

Statement by Ramon Illarramendi

On the Potential Sale of NuScale

For Use: Immediate

NuScale, an Oregon-based company engaged in the design of a Small Modular Light Water Reactor (SMR), is working on a potentially game-changing technology for America and the world. That is why I originally decided to create a company with a view to investing in clean energy generation ventures and especially in the field of non-emitting new nuclear developments. Therefore, I accepted the interest of the Michael Kenwood Group (MK) to participate in this project. By virtue of our agreement, MK undertook to provide for the legal incorporation, administrative, payroll and other expenses, as well as the financing of investments in clean energy projects, in particular, NuScale Power, the subject of this declaration.

I thought at the time, and I believe now, that NuScale is a brilliant development, called to transform the energy production and consumption patterns around the world. Created by scientists and professors at Oregon State University in Corvallis, Oregon, the NuScale SMR establishes a new standard for providing abundant, clean, safe and secure energy to a market of astronomical proportions.

The Securities and Exchange Commission considered, according to Complaint No. 3:11 cv 00078 (JBA), that in fulfillment of their partnership obligations towards me, the administrators of MK, among them my son, Francisco "Pancho" Illarramendi (Pancho), improperly used monies entrusted to their management by investors in several funds. After reading press and media accounts, I have come to know, not without a certain degree of surprise, of these claims against Pancho and MK, completely opposite to my understanding of the NuScale investment as an extraordinarily astute and valuable move in favor of MK investors. In fact, my intention to keep NuScale alive and thriving should help produce in full all returns that MK investors, creditors, and managers might have expected. But that is a matter that must be discerned elsewhere and is not the subject of my present statement.

I was very alarmed and concerned when I heard that that the Receiver may be about to sell MK's and my ownership interest in NuScale for an amount that could be substantially below fair market value, substantially below the amount of funds invested in NuScale, to say nothing of

the enormous potential of this product of American ingenuity, and without giving me, or other interested parties, a reasonable opportunity to present a competing bid.

I have read media reports stating that a large portion of the money invested in NuScale came from hard-working oil workers' pension funds. In this respect, I wish to say that,

1. From the very beginning of my professional career in the 1950's, my main engagement was *pro bono* work as Counsel for the oil industry workers and their unions in Venezuela. This followed a family tradition of efforts in defense of their cause.
2. From what I have read, pursuant to the initiation of the SEC complaint, the authorities from the workers' and retirees' funds have declared that they have received all the monies due on time from MK, and that devolution of the funds entrusted to MK was not due until the end of 2011.
3. The court should not accept a fire-sale price for NuScale. It is an enterprise of immense value. I have asked the court to allow me and others to bid for these assets in an open and transparent process to ensure that these workers (through their pension funds), Oregon State University, and all other shareholders of NuScale, receive all the benefits of their investment.

In addition, I think it's important to reiterate that this technology was invented in America at Oregon State University. I believe that OSU, its scientists, researchers and professors deserve a better deal than they are now getting. I am convinced that American Small Modular Reactors can make a difference in electricity availability all over the world. I am hopeful that the judge in this case will grant me fair conditions under which to present a competitive offer that will help achieve the objectives stated above: help investors get their money back by selling NuScale in an open, transparent process designed to deliver the most value to them, while also ensuring that NuScale has the funding it needs to continue and complete without further interruptions its development of this new energy technology that is destined to transform a large sector of our economy, creating many thousands of well-paying jobs, ensuring clean energy domestic supply, boosting American exports and enhancing national security.

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