344,000.00

Cash in Trust Account _____ \$1,000,000,000.00

Total cash on hand at the end of the tenth year _____ \$2,411,344,000.00

Financing Value of hard Assets at the end of tenth year _____ \$1,000,000,000.00