



FOR IMMEDIATE RELEASE

AIG HIGHSTAR CAPITAL III CLOSES WITH \$3.5 BILLION IN CAPITAL COMMITMENTS

NEW YORK – October 30, 2007 – AIG Highstar Capital III (“Highstar III”) today closed with capital commitments of US \$3.5 billion. Over 90% of Highstar III's capital commitments were sourced from non-AIG-affiliated investors, principally from a diverse group of pension plans, endowments, financial institutions and family investment offices.

Highstar III is focused on high value-added investment opportunities in the infrastructure sector that possess significant downside protection and attractive upside potential. Highstar III's core investment management team comprises founder and Managing Partner Christopher Lee and Partners Michael Miller, John Stokes and Michael Walsh, backed by 15 investment professionals in New York and Houston (“Highstar”). Highstar is particularly known for its in-house operational expertise which is a key element of its value-creation strategy.

Because infrastructure investing typically involves critical public services, Highstar is also noted for working closely with regulators, public officials, local communities, management, employees, and customers in addition to its investors and lenders. Highstar believes that effective communications and good relationships between owners and each of these core constituencies are essential to any successful infrastructure investment.

Highstar and AIG began their partnership in 2000. Since then Highstar has become a leader in infrastructure investing with significant commitments in domestic and global power generation, natural gas storage and transportation, water and waste water treatment and distribution, waste-to-energy and waste management, transportation logistics and port operations businesses.

As of September 30, 2007, Highstar III had made investment commitments totaling US \$2.4 billion, including US \$800 million currently reserved as co-investment opportunities for Highstar III's limited partners. The Highstar III investment portfolio includes Ports America (formerly P&O Ports North America), which was acquired from Dubai Ports World in March 2007, and two other US-based port operators, AMPORTS and MTC Holdings. Highstar believes these port investments collectively comprise the largest and most experienced independent port operator and automotive import/export processor in the United States.

Highstar III also controls two vertically integrated waste management businesses in the Southeast and Northeast United States through Star Atlantic Waste Holdings and is a significant investor in the Kinder Morgan, Inc. management buyout.

Commenting on the close of Highstar III, Lee stated, "In 2000, when we closed our first fund, Infrastructure was a nascent asset class for private equity investing. Today, infrastructure investing is a critical component of a successful and diversified alternative investment strategy, given its low correlation with other asset classes and relative stability of cash flow over time."

"I believe that closing Highstar III at nearly twice our initial size target and over four times the size of AIG Highstar Capital II, which closed in June 2005, demonstrates the quality of the Highstar franchise and our proven and successful investment track record over the past seven years. In

addition to being significantly oversubscribed, we closed Highstar III within nine months of its launch and received over a 90% reinvestment rate from limited partners in our prior fund, many of whom significantly upsized their investment commitments with us," Lee said.

Lee also stated, "I believe that the success of the Highstar III fundraising exercise also demonstrates the benefits to Highstar and our investors of our partnership with AIG, which has provided us with significant incremental financial resources for our funds, including bridge equity and guarantee capacity."

"We are extremely pleased with Highstar's continued leadership in the infrastructure industry," stated Robert T. Thompson, Senior Managing Director and Global Head of Alternative Investments at AIG Investments. The combination of a highly experienced private equity team, industry insight and relationships, plus the depth and breadth of AIG's resources has enabled Highstar to deliver top-quality results for our limited partners in the three funds to date," Thompson added.

Merrill Lynch and AIG Equity Sales Corp. acted as placement agents for Highstar III and Debevoise & Plimpton is the fund's legal counsel.

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About Highstar

Highstar is a group of investment professionals specializing in value added equity investments in infrastructure assets and businesses. Since 2000, the Highstar has led or co-led infrastructure investments totaling in excess of US \$10 billion in enterprise value, including investments in power generation, water and waste water, natural gas transmission and storage, waste management, waste-to-energy, transportation logistics and port concessions and operations. Currently, Highstar is managing a portfolio of assets valued in excess of US \$3 billion.

About AIG Investments

AIG Investments is a global leader in asset management with extensive capabilities in equity, fixed income, hedge, private equity and real estate investments. Member companies of AIG Investments manage more than US \$740 billion in assets and employ over 2,000 professionals in 44 offices around the world as of September 30, 2007. AIG Investments is the asset management arm of American International Group, Inc. (NYSE:AIG). AIG Equity Sales Corp., member FINRA, is the Fund's placement agent in the U.S. only.

Contact:

Financial Dynamics:

London: Christine Wood: 44(0)20 7269 7253

New York: Jeannine Lewan: 212 850 5612