

Contact: Michael Arcaro
Director, Media Relations
(212) 770-7684

AIG TO FUND CARBON OFFSETS INVESTMENTS IN CHINA

NEW YORK, October 30, 2007 – American International Group, Inc. (AIG) announced today that it plans to provide funding to support projects that reduce or sequester greenhouse gas (GHG) emissions, through the purchase of carbon dioxide (CO₂) emission offset credits, in the Xinjiang and Sichuan provinces of China.

The proposed projects will generate 310,000 metric tons of CO₂ offset credits from farmers in these two provinces. This amount represents roughly one-half of the GHG emissions attributable to AIG's global operations—as determined by the company's 2006 GHG emissions inventory. AIG plans to then retire the credits as part of its environmental strategy.

“AIG's overall plan is to mitigate—through offsets, energy efficiency and purchases of renewable energy—the greenhouse gas impact of its global business operations, as well as to reduce other aspects of its environmental footprint,” said AIG President and Chief Executive Officer Martin J. Sullivan. “We're looking forward to moving ahead quickly on these projects. They set the stage for additional environmental initiatives currently being considered in the U.S.”

The Xinjiang and Sichuan projects are being developed by U.S.-based Environmental Defense. Among the most notable benefits, the projects will allow crops to be grown with lower consumption of water and fossil fuels, promote more efficient use of nitrogen fertilizers, produce biogas gas from human and agricultural wastes for cooking and lighting, and help retain water, control dust and reduce soil erosion through trees planted in desert lands.

“AIG is proud to contribute to a sustainable solution that benefits the people of China,” added Olin Wethington, Chairman of AIG companies in China. “Not only are we committed to aligning our business to China's growth, but we are also focused on improving the quality of life in rural parts of the country.”

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American International Group, Inc. (AIG), world leaders in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Paris, Switzerland and Tokyo.

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