



PRESS RELEASE

**GE MAKES CRITICAL INVESTMENT IN SOUTHERN CALIFORNIA
SEAWATER DESALINATION PROJECT**

***Unique Teaming Arrangement on Largest North American Seawater Desalination Project;
GE ecomagination Advanced Membrane Technology Selected for Carlsbad Plant***

FOR IMMEDIATE RELEASE:

UNIVERSAL CITY, CA (MAY 24, 2007) — GE Water & Process Technologies, a unit of General Electric Company (NYSE:GE), announced today its participation in what will be the largest seawater desalination facility in North America, the Carlsbad Seawater Desalination Plant. GE Water & Process Technologies, Poseidon Resources Corporation, American Water and Acciona Agua have joined together to invest in the final stage of the desalination project to bring a long-term, drought-proof, safe and affordable supply of drinking water to the water-scarce region. Financial details were not disclosed.

“Our business is committed to bringing holistic and sustainable water management solutions, like desalination and water reuse, to regions facing water shortages,” commented Jeff Garwood, president and CEO, GE Water & Process Technologies, while attending GE’s “Green is Universal” event in Universal City, Calif. “By combining this viable business investment with the strength of our ecomagination portfolio, we will be able to make a real difference for many San Diego County residents facing unprecedented water demands.”

Since 1998, Poseidon Resources has been working in a public-private partnership with the City of Carlsbad to construct the 50-Million-Gallon-Per-Day (MGD) desalination plant. The facility, which will draw water from the Pacific Ocean to create a cost-certain, drought-proof supply of fresh water for San Diego County, will dramatically reduce the area’s dependence on imported water from the Sacramento San Joaquin Bay Delta and the Colorado River.

At the ecomagination event, Poseidon Resources also announced the selection of GE’s ecomagination-certified, ZeeWeed® ultrafiltration (UF) technology for the Carlsbad Seawater Desalination Plant. The selection followed a successful 16-month pilot of the UF technology at the facility. Slated to become operational as early as 2010, the Carlsbad facility will also be the largest seawater desalination plant in the world to use UF membranes as the pretreatment step.

“GE Water & Process Technologies’ participation in the Carlsbad desalination team reflects our commitment to enlisting the brightest minds available and incorporating cutting-edge technology,”

said Jim Donnell, CEO of Poseidon Resources. "GE's ZeeWeed® membranes represent the pinnacle in desalination pretreatment technology. GE's ecomagination solution will result in lower energy consumption and higher-quality water. An environmentally-sound, affordable water supply that California can count on...that is what this project is all about."

The Carlsbad Seawater Desalination Plant will be located alongside the Encina Power Station and use its existing intake and discharge infrastructure. Over 100 MGD of seawater can be diverted from the circulating water system to supply the desalination facility. The plant's source water will be pretreated by the GE ZeeWeed® membranes, and then processed through reverse osmosis membranes to produce high-quality potable water.

Acciona Agua has been named the preferred engineering, procurement and construction contractor while American Water is the preferred operations and maintenance supplier for the Carlsbad Seawater Desalination Plant. American Water has been providing quality, reliable service to Southern California communities for the past 40 years.

GE Water & Process Technologies is one of the largest suppliers of desalination plants in the world and is a leader in membrane-based desalination technology, which is among the most energy-efficient technologies for transforming salty water. GE's installed desalination systems process more than 2 billion gallons of water a day for a variety of purposes. That amount is equal to the daily water requirements of more than 150 million people.

This is one of several announcements GE and its businesses are making today at their Green is Universal event in Los Angeles, California. For more information on GE Water & Process Technologies' ecomagination product offerings or to see the other GE ecomagination announcements, please visit www.ecomagination.com

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About GE Water & Process Technologies

GE Water & Process Technologies, a unit of General Electric Company, is solving some of the world's most pressing water challenges by providing industrial, agricultural, potable water, and wastewater solutions that lessen the overall dependence on our world's fresh water sources. Technologies to accomplish this include: advanced membrane-based separation solutions, specialty chemicals for water and process applications, thermal separation equipment, mobile water and advanced instrumentation and controls. As the global leader in membrane technology, seawater desalination projects, and water reuse, GE delivers water sustainability solutions through a variety of delivery models, including Build-Own-Operate and partnerships involving structured financing. GE delivers value to customers by improving performance and product quality, reducing operating costs and extending equipment life. For more information on GE Water & Process Technologies, visit www.gewater.com.

About Poseidon Resources

Poseidon Resources specializes in developing, financing and managing water infrastructure projects, primarily seawater desalination and water treatment plants. These projects are implemented through innovative public-private partnerships in which private enterprise assumes the developmental and financial risks. For more information on Poseidon Resources and the Carlsbad desalination plant visit our Carlsbad website at

www.carlsbad-desal.com and for information on the Huntington Beach project visit our Huntington Beach website at www.hbfreshwater.com.

About American Water

With headquarters in Voorhees, NJ, American Water employs approximately 7,000 dedicated professionals who provide high-quality water, wastewater and other related services to about 17 million people in 29 states and Canada. For more information, visit www.amwater.com.

About Acciona Agua

Acciona Agua, www.acciona-agua.com, is one of the largest seawater desalination companies in the world. Over the past 25 years, Acciona has designed, built and operated nearly 70 desalination facilities and 320 water treatment plants around the world. Acciona is one of the largest infrastructure companies in Europe with 33,000 employees and a market capitalization over \$10 billion.

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