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press release



**GE UNIT TO INVEST IN 196-MEGAWATT HYDROELECTRIC PROJECT IN BRITISH COLUMBIA, ITS FIRST EQUITY INVESTMENT IN CANADA  
– PLUTONIC LAYS FINANCING GROUNDWORK FOR ADDITIONAL 300 MW**

**UNIVERSAL CITY, Calif. and VANCOUVER, B.C. – May 24, 2007** – GE Energy Financial Services, a unit of General Electric (NYSE: GE), will make its first equity investment in Canada and diversify its renewable energy portfolio by investing in the construction of a run-of-river hydroelectric project in British Columbia developed by Plutonic Power Corporation (TSX VENTURE: PCC). The announcement was made today at Universal Studios California at GE's "Green is Universal" exhibition, a celebration of GE customers' improvements in operating and environmental performance.

GE Energy Financial Services, through a Canadian affiliate, has agreed on terms -- subject to closing conditions -- to invest up to CAN \$112 million to acquire a 49 percent equity and 60 percent economic interest in Plutonic's 196-megawatt East Toba River and Montrose Creek project, 118 miles (190 kilometers) northwest of Vancouver at the headwaters of the Toba Inlet north of Powell River. The project includes a 90-mile (145-kilometer) long transmission line for interconnection to the power grid. In addition to its equity commitment, GE Energy Financial Services is co-leading, with Manulife Financial (TSX, NYSE: MFC), a CAN \$466 million senior secured debt offering to finance the project.

The transaction, plans for which were first announced last August, is expected to close next month, with project construction scheduled to start this summer.

The project annually will produce electrical energy sufficient to power an estimated 75,000 homes and will avoid 455,000 metric tons a year in greenhouse gas emissions, compared to equivalent fossil fuel generation. The project helps the province of British Columbia ensure that clean or renewable electricity generation continues to account for at least 90 percent of total generation.

Crown-owned British Columbia Hydro and Power Authority (BC Hydro), serving more than 1.6 million customers in an area containing more than 94 percent of the province's population, has committed to purchase the project's output for 35 years.

Run-of-river hydroelectric projects are a green method of power generation because of their small environmental footprint. Unlike traditional hydroelectric facilities, run-of-river projects do not require damming and storage of water. Instead, some of the waterflow is diverted



from the river and sent into a pipe called a penstock that feeds the water downhill to a generating station. The water leaves the generating station and is returned to the river.

“Run-of-river hydroelectric power is one of the most environmentally safe and commercially viable sources of electricity generation,” said Mark Tonner, Managing Director at GE Energy Financial Services in Canada. “In the spirit of GE’s ecomagination initiative, our investment diversifies our renewable energy portfolio, helps Plutonic achieve its goal of making British Columbia’s largest independent investment in renewable energy projects and helps BC Hydro remain one of North America’s top energy companies in sustainability performance.” Ecomagination is GE’s initiative to help its customers meet their environmental challenges while expanding its own portfolio of cleaner energy products.

This first equity investment in Canada builds on GE Energy Financial Services’ more than CAN \$1 billion of debt investments over the past two years in the country, primarily in oilfield services.

In addition to investing in the hydroelectric facility, subject to closing conditions, GE will make a three and a-half year CAN \$30 million credit facility available to Plutonic to increase the capacity of a 230-kilovolt transmission line to be built as part of the project. This investment would pave the way for Plutonic to be able to self-finance the construction of three additional Toba Valley projects with generation capacity of 116 megawatts. In return for this credit facility, Plutonic will grant GE the right to negotiate to finance up to an additional 200 megawatts of other hydroelectric power projects in BC, and issue to GE 650,000 two-year common share purchase warrants with an exercise price to be determined upon closing.

“Plutonic’s vision is to lead the way in British Columbia for utility-scale green hydro projects,” stated Donald McInnes, founder, president and CEO of Plutonic Power. “Since first transacting with GE Energy Financial Services in August of 2006, we have been able to solidify a financing plan for over 500 megawatts of our generation capacity. This financial security allows Plutonic to focus on permitting and development of its growth pipeline, especially as concerns our social license to operate.”

Since January, Plutonic has obtained a British Columbia Environmental Assessment Certificate, a positive project decision under the Canadian Environmental Assessment Act, and successfully concluded Impact and Benefits Agreements with the Klahoose and Sliammon First Nations. Final significant conditions to be concluded prior to the commencement of construction include signing a definitive shareholders’ agreement,



closing the debt facility, executing an interconnection agreement with British Columbia Transmission Corporation and concluding a fixed-price construction agreement with Peter Kiewit Sons', Inc. -- all of which are expected to close in June. The project is expected to become operational in 2010.

### **About GE Energy Financial Services**

GE Energy Financial Services' 300 experts invest globally with a long-term view, backed by the best of GE's technical know-how and financial strength, across the capital spectrum and the energy and water industries, to help their customers and GE grow. With US \$14 billion in assets, GE Energy Financial Services, based in Stamford, Connecticut, invests more than US \$5 billion annually in two of the world's most capital-intensive industries, energy and water. In renewable energy, GE Energy Financial Services is growing its portfolio of more than US \$2 billion in assets in wind, solar, biomass, hydro and geothermal power. More information: [www.geenergyfinancialservices.com](http://www.geenergyfinancialservices.com).

### **About GE**

GE (NYSE: GE) is Imagination at Work -- a diversified technology, media and financial services company focused on solving some of the world's toughest problems. With products and services ranging from aircraft engines, power generation, water processing and security technology to medical imaging, business and consumer financing, media content and advanced materials, GE serves customers in more than 100 countries and employs more than 300,000 people worldwide. For more information, visit [www.ge.com](http://www.ge.com).

### **About Plutonic Power Corporation**

Plutonic Power is an emerging renewable energy producer in British Columbia. Its proposed 25 run-of-river projects have a design capacity of over 1,300 MW and the potential to generate approximately 4,400 GW.h per annum of green energy, enough energy to meet the annual energy needs of approximately 440,000 homes. Included in the 25 projects is the creation of the Green Power Corridor, a series of nonstorage hydroelectric projects in southwestern BC, which hold the potential to catapult British Columbia to the forefront of green energy generation in North America. For more information, visit [www.plutonic.ca](http://www.plutonic.ca).

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**Editor's Note:** Caption for accompanying photo: GE Energy Financial Services will make its first equity investment in Canada, investing in the construction of a run-of-river hydroelectric project in British Columbia developed by Plutonic Power Corporation. This photo shows the East Toba River, close to where the powerhouse will be situated for the 196-megawatt project. TV news B-Roll is available at <http://www.geenergyfinancialservices.com/RenewablesInvestments/>

Plutonic Power Corporation will host a conference call on May 24 at 1:45 PST, with company CEO Donald McInnes. To participate in the conference call, please dial toll free 1-866-540-8136 or 416-340-8010. A live webcast will be available to all interested parties through Plutonic Power Corporation's website at [www.plutonic.ca](http://www.plutonic.ca). For those investors unable to participate in the call, a recording will be available for replay by calling 1-800-408-3053 or 416-695-5800 with the passcode 3224479.

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