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## **Wanxiang and GreatPoint Energy Announce \$1.25 Billion Investment and Agree to Construct World's Most Efficient Coal-to-Natural Gas Production Facility in China**

*Sinopec agrees to purchase the natural gas output from the project utilizing GreatPoint's Bluegas™ hydromethanation technology and Wanxiang's coal resources*

**Cambridge, MA, USA and Shanghai, China, May 21, 2012** – GreatPoint Energy and China Wanxiang Holdings today officially announced the closing of their investment and partnership agreement which was highlighted during an official signing ceremony between senior U.S. and Chinese government officials on February 19, 2012.

As part of the transaction, GreatPoint Energy has raised equity investment and secured project funding of \$1.25 billion from Wanxiang to finance and construct the first phase of a one trillion cubic feet per year coal to natural gas production facility. The complex will be located near Turpan, Xinjiang Uyghur Autonomous Region (Xinjiang) in the Peoples Republic of China and will utilize GreatPoint Energy's proprietary Bluegas™ technology. China Petroleum and Chemical Corp. (Sinopec), China's largest company by revenue, has agreed to purchase the natural gas produced from the facility and has already announced plans to construct a pipeline to deliver the gas to the eastern provinces of China.

The Bluegas hydromethanation technology developed and owned by GreatPoint Energy directly converts coal into pipeline quality natural gas, the cleanest commercial fuel in use globally. GreatPoint Energy's proprietary technology operates at the highest efficiency with the least environmental impact, and produces natural gas at the lowest cost in the industry. Its water consumption is only half of that of competing gasification systems. Inherent in the technology is the ability to capture nearly all emissions, including carbon dioxide, which can be sequestered and used for oil production through Enhanced Oil Recovery. The technology is especially well suited for arid regions and where low-quality, concentrated coal resources are available, such as in Xinjiang. Together, Wanxiang and GreatPoint Energy also plan to develop large-scale Bluegas projects at other locations in Xinjiang and in other regions of China using the Bluegas technology.

Wanxiang and GreatPoint Energy have entered into a joint venture and have begun engineering the Bluegas complex which, when complete, will produce one trillion cubic feet (30 billion cubic meters) of natural gas per year. The first phase is expected to commence operation in 2015 with an initial annual natural gas production capacity of 30 billion cubic feet (0.85 billion cubic meters), which will expand to 116 billion cubic feet (3.4 billion cubic meters) of annual natural gas output within two years. Sinopec's agreement to purchase the gas and build the infrastructure to transport it from Xinjiang to the eastern regions of China, including Guangdong and Zhejiang provinces and Shanghai, provides strong support for the project. The Bluegas project is expected to contribute toward satisfying China's rapid energy demand growth and strong desire to improve environmental quality. It will provide domestic, clean energy derived from a very large and low-cost coal resource base in the western regions of the country.

Following development of the Bluegas plant in Xinjiang, GreatPoint Energy intends to expand to other significant natural gas markets in and outside of China, including Japan, South Korea, India, and Europe,

becoming a major global supplier of natural gas that will compete with traded Liquefied Natural Gas (LNG) and long-distance pipeline supplies in these markets.

As part of the transaction, Wanxiang will become a large shareholder of GreatPoint and will join the Board of Directors of the Company. Other Board members include Ray Lane, Partner at Kleiner Perkins Caufield & Byers and Executive Chairman of Hewlett Packard, Paul Hanrahan, former CEO of AES Corp., Bill Wiberg, Partner at Advanced Technology Ventures, Andrew Perlman, Chairman and CEO, and Daniel Goldman, President and CFO.

“Wanxiang is pleased to be a major shareholder in GreatPoint Energy,” said Wanxiang Group’s Chairman Lu Guanqiu. “Wanxiang believes that GreatPoint Energy’s Bluegas technology is currently the world’s most advanced, lowest cost and most environmentally friendly technology for transforming coal into natural gas. Wanxiang looks forward to seeing GreatPoint Energy become a global leader in the supply of clean energy. I believe the prospects for this business venture are very exciting.”

Dr. Gu Jun Yuan, President of China Wanxiang Holdings, added, “I believe that this partnership between Wanxiang and GreatPoint Energy represents the beginning of a very significant opportunity to convert some of the world’s most abundant and low cost coal supplies into trillions of cubic feet of clean, valuable natural gas. I look forward to working with GreatPoint to develop plants around the world.”

“We are building a major new global energy producer for the twenty first century and focusing on one of the largest, most attractive, and fastest growing natural gas markets in the world,” said Andrew Perlman, Chief Executive Officer of GreatPoint Energy. “And we are extremely pleased that one of the most successful and well-respected companies in China has become a major shareholder in GreatPoint Energy. Once again, Wanxiang has shown its leadership in entering new industries with the potential for tremendous growth. Their vision of embracing technology innovation to produce clean energy in China on a massive scale will be an inspiration for the entire world and we are honored to be a part of it.”

Daniel Goldman, President and Chief Financial Officer of GreatPoint Energy added, “We are extremely pleased to welcome Wanxiang as one of our strategic investors and establish a joint venture with them in China. This agreement provides a tremendous pathway for commercialization of the Bluegas technology and enables us to develop and finance multi-billion dollar projects and provide large quantities of natural gas that will compete with supplies from neighboring countries. We are particularly excited to contribute toward meeting China’s rapid natural gas demand growth with American technology and engineering of a highly efficient and cost-effective clean energy solution. Over the coming years, we are confident that this partnership will create thousands of new high-quality engineering, technical and construction jobs in the U.S. and China as we build-out large-scale, environmentally attractive gas production facilities.”

### **About China Wanxiang**

Wanxiang was founded in 1969 by its Chairman Lu Guanqiu and is now one of the largest private companies in China. Wanxiang is a diversified manufacturing enterprise with interests in equipment and automotive parts manufacturing, where it has become one of the largest global suppliers, clean energy, financial services, agricultural products, natural resources, real estate and investments. The company operates facilities in 23 provinces in China and over 40 countries around the world. In the United States, Wanxiang owns or controls 29 companies and has nearly 6,000 employees. Wanxiang is embarking upon a major development in Xinjiang Uyghur Autonomous Region where it anticipates investing 160 billion RMB (US\$25 billion) through 2020, including the development of projects utilizing the Bluegas technology to convert coal to natural gas, and hiring thousands of employees. For more information visit [Wanxiang.com](http://Wanxiang.com).

### **About GreatPoint Energy**

GreatPoint Energy produces clean, low-cost natural gas from coal, petroleum coke, and biomass utilizing its Bluegas™ catalytic hydromethanation process. Bluegas operates at significantly higher efficiency than competing technologies and benefits from very low water usage, a superior environmental footprint, nearly

complete carbon capture, and a much lower overall cost of production. The natural gas that GreatPoint produces is far less expensive than liquefied natural gas (LNG) and can be transported through existing pipeline infrastructure. It is interchangeable with drilled natural gas and LNG for all applications, including power generation, industrial use, residential and commercial heating, and the production of chemicals. The company is backed by leading strategic investors including China Wanxiang Holdings, Dow Chemical, Peabody Energy, AES, and Suncor Energy, and financial investors, such as Citi Alternative Investments, Kleiner Perkins Caufield and Byers, Khosla Ventures, Advanced Technology Ventures and Draper Fisher Jurvetson. For more information visit [GreatPointEnergy.com](http://GreatPointEnergy.com).

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