

Press release

Kipeto Energy signs 100MW purchase power agreement in Nairobi

NAIROBI, 2 June 2016: Kipeto Energy is one step closer to delivering additional clean energy to the people of Kenya following an announcement that it has formally signed a 20-year Purchase Power Agreement (PPA) with Kenya Power (KPLC) on Thursday. This represents a significant milestone for the development of the 100-megawatt (MW) wind power project.

In a country where electricity connection has nearly doubled in the last four years to 46%, the Kipeto project will be a key contributor to the Kenyan Government's initiative to provide 70% of households with electricity by 2017 and universal access by 2020.

The renewable energy project comprises the construction, financing, operation and maintenance of a greenfield wind farm in Kajiado County, south of Nairobi. Once completed, the 100MW, grid-connected wind power facility will be one of the first utility-scale wind projects to come online in Kenya.

The Kipeto project is being developed in partnership with African Infrastructure Investment Managers (AIIM), one of Power Africa's private sector partners and fund advisor to African Infrastructure Investment Fund 2; Kenyan independent power project developer Craftskills Wind Energy International Ltd; and the International Finance Corporation through its IFC Infraventures business. AIIM, Craftskills and IFC Infraventures will provide equity funding to the project. The Overseas Private Investment Corporation (OPIC), the U.S. Government's development finance institution, is the principal lender at US\$233 million. China Machinery Engineering Corporation (CMEC) is the engineering, procurement and construction contractor. General Electric (GE) will supply 60 GE 1.7-103 wind turbines offering increased efficiency at low wind speeds and will service the plant over a 15-year period.

The partnership demonstrates both the public and private sectors' continuing role in bringing efficient energy generation capacity to Kenya, supporting U.S. President Obama's Power Africa initiative, which seeks to catalyse the addition of 30,000 megawatts of electricity generation capacity and create 60 million new connections throughout sub-Saharan Africa by 2030.

The 100MW Kipeto wind energy project will be part of the Kenya's Vision 2030 goal to add more generating capacity to the grid in order to meet the increased power demand in the country. The project is expected to reach financial close and commence construction in the second half of this year.

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Notes to editors

African Infrastructure Investment Managers (AIIM)

African Infrastructure Investment Managers (AIIM) is fund advisor to African Infrastructure Investment Fund 2 (AIIF2), a private equity infrastructure fund and lead developer for the Kipeto wind farm. AIIF2 holds long-term equity investments in a diversified portfolio of infrastructure assets across Sub-Saharan Africa, including a majority shareholding interest in Kipeto Energy Ltd. AIIM has positioned itself as a leading infrastructure equity investment manager in the African market with US\$1.9 billion in funds under management across 6 infrastructure funds. The funds managed and advised by AIIM are designed to invest long-term institutional unlisted equity in African infrastructure projects, while making a tangible contribution to African economies and communities. For more information, visit www.aiimafrica.com

Craftskills Wind Energy International Limited

Craftskills Wind Energy International (CS) is a local incorporated private company registered in 2008. As a local developer of energy projects CS owns a significant minority shareholding in Kipeto Energy Limited having started the development since 2010 in conjunction with General Electric (GE). Craftskills is also a local manufacturer that has installed and maintained SWTs (small wind turbines) since 1998. For more information, visit <http://www.craftskillseastafrica.com>

International Finance Corporation

The International Finance Corporation is an international financial institution that offers investment, advisory, and asset management services to encourage private sector development in developing countries. IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector in developing countries. IFC's vision is that people should have the opportunity to escape poverty and improve their lives. For more information, visit www.ifc.org/

About OPIC:

OPIC is the U.S. Government's development finance institution. It mobilizes private capital to help address critical development challenges and in doing so, advances U.S. foreign policy and national security priorities. Because OPIC works with the U.S. private sector, it helps U.S. businesses gain footholds in emerging markets, catalyzing revenues, jobs and growth opportunities both at home and abroad. OPIC achieves its mission by providing investors with financing, political risk insurance, and support for private equity investment funds, when commercial funding cannot be obtained elsewhere. Established as an agency of the U.S. Government in 1971, OPIC operates on a self-sustaining basis at no net cost to American taxpayers.

All OPIC projects adhere to high environmental and social standards and respect human rights, including worker's rights. By mandating high standards, OPIC aims to raise the industry and regional standards of the countries where it funds projects. OPIC services are available for new and expanding business enterprises in more than 160 countries worldwide.

About GE

GE (NYSE: GE) is the world's Digital Industrial Company, transforming industry with software-defined machines and solutions that are connected, responsive and predictive. GE is organized around a global exchange of knowledge, the "GE Store," through which each business shares and accesses the same technology, markets, structure and intellect. Each invention further fuels innovation and application across our industrial sectors. With people, services, technology and scale, GE delivers better outcomes for customers by speaking the language of industry. For more information, visit www.ge.com

More about Power Africa:

In Kenya, U.S. President's Power Africa initiative is supporting the development of the energy sector through financing, grants, technical assistance, and investment promotion. Power Africa is also mobilising over US\$1 billion in private investment tied to accelerating the development of geothermal and wind projects. Power Africa's Grid Management Support Program is helping Kenya take on and effectively manage renewable energy. Two years after its launch, Power Africa has helped transactions expected to generate over 4,100 megawatts of new, cleaner power generation throughout sub-Saharan Africa reach financial close.