



News Release

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Tenaska Selects Fluor as Engineering, Construction Firm for Trailblazer Energy Center in Texas

Contractor Taking Proposed \$3.5 Billion Carbon-Capturing Coal Plant to Next Development Phase

SWEETWATER, Texas – In a major step in development of the Tenaska Trailblazer Energy Center, Tenaska has selected Fluor Corporation (NYSE: FLR) as its engineering, procurement and construction (EPC) contractor for the next-generation advanced-technology power plant. Tenaska has signed a memorandum of understanding with Fluor that will be the basis of a joint Tenaska-Fluor limited engineering phase of work.

“Fluor is one of a select group of engineering and construction firms capable of designing, engineering and constructing a plant the scale of the proposed Trailblazer plant,” said Tenaska Engineering and Operations President and CEO Michael Lebens.

“Fluor is known and respected for its expertise and experience in building power plants across the globe and has experience both in coal-fueled facilities and in advanced carbon capture technology,” he said.

The proposed Tenaska Trailblazer Energy Center is expected to be the first conventional commercial coal-fueled power plant in the United States, and possibly worldwide, to produce electricity while designed to capture 85 to 90 percent of the carbon dioxide (CO₂) emissions and providing for its use in enhanced oil recovery (EOR) and geologic storage. The plant’s advanced air quality control system will also minimize release of other emissions.

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“The selection of Fluor represents another milestone in Trailblazer’s path toward becoming a revolutionary and state-of-the-art generator of needed electric energy in Texas,” said Lebens.

This engineering phase, to last approximately 12 months, will produce the preliminary design and the cost to build the plant. The results will be a factor in Tenaska’s final decision on whether to proceed with construction of the Trailblazer project. If Tenaska proceeds after this initial phase, Lebens said the company intends to sign a contract with Fluor for EPC services for the facility.

Fluor has delivered solid-fueled power plants ranging in unit size from 65 to 1,600 megawatts (MW) for decades. Trailblazer would produce approximately 600 MW of electricity, enough to supply power to approximately 600,000 homes. Fluor's experience covers all aspects of pulverized coal, including supercritical facilities like Trailblazer.

Although Tenaska’s final decision on Trailblazer construction will likely be made in 2010, the plant is in an advanced stage of development. Tenaska has acquired all necessary property and signed tax abatement agreements with Nolan County and the Nolan County Hospital District. Trailblazer has received a draft air permit from the Texas Commission on Environmental Quality (TCEQ) and has received a Screening Study from the Electric Reliability Council of Texas (ERCOT).

The Texas Legislature, in the session just concluded, helped advance the prospects for Trailblazer development by passing progressive incentives and a regulatory framework to attract capital-intensive clean energy projects to Texas, including a grant to help fund front end engineering and design (FEED) studies for carbon-capturing energy facilities.

Construction of Trailblazer, on a West Texas site east of Sweetwater, could begin as early as 2010, with operation in 2015. The CO₂ captured by Trailblazer’s groundbreaking technology will be delivered via pipeline to the Permian Basin, where it will be used to increase oil production. CO₂ has been used for EOR in Texas for more than 30 years to improve production and increase economic value. The CO₂ Trailblazer would provide to the Permian Basin oil fields would increase annual production by more than 10 million barrels, enhancing the West Texas economy and helping reduce dependence on foreign oil.

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“We look forward to working with Tenaska on the first phase of this next-generation power plant,” said Dave Dunning, president of Fluor’s Power Group. “We believe Trailblazer will set a new standard for clean coal generation of electricity globally by using advanced carbon capture technology, and we are pleased to be a part of this innovation in clean energy production.”

About Fluor

Fluor Corporation (NYSE: FLR) designs, builds and maintains many of the world's most challenging and complex projects. Through its global network of offices on six continents, the company provides comprehensive capabilities and world-class expertise in the fields of engineering, procurement, construction, commissioning, operations, and maintenance and project management. Headquartered in Irving, Texas, Fluor is a FORTUNE 150 company and had revenues of \$22.3 billion in 2008. For more information, visit www.fluor.com.

About Tenaska

Tenaska is one of the largest privately-owned energy companies. *Forbes* and *Fortune* magazines rank Tenaska 24th and 25th, respectively, among the largest privately-held U.S. companies. Headquartered in Omaha, Nebraska, it develops, constructs, owns and operates non-utility generation and cogeneration plants. The company also markets natural gas, biofuels and electric power, and provides risk management services. Tenaska is involved in asset acquisition, fuel supply, natural gas exploration, production and transportation systems, and electric transmission development. Tenaska has developed approximately 9,000 megawatts (MW) of electric generating capacity across the United States. Tenaska’s affiliates operate and manage eight power plants in six states totaling more than 6,700 MW of generating capacity owned in partnership with other companies. In 2008, Tenaska was listed in benchmarking studies by the Natural Resources Defense Council as having the best records in the United States for lowest fleet-wide average emissions of carbon dioxide, nitrogen oxides and sulfur dioxide. For more information about Tenaska and the Trailblazer Energy Center, visit www.tenaska.com or www.tenaskatrailblazer.com.

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More information about the Tenaska Trailblazer Energy Center and illustrations for press use may be obtained at www.tenaskatrailblazer.com.