



**Advanced Hydro Solutions  
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**“GREEN” ELECTRIC POWER GENERATION FROM EXISTING DAMS ENHANCED BY INVESTMENT PARTNERSHIP.**

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**FOR IMMEDIATE RELEASE**

(May 7, 2010) Cleveland. Advanced Hydro Solutions LLC of Fairlawn, Ohio announces a new partnership with CapitalWorks LLC of Cleveland. This partnership and infusion of equity capital will allow Advanced Hydro to finish the development and construction of four hydroelectric projects, at a projected cost of \$125 million, scheduled for completion by the end of 2013. The sites are well along in the licensing process with the Federal Energy Regulatory Commission. The partnership expects its first license to issue this summer. All four of the sites are located in the PJM Transmission Grid on existing US Army Corps of Engineers dams.

Advanced Hydro began working on licensing for these projects in 2004. As it approached the final stages, the company solicited investment offers from nine groups in both the United States and Canada to finance the projects. “I’m delighted that CapitalWorks has joined forces with us; they share our commitment to building shareholder value, producing above market returns for shareholders, and conscientiously protecting the environment”, said Rocco Di Lillo, Chairman of the Board of Advanced Hydro. “In addition they bring their collective business and financial experience to our endeavors.”

Hydroelectric power systems provide the consumer with a less expensive source of electricity, compared to wind and solar power. “Wind and solar have been in the headlines lately,” says Di Lillo, “but if you analyze the cost of renewable energy, the economic and environmentally savvy consumer would want all the hydroelectric power available. After the construction investment is paid for, the cost of electricity generated is relatively low. Plus, the power continues to be produced, for generation after generation.”

The company is led by its two key executives: David Sinclair, President and Cliff Phillips, CFO, who have focused on selecting and developing the most financially attractive hydro sites.

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“We are retro-fitting existing dams,” said Sinclair, “that were originally built for flood control or other purposes. We are creatively adding proven and reliable hydro technology to generate ‘green’ renewable energy from existing structures.”

Dick Hollington, President of CapitalWorks will join the board of Advanced Hydro Solutions. “CapitalWorks likes the Advanced Hydro investment opportunity because there are strong economic, political and environmental tailwinds for hydro projects in the eastern part of the United States”, says Hollington.

Advanced Hydro Solutions creates hydroelectric facilities that provide environmentally friendly, economic electricity. The company develops and redevelops existing dams in North America that can be converted and upgraded to electrical generation cost effectively. Advanced Hydro also provides consulting services that assist clients in evaluating and quantifying potential sites.

CapitalWorks, LLC. is a Cleveland, Ohio based investment firm operating private equity and hedge funds with approximately \$125 million under management. CapitalWorks was founded in 1999 and has been focused since inception on making investments in lower middle market companies that have significant opportunity to create value for its investors. CapitalWorks private equity team members include Robert McCreary, John Mueller, Dick Hollington and Todd Martin.

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