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For Immediate Release
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***FutureGen Project Takes Giant Step Forward,
On Course to Reach Next Project Milestones
Agreement with DOE Keeps Project on the Fast Track***

WASHINGTON, D.C. – The FutureGen Alliance and the U.S. Department of Energy (DOE) recently agreed to move the FutureGen project to its next stage of development. The recently signed agreement will keep FutureGen, the world's first near-zero emissions, coal-fueled power plant, on the fast track through several critical stages of development. Over the next 15 months, DOE will complete the Environmental Impact Statement and the FutureGen Alliance will select the final site, select technologies and vendors, finalize the preliminary design, and procure long-lead items.

"The FutureGen project has a focused mission and has maintained its aggressive schedule and today's agreement with DOE keeps us on the fast track to reaching our project milestones, addressing climate change concerns and increasing our energy security," said Michael J. Mudd, CEO of the FutureGen Alliance.

"Under the agreement, DOE will provide approximately \$1.1 billion in funding over the lifetime of the project, the industry-backed Alliance will provide approximately \$400 million in funding," said Mudd. "The costs estimates are now expressed on an inflation-adjusted, nominal basis. This accounting basis will provide increased clarity on project costs, and will aid the Administration, the Congress, and industry in its financial planning."

While the Alliance and DOE have maintained zero growth in the project's scope, the inflation-adjusted estimates reflect the recent run-up in steel, copper, and other commodity and equipment prices, which are affecting all heavy construction projects.

"Like many Americans, we wish we could control the price of inflation and that the cost of materials would remain the same over time," said Mudd. "Unfortunately, none of us control inflation. It is a marketplace reality that affects many types of heavy construction projects. What we can control, however, is cost increases linked to project scope growth, and I am pleased to report that because of our sound project management the scope growth is zero. We have a very strong financial interest in keeping this project on time and on budget and we will continue to tightly manage every dollar."

In the coming weeks, the Alliance will post on its Web site a Conceptual Design Report that provides a detailed summary of the project's conceptual design and cost estimate. In addition, the DOE will be releasing the draft environmental impact statement (EIS) on the four candidate sites now in contention to host the project. DOE's release of the Draft EIS will be

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followed by a public hearing at each site as a mechanism to provide another opportunity for stakeholder involvement. The Final EIS will be completed late this summer. The final site will be announced in early fall.

The FutureGen project is a first-of-a-kind near-zero emissions coal-fueled power plant that will integrate, test and prove Integrated Gasification Combined Cycle (IGCC) with carbon capture and sequestration in deep saline geologic formations. These technologies will nearly eliminate climate change concerns associated with this first-of-a-kind power plant.

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About the FutureGen Alliance

The FutureGen Alliance, a non-profit organization, with membership that includes some of the world's largest coal companies and electric utilities including: American Electric Power, Anglo American, BHP Billiton, the China Huaneng Group, CONSOL Energy Inc., E.ON U.S., Foundation Coal, PPL Corporation, Rio Tinto Energy America, Peabody Energy, Southern Company, and Xstrata Coal.. These companies provide energy to tens of millions of residential, business, and industrial customers in North America, Asia, Australia, Europe, Africa and South America. The Alliance is partnering with the U.S. Department of Energy to design and build the facility. Learn more about FutureGen and the Alliance at www.FutureGenAlliance.org.