

Press Release

FORTISTAR announces entering into an agreement to purchase Aquila's 16.584% interest in the Lockport Project located in Lockport, New York.

White Plains, New York, July 2, 2002: FORTISTAR LLC of White Plains, New York entered into an agreement to purchase from Aquila its 16.584% interest in the Lockport Project. The acquisition is scheduled to close in September 2002. FORTISTAR is Managing General Partner of the Lockport Project.

The Lockport Project is a 200 MW combined cycle gas fired cogeneration facility located in Lockport, New York. The Lockport Project sells steam and electricity to Delphi, an affiliate of General Motors and electricity to New York State Electric and Gas. The facility produces 1.5 billion kilowatt-hours of electricity annually, enough to light 175,000 homes. In addition, the facility produces 4.4 billion pounds of steam for electrical production and process requirements. The Lockport Project went into service in December 1992. The facility uses three GE Frame 6 combustion turbines and a steam turbine. The facility has one of the highest availability rates for projects of its type.

Mark Comora, President of FORTISTAR stated that "the current environment provides an opportunity for smaller independent power companies focused on generation and not power trading to grow." As an indication, this will be the third acquisition FORTISTAR will have completed in 2002. Completion of this acquisition will add to the company's assets in New York State and bring FORTISTAR's ownership in the Lockport Project to 51.3%.

Based in White Plains, New York FORTISTAR is a privately owned independent power company that is focused on owning and managing independent power facilities with well structured contracts that provide reliable long term cash flow.