



SUMMIT POWER GROUP ANNOUNCES SIGNING OF EPC AGREEMENT WITH HQC AND SNC-LAVALIN FOR THE TEXAS CLEAN ENERGY PROJECT WITH FINANCIAL CLOSING EXPECTED IN SPRING 2016

BEIJING, China and HOUSTON, Texas, USA (December 8, 2015) – Summit Power Group, LLC (Summit) today announced a major step toward financing and construction of the Texas Clean Energy Project (TCEP). A large commercial power and chemicals project near Odessa, Texas, TCEP will capture more than 90 percent of its CO₂ emissions from coal while producing 400MW of clean power and enough urea to reduce annual U.S. imports by more than 10 percent. The captured CO₂ will be permanently sequestered geologically in West Texas oilfields.

At an event today in Beijing, Summit signed the engineering, procurement and construction (EPC) contract with China Huanqiu Contracting & Engineering Corp. (HQC) and SNC-Lavalin Engineers & Constructors Inc. (SNC-Lavalin). The contract covers engineering, procurement, construction, commissioning, and performance testing of the chemical and carbon capture block for the project, which will be integrated with a Siemens combined cycle power block. Siemens, which has its global Oil and Gas Headquarters based in Houston, is also expected to supply the coal gasification equipment for the chemical block.

HQC, a wholly owned subsidiary of China National Petroleum Corporation, is a leading engineering and construction management firm, operating in nearly 20 countries, that has completed more than 17 major EPC contracts for chemical and power-oriented gasification complexes. “HQC is excited to work with Summit and SNC-Lavalin to pursue this project, which is a leading example of the clean, low carbon use of domestic coal for the production of chemicals and power,” said Wang Xinge, CEO of HQC. “In particular, we look forward to partnering with SNC-Lavalin in implementing such an important project.”

SNC-Lavalin and HQC have entered into a consortium agreement for the project. SNC-Lavalin’s major responsibilities include engineering and procurement for the balance of plant activities outside the licensed technology areas as well as construction for the entire chemical block portion of the project. SNC-Lavalin is a

world-leading engineering and construction group with offices in over 50 countries, including the USA and its Houston office, which will lead the project on SNC-Lavalin's behalf. Its 40,000 employees provide EPC and related services to clients in power, oil and gas, mining and metallurgy and infrastructure. "We see great potential for the principles of the Texas Clean Energy Project to reduce carbon emissions in the U.S. and around the world," said Neil Bruce, CEO of SNC-Lavalin. "SNC-Lavalin has been active in carbon capture for years and has implemented real-world deployment of these technologies, including retrofitting power facilities. Partnering with HQC and Summit provides a great opportunity for SNC-Lavalin."

TCEP is a leading carbon capture, utilization and storage (CCUS) project for the U.S. Department of Energy, which has awarded TCEP more than \$450MM as part of the Office of Fossil Energy (FE) Clean Coal Power Initiative (CCPI). The project is also the recipient of \$811MM in investment tax credits (ITCs) under section 48A of the Internal Revenue Code, awarded to qualifying advanced coal projects that generate at least 400MW of power and capture a minimum of 65 percent of their CO₂.

The signing comes 16 months after HQC and Summit launched an effort to improve the design of the project with a goal of reducing project costs, which rose sharply in 2013 as a result of soaring Texas labor rates due to the oil and gas boom. With the completion of updated engineering work and the addition of SNC-Lavalin to the team, this contract brings that effort to a successful conclusion. TCEP's financial closing is targeted for spring 2016.

"The U.S. and China have a shared opportunity and responsibility to develop and deploy solutions that help the world transition to lower carbon energy," said Summit CEO Jason Crew. "TCEP will demonstrate that through thoughtful design, proven technologies, and best practices. Sino-U.S. cooperation not only delivers low carbon power and chemicals but also supports economic growth and thousands of jobs in both countries. We are excited to work with HQC and SNC-Lavalin, and grateful to the U.S. Department of Energy for its continued support. We look forward to achieving financing soon and commencing construction shortly thereafter."

For more information please go to the TCEP website: <http://www.texascleanenergyproject.com>. Or contact Laura Miller, Director of Projects, Texas, for Summit Power Group at lmiller@summitpower.com.