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**RECURRENT ENERGY CLOSES \$200 MILLION STAGED SOLAR PROJECT FUND WITH
MORGAN STANLEY**

**Fund Will Underwrite Solar as a Service for Institutional Property Owners via Power Purchase
Agreements at Grid-Competitive Rates**

SAN FRANCISCO – December 10, 2007 – Recurrent Energy, a solar services company, today announced the close of a \$200 million staged solar project fund with Morgan Stanley. The fund represents a commitment by Morgan Stanley to provide financing for \$100mm of Recurrent Energy's solar electric power projects in 2008 and an additional \$100mm in 2009.

"Morgan Stanley is a leader in the industry and their commitment to financing renewable energy has been clear from the start," said Arno Harris, chief executive officer of Recurrent Energy. "We look forward to putting this new fund to work quickly to help our clients transform empty rooftops into value-generating, sustainable assets."

Recurrent Energy sells solar electricity from its projects to institutional property owners (REITs and pension funds) and their tenants via a power purchase agreement at grid-competitive rates. Called Solar as a ServiceSM, Recurrent Energy's offering enables its customers to cost-effectively reduce their use of fossil-generated electricity across large property portfolios.

"Morgan Stanley is excited to work with Recurrent Energy to finance its solar power solution for institutional property owners. Recurrent Energy's unique approach to the rooftop solar market, in conjunction with the federal and state incentives, creates an innovative and economic solar solution for the marketplace," said Edward Levin, a Vice President of Morgan Stanley.



About Recurrent Energy

Recurrent Energy provides Solar as a Service to REITs and institutional property owners. The company builds, owns and operates solar power systems on its clients' rooftops – supplying solar electricity via a power purchase agreement. In addition to making solar power affordable and cost-effective, Recurrent Energy has a unique approach that provides benefits to both tenants and property owners. Tenants receive clean, renewable electricity at competitive rates. Property owners receive a green improvement and income from roof rent with no investment, no operating burden, and no maintenance expense. For more information on Recurrent Energy and Solar as a Service, please visit: www.recurrentenergy.com

About Morgan Stanley

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 31 countries. Morgan Stanley's broad energy portfolio increasingly includes alternative and renewable energy financing, such as with Recurrent Energy, to encourage energy efficient technologies. For further information about Morgan Stanley, please visit: www.morganstanley.com.

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