

# News Release

## **Cenpower announces financial close of US\$ 900 MM project financing of its Kpone IPP plant in Ghana**

**London – 03 October 2014:** Cenpower Generation Company Limited ('Cenpower'), a Special Purpose Vehicle created to develop the Kpone Independent Power Plant ('KIPP') in the Tema industrial zone, close to Ghana's capital, Accra, is pleased to announce the financial close of the required US\$ 900 million of project finance.

When it comes on stream in 2017, the KIPP project will be the largest private IPP in the country, accounting for approximately 10% of Ghana's total installed capacity and approximately 20% of its available thermal generation capacity. As a Combined Cycle Gas Turbine ('CCGT') plant, it will be amongst Ghana's most fuel-efficient thermal power stations. Once in production, KIPP will become a critical base-load component in meeting Ghana's growing electricity demand.

The project finance comprises two components: a US\$ 650 million debt tranche and a US\$ 250 million equity tranche. The debt is being funded under export credit cover by a consortium of South African commercial banks and international Development Finance Institutions (DFIs). [Rand Merchant Bank](#) ('RMB') acted as the Global Lead Bank and Mandated Lead Arranger for the commercial banking tranche. Other South African banks involved in the transaction as Mandated Lead Arrangers were [Nedbank](#) and [Standard Bank](#). Nederlandse Financierings-Maatschappij voor Ontwikkelings Landen N.V. ('FMO'), the Dutch Development Bank, acted as the Mandated Arranger for the DFI tranche.

Via the equity raising, three leading investment groups will be joining the equity consortium, whilst InfraCo, the principal project co-developer since inception, will be exiting. The new investors are [Sumitomo Corporation](#) of Japan, [African Infrastructure Investment Fund II](#) and its co-investors (via an investment vehicle called Mercury Power) and [FMO](#). Post-financial close, the equity holders in Cenpower now are AFC Equity Investments Limited (a wholly-owned subsidiary of the [Africa Finance Corporation](#) ('AFC') (31.85%), Cenpower Holdings Limited (21%), a consortium of Ghanaian investors, (21%), Sumitomo Corporation (28%), Mercury Power (15%) and FMO (4.15%).

Oliver Andrews, AFC's Executive Director and Chief Investment Officer and Cenpower Project Director, commented: "This is a shining example of what can be achieved when Africa's public and private sectors combine in innovative and sustainable partnership to create the bankable energy infrastructure projects so critical to the continent's economic growth. Moreover, the fact that a near US\$1 billion transaction has been largely financed by African institutions reflects the growing capacity of indigenous lenders and equity investors to begin to address Africa's ongoing infrastructure deficit."

Wada Tomoyuki, Senior Project Manager, Sumitomo Corporation, observed: "Sub-Saharan Africa is growing in strategic importance for us. In backing the Cenpower project, we look forward not only to providing our technological know-how and experience, but also to contributing to Ghana's development."

Ebbe Hamilton, Partner at eleQtra, said: "In exiting this groundbreaking project, Infraco and eleQtra are delighted to be able to facilitate the entry of such blue-chip investors as Sumitomo, AIM and FMO. We are very proud to have been a key member of the development team of this truly African project."

"FMO is delighted to become an equity stakeholder in Cenpower," added Janos Bonta, the Dutch Development Bank's Senior Investment Officer. "The KIPP project will provide Ghana with reliable and affordable power going forward, thereby improving the levels of electrification across the country, and, as such, is very much in line with our strategic mission."

Samuel Brew-Butler, Chairman of Cenpower, concluded: "I should like to take this opportunity to thank the entire Project Development Team at eleQtra/InfraCo and AFC for their invaluable contribution in bringing Kpone to financial close. Recognising the crucial role that Cenpower will play in meeting Ghana's future electricity needs, we and all our financial stakeholders are now galvanised to bring Kpone into production on time and on budget."

## Notes to Editors

### *About Cenpower*

Cenpower Generation Company Limited ('Cenpower') is a special purpose vehicle that is developing a 350MW, light crude oil and gas fired, combined cycle power plant in the municipality of Kpone ('KIPP'), within the Tema industrial zone, near Accra, Ghana. KIPP is one of the largest infrastructure projects currently under development in West Africa. A well-developed project with a very robust commercial structure, Kpone enjoys the strong support of the Ghanaian Government. For more information, visit [cenpowergen.com](http://cenpowergen.com)

### *About the AFC*

The Africa Finance Corporation ('AFC'), a multilateral finance institution, was established in 2007 with a capital base of US\$1 billion to be the catalyst for private sector infrastructure investment across Africa. AFC fills a critical void in providing project structuring expertise and risk capital to address Africa's infrastructure development needs and is increasingly being seen as the benchmark institution for private sector investment in the core infrastructure sectors of power, natural resources, heavy industry, transport and telecommunications. AFC is one of the highest investment grade-rated multilateral finance institutions on the African continent, with an A3 (long term) / P2 (short term) foreign currency debt rating issued by Moody's Investors Service. For more information, visit [africafc.org](http://africafc.org)

### *About InfraCo*

InfraCo funded a substantial portion of the development costs of the project and was a principal shareholder during the development phase. InfraCo Africa is part of the Private Infrastructure Development Group ([www.pidg.org](http://www.pidg.org)) that supports a variety of innovative initiatives to boost the development of infrastructure in emerging markets. Its members consist of a group of European Countries including the United Kingdom, the Netherlands, Switzerland, Austria, Germany, Ireland and Sweden, as well as Australia and the World Bank Group/IFC. For more information visit: [infracoafrica.com](http://infracoafrica.com).

### *About eleQtra*

eleQtra is Sub-Saharan Africa's leading infrastructure development firm with offices in London, New York, Accra, Kampala and Lusaka. The eleQtra Group specialises in the development, investment, management and operation of privately-funded infrastructure across all stages of the project cycle, including pre-closing early stage development and post-closing investment management of construction, operations and, ultimately, exit of single-asset transactions and infrastructure businesses. In its capacity as InfraCo Africa's principal developer, it has led the development of such recent ground breaking transactions as the 28MW Cape Verde Wind Farm and the multi-sector Kalangala Infrastructure Project in Uganda. For more information, visit [eleqtra.com](http://eleqtra.com).

### *About Sumitomo Corporation*

Sumitomo Corporation is a leading general trading company with 116 locations in 65 countries and 24 locations in Japan. The entire Sumitomo Corporation Group ("the Group") consists of nearly 800 companies and more than 70,000 personnel. The SC business is continuously expanding into a diverse range of products and services. Its core business units are Metal Products; Transportation & Construction Systems; Environment & Infrastructure; Media, Network, Lifestyle Related Goods & Services; and Mineral Resources, Energy, Chemical & Electronics. For more information, visit [sumitomocorp.co.jp/english/](http://sumitomocorp.co.jp/english/)

### *About AIIM*

Under Africa Infrastructure Investment Managers' ('AIIM') management, African Infrastructure Investment Fund 2 ('AIIF2') is designed to invest long-term institutional equity in a diversified portfolio of infrastructure and infrastructure related assets across Sub-Saharan Africa. Since its launch in 2011, when it raised total commitments of US\$ 500 million, AIIF2 has invested in a South African toll road asset, three renewable energy projects and a telecommunications project.

AIIM was established in 2000 as a joint venture between Macquarie Africa (a wholly owned subsidiary of Macquarie Group of Australia) and Old Mutual Investment Group of South Africa. AIIM manages five infrastructure investment funds, with aggregate equity in excess of USD 1 billion. The funds managed and advised by AIIM target equity investments in such assets as roads, airports, power, telecommunications, rail, port, water and social infrastructure across Africa. For more information, visit [aiimafrica.com](http://aiimafrica.com)



### *About FMO*

FMO (Netherlands Development Finance Company) is the Dutch development bank. FMO supports sustainable private sector growth in developing and emerging markets by investing in ambitious entrepreneurs. FMO believes that a strong private sector leads to economic and social development, empowering people to employ their skills and improve their quality of life. FMO focuses on three sectors that have high development impact: financial institutions, energy, and agribusiness, food and water. With an investment portfolio of EUR 6.6 billion, FMO is one of the largest European bilateral private sector development banks. For more information, please visit: [fmo.nl](http://fmo.nl)

### **AFC**

Oliver Andrews      mobile: +234 703 406 1578  
email: +44 077 86 432 910  
[oliver.andrews@africafc.org](mailto:oliver.andrews@africafc.org)

Theo Sackey      mobile: +234 703 4033 647  
email: [theo.sackey@africafc.org](mailto:theo.sackey@africafc.org)

### **Brand Communications (London)**

Terhas Berhe      Tel no: +44 (0) 20 7638 6856  
Sue Scott      email: [terhas@brandcommsgroups.com](mailto:terhas@brandcommsgroups.com)  
Lynette Lambert      [sue@brandcommgroup.com](mailto:sue@brandcommgroup.com)  
[lynette@brandcommgroup.com](mailto:lynette@brandcommgroup.com)