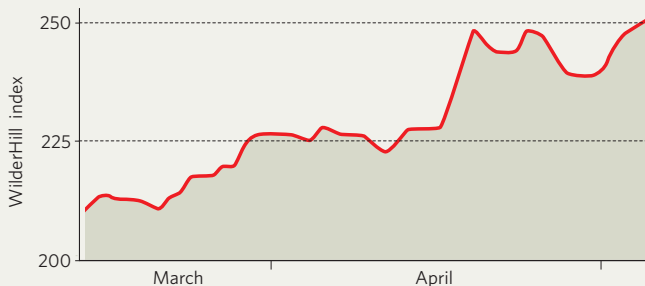


MARKET WATCH

CLEAN-ENERGY STOCKS



A period of exuberance — irrational or otherwise — has sent the price of 'clean-energy' stocks shooting upwards by almost 50% since the beginning of the year.

Continuing worries about the high price of oil and a steady drumbeat of political and business endorsements for renewable energy have brought cash pouring into the clean-energy sector — and almost all stocks in it are rising.

"What we're seeing is that mainstream investors want clean-energy stocks," says Michael Liebrich of London-based New Energy Finance. "It's not exotic anymore."

Rob Wilder, whose company WilderShares in California keeps the WilderHill index (stock market symbol: ECO) of US-listed clean-energy stocks, says that the prevalent attitude towards the sector has reversed sharply. Not so long ago, he says, his was the "voice in

the wilderness" asking people to take clean energy seriously. "Now there's so much hyperbole, that I sometimes wish there were some naysayers. The more the sector is universally acclaimed, the more nervous I get."

Since a fund was launched last year that allows investors' money to track the WilderHill index, some US\$800 million has poured into it. But Wilder thinks some of the strongest growth prospects are in companies that are still too small to be represented in the index — including thermal (non-photovoltaic) solar energy, and ethanol production from cellulose.

Leibrich says he worries that market valuations of some stocks may have moved ahead of their real worth. But he argues that the overall rise in the market is "not a bubble" because the long-term prospects for the sector are strong.

Colin Macilwain