

## **FIRST OFFSHORE GAS RESERVES AND PIPELINE CONSTRUCTION INVESTMENTS BY GE'S ENERGY FINANCIAL SERVICES UNIT, IN PARTNERSHIP WITH F-W OIL EXPLORATION**

**STAMFORD, CONN and HOUSTON, August 22, 2005** — GE Commercial Finance Energy Financial Services announced today it has invested, for the first time offshore, \$70 million in a limited partnership with F-W Oil Exploration L.L.C. to acquire and produce natural gas and associated liquid hydrocarbons in the Gulf of Mexico. Energy Financial Services will also finance the completion of a 48-mile pipeline system to transport gas from F-W's gas fields in the South Padre Island area.

Located 12 miles offshore Texas, these South Padre Island fields represent the most significant asset within the partnership. The fields, owned 100% by the partnership, are shut-in pending completion of the pipeline installation scheduled in the fourth quarter of this year. This pipeline will transport more than 30 million cubic feet equivalent of gas per day from these fields.

"This financing enables us to monetize reserves at very attractive commodity prices in the forward market while remaining focused on deploying risk capital in exploration," said Jim Brock, President of F-W Oil Exploration L.L.C., the general partner, which will operate the wells and pipeline. "The formation of this partnership in combination with our pipeline installation is the culmination of nearly three years of effort in developing the South Padre Island Stranded Gas Play," adds Doug Nester, F-W's COO.

The transaction represents a new avenue of growth for GE's Energy Financial Services unit. "Investing in offshore reserves significantly increases the opportunities for expanding our oil and gas portfolio," said John Schaeffer, Managing Director of Oil and Gas at Energy Financial Services. "This transaction also allows us to apply our technical and financial expertise in pipelines to bring more gas to an increasingly supply-constrained market."

Since 1991, Energy Financial Services' Oil & Gas unit has provided \$2.2 billion in partnership equity and \$300 million in senior secured debt for its independent private and public oil and gas partner-operators. Through partnerships, it owns \$1.5 billion in oil and gas reserves, producing more than 140 million cubic feet of natural gas and 31,000 barrels of oil per day.

### **About GE Commercial Finance Energy Financial Services**

GE Commercial Finance Energy Financial Services, based in Stamford, Connecticut, invests about \$3 billion annually in the world's most capital-intensive industry, energy. With more than \$12 billion in assets, GE Commercial Finance Energy Financial Services offers structured equity, leveraged leasing, partnerships, project finance and broad-based

commercial finance to the global energy industry from wellhead to wall socket. For more information, visit <http://www.geenergyfinancialservices.com/>.

**About GE Commercial Finance and GE**

GE Commercial Finance offers businesses around the globe an array of financial products and services, has assets of over \$230 billion and is headquartered in Stamford, Connecticut, USA. 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 <http://www.ge.com/>

**About F-W Oil Exploration L.L.C.**

F-W Oil Exploration L.L.C. is located in Houston, Texas and focuses on the exploitation of natural gas reserves in the Gulf of Mexico. Since its formation in 2001, the Company has been aggressively accumulating and developing gas assets in areas along the Texas and Louisiana shelf that have for the most part been passed over by many of the larger operators. Today, the Company has ownership in 28 offshore leases and is Operator for 17 of these. F-W Oil Exploration L.L.C. is a 100% owned affiliate of PrimeEnergy (NASDAQ: PNRG), a Stamford-based oil and gas company.

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