



June 4, 2004

Ms. Julie Jorgensen
Co-President and CEO
Excelsior Energy Inc.
294 Grove Lane East
Suite 260
Wayzata, MN 55391

Ms. Jorgensen;

Bechtel has a proven track record in helping complex gasification projects such as Excelsior's Mesaba Energy Project proceed from initial concept through project development, EPC, and operations. We offer a certainty of successful outcome that comes from unique technology expertise that reflects hands-on operating experience, proven EPC work processes, and a strong financial position.

Bechtel believes strongly that gasification will play an increasingly important role in new and replacement base-load generation in the United States, and for this reason Bechtel is committing significant resources to this expanding market.

We are very familiar with the ConocoPhillips E-Gas technology, having worked closely with the E-Gas team and the DOE for several years to optimize the design and reduce the costs of their technology. We look forward to the opportunity to continue our support efforts with Excelsior and with ConocoPhillips.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bruce D. Moreton", written in a cursive style.

Bruce D. Moreton
IGCC Project Development Manager
Bechtel Power Corporation



Fluor Enterprises, Inc.
One Fluor Daniel Drive
Aliso Viejo, CA 92698
USA

949.349.2000 tel

June 2, 2004

Ms. Julie Jorgensen
Co-President and CEO
Excelsior Energy Inc.
294 Grove Lane East, Suite 260
Wayzata, MN 55391

Ms. Jorgensen:

Mesaba Energy Project

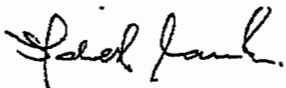
Fluor Corporation is one of largest engineering, procurement, construction and maintenance services organization in the world. Fluor is in the business of developing, designing, and constructing complex process and power plant facilities, such as the Excelsior Mesaba Energy Project. For over 30 years, Fluor has assisted numerous clients with the design, construction and start-up of gasification plants processing oil, coal and petroleum coke producing power, steam and chemical products. In addition, Fluor has constructed about one-third of all the fossil power plants constructed in the U.S. over the past ten years, most of which were financed by unregulated energy companies.

It is Fluor's vast experience with gasification technology and the power industry that led ConocoPhillips to select Fluor as its alliance partner for supplying integrated gasification combined cycle and other gasification project services and technology worldwide. Through this alliance, Fluor can offer ConocoPhillips' E-Gas technology licensees project development support, conceptual and detailed engineering, and turnkey contracts for construction of solid fuel gasification facilities, such as the Mesaba Energy Project. In addition, through the alliance, Fluor and ConocoPhillips stand ready to offer operations and maintenance services to the Mesaba Energy Project

Ms. Jorgensen
June 2, 2004
Page 2

Fluor believes strongly that gasification will play an important role in new and replacement base load generation in the U.S. Fluor is committing significant resources to this expanding market. We look forward to working with Excelsior for the Mesaba Energy Project,

Sincerely,



Mahesh Anand
Executive Director, Business Development
Oil, Gas & Power

MA:mg

cc: Mike Wadley -Excelsior (mikewadley@comcast.net)
Doug Cortez - Fluor