



## **Lockheed Martin and Starwood Energy Group Global Team to Pursue Utility-Scale Solar Generation Projects**

Nov. 9, 2007 - Lockheed Martin (NYSE: LMT) 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.

### **CONTACT:**

Ken Ross of Lockheed Martin, +1-856-722-6941, cell, +1-856-912-5802, kenneth.b.ross@lmco.com; or  
Tom Johnson of Abernathy MacGregor Group for Starwood, +1-212-371-5999

591 West Putnam Avenue  
Greenwich, CT 06830

Telephone 203.422.7700  
Facsimile 203.422.7827