Press Release

President Museveni and the Aga Khan
Inaugurate Bujagali Hydropower Plant

Jinja, Uganda, 8 October 2012 — His Excellency President Yoweri Kaguta Museveni today inaugurated the 250MW Bujagali Hydropower Plant in the presence of His Highness the Aga Khan.

Built at a cost of US$900 million, Bujagali has been jointly developed by Industrial Promotion Services (IPS), the infrastructure and industrial development arm of the Aga Khan Fund for Economic Development, Sithe Global Power LLC (USA), a company majority-owned by a fund, Blackstone Capital Partners IV, L.P., managed by Blackstone on behalf of its investors, and the Government of Uganda. Bujagali, which is a clean and renewable source of generation, nearly doubles the country’s effective generation capacity, thereby eliminating the over 12-hour daily load-shedding that up until recently characterized Uganda’s power sector.

The inauguration ceremony, which took place on the eve of celebrations marking 50 years of Uganda’s independence, was attended by government officials, heads of State from across Africa, international dignitaries and members of the diplomatic community.

Speaking at the commissioning event, H.E. President Yoweri Museveni emphasised the importance of the Bujagali Plant and a stable, reliable and plentiful electricity supply, to the welfare and development of Uganda and its people. He thanked the project partners for having delivered the plant on schedule and commended His Highness for his role in establishing a successful consortium.

Bujagali represents one of the largest privately-funded power sector investments ever made in Sub-Saharan Africa and sets a unique precedent for public-private partnerships. The plant will be operated by Bujagali Energy Limited (BEL), a company established by the project sponsors and the government of Uganda for the sole purpose of developing and subsequently operating the plant for a 30-year period, following which it will be transferred to the government of Uganda for a nominal price of US one dollar.

“At its heart, the Bujagali project is a Ugandan project. It is a Ugandan success story and I would like to thank the President for having led this initiative in a way where this unique public-private partnership was able to move forward,” said His Highness the Aga Khan at the ceremony. “This project has not stopped at the delivery of energy. It is investing in education, healthcare and social development, and all those aspects which improve the quality of life of people who live within the ambit of the project. I think this is an important lesson to be learnt, because ultimately the goal is to improve the quality of life of people in the most complete manner possible,” he further added.
The plant, construction of which commenced in August 2007, not only guarantees adequate power generation for Uganda in the medium-term, but, importantly, lowers the base cost of electricity in the country. Bujagali comprises five units of 50MW each, commissioned in phases between February 2012 and June 2012.

“That a project of Bujagali’s size and complexity has been completed on time and within budget whilst adhering to the highest technical as well as social and environmental standards is a huge testimony to the quality and experience of the sponsor, development and construction teams, with whom I am truly proud to be associated. The Bujagali experience is invaluable and we will certainly draw from it when developing future projects in the region,” observed Mr. Nizar Juma, the Chairman of Bujagali Energy Ltd.

Uganda’s electricity demand has been growing by 10% every year, while supply prior to the commissioning of Bujagali has remained stagnant. Frequent load-shedding accounted for between 1 to 1.5% loss to Uganda’s GDP, thereby slowing the country’s economic and social development. Since its commissioning, Bujagali has replaced over 100MW of expensive rental generation, saving the government over US$9.5 million per month in subsidies. It is expected to be an important catalyst for accelerated social and economic growth throughout the region.

The project serves as an example of a highly successful public-private partnership model, ideal for replication throughout the region.

Speaking at the event, David Foley, Senior Managing Director and Chief Executive Officer of Blackstone Energy Partners, said “Bujagali showcases how successful partnerships between the public and private sectors can create development opportunities for growing economies. Blackstone is proud to have played an important role together with our partner, His Highness the Aga Khan, in the development of Bujagali, the successful completion of which is a credit to President Museveni and the leadership of the Government of Uganda. Africa is a resource-rich continent and is primed for the development of hydroelectric power generation facilities like Bujagali. On behalf of our investors, Blackstone has invested billions of dollars of equity capital to build energy businesses on four continents around the globe and will continue to invest in emerging market countries to provide them with affordable, safe and reliable energy to sustain their economic growth.”

During the peak of construction, Bujagali Hydropower Plant employed approximately 3,000 workers, of which 2,000 of the most highly skilled continue to positively contribute to the Ugandan power sector, and also to the country’s construction industry. The plant has also led to improved community services such as clean water supply, improved education and health facilities in nearby villages, micro-credit funds to surrounding rural populations and enhanced infrastructure. Access to electricity is also being provided.

The Plant has been registered as a Clean Development Mechanism (CDM), making it the largest CDM project registered in a Least Developed Country. Bujagali will yield an average of 900,000 Carbon Dioxide Emission Reductions (CERs) annually, putting it at the forefront of clean energy efforts.

Bruce J. Wrobel, Chairman and Chief Executive Officer, Sithe Global who was also present at the commissioning said, “We believe that projects like Bujagali, which has both impacted the energy sector in Uganda in a far-reaching positive way and mitigated the ecological footprint of a generation, is the key to sustainable development. We are proud
to have joined our partners, the lenders and the Government of Uganda in bringing this project to a reality and it is gratifying to see the impacts the project is already having, not only by making available ample, clean, renewable energy, but also by having a positive effect on the lives of the people living in the community and region around this project.”

The project was also made possible by support from a number of other lenders: International Finance Corporation (“IFC”), the European Investment Bank, African Development Bank (“AfDB”), Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (“FMO”), Societe de Promotion et de Participation pour la Cooperation Economique (“Proparco”)/Agence Francaise de Development (“AFD”), DEG-Deutsche Investitions-und Entwicklungsgesellschaft MBH (“DEG”) and KfW. Barclays/ABSA Capital and Standard Chartered Bank are providing commercial debt under an International Development Association (“IDA”) Partial Risk Guarantee, while MIGA is providing insurance guarantee cover for Sithe Global’s equity.

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**Bujagali Hydropower Project** was established through a public-private partnership model between the Government of Uganda on the one hand and a consortium of the Aga Khan Fund for Economic Development (AKFED) and Sithe Global (a company majority-owned by investors of Blackstone).

This consortium partnered with the Government of Uganda to form Bujagali Energy Limited (BEL). BEL will own and operate Bujagali Hydropower plant for a 30-year concession period before transferring the plant to the Government of Uganda for US$1.

Please visit: [www.bujagali-energy.com](http://www.bujagali-energy.com)

The **Aga Khan Fund for Economic Development** (AKFED) is an international development agency dedicated to promoting entrepreneurship and building economically sound enterprises in parts of the developing world that lack sufficient foreign direct investment. It also makes bold but calculated investments in situations that are fragile and complex. It is part of the Aga Khan Development Network. Industrial Promotion Services (IPS)
IPS is the infrastructure and industrial development arm of AKFED. It has operations in Kenya, Uganda, Tanzania and DR Congo which employ some 8,500 people, and is also actively pursuing investment opportunities in Rwanda, Mozambique and Madagascar. Outside the East and Central Africa region, IPS also operates in Cote d’Ivoire, Burkina Faso, Mali, Senegal, Tajikistan, Afghanistan, Kyrgyzstan, Pakistan and Canada.

IPS’s involvement in power includes the operation of a 288 MW Azito gas power plant in Cote D’Ivoire; as a concessionaire for Energie du Mali (power & water utility); Kenya’s 75 MW Tsavo diesel plant; and a vertically integrated off-grid utility involved in the generation, distribution and sale of electricity in the West Nile region of Uganda.

IPS is also a partner in the $650 million SEACOM submarine fibre optic cable which became operational in July 2009. The cable links countries in Eastern and Southern Africa to international cables in South Africa, India and Europe. In doing so, the cable provides the Eastern and Southern Africa seaboard with access to affordable and high quality bandwidth – whereas it had been the only part of the world without access to international submarine cables.

The agencies of the Aga Khan Development Network (AKDN) are private, international, non-denominational development organisations. They work to improve the welfare and prospects of people in the developing world, particularly in Asia and Africa. While each agency pursues its own mandate, all of them work together within the overarching framework of the Network so that their different pursuits interact and reinforce one another. The AKDN works in 30 countries around the world and employs approximately 80,000 people. The AKDN’s annual budget for non-profit development activities is approximately US$ 625 million. The project companies of AKFED generate revenues of approximately US$ 2.3 billion annually. All AKFED surpluses are reinvested in further development activities.

Please visit: www.akdn.org

Blackstone (NYSE: BX) is one of the world’s leading investment and advisory firms and is an experienced and active investor in the energy and natural resources sector. Funds managed by Blackstone have invested/committed approximately US$ 6 billion in the sector to date across four continents. Blackstone seeks to create positive economic impact and long-term value for their investors, the companies they invest in, the companies they advise and the broader global economy. They do this through the commitment of their extraordinary people and flexible capital. Their alternative asset management businesses include the management of private equity funds, real estate funds, hedge fund solutions, credit-oriented funds and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including financial and strategic advisory, restructuring and reorganization advisory and fund placement services.

For further information visit www.blackstone.com or follow on twitter @Blackstone.

Sithe Global Power, LLC (Sithe Global) is 99% owned by funds managed by Blackstone. Blackstone purchased an 80% ownership interest in Sithe Global in 2005 and subsequently increased it to 99% in 2011 with the objective of facilitating Sithe Global Power's plans to develop, finance, construct and operate electric power generation facilities in the U.S. and certain other international markets. Sithe Global has a portfolio of power projects in various stages of development and construction in the Philippines, India, Africa, South
America and other regions totaling approximately 5,000 MW of generating capacity. Sithe Global also continues to pursue other opportunities within Africa.

Sithe Global strives to be among the best in the world at implementing large scale, socially responsible power generation projects, often in places where success has proven challenging. They believe that developing energy projects with a major economic impact while mitigating the ecological footprint is the key to sustainable development. Sithe Global’s view is that providing energy is about much more than increasing megawatts - it's about empowering progress.

Sithe Global is led by a seasoned management and technical team with extensive independent power project development experience, and a proven record of identifying project development and acquisition opportunities which create substantial value for its investors. The Sithe Global management team has successfully developed over 50 power projects in nine countries with a capital investment in excess of $5 billion.

Please see: www.sitheglobal.com