



NEWS RELEASE

Summit's Texas Clean Energy Project reaches major milestone with signed EPC and O&M Contracts

DALLAS, Texas, February 14, 2012 – Summit Power Group's Texas Clean Energy Project (TCEP) has signed engineering, procurement and construction (EPC) contracts and a 15-year operations and maintenance (O&M) contract for its 400MW power/poly-gen gasification project with 90 percent carbon capture near Odessa, Texas, taking the project another step closer to financial closing and groundbreaking.

The two, firm-price, turnkey EPC contracts that guarantee price, schedule and performance for the integrated coal gasification combined cycle (IGCC) project were finalized in December by the project's three EPC contractors: Siemens Energy Inc.; Selas Fluid Processing Corporation, a subsidiary of The Linde Group; and SK Engineering & Construction, a major Korean contractor. The total value of the EPC contracts is approximately \$2 billion.

Selas Fluid Processing and SK E&C will supply a complete chemical block capable of producing syngas by gasifying Powder River Basin coal. A portion of the syngas fuels a Siemens power block, and the balance is used for the production of granulated urea. The chemical block captures 90% of the CO₂ from the syngas and compresses the CO₂ for sale to the mature, enhanced oil recovery (EOR) market in West Texas. The chemical block EPC contract also includes coal handling, coal gasification based on two Siemens SFG-500 gasifiers, gas cleanup, mercury removal, ammonia and urea production facilities, sulfuric acid plant, water treatment, CO₂ compression, site preparation, plant buildings and other goods and services.

In the second EPC contract, Siemens Energy will supply a nominally rated 400MW combined cycle power plant capable of operating on syngas and natural gas. The power block is comprised of an SGT6-5000F gas turbine capable of operating on high-hydrogen syngas or natural gas. The power block includes an air-cooled condenser for plant cooling, which greatly reduces the water needed for the project, and a high-voltage switchyard.

A separate, 15-year O&M contract was also signed for the complete, turnkey operation and maintenance of the entire 600-acre facility, including day-to-day operation, and short term and long term maintenance. The contract, signed by Linde's Gases Division, includes guarantees of performance and availability by Linde's Gases Division and Siemens for the full 15-year contract period.



Page 2

TCEP is a leading carbon capture and storage (CCS) project for the U.S. Department of Energy, which in 2010 awarded the project \$450 million under the third round of its Clean Coal Power Initiative (CCPI). CCPI is a cost-shared collaboration between the Federal government and private industry, aimed at stimulating investment in low-emission, coal-based power generation technologies through successful commercial demonstrations. Of the \$450 million, \$211 million comes from the American Recovery and Reinvestment Act of 2009. The facility is expected to be fully operational in 2015.

“TCEP is among the most innovative and promising projects selected under DOE’s Clean Coal Power Initiative,” said Charles McConnell, Assistant Secretary nominee and Chief Operating Officer of DOE’s Office of Fossil Energy (FE). “The IGCC technology it will demonstrate is a prototype for clean and efficient coal-based power plants of the near future. We are proud of Fossil Energy’s role in the research, development and deployment of IGCC and the technologies in our carbon capture, utilization, and storage and advanced energy technologies programs, and pleased to collaborate with Summit Power Group on this project.”

DOE’s Office of Fossil Energy has been instrumental in the research, development, and deployment of IGCC and other innovative energy technologies and is playing a pivotal role in advancing America’s energy future while helping to enhance environmental stewardship.

Gasification is a chemical process that uses oxygen and steam at high temperatures and pressures to convert coal into synthesis gas, also known as syngas, which is mainly a mixture of hydrogen and carbon monoxide. The syngas is cleaned to remove impurities and sent to a gas turbine where it undergoes combustion to produce electricity. The hot flue gas from the gas turbine is used to generate steam, which is fed to a steam turbine to produce additional electricity. The process is known as IGCC because coal-fired gasification is integrated into a combined-cycle system that produces electricity from both the gas turbine and the steam turbine.

In the TCEP carbon capture plant, the syngas will first undergo a “shift reaction” to produce additional hydrogen and CO₂, cleaned of impurities, and then separated into pure streams of CO₂ and high-hydrogen, low-carbon syngas. The high-hydrogen syngas will be used as fuel in an advanced combustion turbine, producing an extremely low-carbon flue gas. The vast majority of the approximately 2.5 million standard tons per year of CO₂ that will be captured annually by the plant will be used for enhanced oil recovery (EOR) in the West Texas Permian Basin.

“This is perhaps the best evidence yet that two distinct yet equally important technologies for advanced coal projects – coal gasification and carbon capture – are mature enough technologically to enable a commercial scale power plant that incorporates both to get full warranties for performance, reliability, availability, efficiency and emissions control,” said Donald Hodel, Chairman of the Board and co-founder of Summit Power Group. “Every American who is concerned about energy should be excited and proud that from national security and environmental sustainability standpoints this day has come, and we give credit to the U.S. Department of Energy, Congress, our Texas elected officials, and our construction partners for staying the course and helping us reach this day.”

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Page 3

Summit Power Group is a 20-year-old company that is based in Seattle, WA, and has developed more than 7,000 megawatts and billions of dollars worth of U.S. power projects, primarily natural gas-fueled and wind energy, and solar power projects through a photovoltaic (PV) solar joint venture called NorthLight with Norway-based Renewable Energy Corporation (REC). TCEP is Summit's first project using coal as a feedstock, in this case for a gasification process that does not burn coal but instead converts the coal into clean-burning industrial gases and a pure stream of CO₂ that is captured and sequestered.

The Linde Group is a world-leading gases and engineering company with approximately 50,000 people working in more than 100 countries worldwide. In the 2010 financial year, it achieved sales of USD 17.9 billion (EUR 12.9 billion). The strategy of The Linde Group is geared towards long-term profitable growth and focuses on the expansion of its international business with forward-looking products and services. Linde acts responsibly towards its shareholders, business partners, employees, society and the environment – in every one of its business areas, regions and locations across the globe. Linde is committed to technologies and products that unite the goals of customer value and sustainable development. For more information, see The Linde Group online at <http://www.linde.com>.

Siemens AG (NYSE: SI) is a global powerhouse in electronics and electrical engineering, and operates in the industry, energy and healthcare sectors. For more than 160 years, Siemens has built a reputation for leading-edge innovation and the quality of its products, services and solutions. With 405,000 employees in 190 countries, Siemens reported worldwide sales of \$104.3 billion in fiscal 2009. With its U.S. corporate headquarters in Washington, DC, Siemens in the USA reported sales of \$21.3 billion and employs more than 60,000 people throughout all 50 states and Puerto Rico.

SK Engineering and Construction (E&C) Co., Ltd (www.skec.com) is one of the world's best qualified engineering, procurement, construction, and maintenance services organizations. Since its incorporation in 1977, SK E&C has developed into one of Korea's leaders in the engineering and construction industry. The company, which built Korea's largest oil refinery complex, is a world-class competitor in Korea and abroad in plant, civil, building, and housing works. Its parent company, SK Group, is Korea's third largest conglomerate and one of the leading business organizations in the world, made up of 92 member companies, including 16 that are listed on the Korea Stock Exchange. The company employs 35,000 people of many nationalities.

For more information about the Texas Clean Energy Project (www.texascleanenergyproject.com) or Summit Power Group, contact Laura Miller, Summit's Director of Projects, Texas, at 214-763-0600, or email lmiller@summitpower.com. For more information about DOE-sponsored clean coal projects, including TCEP, go to www.fossil.energy.gov.