



GE to Contribute to improve competitiveness of Power Equipment for POSCO Pohang Steel Works, Leading Steel Factory in South Korea

- *GE Selected to Retrofit Four Toshiba Industrial Steam Turbines to Extend Operating Life of POSCO Pohang Works' Steel Factory Power Plant*
- *Upgrades to Help Dramatically Increase Efficiency of Turbines to Generate Process Steam*
- *Project Highlights GE's Global Capabilities to Service Generation Equipment from Other Suppliers*

Seoul, Korea — June 2 2016 — Further demonstrating its global capabilities to service non-GE supplied power generation equipment, GE's Power Services business (NYSE: GE) has signed an agreement to retrofit four Toshiba industrial steam turbines at the POSCO Pohang Works steel manufacturing facility in Pohang, Republic of South Korea. POSCO is one of the world's leading steel producers. The project is expected to extend the operating life of the factory's power plant and nearly double the turbines' ability to generate process steam used for steel production. GE gained global capabilities to service non-GE supplied steam turbine equipment through its acquisition of Alstom's Thermal Services business in November 2015.

"By retrofitting the Toshiba steam turbines to meet our specifications, GE is helping us achieve important production targets to help us maintain our globally competitive position and ensure our facility's long-term availability," said Mr. Kwan-Soo Song, group leader of the head office finance and investment division of POSCO. "For example, the project will help our facility to increase the supply of process steam to 70 tons per hour, up from the current 40 tons per hour. The performance gains from these upgrades are significant."

GE's steam turbine retrofit solution will enable POSCO to increase process steam production efficiency as it retires the power plant's other older generating units in its factory.

"We are excited to modernize several Toshiba-made steam turbines to help POSCO ensure the long-term availability of their steel production plant," said Anders Maltesen, general manager for GE's Power Services business for the Asia-Pacific region. "This project is a great example of how we are able to service other manufacturers' generation equipment as a result of GE's acquisition of Alstom Power in 2015 and our increased focus on servicing industrial steam turbines for our customers around the world."

GE's modernization of the nearly 50-year-old steam turbines will blend hardware and software technology with newly designed replacements of the turbines' internal components, including a digital electro-hydraulic controller, a condition monitoring system, generator stator rewinding, generator rotor refurbishment, exciter rewinding and turbine installation.

"We are pleased to build on our excellent working relationship with POSCO by helping them become more competitive as we extend the performance and operating life cycles of their legacy steam turbines, which play such an important role in their steel production activities," said Woonsik Ha,

President & Country Leader, GE Power Korea. "This project will showcase how GE's hardware and software solutions can help industrial operators around the world reduce their operational costs and meet their regulatory requirements by minimizing the environmental impacts of their production activities on local communities."

The power plant recycles the factory's own blast furnace gas (a waste gas created during the steel production process) to fuel the boilers, which creates steam used in the steam turbines. By increasing the operational reliability of the turbines, POSCO is enhancing the economic and environmental benefits of capturing and using its own waste gas to generate additional steam power instead of allowing it to escape into the atmosphere.

The factory power plant's current total on-site generating capacity is 1,079 megawatts (MW) and meets approximately 50 percent of the factory's internal energy requirements. The factory power plant also operates two, 110-MW GT11N2 gas turbines and one, 120-MW steam turbine in combined cycle mode as well as a 100-MW steam turbine those GE supplied. The output of each turbine for this project will be increased up to 78 MW.

The components for the turbine retrofits are scheduled to be delivered to the factory in February 2017, December 2017, December 2018 and December 2019. The retrofits are scheduled to be completed in July 2017, June 2018, June 2019 and June 2020, respectively.

GE is using its mobile machining equipment from China, also known as its Mobile Machine Shop, to machine the steam turbines' newly designed internal parts. The retrofit project helps to demonstrate GE can provide any kind of integrated solutions, in a fast and flexible way, to meet the specific requirements of its industrial power customers around the world.

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For more information, contact:

Laura Aresi
GE Power - Power Services
Global Media Relations Leader
+39 02 67335622
laura.aresi@ge.com

Tom Murnane or Beth Coffman
Masto Public Relations
+1 518 786 6488
tom.murnane@mastopr.com
beth.coffman@mastopr.com

Adeline Teo
GE Power - Power Services
Region Communications Leader
adeline.teo@ge.com