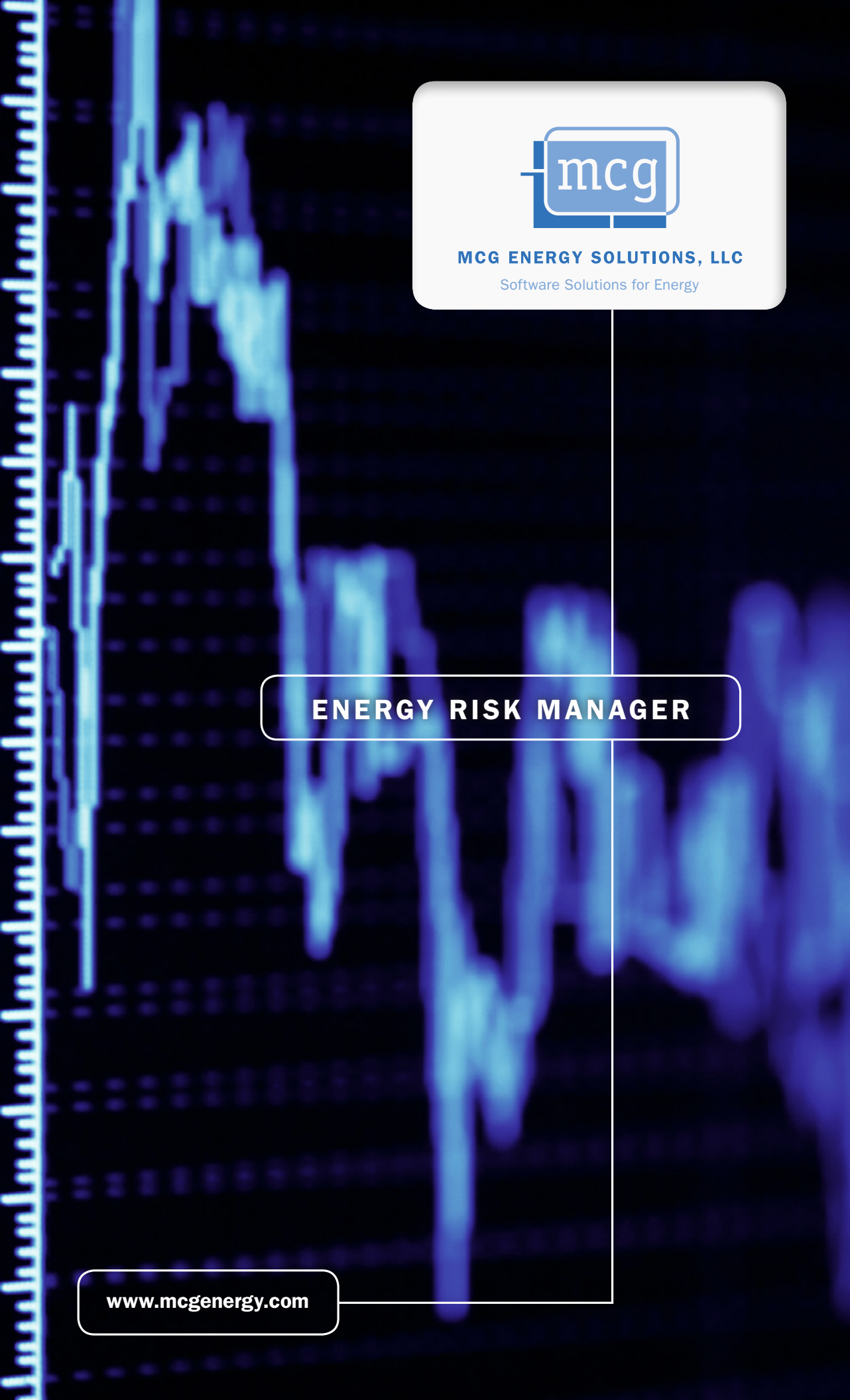


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MCG ENERGY SOLUTIONS, LLC

Software Solutions for Energy

ENERGY RISK MANAGER

www.mcgenenergy.com

MCG'S ENERGY RISK MANAGER (ERM)

MCG's Energy Risk Management (ERM) provides a comprehensive real time picture of complex gas and power portfolios as well as risk metrics and limits that ensure compliance with your organizations risk policy. ERM enables arbitrage traders and utility merchants to quantify and manage forward exposure with a rich set of reporting and risk metrics.

KEY FEATURES

POSITION MANAGEMENT: Provides a strategic portfolio wide position view, all the way down to hourly granularity at a delivery point. Combines load, generation, physical and financial transactions to provide a comprehensive power position. Incorporates gas positions down to the day/delivery point granularity.

MARK TO MARKET: Multi-dimensional realized and unrealized P&L analysis by commodity, book, sub book, trader, trade, counterparty, asset and load. P&L attribution including option greeks and price changes and to view changes across multiple time periods including inception, year to date and month to date.

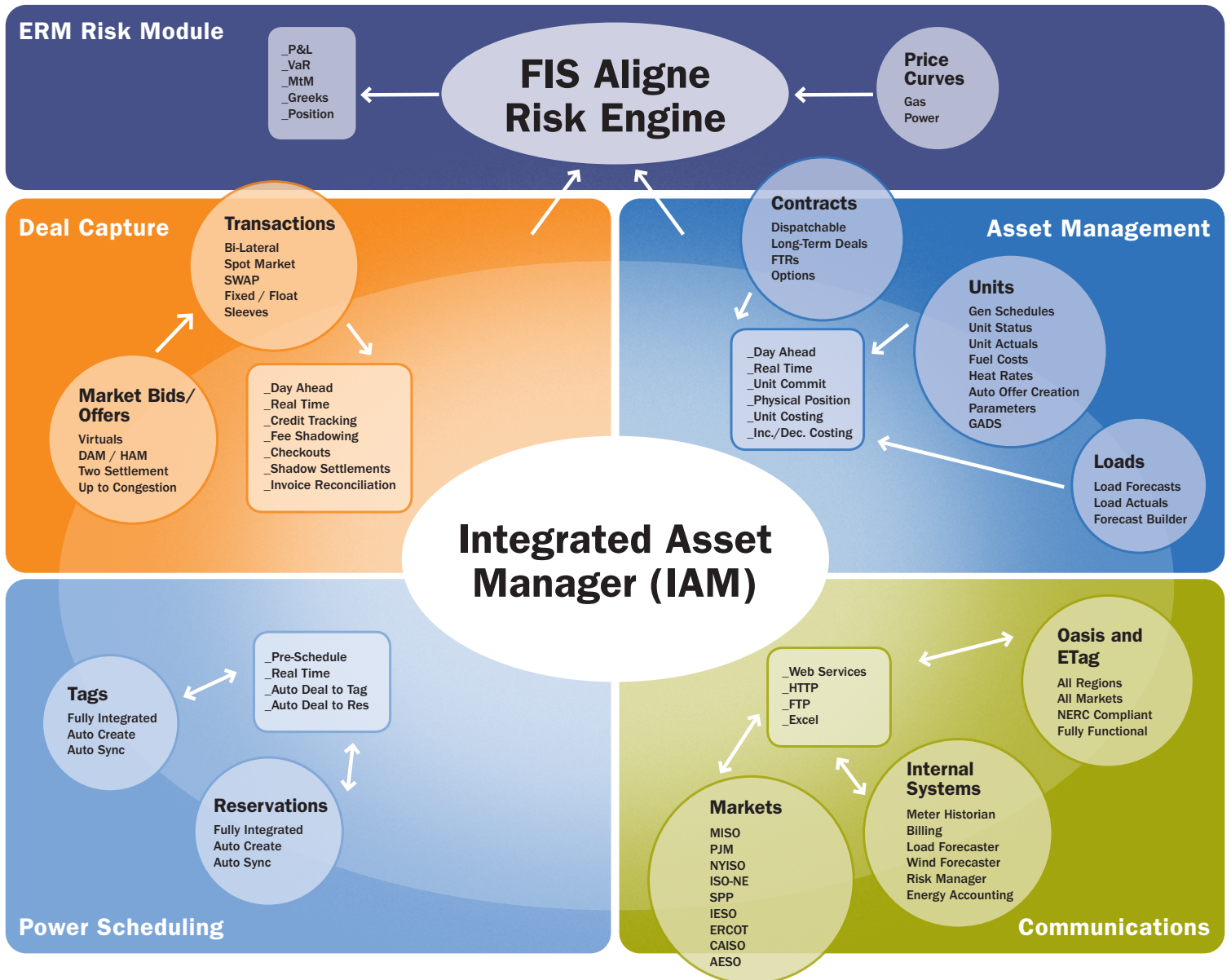
FINANCIAL/DERIVATIVE INSTRUMENT SUPPORT: Extensive support for financial derivatives including futures, swaps and basic as well as exotic options.

COMPLIANCE: Ensures data integrity by controlling who can modify deals at each stage in the lifecycle. Provides limits tied to trade, trader, book, sub book and counterparty.

PORTFOLIO VOLATILITY: Provides tools for assessing P&L and credit exposure using a variety of tools including:

- _ Monte Carlo Value at Risk with back testing (MC VaR)
- _ Historical Value at Risk (H VaR)
- _ Historical (event based) stress tests
- _ User designed stress tests

SOFTWARE OVERVIEW



KEY BENEFITS

- _ Ensure compliance with company risk policy and limits
- _ Automate the incorporation of exchange based trades (ICE, NYMEX) via the MCG exchange gateway
- _ Automates the calculation of volatilities and correlations from raw prices
- _ Provide decision support tools that quantify risks, highlight areas of risk concentration and enable 'what if' analysis
- _ Automate the explanation of (daily) P&L changes