



## **New Mexico Power Project Applies to Use**

### **State of the Art Carbon Capture and Sequestration**

*New York, October 5, 2009.* Sithe Global Power LLC (“Sithe”) announced today that it has applied for a \$450MM Department of Energy (“DOE”) grant under the CCPI 3 program to implement carbon capture and sequestration (“CCS”) technology at its Desert Rock Energy Project, a proposed coal-fired power plant to be constructed on Navajo Nation territory in New Mexico.

The DOE’s CCPI program was established to accelerate the adoption of CCS technology and to utilize the manufacturing know-how gained from these initial projects to increase the efficiency and to reduce the cost of CCS, thereby proving the commercial viability of the technology and its efficacy in both new and existing power generation facilities. Sithe’s affiliate, Desert Rock Energy, is the developer of the New Mexico project.

Desert Rock was already designed as an ultra super-critical facility, incorporating the most efficient proven environmental technology for the removal of pollutants, such as reducing sulfur dioxide (“SO<sub>2</sub>”) by 98%, nitrous oxide (“NO<sub>x</sub>”) by 95% and mercury by over 90%. The EPA also acknowledged that the Desert Rock facility would have been “one of the cleanest pulverized coal-burning power plants in the country.” However, Sithe has now chosen to further reduce the pollutants produced by the facility through the incorporation of the latest CCS technology into the project. Desert Rock is an ideal candidate for CCS technology as the site is located in close proximity to an existing pipeline used to transport carbon dioxide from Colorado to West Texas to increase oil production from mature fields.

Desert Rock with CCS technology installed will meet the stated strategic goals of the Obama Administration for reducing carbon dioxide emissions, while supporting continued economic development, creating “green” jobs and providing consumers with affordable power.

President Shirley of the Navajo Nation states, “The completion of Desert Rock remains critical to the economic development of the Navajo Nation. It now serves as a milestone project for the power industry, while showing the strong commitment of the Navajo Nation to preserve our environment.” Power generated from Desert Rock will now meet the requirements to qualify for renewable energy credits, and may be sold into all Western power markets, thereby mitigating the risk of future power shortages.

Bruce Wrobel, Sithe's CEO, said "Sithe's management and our majority shareholder, Blackstone, pursue each of its power development projects in an environmentally responsible manner. We take into account the needs of the local community as well as the applicable environmental regulations with an eye toward developing facilities that address those needs and provide power safely and efficiently, while earning an economic return for our investors. With the continued support of the local community and the DOE, Sithe believes that, upon its completion, Desert Rock will be one of the first commercial scale examples of clean-coal technology in America and will provide a benchmark for future development projects."

Dr. Jim Henderson, San Juan County New Mexico's Commissioner for District 4, said, "I applaud Sithe's efforts to incorporate the latest in clean coal CCS technology into the Desert Rock project and urge the DOE to give the project its close consideration."

### **About Sithe Global**

Sithe Global is a privately held international independent power development company which focuses on certain target markets in North America, Europe, Mexico, Africa and the Middle East. Sithe Global is led by a seasoned management and technical team with extensive independent power project development experience, and a proven record of identifying project development and acquisition opportunities which create substantial value for its investors. The Sithe Global management team has successfully developed over 50 power plant projects in nine countries with a capital investment in excess of \$5 billion. Further information is available at [www.sitheglobal.com](http://www.sitheglobal.com).

### **About Blackstone**

Blackstone is one of the world's leading investment and advisory firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, the companies we advise and the broader global economy. We do this through the commitment of our extraordinary people and flexible capital. Our alternative asset management businesses include the management of corporate private equity funds, real estate funds, funds of hedge funds, credit-oriented funds, collateralized loan obligation vehicles (CLOs) and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services. Further information is available at [www.blackstone.com](http://www.blackstone.com).

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