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**UNITED STATES ANNOUNCES \$50.6 MILLION
SETTLEMENT WITH GM TO RESOLVE ENVIRONMENTAL
LIABILITIES AT 34 SITES**

PREET BHARARA, the United States Attorney for the Southern District of New York, ROBERT DREHER, the Principal Deputy Assistant Attorney General for the Justice Department's Environment and Natural Resources Division ("ENRD"), and CYNTHIA GILES, the Assistant Administrator for the Office of Enforcement and Compliance with the U.S. Environmental Protection Agency ("EPA"), announced that the United States entered into a \$50.6 million settlement agreement with Chapter 11 debtor MOTORS LIQUIDATION COMPANY ("Old GM"), formerly known as General Motors Corporation. The settlement agreement concerns certain environmental liabilities under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Resource Conservation and Recovery Act ("RCRA"), and the Clean Air Act. It was lodged in Manhattan bankruptcy court on Friday, March 4.

Under the terms of the agreement, EPA will receive allowed general unsecured claims collectively exceeding \$36 million to settle environmental claims at various sites contaminated with hazardous waste and resolve civil penalties at other facilities. These allowed claims will be paid in stocks and warrants of GENERAL MOTORS CORPORATION ("New GM") in an amount to be determined through the bankruptcy. The United States anticipates that, as a function of bankruptcy law, the New GM stocks and warrants received by EPA will have a cash value of less than the face amount of EPA's allowed general unsecured claims. In addition to its allowed general unsecured claim of \$36 million, EPA will receive cash in the amount of \$4.6 million from bonds posted by Old GM to cover cleanup work, and sureties of certain bonds will perform cleanup work valued at \$10.5 million. In total, the settlement will resolve Old GM's

environmental liabilities at 34 sites and facilities in 10 states.

In June 2009, Old GM -- then the second-largest automotive manufacturer in the world -- and three wholly-owned subsidiaries filed Chapter 11 petitions in the U.S. Bankruptcy Court for the Southern District of New York. The same day it filed for bankruptcy, Old GM also filed a motion to sell substantially all of its assets to a newly formed corporation, now known as General Motors Company ("New GM"), which was approved by the Bankruptcy Court in July 2009. Old GM thereafter filed a plan of liquidation.

The United States filed proofs of claim against Old GM and its affiliated debtors for environmental liabilities at over 100 sites. The United States also sought civil monetary penalties for violations of RCRA and the Clean Air Act.

Today's settlement is the eighth in a series of settlements of Old GM's environmental liabilities that have recovered more than \$800 million for cleanup of contaminated sites across the nation. In October 2010, the United States, certain States, and the Saint Regis Mohawk Tribe entered into a \$773 million settlement agreement with Old GM to resolve its liabilities at 89 sites owned or operated by the debtors. In December 2010, the United States and certain States entered into six settlements totaling \$25 million with Old GM to resolve its environmental liabilities at six sites.

Before being considered by the Bankruptcy Court for approval, the settlement agreement will be lodged with the Bankruptcy Court for a period of 15 days to provide public notice and to afford members of the public the opportunity to comment. It is subject to the approval of U.S. Bankruptcy Judge ROBERT E. GERBER.

Mr. BHARARA praised ENRD and EPA for their extraordinary work on this case.

Assistant U.S. Attorneys DAVID S. JONES, NATALIE N. KUEHLER, JAIMIE N. NAWADAY, and JOSEPH CORDARO, along with ALAN S. TENENBAUM and PATRICK CASEY of the Environment and Natural Resources Division of the Department of Justice, are in charge of this case.

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