



GE Energy

4200 Wildwood Parkway
Atlanta, GA, 30339

News Release

**GE AND BP FORM ALLIANCE TO DEVELOP AND DEPLOY
HYDROGEN POWER TECHNOLOGIES**

90 Percent Carbon Capture and Sequestration for Power Plants Using Fossil Fuels

UNIVERSAL CITY, CALIF.—May 24, 2007—GE and BP have formed a global alliance to jointly develop and deploy technology for at least five power plants that could dramatically reduce emissions of the greenhouse gas carbon dioxide from electricity generation.

Jeffrey Immelt, chief executive officer of GE, and Lewis Gillies, chief executive officer designate of BP's new Hydrogen Energy joint venture, announced the alliance agreement today at GE's ecomaginationSM "Green is Universal" Media Day, focused on the next generation of clean technology and innovative ecomagination partnerships. Today's announcement builds from the preliminary agreement reached by GE and BP in 2006.

GE and BP's global alliance will work to facilitate the development, demonstration and full integration of gasification and power generation technology into hydrogen power projects. These projects combine power generation from fossil fuels with carbon capture and storage to deliver commercial-scale power generation with 90 percent of the carbon in the fuel — which otherwise would have been emitted to the atmosphere as carbon dioxide — captured and permanently stored deep underground. In some cases, injection of captured carbon dioxide into oil reservoirs for storage also may result in the production of otherwise unrecoverable oil. For these enhanced oil recovery applications, the carbon dioxide has significant value, which helps

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make carbon capture and storage economically viable. For hydrogen power projects to be able to compete effectively in the electricity market, they would require appropriate policy support and a regulatory environment that recognizes and encourages the low-carbon benefits they can deliver.

Initially, the companies expect to work together to apply GE's proprietary gasification and turbine technology to the development of five hydrogen power plants that would use petroleum coke or bituminous coal as feedstock. As a first step, BP and GE would expect the petroleum coke-fuelled project being planned at Carson in California, where Edison Mission Energy is Hydrogen Energy's partner, to use GE technology. In addition, GE Energy Financial Services will have the opportunity to invest equity in projects offered by BP.

"This alliance combines the expertise and resources of two industry leaders to demonstrate that our companies' leading-edge technologies can produce low-carbon power from fossil fuels for commercial applications in a manner that is efficient, reliable and economical," said John Krenicki, chief executive officer of GE Energy. "These technologies, combined with policy support from governments, will ensure it happens now, changing the way we envision our global energy future."

"Hydrogen power with full-scale use of carbon capture and storage offers a very real possibility to help meet the world's increasing demand for energy while limiting our impact on the environment," said Lewis Gillies. "To help make these projects a reality, leading companies like BP and GE will have to work together to use the experience of developing real projects to further develop the technology and help drive down its costs."

BP recently announced its intention to form, subject to regulatory approval, Hydrogen Energy, a new company to be jointly-owned with Rio Tinto, to identify, build and operate

hydrogen power plants with carbon capture and storage. On completion of the company's formation, today's agreement would be expected to transfer to Hydrogen Energy.

GE and BP — through Hydrogen Energy — will apply their world-leading technologies, project experience and assets to optimize the integrated design of hydrogen power projects. The collaborative effort will draw upon the companies' technologies and experience in areas such as coal gasification, reforming technology, gas turbines and carbon capture and storage.

Each commercial-scale hydrogen power plant is expected to generate about 500 megawatts of electricity — enough to power approximately 325,000 U.S. homes. One of these 500 megawatt power plants, fed by coal with 90 percent carbon capture and geological storage, would be expected to capture around four million tons of carbon dioxide a year — the same amount as would be achieved by removing 615,000 cars from the road in the United States.

In addition to the complementary nature of the technologies and experience of the two companies, the global reach of each of the partners further strengthens the collaboration. GE's operations in Houston and BP's and Hydrogen Energy's operations in London will form the core groups for the hydrogen power technology collaboration.

Notes to editors:

- A hydrogen power project takes a fossil fuel, such as coal or natural gas and converts it into hydrogen and carbon dioxide. The hydrogen-rich gas is used as the fuel gas to generate electric power from turbines in a power plant. The carbon dioxide is captured, transported and stored safely and permanently in deep geological formations such as oil and gas fields. By combining hydrogen power generation with carbon capture and storage in one integrated project, 90 percent of the carbon dioxide in the fuel is captured so that it does not enter the atmosphere and a substantial step is made towards tackling the climate change issue.
- BP has already announced that it is developing plans for two hydrogen power plants. The first proposed project is a 500-megawatt hydrogen power plant at Carson in southern California. BP, and partner Edison Mission Energy, would take petroleum coke, a refinery by-product and synthetic form of coal, to create hydrogen. The plant would

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capture and store some four million tons per year of carbon dioxide. The second project for which studies have begun would be a 500-megawatt coal-based project to be built alongside BP's Kwinana refinery in Western Australia. About four million tons a year of carbon dioxide would be captured and stored in an offshore deep geological formation. Final investment decisions on these planned projects have not yet been taken.

- GE Energy (www.ge.com/energy) is one of the world's leading suppliers of power generation and energy delivery technologies, with 2006 revenue of \$19 billion. Based in Atlanta, Georgia, GE Energy works in all areas of the energy industry including coal, oil, natural gas and nuclear energy; renewable resources such as water, wind, solar and biogas; and other alternative fuels. Numerous GE Energy products are certified under ecomagination, GE's corporate-wide initiative to aggressively bring to market new technologies that will help customers meet pressing environmental challenges.
- Hydrogen power fits with the spirit of ecomagination, the GE corporate commitment to address challenges such as the need for cleaner, more efficient sources of energy. Ecomagination technologies already launched by GE in the energy arena include products that generate electricity through the use of renewable, biogas or waste gas technologies, high-efficiency and lower-emissions gas turbines and engines and cleaner coal technology.
- BP (www.bp.com) is one of the world's largest energy companies, with 2005 profits of some \$22 billion, a presence in over 100 countries and 97,000 staff worldwide. BP's main businesses are in exploration and production of oil and gas, refining and marketing of oil products and the transportation and marketing of natural gas and power. BP's low-carbon power business, BP Alternative Energy, combines the company's interests in hydrogen power, photovoltaic power, wind power and natural gas-fired power generation. BP also has extensive experience in pipelines and the management of oil and gas in geological formations, power generation, petrochemicals operations and in carbon capture and storage technology.
- BP's interests in the existing planned projects and the newly announced Kwinana project are expected to transfer to Hydrogen Energy on completion of its formation, which is subject to regulatory approval.

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For more information, contact:

GE Energy
Erika Anderson
GE Energy
+1 518 385 0933
erika.anderson@ge.com

BP press contacts
David Nicholas
BP Press Office
+44 (0)20 7496 4708
nicholdh@bp.com

Howard Masto
Masto Public Relations
+ 1 518 786 6488
howard.masto@ge.com