

Power Generation

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Follow-up contract for China: Siemens to supply environmentally friendly technology for largest facility in the world for production of polypropylene from coal

Siemens Power Generation (PG) has been awarded a follow-up contract to supply three entrained-flow gasifiers with a thermal capacity of 500 MW each to China. The order was placed by Shenhua Ningxia Coal Industry Group (SNCG), a subsidiary of the Shenhua Group, the largest Chinese coal producer. These reactors are to be used for the largest plant in the world for production of polypropylene from coal, the SNCG project in Lingwu City in Ningxia Province.

In early 2007 SNCG ordered a first two 500-MW entrained-flow gasifiers, with these scheduled for startup in early 2009. When completed in late 2009, the new plant will produce 520,000 tons per year of polypropylene from coal.

As a low-cost, widely available fuel, coal is destined to play an important role in meeting the world's future energy needs. "From the standpoint of environmental and climate protection considerations, techniques like coal gasification and liquefaction are gaining preference," said Martin Pfund, head of Siemens Fuel Gasification. With this in mind, Siemens PG acquired the technology and engineering activities of the Sustec Group last year to supplement its power plant business with products and services related to coal gasification. In addition to gaining a key technology for the environmentally friendly generation of electrical power based on coal, Siemens PG can also use this technology

to produce synthetic fuels and chemical products. The Fuel Gasification Unit is headquartered in Freiberg in Saxony and has a work force of about 65. "This order is an important reference for our new generation of gasifiers of the 500 MW class," Pfund added.

China has some of the world's largest reserves of coal, along with the United States and Russia. Coal is used for 70 percent of its electricity generation. In view of the country's fast-rising energy consumption and the fact that it does not have ample reserves of crude oil and natural gas, China is investing heavily in the production and processing of coal. Besides being used for power generation, coal is also increasingly being used to produce synthetic gases and as a source of carbon for the chemicals industry.

The Power Generation Group (PG) of Siemens AG is one of the premier companies in the international power generation sector. In fiscal 2006 (which ended September 30), Siemens PG posted revenue amounting to more than EUR10 billion and received new orders totaling EUR12.5 billion, according to U.S. GAAP. Group profit amounted to EUR782 million. On September 30, 2006, PG had a work force of approximately 36,400 worldwide. Further information at: www.siemens.com/powergeneration