



September 16, 2009

Project Update

As a valued customer of SPS, we would like to update you on the progress being made on the MyORAP Project. As you recall, MyORAP was launched last year to gather feedback from our customers to enhance the capabilities and value of ORAP for each of them.

From June 2008 to February 2009, SPS held several meetings with members of our global client base to solicit feedback and input to drive improvements to the ORAP system. Those discussions have resulted in the following eight major Project themes...the **critical to quality objectives** for MyORAP.

1. Provide an easy to use system for efficient data entry and reporting delivered to the user's desktop on demand
2. Provide auditable metrics and key RAM performance indicators at the equipment and total plant levels including combined cycle plant reporting that address market and business needs, including interface to ISO, NERC GADS, and other industry systems
3. Provide effective & accurate communications, engineering solutions and training initiatives
4. Provide the option for secure "real-time" automated data collection to reduce manual data entry
5. Establish meaningful peer groups for benchmarking and for understanding equipment pedigree and technology
6. Provide an interface with key industry business systems (Maximo, SAP, PI, ...)
7. Deliver a contemporary design, branded offering with a compelling user experience
8. Provide a platform for critical component management providing input to capital budgeting

In February 2009, we began to define and document the MyORAP Functional Requirements. It became apparent that to meet our customer's expectations identified by the MyORAP objectives listed above, significant and systemic business changes would be required. The following key actions have already been taken to align our business infrastructure with the MyORAP project requirements:

- We have made a fundamental change to our organization to re-align our business with the vision of MyORAP. Most notably, we have established an extensive Customer Service organization focused on our customer relationships with an emphasis on quality.
- To complement our existing Information Technology resources and to prepare us for the latest state-of-the-art IT delivery platforms, we have strategically partnered with Synesis International Inc. Synesis is a dedicated information systems technology firm that provides

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SPS with access to a broad spectrum of resources and state of the art technology capabilities.

- We have begun a significant hardware & software technology upgrade and investment to meet the requirements of MyORAP. To date we have installed several new, high-end 64 bit servers, upgraded our database software, and installed new information presentation tools such as Microsoft SharePoint and SQL Server Reporting Services, to support the ongoing development efforts.
- An extensive review of our existing data validation processes and procedures has been undertaken. This has led to the definition of new data validation processes that will underpin MyORAP and includes automated cross-validation of data from multiple data sources for improved accuracy.
- These preliminary actions will be completed by the end of February 2010. At this point, the fundamental changes will be in place and the customer objectives for MyORAP will begin. A project plan and timeline will be published at that time.

We will continue to provide further updates on the status of the MyORAP project, and plan to issue an update before the end of Q4 2009. These updates will also be available for viewing on the SPS website (<http://www.spsinc.com/site/Vision20-20.html>). Additionally, if you would like to receive these updates directly, please respond to this email and we will place you on our MyORAP distribution list.

We know that customers are anxious and have been looking for improvement to the ORAP system. Please be assured that while it appears that changes are slow, we are making fundamental change that will have significant long-term value.

Thank you,

A handwritten signature in black ink that reads "Thomas Christiansen".

Thomas M. Christiansen
SVP and CTO

A handwritten signature in black ink that reads "Jon I. Willis".

Jon I. Willis
Director, SPS International (UK) Ltd.

A handwritten signature in black ink that reads "S.A. Della Villa, Jr.".

S.A. Della Villa, Jr.
CEO

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