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Brazil has adopted an energy reallocation mechanism ("MRE") in an effort to mitigate the risks faced by hydro-electric generators due to variations in river flows, the centralized management of generation and of generation of use of water reservoirs by the National Grid Operator. Under Brazilian law, each hydro-electric project that is eligible and has elected to participate in the MRE is assigned a determined amount of "assured energy," according to an energy supply risk criteria defined by Brazil's Ministry of Mines and Energy based on the historical river flow records. Pursuant to the MRE, all participating projects are entitled to their assured energy, irrespective of the volume of electricity generated by them as a result of the transfer of the surplus energy from those who have produced in excess of their assured energy to those that have produced less than their assured energy. Also, we cannot be assured that our projects participating in the MRE will in the future receive their full revenue payment allocation. Participating projects are subject to decreases in their energy entitlement in the event the pool of participating projects fail to meet the aggregate specified "assured energy" production across the entire pool. In addition, in order to continue to remain in the pool of projects participating in the MRE, hydro-electric projects are required to satisfy certain minimum operating performance requirements in terms of generated energy. In the event that any such project fails to meet such requirements, it is no longer eligible to participate in the MRE and would generally only be able to receive revenue for energy that it actually produced under its PPA. The 41.8 MW project known as ESPRA that is included in our initial product portfolio has been unable to meet its minimum operating requirements due to the ongoing drought in Brazil and is no longer eligible to participate in the MRE. As a result, we cannot provide any assurance that all of our Brazilian hydro-electric projects will continue to receive revenue based on their "assured energy" rating or otherwise be eligible to participate in the MRE or that the failure to continue to be eligible to participate in the MRE will not materially and adversely affect our business, financial condition, results of operations and cash flows.

**Changing laws, rules and regulations and legal uncertainties in India may adversely affect our business and operations.**

The business and operations of our projects located in India are governed by various laws and regulations, such as the Electricity Act, 2003, National Electricity Policy, 2005 and National Tariff Policy, 2006, corporate, environmental and labor laws and other legislation enacted by the Indian government and the relevant state governments in India. The business and financial performance of our Indian operations could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to our Indian operations. For example, the Indian government recently adopted a new company law framework, which, among other things, imposed significant and new corporate governance requirements, accounting policies and audit matters and certain spending requirements for corporate social responsibility activities in the event a company's net worth or turnover meets the prescribed thresholds. The Indian government also recently adopted new legislation to facilitate the acquisition of land in India, which may affect our Indian subsidiaries, including provisions stipulating restrictions on acquisition of certain types of agricultural land and compensation, rehabilitation and resettlement of affected people residing on such acquired land. There can be no assurance that the Indian government or any state government in India will not implement new regulations and policies which will require our Indian subsidiaries to obtain additional approvals and licenses or impose onerous requirements and conditions on their operations. Any such changes and the related uncertainties with respect to the implementation of regulations may have a material adverse effect on our Indian projects and our business, financial condition and results of operations.