Lockheed Martin And Starwood Energy Group Global Team To Pursue Utility-Scale Solar Generation Projects

Lockheed Martin and Starwood Energy Group Global, LLC (SEG) announced that they are teaming to pursue utility-scale solar generation projects in North America.

Under the agreement, Lockheed Martin will be primarily responsible for engineering, procurement, manufacturing and systems integration. SEG will be primarily responsible for arranging long-term power purchase agreements, site selection, permitting, and for providing construction and permanent debt and equity financing. SEG's approach includes working with leading independent developers.

"Significant demand is growing for utility-scale solar generation projects of over 50 megawatts (MW) capacity in the United States," said Chris Myers, vice president of Business Development at Lockheed Martin's Maritime Systems and Sensors business. "We believe that Lockheed Martin's proven capabilities in systems integration, engineering and precision manufacturing will allow us to drive down the costs of these projects, while better assuring the achievement of performance standards and delivery schedules desired by utilities, regulators and other stakeholders. Combining our core systems engineering skills with Starwood creates a team with the full range of capabilities necessary to deliver clean, renewable power to support the nation's energy independence and a cleaner environment for all its citizens."

Lockheed Martin and Starwood estimate that up to 10,000MW of solar power could come on line in the next 10 years. At an expected cost of $3 per watt of generating capacity, that would put the market size at $30 billion dollars. The teaming arrangement allows Lockheed Martin and Starwood the opportunity to help shape a new market and to provide the business a calculated growth path.

"We are delighted to be teaming with Lockheed Martin in this unique partnership," said Brad Nordholm, CEO of Starwood Energy Group. "We believe the combination of Lockheed Martin's historic record for successful innovation and execution, along with SEG's capital markets and industry expertise will facilitate our achieving utility-scale solar generation that is more cost competitive with existing and future technologies."

"Despite its enormous potential benefits, utility-scale solar generation historically has remained difficult to finance because the industry lacked what we believe are Lockheed Martin's best strengths -- achieving large-scale production while actually lowering costs," added Madison Grose, vice chairman of Starwood Energy Group. "Lockheed Martin's ability to perform on engineering, procurement and construction contracts will make financing available that will help lower the cost of capital, ultimately resulting in more competitive electricity costs."

Starwood Energy Group, an affiliate of Starwood Capital Group Global, LLC, focuses predominately on energy infrastructure investment, including the acquisition and development of power generation and transmission projects, principally in North America. To date, the company and its affiliates have invested, or committed to invest, more than $200 million of equity capital in transactions representing over $2.5 billion in potential total enterprise value when fully developed.

The Lockheed Martin-Starwood team will initially focus on the utility- scale solar generation needs of California and the Southwest United States, based on initial market assessments.

About Lockheed Martin: As part of a larger business strategy, Lockheed Martin actively seeks markets that will benefit from core competencies it built in its aerospace and defense work. For example, the Maritime Systems and Sensors business now operates the logistics supply chain for all U.S. military aircraft tires as an outgrowth of its supply chain management expertise developed to support its naval combat system work.

Headquartered in Bethesda, MD, Lockheed Martin employs about 140,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products, and services.

About Starwood Energy Group Global: Headquartered in Greenwich, CT, Starwood Energy is focused on power generation and transmission project development and ownership, primarily in North America. Starwood Energy currently has interests in three transmission projects in the Northeast, including the recently completed 660MW undersea transmission line across New York Harbor known as "Neptune" that connects the Pennsylvania-Jersey-Maryland (PJM) grid to the Long Island Power Authority (LIPA) grid. It also maintains interests in six power

generation projects in California, including five existing simple-cycle, natural gas-fired "peaking" power plants representing approximately 240 MW of total generation capacity and a 120MW "peaking" power facility currently under development for a California utility.

For additional information on Lockheed Martin Corporation, visit:http://www.lockheedmartin.com/

For additional information on Starwood Energy Group Global, LLC, visithttp://www.starwoodenergygroup.com

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