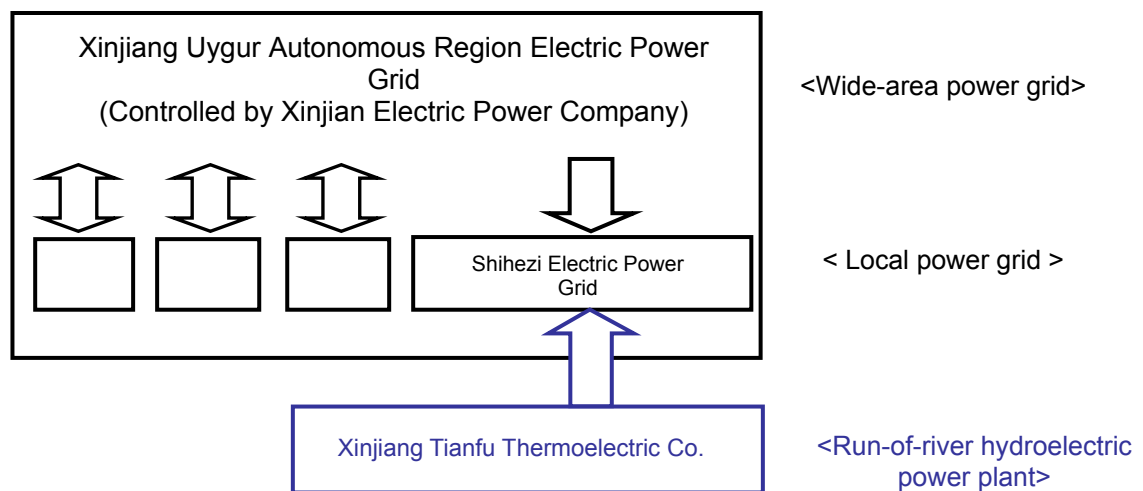


An Overview of the Hydroelectric Power Generation CDM Project in China

1. Overview

- Xinjiang Tianfu Thermolectric Co., Ltd., a Chinese power and heat supply company, will construct a run-of-river hydroelectric power plant with a total capacity of 50,000 kW (9,000 kW x 2 units, and 16,000 kW x 2 units) in Shihezi city of the northern part of Xinjiang Uygur Autonomous Region, and supply the electricity generated by the wind power plant to the Shihezi Electric Power Grid, a local power grid.
- A part of the electric power in this grid is supplied by Xinjiang Uygur Autonomous Region Electric Power Grid, a wide-area power grid. With this project, part of the electricity now supplied to the Shihezi grid will be replaced by hydroelectric power generation, and consumption of fossil fuels in both Shihezi and Xingjian Electric Power Grids will be reduced. Consequently, CO₂ emissions are expected to be reduced by about 1,370,000 tons during the period through the end of 2012.
- TEPCO plans to purchase in its entirety as carbon credits.

[Scheme of the CDM project in China]

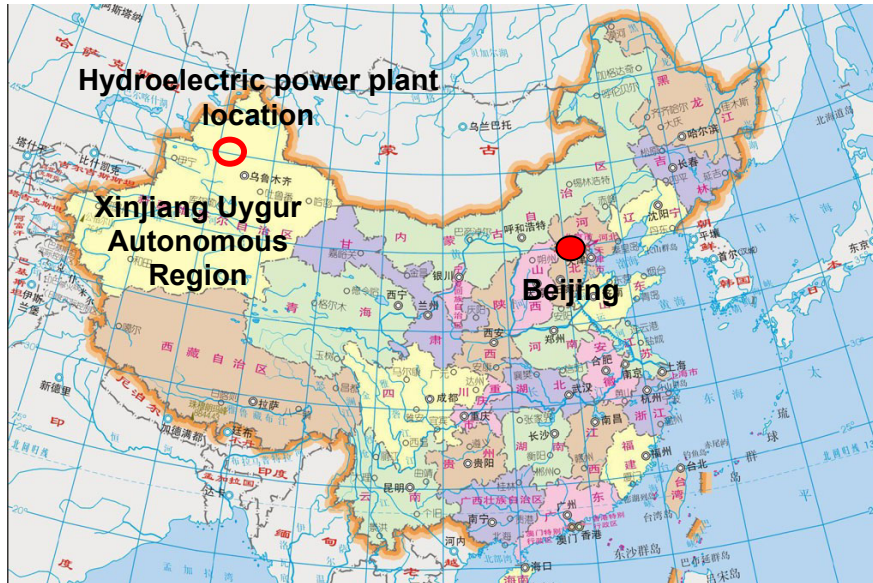


2. Starting date

Operation is scheduled to start in May 2007.

3. Location

Suburb of Shihezi, Xinjiang Uygur Autonomous Region in the northwestern part of the People's Republic of China



Source: the Chinese State Bureau of Surveying and Mapping

4. Power generation facility

Two units each of 9,000 kW and 16,000 kW hydroelectric turbine power generators will be installed for the total maximum capacity of 50,000 kW.

5. Expected amount of CO₂ emissions reduction

The equivalent of about 1,370,000 tons of CO₂ emissions

<Total in the five-year-and-eight-month period between May 2007 to the end of 2012>