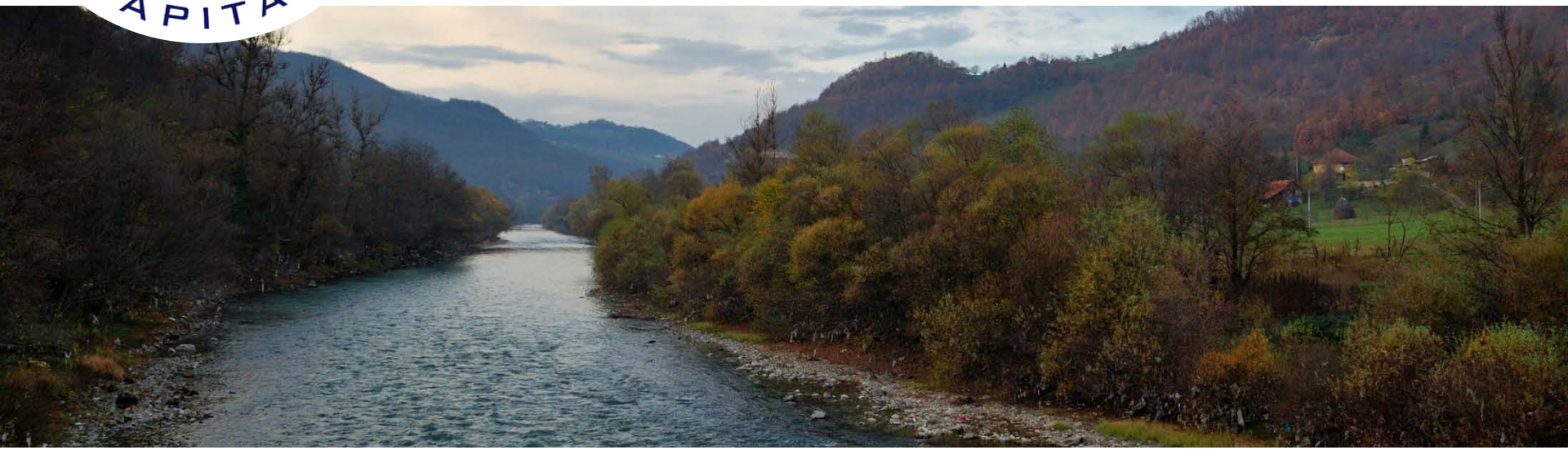




TSX-V: REO

# RENEWABLE ENERGY IN SOUTHEAST EUROPE



June 2010



# Forward Looking Statements

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This presentation contains forward-looking statements and factual information that are current as of the date the presentation was originally delivered. Reservoir Capital Corp., and its subsidiaries disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements include, but are not limited to, statements with respect to the timing and amount of estimated future development activities, expenditures, permitting, and requirements for additional capital and access to data.

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# Company Overview

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- Reservoir Capital Corp (REO.V) is a hydro-focused renewable energy company based in Southeast Europe, with a development portfolio comprising of 88 MW of hydroelectric projects in Serbia and identification of an extensive development pipeline.
- Brodarevo 1 (25MW) and Brodarevo 2 (30MW) are undergoing pre-feasibility studies with potential to increase in scale, while Vrutci (33MW) is still in the application phase.
- 4 exploration permits for geothermal energy in Serbia, covering 115.5 km<sup>2</sup>.





# Why Hydro Power?

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- Clean, safe, no fuel, reliable, renewable and provide long-term cashflow.
- A proven technology in use for over a century and currently providing about 20% of the world's electricity.
- Consumption is expected to double by 2030, primarily in developing countries, which is also where there is still hydro development potential.
- Grids love hydro – can switch it on and off, call the power when most needed and with the right set-up, put power back when the grids are overloaded.





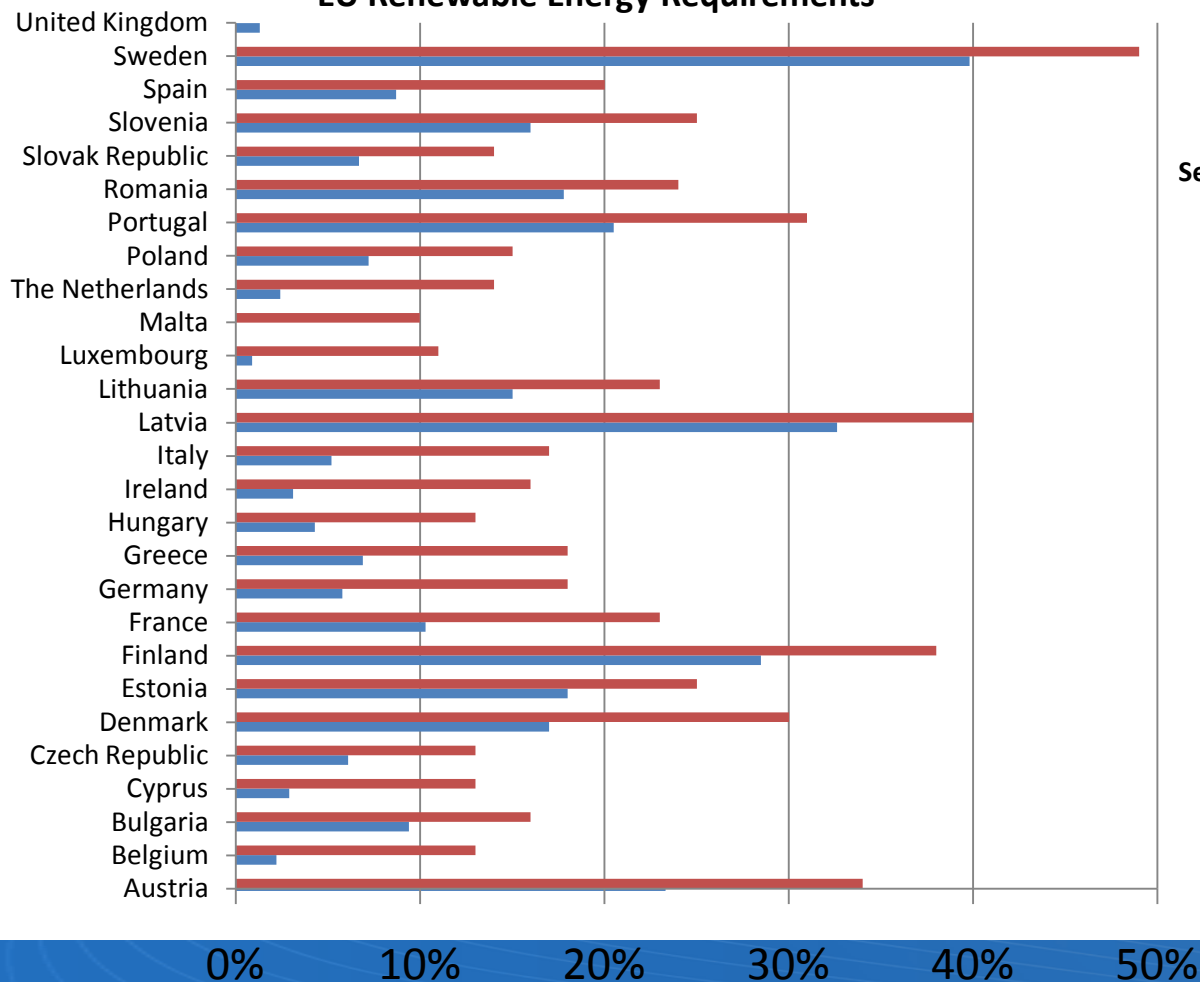
# Why Southeast Europe?

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- The EU wants 20% of its power from renewable sources by 2020.
- Predominance of wind and solar (intermittent power), so 33% of the power base (currently 16%) needs to be renewable to get to the 20% production target.
- Utilities and grids need hydro projects to maintain grid efficiency. Central and Southeastern Europe is the only place left with significant undeveloped potential.
- Most of Southeast Europe is in or joining the EU and there is already a free trade agreement managed by the EU covering the regional grid.
- Most countries have preferential feed-in tariffs and credits for renewable energy. Attractive energy pricing by North American standards.
- Italy plans to fulfill part of its EU renewable energy obligations by investing in the Balkans and has signed bilateral deals with Montenegro, Bosnia and Serbia.

# Attractive Incentive Programs

## EU Renewable Energy Requirements



**Serbia** – preferential rates guaranteed for 12 years, €110/MW for geothermal and €110-€150/MW for hydro (<10MW). Bilateral agreement to export green energy to Italy.

■ Share required by 2020

■ Share of renewables in 2005

# Reservoir Capital Strategy



- Mission: To build a profitable renewable energy company in Southeast Europe.
- Active development pipeline of 88MW of hydro projects in Southwest Serbia.
- Form strategic partnerships to facilitate the development of Serbian projects.
- Organic growth plans in Serbia, Bosnia and Montenegro.
- Adding geothermal projects to the portfolio.



# Project Overview



## *Hydro - Portfolio*

### **Brodarevo 1 – Run of River (Lim River, Serbia)**

- 24.6MW Optimized Design
- Design Flow of 143m<sup>3</sup>/s
- Head of 21.5m
- 43.65% Capacity Factor
- GWh/year 96.97

### **Brodarevo 2 – Run of River (Lim River, Serbia)**

- 30.6MW Optimized Design
- Design Flow of 150m<sup>3</sup>/s
- Head of 28m
- 44.2% Capacity Factor
- GWh/year 123.41

### **Vrutci Project - Storage (Djetinja River, Serbia)**

- 32.9MW Base Design
- Designed Flow of 143m<sup>3</sup>/s
- Head of 203m with an existing 77m high control structure with storage of 54,000,000m<sup>3</sup>
- Net Annual Production 42.23GWh, capitalizing on peak pricing



Brodarevo Dam Location

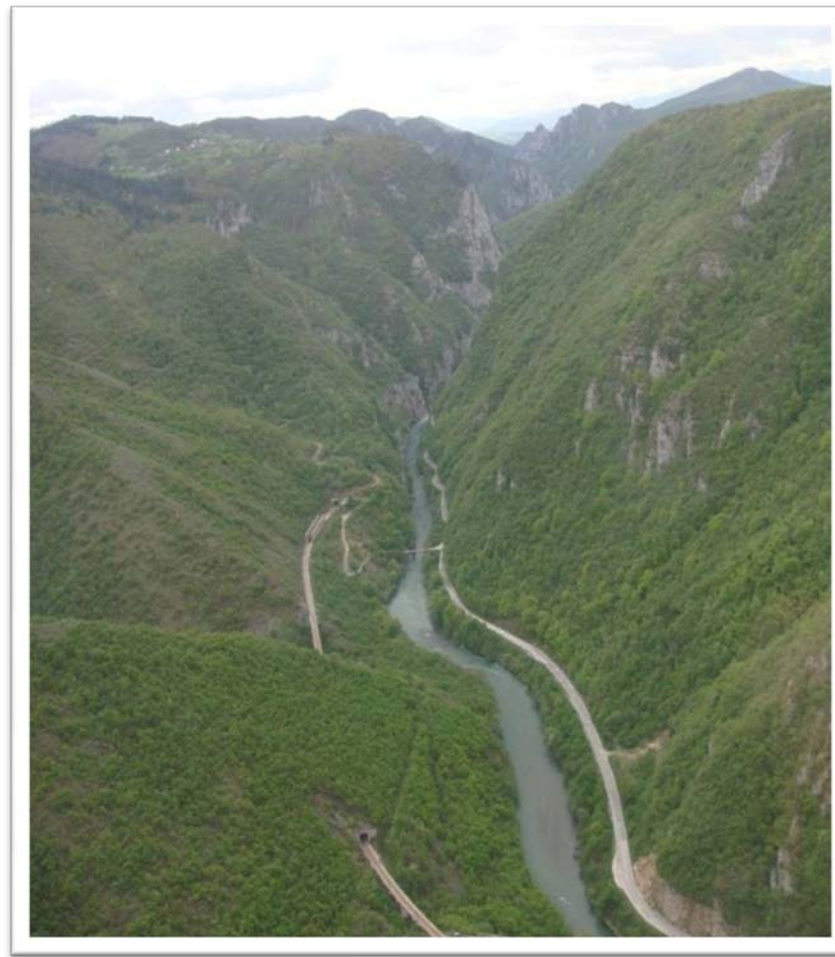


Vrutci Location



# Brodarevo 1 and 2 Projects

- Pre-Feasibility studies nearing completion. Dam sites and conceptual designs defined, detailed engineering and costing in progress.
- Optimization has increased capacity to 55MW (was 48MW), with estimated production of approximately 220GWh/yr (was 189GWh/yr).
- Framework agreement signed with Torno Global Contracting SpA (Italy) to acquire 20% interest and provide support with construction, power purchase agreement, permitting, and project financing.



# Vrutci



- Existing 240m-long, 77m-high dam. Water reservoir contains 64Mm<sup>3</sup> and is surplus to the requirements of the town of Uzice for which it was built.
- An Energy License application has been filed with the Ministry of Energy, prepared with and supported by local community and State grid company.
- Phase-1 divert part of discharge for hydro-power. Phase-2 build second dam and create a peak power, storage facility.



# Project Overview



## *Geothermal- Active Portfolio*

### **Vranjska Banja – southern Serbia**

- Permit covers 17.5km<sup>2</sup>
- 2 existing geothermal wells in the area
- Geothermal resources indicate:
  - Flow rate of approx. 25 l/sec
  - Outflow temp. range of 83 °C- 105 °C

### **Vojvodina Province – northern Serbia**

- 3 exploration permits:
  - Banatsko Arandjelovo (48km<sup>2</sup>)
  - Aadorijan (22.5km<sup>2</sup>)
  - Kutusina (27.5km<sup>2</sup>)



Existing Geothermal Well in the Vranjska Banja area

# Strong Management

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- **Miles Thompson**, *Executive Chairman* – ex-Gold Fields, +25 years natural resource project management and M&A in emerging markets.
- **Miljana Vidovic**, *President* – ex-Manager Business Development for Tractebel Engineering (EDF Suez Group) in Southeast Europe.
- **Milan Cusic**, *Deputy Director REV Serbia* – engineer with +15 years with Serbian State Utility, most recently as Chief Hydro Engineer. Responsible for the Company’s hydro projects.
- **Aleksandar Obrenovic**, *Director SEE Serbia* – geologist with +20 years experience in natural resource sector, ex-Geological Survey. Responsible for the Company’s geothermal projects.
- **Alain Dumont**, *Chief Consulting Engineer* – 20 years developing energy projects with Electobel (EDF Suez Group) throughout Europe.
- **Chris MacIntyre**, *Vice-President, Corporate Development* – ex-Universal Power Corp.
- **Momo Malis**, *Consulting Engineer Bosnia* - +30 years with Bosnian State Utility.
- **Zoran Rakic**, *Geothermal Consultant* - +20 years with Naftagas, Serbia.
- **Mike Carter**, *Hydro Development Consultant* – First Green Energy, ex-Regional Power.
- **Anthony Allen**, *Business Development Consultant* – ex-Weston Solutions, energy and environmental consultant.

# Capital Structure



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Issued Shares	30.6 M
Options	2.94 M
Warrants	14.1 M
Fully Diluted Shares	47.6 M
Cash Position	~\$3.0 M
Management Ownership	4.8M (11%)
Reporting Shareholders	6.3M (14%)
52 Week H/L	\$ .1.07/.22

- Treasury sufficient to fund through 2010; Feasibility Studies on Brodarevo, Pre-Feasibility Studies on Vrutci and geothermal exploration programs.



# Reservoir Capital Investment Case

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- Growing hydropower development portfolio.
- Opportunities for both significant organic and acquisition-led growth.
- Negotiating strategic partnership with Torno to facilitate the development of Serbian projects.
- Growing regional political, technical and financial support to ensure execution.
- EU goal for 20% renewable power driving preferential tariffs and valuations.
- Diversification and growth opportunity into geothermal energy.