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ESD ANNOUNCES INVESTMENT OF \$9.6 MILLION IN DRESSER-RAND OLEAN FACILITY

Research and Development Capacity added for New Supersonic Compressor Technology

Empire State Development (ESD) today announced that an investment of \$9.6 million will be made at Dresser-Rand's Olean, New York operations to increase the research and development (R&D) capacity at the facility. This investment will accommodate additional work by Dresser-Rand to develop cutting-edge supersonic compressor technology, as part of the company's investment in Ramgen Power Systems, LLC. As a result, 787 jobs will be retained at the Olean manufacturing facility, with an additional 50 new high-paying jobs being created.

Empire State Development Chairman and CEO Dennis M. Mullen said: "Because commercialization of products often occurs where R&D is located coupled with the fact that R&D is a large focus of ESD's business development efforts, it was extremely important to bring this project to New York State, and specifically to Dresser-Rand's Olean campus. The additional work at this campus compliments the newly opened Technology Center and positions Dresser-Rand to further grow its manufacturing base across New York State. Today's investment, together with the Technology Center, will retain and create nearly 840 high-paying jobs. I commend Governor Paterson for his efforts on this truly incredible win for the Southern Tier of Western New York, and for New York's manufacturing sector as a whole."

In 2008, Dresser-Rand entered into an agreement by which it acquired a non-controlling interest in Ramgen Power Systems, LLC, a privately held Seattle-based compressor technology company that applies proven supersonic aircraft technology to ground-based air and gas compressors. To date, Dresser-Rand has made investments in Ramgen totaling \$15 million. The agreement with Ramgen allows Dresser-Rand to make additional optional investments of \$9 million through October 2012.

H. Allan Kidd, Director of Emerging Technologies for Dresser-Rand Company, said: "Dresser-Rand is very pleased to be a recipient of a New York Empire State Development Incentive Award as we build upon our strong relationship with the community and progress the development of the Ramgen supersonic compression technology."

To assist the company with the construction, as well as machinery and equipment acquisition costs associated with this project, ESD will contribute a \$500,000 capital grant. Dresser-Rand will also receive approximately \$1.6 million in Empire Zone benefits, a \$250,000 electric infrastructure grant from National Grid through its Capital Investment Incentive Program, as well as Empire Zone electric rate reductions. Dresser-Rand may also potentially receive assistance from the New York State Energy Research and Development Authority for implementing energy efficiency measures in its new facility and purchase of new machinery and equipment.

Art Hamlin, Director of Economic Development for National Grid, said: “National Grid is happy to be part of Dresser-Rand’s latest investment in compressor technology and innovation at their Olean facility. This project increases the likelihood that the company will remain and grow in Upstate New York, and it clearly illustrates the link between technology development and sustainable economic growth.”

Senator Catharine Young said: “We are very excited about this project because it is huge shot in the arm for the Southern Tier. Jobs through emerging technologies created from research and development will breathe new life into our economy. Dresser-Rand and the State's investment in our region will protect existing jobs and produce new ones, with tremendous prospects for future growth. I salute Dresser-Rand, Governor Paterson, Empire State Development and other State officials who worked together to advance this venture.”

Assemblyman Joseph M. Giglio said: “Dresser-Rand is a major employer in Cattaraugus County, and is a vital part of the Southern Tier economy. I’m excited that the Empire State Development Corporation has committed a significant amount of money that will be used by Dresser-Rand for Research and Development at their Olean facility. This project will be a major economic boost to the area by creating and retaining hundreds of jobs that are critical to the families that reside in Western New York.”

Dresser-Rand is a leading manufacturer of industrial rotating equipment that includes steam and gas turbines, centrifugal & reciprocating compressors, hot gas expanders and control systems. Dresser-Rand serves customers in the oil & gas, power, chemical and petrochemical markets through 12 manufacturing operations and nearly 40 service centers in approximately 30 countries. About 90 percent of the company’s sales come from energy infrastructure and oilfield projects. In addition to the Olean plant, Dresser-Rand also has New York State operations in Wellsville (Allegany County) and Painted Post (Steuben County), employing approximately 2,000 among these three locations.

Empire State Development is New York's chief economic development agency, committed to being recognized on a global scale as the economic development engine driving job growth, strategic investment and prosperity in New York State. ESD is intent on paving the way for New York State to become the leader of the innovation economy and one of the most business friendly, productive and competitive economic development climates in the world. ESD also oversees the marketing of "I LOVE NY," the State's iconic tourism brand. For more information, visit www.esd.ny.gov.

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