

PRESS RELEASE

Uganda's Sindila hydropower project starts construction

The shareholders of the Sindila hydropower project are pleased to announce that the 5.25MW run of river project achieved financial close on 30 January 2017 and has commenced construction. The project benefits from a 20-year power purchase agreement with the Uganda Electricity Transmission Company Limited, supported by an implementation agreement with the Government of Uganda. Sindila has also benefited from the highly respected GETFiT Programme in Uganda, which is a partnership between the German development bank, KfW, and the Ugandan Government, designed to support the implementation of renewable energy projects.

Sindila has a 19 month construction phase and expects to be generating electricity in September 2018. The project is located in western Uganda, in the foothills of the Rwenzori mountains, which provide the regular water flow and steep descents providing the natural resource on which Sindila relies.

The shareholder consortium is led by Lereko Metier Sustainable Capital (LMSC) (at 87%) and includes the original developer, KMRI LLC USA; WK Power (WK) and Fieldstone Africa Investment Resources (FAIR). After entering the project in mid-2016, FAIR worked closely with KMRI and LMSC to support the development partnership to conclude the development activities on Sindila. Sindila is funded with a mix of debt and equity, with the Overseas Private Investment Corporation providing debt. Sindila also received financial support during the initial development phase from the Seed Capital Assistance Facility of the United Nations Environment Programme, which funded part of the early stage development activities.

Sindila is the first investment in east Africa for LMSC, a clean energy and resource efficient infrastructure private equity fund currently invested in wind, photovoltaic and concentrated solar thermal renewable energy projects in South Africa.

Michael Goldblatt of Metier said "On behalf of all the shareholders we would like to thank the Government of Uganda, the Electricity Regulatory Authority and KfW for their support via the GETFiT programme in getting Sindila to this stage. Sindila will bring national benefits in the form of additional renewable power generation to the grid and local benefits in the form of local employment, improved road access for local communities and a social responsibility programme to be established during operations."

KMRI, the original developer, established the development and equity consortium for Sindila which is the first in their east Africa portfolio to reach financial close.

Sindila is also the first project to be concluded by the recently established FAIR, which was formed in early 2016 to facilitate energy and infrastructure projects in Africa.

"We are pleased to be able to help bring this project to close for the people of Uganda and all the parties involved" said CEO of FAIR, Brian van Oerle. "This type of broad support for advanced projects is exactly what Fieldstone had in mind when it established FAIR; we bring a full toolkit to assist DFIs and sponsors to achieve success".

WK with a 60 year background in construction across the continent is involved in the project as both a shareholder and the construction contractor.

Karl Kusel of WK said, "This project is really exciting for us as a group and perfectly matches our strategy of delivering projects as part of an integrated collaborative team rather than the traditional contracting model."

NOTES:

Project shareholders of Sindila are:

- Lereko Metier Sustainable Capital Fund (LMSC) is a clean energy and resource efficient infrastructure private equity fund supported by South African and international investors. LMSC and Metier's Sustainable Capital Practice has developed and led investments across seven renewable energy projects in South Africa, with members of the team having worked together over three decades.

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- Fieldstone Africa Investment Resources (FAIR) is the energy project resource affiliate of Fieldstone Africa. FAIR partners with energy project developers (and investors) across Africa by providing resources in the form of project development expertise, funding and critical strategic advisory to drive existing energy projects through to realisation.

Brian van Oerle

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- KMRI LLC is a developer focussed on attracting institutional capital to small distributed renewable energy (DRE) projects in remote communities and leveraging these investments to catalyze broader development.

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- WK Power (WK) is a concessions and investment company born out of the WK Construction Group. The WK group is focused on partnering with others on early stage development, EPC construction, operations & maintenance and providing equity to assist infrastructure projects reach a successful conclusion.

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PHOTOGRAPHS:

Start of road clearing for the Sindila hydropower project



Ground clearing for the Sindila hydropower project powerhouse

