

Norway-based SN Power to Invest in Transformative Bujagali Hydropower Project

Leading international hydropower firm will ensure Sub-Saharan Africa's most successful public private partnership in the power sector continues to benefit Uganda

Jinja, Uganda – April 7, 2016 – SN Power AS (“SN Power”), the state-owned Norwegian hydropower company, and SG Bujagali Holdings, Ltd (“SGBH”), a Mauritian company indirectly owned by investment funds managed by affiliates of Blackstone, have agreed on the sale of SGBH’s partial interest in the Bujagali Hydropower Project (“Bujagali”). Bujagali is a 250 MW hydropower facility located near Jinja, Uganda. It was developed, financed and will continue to be operated by Bujagali Energy Limited (“BEL”), which is owned by affiliates of the Aga Khan Fund for Economic Development (“AKFED”), SGBH and the Government of Uganda (“GOU”). The affiliates of AKFED and the GOU will retain their interests in Bujagali. The project’s debt financing arrangement with its lenders, including development finance institutions such as the African Development Bank, World Bank Group and European Investment Bank, will not be affected by the transaction.

The acquisition will provide a platform for SN Power to develop additional hydropower projects in Uganda and Sub-Saharan Africa.

Thomas DeLeo, Director, SGBH:

“SGBH has owned its interest in the Bujagali project in Uganda for eleven years, through initial development, construction and full operation and we are extremely proud of the contribution the project has made – in partnership with the Government of Uganda – in catalyzing the transformation of the country’s power sector. Uganda has incredible potential, and we have seen myriad ways in which Ugandan businesses and consumers have benefited from reliable electricity since Bujagali came online. Now that we have completed our goal of proving Bujagali’s operational strength with operations above a 99% contractual availability over the past 3 ½ years, SN Power will be the ideal partner to continue this legacy for Uganda, given its world-class operating capabilities, global portfolio, financial strength, and proven commitment to the highest social and environmental standards.”

Torger Lien, Chief Executive Officer, SN Power:

“SN Power looks forward to a strong and enduring partnership with the Government of Uganda, as well as the operating and lending partners of Bujagali Energy Limited, in contributing to the critically important goals of materially enhancing Uganda’s installed generation capacity and providing a greater share of Ugandans with access to electricity. With consistent power, businesses can grow, agricultural producers can prolong the shelf-life of their products, hospitals and clinics can better provide for their patients, and schools can keep the lights on for

a new generation of students. SN Power is seeking a long-term investment in Uganda that will sustain Bujagali's transformational, positive impact."

About the Bujagali Hydropower Project:

The Bujagali Hydropower Project is widely considered the most successful public private partnership in the power sector in Sub-Saharan Africa and has been used as a model for subsequent projects in the region. Bujagali was commissioned in August 2012, putting an end to years of constrained economic growth caused by an insufficient and unreliable power supply in Uganda. Key improvements include:

- Bujagali replaced thermal generation that cost over 30 US cents/kWh with renewable power at 11 cents/kWh, enabling the GOU to discontinue annual subsidies that cost Uganda USD 175 million per year and to channel these savings toward other crucial public sector investments.
- Over Bujagali's nearly four years of operations, the project has provided a reliable backbone for the Ugandan grid, averaging over a 99% contractual availability factor and generating half of the country's power supply.
- Of critical importance to Uganda's economic competitiveness, Bujagali reduced the marginal cost of electricity generation by 66%, catalyzing strong economic growth since coming online.

The project sponsors, led by IPS, an affiliate of AKFED, were selected in April 2005 through an international competitive tender overseen by the GOU based on the lowest return on equity. At the end of the concession, Bujagali will be transferred to the GOU for one US dollar with an expected remaining life of 70+ years.

About SN Power:

SN Power, which is owned by Statkraft and Norfund, is one of the world's leading international hydropower firms. With Statkraft, SN Power has a strong industrial foundation built on more than 120 years of developing, owning and operating hydropower projects in Norway and abroad. Statkraft is wholly owned by the Norwegian state and is the largest renewable energy and hydropower company in Europe, with a total installed capacity of more than 18,000 MW. Statkraft's gross sales amounted to USD 8.7 billion in 2014. Norfund is a Norwegian development financial institution, which invests in private enterprises in Africa, Asia and Latin America. Through Norfund, SN Power has access to significant experience and expertise in conducting investments in emerging markets, particularly in Uganda and Eastern Africa. SN Power's investment in Uganda will complement the company's commitment to building sustainable hydropower in Africa, building on prior investments in Zambia's Mulungushi and Lunsemfwa Power Stations.

About SGBH:

SGBH, a company incorporated and doing business in Mauritius, is one of the original shareholders of BEL and an affiliate of Sithe Global Power, LLC (“Sithe Global”), an international power development company. Sithe Global is led by a seasoned management and technical team with extensive experience developing and operating large scale, socially responsible power generation projects. The Sithe Global management team has successfully developed over 50 power projects in nine countries with a capital investment in excess of USD 5 billion.

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