

September 13, 2006

## MEMORANDUM OF UNDERSTANDING

In recognition of mutual interests in the promotion of clean coal technologies in China, Jackson Hole Center for Global Affairs, General Electric U.S.A and the Foreign Affairs Office of Shanxi Provincial Government, Development and Reform Committee of Shanxi Province wish to affirm their intention to continue working together to identify mutual opportunities and benefits relating to the demonstration, development, and/or deployment of certain clean coal technologies in Shanxi province.

Specifically, both parties have participated in discussions held in Taiyuan on September 12-13 as part of the U.S.-China Clean Coal Forum, relating to integrated gasification combined cycle (IGCC) and other coal gasification technologies. Based on these discussions, the two parties wish to affirm the value of continued efforts to align their common interests relating to the purchase and sale, licensing, or other transfer of these technologies, and to achieve mutual benefits.

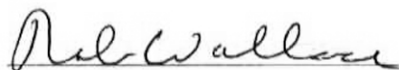
These benefits may include, without being limited to, the following:

- Economic development;
- Pollution reduction;
- Increased thermal efficiency, in terms of unit of electricity produced in relation to unit of coal consumed; and
- Comprehensive resource conservation based on use of coal gasification to achieve conservation of water and other inputs and generation of multiple outputs (e.g., electric power, multiple coal chemicals and other fuel stocks);
- Potential for hydrogen separation and production; and
- Potential for carbon capture and storage.

Both parties affirm the value of these benefits to Shanxi province, China, and the world. Both parties affirm their intention to continue exploring means to realize these benefits in relation to the costs and/or risks, as well as relevant issues relating to mutual benefits, with a view to achieving agreement on appropriate products, performance, cost, and safeguards for the interests of both parties (e.g., performance, intellectual property rights).

**General Electric, U.S.A.**

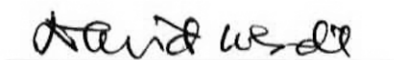
**Foreign Affairs Office of Shanxi Provincial Government**

  
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**Jackson Hole Center for Global Affairs**

**The Development and Reform Committee of Shanxi Province**

  
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