



## Hoku, US Bancorp CDC and United Fund Advisors Announce Financing for Solar Power Projects at Hawaii Airports

HONOLULU, HI, December 23, 2008 (MARKET WIRE via COMTEX News Network) – Hoku Solar, Inc., a wholly owned subsidiary of Hoku Scientific, Inc. (NASDAQ: HOKU) and United Fund Advisors (UFA) today announced the establishment and capitalization of an investment company intended to provide financing for photovoltaic (PV) power systems to be installed and operated in the State of Hawaii by Hoku Solar.

Hoku had previously announced its selection by the Hawaii Department of Transportation (DOT) to design, engineer and install PV power systems at airports across the state. Under the terms of its agreement with UFA, Hoku will assign its power purchase agreements to the special purpose entity, Hoku Solar Power I, LLC, that has been created to own and operate each system, and that will sell the electricity generated by the PV power systems to DOT at a predetermined rate over a contract period of 20 years.

Hoku and UFA confirmed that the financing is expected to be sufficient for Hoku to complete all seven planned PV installations at DOT facilities on Kauai, Maui and Hawaii Island, a total of nearly 1 megawatt of clean solar power. These projects are the first major PV installations on Hawaii government-owned facilities, and among the largest third-party financed PV projects in the state.

UFA reported that it planned to invest in Hoku Solar Power I, LLC through its renewable energy fund, UFA Renewable Energy Fund which is being financed by U.S. Bancorp Community Development Corporation. Sennet Capital, a Hawaii-based merchant bank, arranged the financing and played a key role in structuring the deal.

"Hoku is pleased to have established this partnership with UFA," said Dustin Shindo, chairman and chief executive officer of Hoku Scientific. "Power purchase agreements offer a way to bring the benefits of clean solar energy to governments, municipalities and businesses with no upfront cost, while allowing investors to take full advantage of the associated investment tax credits. It really is a win-win for all involved. We are pleased that a Hawai'i-based firm like Sennet Capital was able to use the expertise and relationships it has created in financing solar PV transactions to help bring this relationship into existence, and look forward to working with them on other projects in the future."

"This is an excellent example of the widespread available benefits of deploying clean technology to public users through a private partnership," said Chris Hasle, Senior Vice President of UFA. "These types of PPA deals are increasingly common on the mainland U.S., and we believe that these projects could serve as an excellent model for many similar clean energy opportunities in Hawaii. Hoku is an important new partner for UFA and U.S. Bank and we hope this will be the first of many PPA projects we finance with them going forward."

Hoku Solar reported it had completed the engineering, design and procurement phases for the projects, and that it commenced system installation earlier this month at two DOT project sites on the island of Kauai. Hoku expects to complete the installation of all seven systems during the first calendar quarter of 2009.

About Hoku Scientific, Inc.

Hoku Scientific (NASDAQ: HOKU) is a diversified clean energy technologies company with three business units: Hoku Materials, Hoku Solar and Hoku Fuel Cells. Hoku Materials plans to manufacture, market, and sell polysilicon for the solar market from its plant currently under construction in Pocatello, Idaho. Hoku Solar markets, sells, and installs turnkey photovoltaic systems in Hawaii. Hoku Fuel Cells has developed proprietary fuel cell membranes and membrane electrode assemblies for stationary and automotive proton exchange membrane fuel cells. For more information visit [www.hokuscientific.com](http://www.hokuscientific.com).

About United Fund Advisors, LLC

UFA is a financial services firm with a triple bottom line mission – dedicated to investing in and structuring financing for projects that produce social and environmental returns, as well as the traditional financial ones. UFA Renewable Energy Fund invests in renewable energy projects throughout the country. The firm has successfully leveraged various federal and state tax credits to help finance over 20 projects with a combined total project cost of over \$1 billion. [www.unitedfundadvisors.com](http://www.unitedfundadvisors.com)

About U.S. Bancorp Community Development Corporation

With assets of over \$4.5 billion, U.S. Bancorp Community Development Corporation is one of the largest tax credit investors in the country. In addition to renewable energy projects, it also finances affordable housing and community development projects through the use of low-income housing, historic, and New Markets Tax Credits. It is a subsidiary of U.S. Bancorp (NYSE: USB), with \$247 billion in assets, and of U.S. Bank, the 4th largest commercial bank in the United States. The company operates 2,542 banking offices and 4,895 ATMs, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at [www.usbank.com](http://www.usbank.com)

About Sennet Capital, LLC

Sennet Capital is a Hawaii merchant bank focused on investing in mid-market companies and renewable energy opportunities. Sennet offers its expertise and its access to both local and national capital markets and investment sources to provide guidance and financing for local Hawai'i mid-market companies and renewable energy projects. [www.sennetcapital.com](http://www.sennetcapital.com)

Forward-Looking Statements

This press release contains forward-looking statements that involve many risks and uncertainties. These statements relate to Hoku's ability to successfully complete the photovoltaic (PV) installations for DOTA in the first calendar quarter of 2009, or at all; the expected power output of Hoku's PV systems; the expected performance and durability of Hoku's PV systems; any future PPA projects that U.S. Bancorp may finance with Hoku in the future; Hoku's future financial performance; Hoku's business strategy and plans; and objectives of management for future operations. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause Hoku's actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. In evaluating these statements, you should specifically consider the risks described in Hoku's filings with the Securities and Exchange Commission. Except as required by law, Hoku assumes no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

For more information contact:

Hoku Scientific, Inc.  
808-682-7800  
[ir@hokucorp.com](mailto:ir@hokucorp.com)

U.S. Bancorp

Sennet Capital, LLC  
808-457-1300  
[lgilbert@sennetcapital.com](mailto:lgilbert@sennetcapital.com)