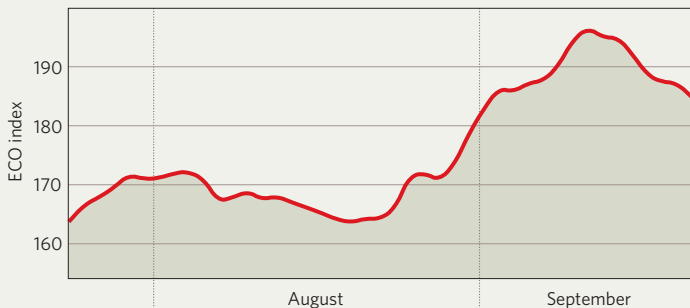


CLEAN-ENERGY STOCKS



Alternative energy is back in vogue — in the most unfortunate of circumstances. With crude oil and gasoline prices at record levels, investors who once dismissed 'clean' energy as a backwater are changing their minds.

The WilderHill Clean Energy Index — whose symbol on the American Stock Exchange is ECO — tracks energy companies that have alternative energy interests. It has moved sharply upwards since Hurricane Katrina began to threaten Louisiana's oil installations in late August.

Even more significant, according to Robert Wilder, a former political scientist at the University of California, Santa Barbara, whose company runs the index, is the influx of cash into a fund he has created that tracks its performance. About \$100 million has flooded into the fund in the past month, Wilder says — ten times the rate of investment it enjoyed earlier in the year.

"This sector is getting hot," he says. "When oil hits \$70 a barrel, people start thinking about alternatives."

The value of the index is now approaching its 2001 market peak. But this time, Wilder says, "it is much less speculative" than during the dot-com boom, when some stocks were trading at price-to-earnings ratios of up to 100. Now clean-energy stocks have ratios in a more sensible range, typically in the low twenties.

Analysts warn that worries about oil supply are likely to persist, as exporters may get used to prices of \$50 a barrel or more. But Wilder warns clean-energy investors not to get carried away. "People tend to buy a product after it has gone up," he says. "I wouldn't be surprised to see this index go down." And last week, even as Hurricane Rita threatened Texan oil refineries, the index slipped back on profit-taking. ■