

Blackstone Group Announces Partnership to Build and Manage 400MW Offshore Wind Farm in Germany

London, July 15, 2008: The Blackstone Group (NYSE: BX) today announced it has formed a partnership with Windland Energieerzeugungs GmbH, founded in 1990 by Joachim Falkenhagen, to complete the development and construction of Meerwind, one of the North Sea's largest wind farm projects. The project, which will be located 80 kilometres off the northern coast of Germany, will cost in excess of €1 billion to build.

The wind farm will comprise 80 wind turbines with a combined generation capacity of 400MW. It is planned to source all technical expertise and substantially all materials from within Germany. Projects of this scale have been made possible by Germany's comprehensive regulatory framework and incentive schemes for renewable power, as amended by German Parliament at the beginning of June, 2008. The area management plan for the future wind farms in the North and East Sea was introduced by the German government on July 6, 2008. The project supports the German government's stated objective of fighting global warming by reduction of its greenhouse gas emissions by 40% by the year 2020. When completed, the wind farm will generate approximately 1.6 billion KWh annually. This would be sufficient to supply 500,000 households with electricity, thereby eliminating approximately 1.4 million tons of CO₂ that would otherwise be produced from coal-fired power generation facilities.

David Foley, Senior Managing Director at Blackstone, said, "We are pleased to join with our partner, Mr Falkenhagen, to complete the development and begin construction of this well designed project. This will be Blackstone's second significant investment in renewable energy following the financial closing of the \$870 million Bujagali hydroelectric power station project by Blackstone's 80% owned portfolio company, Sithe Global, in December 2007. We continue to seek out opportunities to invest in large scale energy infrastructure assets, applying Blackstone's capital, relationships and industry expertise to generate favourable returns for our limited partners while benefiting the environment and stimulating the local economy."

Mr. Falkenhagen added, "Our rationale for partnering with Blackstone was twofold – their expertise and commitment to large scale greenfield energy infrastructure projects, and their ability to make this happen on an accelerated time frame. This is an exciting project that will bring substantial benefits to Germany and the local economy. Unlike coal-fired power generation facilities, our wind farm will not be exposed to the risk of volatile prices for imported fuel or to output constraints imposed by limitations on carbon emissions. This project will aid in providing electricity supply security for Germany and will further develop a new offshore industry in the North Sea. We are delighted that Blackstone is partnering with us and committing its considerable capital and expertise to help bring this project to fruition."

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The Blackstone Group

Blackstone is one of the world's leading investment and advisory firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, the companies we advise and the broader global economy. We do this through the commitment of our extraordinary people and flexible capital. Our alternative asset management businesses include the management of corporate private equity funds, real estate funds, hedge funds, funds of funds, debt funds, collateralized loan obligation vehicles (CLOs) and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement service. Further information is available at www.blackstone.com.

Windland Energieerzeugungs GmbH

Windland Energieerzeugungs GmbH was founded in 1990 by Joachim Falkenhagen as one of the first dedicated developers for wind energy projects in Germany. Since 2000, the company has focused on offshore wind development and its grid connection from the coast to inland Germany.

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