

press release

Embargoed until July 30th, 3:00 PM EST

Nation's First Application for a Revolutionary Hydrogen Fuel Electric Generating Facility with Carbon Capture and Sequestration to be filed before the California Energy Commission

Long Beach, CA, July 30, 2008: Hydrogen Energy International LLC, a joint venture of BP Alternative Energy and Rio Tinto, today announced plans to file an AFC (Application for Certification) before the California Energy Commission on Thursday July 31, 2008, for a proposed hydrogen fuel production facility and power plant in Kern County, California. The filing initiates a comprehensive regulatory review process and, upon approval, grants permission for the construction of the nation's first industrial-scale low-carbon power plant with carbon capture and sequestration.

The proposed facility will use Integrated Gasification Combined Cycle (IGCC) technology to manufacture hydrogen from petroleum coke (a by-product of the refining process) or blends of petroleum coke and coal, as needed. The hydrogen will be used to generate nearly 400 gross megawatts of base-load low-carbon electricity -- enough to power 150,000 homes in the region. Over 2 million tons of carbon dioxide (CO₂) is expected to be captured and stored in deep underground geological formations annually, giving the facility minimal CO₂.

"While we had planned to site the project in Carson, we have concluded that the project will become a reality much faster by locating it in close proximity to Occidental's nearby Elk Hills operations where the CO₂ can be injected and stored" said Jonathan Briggs, Regional Director of Hydrogen Energy in North America. "Hydrogen Energy provides electricity generators with a low carbon fuel option that can contribute enormously to the reduction of greenhouse gas emissions."

Occidental Petroleum (NYSE:OXY) hopes to use the CO₂ for enhanced oil recovery in the Elk Hills oil field. "Recovering more oil from existing fields is an excellent way we can increase our domestic production and enhance the energy security of the United States," said Dr. Ray R. Irani, Chairman and Chief Executive Officer of Occidental Petroleum Corporation. "Occidental sees both environmental and production benefits from the use of CO₂ for enhanced oil recovery and in the underground sequestering of the CO₂ as a way to control greenhouse gas emissions."





Hydrogen Energy is siting this new facility in California because of the State's leadership role in requiring greenhouse gas emission reductions in policy initiatives supported by the Governor, Legislature, and energy regulatory agencies, including the California Public Utilities Commission and the California Air Resources Board. Additionally, Hydrogen Energy sees Kern County as an ideal location because of the many oil fields that can provide ideal storage conditions for CO₂ thus ensuring environmental benefits, as well as providing the opportunity for enhanced oil recovery, thus producing additional economic benefits.

About HEI:

BP Alternative Energy North America Inc. and Rio Tinto Hydrogen Energy LLC formed Hydrogen Energy International LLC to create low-carbon hydrogen from fossil fuels. The hydrogen would initially be for use in industrial scale power generation plants and the CO₂ from the fossil fuel would be captured and stored in deep geological formations. For more information on Hydrogen Energy and the California project, please visit www.hydrogenenergy.com/california

About Occidental:

Occidental Petroleum Corporation is a Los Angeles-based oil and gas exploration and production company with operations in the United States, Middle East/North Africa and Latin America regions. Occidental is the fourth largest U.S. oil and gas company, based on equity market capitalization. Sixty-three percent of Occidental's 2007 production and seventy-five percent of its proven reserves are located in the United States. Occidental is committed to safeguarding the environment, protecting the safety and health of employees and neighboring communities and upholding high standards of social responsibility in all of the company's worldwide operations.

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