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**FOR IMMEDIATE RELEASE**

**Caterpillar Inc. Joins Industry and Government Partnership to Deliver  
State-of-the-Art Clean-Coal Technology**

*FutureGen Alliance to Develop Clean-Coal Power Plant in Mattoon, Illinois*

PEORIA, Ill. – Caterpillar Inc. (NYSE: CAT) today announced its intent to join the FutureGen Alliance, a public-private partnership established to build a first-of-its-kind coal-fired, near-zero emissions power plant in Mattoon, Illinois. The FutureGen facility is designed to be the cleanest coal burning plant in the world and will integrate advanced technologies for coal gasification, electricity production, emissions control, carbon dioxide (CO<sub>2</sub>) capture and permanent storage and hydrogen production on a commercial scale.

Caterpillar has long been committed to technologies and policies that slow, stop and reverse the growth of Green House Gas (GHG) emissions. Joining the FutureGen Alliance further solidifies the company's global effort to promote sustainable development and reduce carbon emissions.

"Clean-coal plays a critical role in our energy supply, energy security and environmental protection," said Caterpillar Vice Chairman, Doug Oberhelman. "The FutureGen project will demonstrate carbon capture and sequestration (CCS) technologies that are absolutely essential for the world to realize reductions in GHG emissions. This alliance recognizes the global nature of climate and energy challenges and will provide domestic and international communities the ground breaking technologies to assist in the shared goal of reducing GHG emissions."

(more)

The FutureGen plant is a 275-megawatt integrated gasification combined-cycle (IGCC) power plant. It will be capable of powering about 150,000 homes. The United States Department of Energy will provide more than \$1 billion in funding to the project.

“In just a little over a week, the FutureGen Alliance has added another strong partner with a deep connection to Illinois,” said U.S. Senator Dick Durbin (D-IL). “Caterpillar will bring a great deal to the table as the FutureGen Alliance and the Department of Energy continue in the final stages of negotiations. I look forward to welcoming many new FutureGen Alliance members – from Illinois and around the world.”

“I am delighted that Caterpillar is joining in this long-overdue endeavor to advance our nation’s energy independence and put people back to work in jobs that will prove we can burn coal cleanly,” said United States Representative Timothy V. Johnson (R-IL), whose district includes the FutureGen site in Mattoon. “We have been working toward this project for nearly seven years, and this decision brings us one step closer to getting under way. Caterpillar has practically written the book on sustainable manufacturing. It’s a perfect fit.”

Researchers and industry experts have made great progress advancing technologies for coal gasification, electricity generation, emissions control, CCS and hydrogen production. But these technologies have yet to be put together and tested at a single plant – an essential step for technical and commercial viability.

“FutureGen is not only gaining the support of one of the world’s leading manufacturing companies, but also a partner in advancing CCS technology to produce reliable, low-carbon power from our nation’s abundant supply of coal,” said FutureGen Alliance Chief Executive Officer, Michael J. Mudd. “We are grateful to have Caterpillar’s support in bringing the world’s premier clean-coal power plant to Illinois.”

Oberhelman added, "This is an important step to demonstrate that coal – the most abundant and secure fuel source for electricity generation – can be counted on to produce competitive, low carbon energy supplies for current and future generations."

**About Caterpillar:**

For more than 80 years, Caterpillar Inc. has been making progress possible and driving positive and sustainable change on every continent. With 2009 sales and revenues of \$32.396 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines. The company also is a leading services provider through Caterpillar Financial Services, Caterpillar Remanufacturing Services, Caterpillar

Logistics Services and Progress Rail Services. More information is available at <http://www.cat.com>.

**Safe Harbor**

Certain statements in this release relate to future events and expectations and as such constitute forward-looking statements involving known and unknown factors that may cause actual results of Caterpillar Inc. to be different from those expressed or implied in the forward-looking statements. In this context, words such as "will," "would," "expect," "anticipate," "should" or other similar words and phrases often identify forward-looking statements made on behalf of Caterpillar. It is important to note that actual results of the company may differ materially from those described or implied in such forward-looking statements based on a number of factors and uncertainties, including, but not limited to, (i) adverse change in general economic conditions; (ii) adverse change in the industries Caterpillar serves including construction, infrastructure, mining, energy, marine and electric power generation; (iii) Caterpillar's ability to manage material, including steel, and freight costs; (iv) Caterpillar's ability to generate cash from operations, secure external funding for its operations and manage its liquidity needs; (v) material adverse change in customers' access to liquidity and capital; (vi) currency exchange or interest rates changes; (vii) political stability; (viii) market acceptance of the company's products and services; (ix) significant changes in the competitive environment; (x) epidemic diseases; (xi) severe change in weather conditions negatively impacting operations; (xii) changes in law, regulations and tax rates; and (xiii) other general economic, business and financing conditions and factors described in more detail in "Item 1A – Risk Factors" in Part II of our Form 10-Q filed with the SEC on October 30, 2009 for the 3rd quarter of 2009. This filing is available on our website at [www.cat.com/sec\\_filings](http://www.cat.com/sec_filings). We do not undertake to update our forward-looking statements.