



News

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GM Joins State Of California, Chevron Technology Ventures LLC, And Pacific Ethanol To Help Investigate Ethanol As Alternative, Renewable Fuel

***State Endorses E85; GM offers vehicles;
Chevron Technology Ventures LLC provides blending and dispensing; Pacific Ethanol provides ethanol***

LOS ANGELES -- General Motors will help lead a joint demonstration project along with the state of California, Chevron Technology Ventures, and Pacific Ethanol to learn more about consumer awareness and acceptance of E85 as a motor vehicle fuel by demonstrating its use in GM's flexible-fuel vehicles. The announcement was made as a result of a non-binding understanding made public today at the Los Angeles Auto Show.

GM intends to offer between 50 to 100 of its E85-capable Chevrolet Impala passenger cars and Silverado pickup trucks for consideration in the state's annual competitive bid process. Flexible-fuel vehicles will be used by the California Department of Transportation (CalTrans) at various operations in Northern California and the state's Central Valley. Chevron Technology Ventures intends to work with CalTrans to provide E85 fuel and install the necessary refueling pumps in these locations. Pacific Ethanol, a California-based ethanol production and marketing company, intends to provide the ethanol to Chevron Technology Ventures for the project.

Since California currently imports more than half of its crude oil, it has become a statewide priority to develop and grow diverse energy sources. The ethanol project is designed to explore the merits of E85 to help meet that goal, and its potential to meet and exceed California's high standards for fuel quality and environmental emissions.

"Governor Schwarzenegger strongly supports the development of alternative fuels to improve California's air quality, reduce CO₂ emissions, and achieve energy independence," said Cal/EPA Secretary Alan C. Lloyd. "This demonstration program involving E85 fuel technology insures that California will continue to play a leading role in protecting the environment and public health."

Although somewhat lower in energy content, ethanol delivers similar performance as regular gasoline and is a renewable, domestically-produced fuel. E85, a blend of 85 percent ethyl alcohol and 15 percent gasoline, is produced from the starch and sugar in agricultural products, primarily domestically-produced corn.

"Chevron is exploring a variety of energy sources, including ethanol," said Greg Vesey, president, Chevron Technology Ventures. "We expect this effort will help us learn more about consumer acceptance of E85 as well as issues surrounding its production and distribution."

For GM, this collaboration with the state of California is an important first step in helping create and grow an E85 refueling infrastructure for its E85-capable vehicles currently on the road and in showrooms, according to Elizabeth A. Lowery, GM's vice president of environment and energy.

"We are delighted to work with California, Chevron Technology Ventures, and Pacific Ethanol on this

important campaign and we commend the state of California for its leadership," Lowery said. "GM will continue to work to promote the increased use of E85 through partnerships that demonstrate the many benefits that E85 and a diverse energy supply has for the environment, the economy and consumers."

Pacific Ethanol is constructing a large scale ethanol facility in Madera, Calif., and has plans to build four ethanol plants in the state during the next two years, according to Bill Jones, Pacific Ethanol's Chairman.

"Each plant will create more than 700 new jobs in California, and infuse more than \$100 million in capital into the local economy," Jones said. "E85 can help increase the amount of renewable fuel already used in California. Pacific Ethanol is pleased to be a part of the work, and looks forward to helping supply more and more ethanol for the state."

GM has made a major commitment to E85 flexible fuel vehicles in the United States, with 1.5 million of these vehicles on the road today. GM approved the use of 10 percent ethanol blended gasoline in all GM products more than 20 years ago, and produces almost five million E10 capable vehicles annually.

For the 2006 model year, GM offers nine E85 flexible fuel vehicles, including the Chevrolet Tahoe, GMC Yukon, Chevrolet Suburban, GMC Yukon XL, Chevrolet Silverado, GMC Sierra, Chevrolet Avalanche, Chevrolet Impala, and the Chevrolet Monte Carlo. In Europe, the GM-owned Saab brand is making significant headway with the E85-fueled Saab 9-5 BioPower, which is now available to consumers in Sweden and Germany. A 310 hp concept version of the 9-5 BioPower debuted at the 2006 Los Angeles Auto Show to illustrate how Saab might extend this initiative to the United States.

GM's E85 vehicles are capable of operating on either gasoline or 85 percent ethanol without any additional modifications, aftermarket conversions, or cumbersome switches for vehicle users. Currently, there are more than 400 public E85 fueling sites in operation across the nation.

In addition to producing E85 flexible fuel vehicles, GM has also partnered with the Governors' Ethanol Coalition (GEC), a bipartisan group of governors devoted to the promotion and increased use of ethanol. This collaborative effort is designed to increase awareness of ethanol and flexible fuel vehicles, and to promote the increased use of E85 as a renewable, alternative transportation fuel that is able to meet the demands of today's drivers.

More information on GM's alternative fuel product offerings can be found at www.gmaltfuel.com.

General Motors Corp. (NYSE: GM), the world's largest vehicle manufacturer, employs about 323,000 people globally. Founded in 1908, GM has been the global automotive sales leader since 1931. GM today has manufacturing operations in 32 countries and its vehicles are sold in 192 countries. In 2004, GM sold nearly 9 million cars and trucks, up 4 percent and the second-highest total in the company's history. GM's global headquarters are at the GM Renaissance Center in Detroit. More information on GM, its advanced technologies and environmental initiatives can be found on the company's corporate website at www.gmability.com.

Chevron Technology Ventures LLC, a subsidiary of Chevron Corporation, identifies, develops and commercializes emerging technologies and new energy systems. These include investments for hydrogen-related technologies, advanced energy storage technologies, renewable energy and nanotechnology. Technology Ventures is headquartered in Houston, Texas. More information about Chevron Technology Ventures can be found at www.chevron.com/technologyventures/.

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