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Amu Power Signs Clean Coal Technology Agreement with GE

GE Power will design, manufacture and deliver its market-leading Ultra Super-Critical clean coal technology components (boiler and steam turbine generator) and air quality controls systems for the Lamu Coal Power Plant.

Nairobi, Wednesday 16th May 2018... Gulf Energy, the developer of the 1050Mw Lamu Coal Power Plant (Amu Power), the largest private sector led infrastructure project in East and Central Africa, has today entered into a Clean Coal Technology agreement with General Electric (GE) that will see the plant use GE's Ultra-Supercritical Clean Coal Technology making it one of the most technologically advanced coal fired power plants in the world. Amu Power is the special purpose company that will own and operate the 1,050 MW coal fired power plant in Lamu County, Kenya, under the Public Private Partnership ("PPP") framework.

The agreement was signed at Nairobi, Ministry of Energy offices in Nyayo House in the presence of Hon. Charles Keter, the Cabinet Secretary, Ministry of Energy (MoE), Dr. Eng. Joseph Njoroge, the Principal Secretary, State Department of Energy, Mr. Jim Rigassio, the Commercial Counsellor in the US Embassy (Kenya), Mr. Pushpinder Dhillon, the Counsellor for Economic Affairs in the US Embassy (Kenya); by the Managing Director of Amu Power Company Limited, Mr. Francis Njogu and Mr. Jay Ireland the President and CEO, GE Africa. Others in attendance included the Ministry's staff, Amu Power staff and GE staff.

The Agreement will also see GE through its affiliates acquire a stake in the equity of Amu Power, subject to obtaining regulatory, board and lenders approval. Under the Agreement, GE Power will design, manufacture and deliver its market-leading Ultra Super-Critical clean coal technology components (boiler and steam turbine generator) and air quality controls systems for the Lamu Coal Power Plant.

In a briefing to H.E President Uhuru Kenyatta at State House following the signing, the parties informed H.E the President that GE's Ultra-Supercritical technology will guarantee a clean environment through elimination of emissions, and lower the overall cost of power generation in the country. The parties further noted that upon completion, the Lamu Coal Fired Power Plant will be the single largest Independent Power Producer (IPP) in the region and will account for up to 30% of power generation capacity in Kenya.

Francis Njogu, Amu Power Managing Director said, "This is truly a historic moment for Kenya and the East African region as a whole. We are confident that this partnership forged today will go a long way to position Kenya as an Industrial hub in the continent. Kenya has been looking for ways to enhance its generation mix to provide the most efficient, least-cost and reliable power in a sustainable manner; and the technology offered by GE gives us a unique opportunity to achieve this ambition."

The Lamu Coal Fired Power Plant will be a key player in supporting the realization of the Government of Kenya's (GOK's) 'Big Four' agenda, specifically in the manufacturing sector by providing steady, reliable and

affordable power. The sector's growth will create new employment opportunities every year that the Kenyan workforce will benefit from.

Statistics show that connections to the national grid grew to 6.2 million in 2017 up from one million in 2010. As the country transitions into a middle-income economy by 2030, supply of adequate, reliable and affordable energy is a key foundation.

George Njenga, the Commercial Leader, GE Steam Power, Sub-Saharan Africa said, "Kenya's energy demands are growing as the government seeks to implement its critical 'Big Four' agenda. GE Ultra Super-Critical Coal Power technology will deliver cleaner, affordable, reliable and efficient solutions as well as critical power to help meet the country's growing needs."

GE's Ultra Super-Critical technology keeps raising the efficiency bar of coal power plants and has reached 47.5% efficiency in the world's most efficient coal power plant in Germany. GE Power's best in class power generation technology is currently in operation in new generation steam plants like the Manjung 4 in Malaysia as well as future plants like the Hassyan in Dubai.

The Lamu Coal Fired Power Plant project is part of the GOK's vital and crucial initiative in the energy sector to address present electricity affordability and reliability challenges. At a tariff of US Cents 7.81/kWh, the Lamu Coal Fired Power Plant will provide base-load capacity at the lowest non-subsidized tariff in the country. Additionally, it will have the flexibility to profile the generation according to the daily demand pattern, compared to other power production technologies that are inflexible; reducing generation costs by 12% - 36%.

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About Amu Power Company Limited (Amu Power)

Amu Power is a special purpose project company that is a joint venture between Gulf Energy Limited and Centum Investment Company PLC. Amu Power will build, own and operate the 1,050 MW coal fired power plant in Lamu County, Kenya, under the Public Private Partnership ("PPP") framework. This project is estimated to cost USD 2billion, raised privately by the Investors in the Project. The construction period will be 42 months.

About Gulf Energy Limited (Gulf Energy) and Centum Investment Company PLC

Gulf Energy is a leading privately-owned multifaceted energy sector player specializing in petroleum products supply, trading and distribution; as well as power generation.

Centum is East Africa's leading investment company listed on the Nairobi Securities Exchange and Uganda Securities Exchange. Centum maintains focus through eight distinct business lines namely: Real Estate and Infrastructure, Financial Services, FMCG, Power, Education, ICT, Agribusiness and Health.

About GE's Ultra Super-Critical Coal Technology

The Lamu Coal Power Plant will utilize GE's Ultra Super-Critical Technology that brings about enhanced efficiency and the lowest emissions standards of any coal power plant.

- This technology delivers efficiency of up to 49%, significantly higher than the global average of 33%.
- The use of GE's technology will reduce emissions of Sulphur Oxides, Nitrogen Oxides and Particulates by more than 99%, to levels comparable with Gas Fired Power Plants.

- A Continuous Emission Monitoring System (CEMS) will be installed at the top of the stack to check on emissions on Real Time (RT) basis the quality of the exhaust to the environment.
- This technology meets and exceeds the latest World Bank and OECD Standards on Environmental Protection; making this plant the first Clean Coal Plant in Africa, with emissions comparable to those of gas fired power plants, effectively ensuring environmental protection and good health of the communities living around the power plant
- The use of Ultra Super-Critical Technology also greatly lowers the emissions of carbon dioxide, by approximately 512,000 tons annually compared to equivalent-sized Super Critical power plants, owing to the power plant's higher efficiency.
- The power plant is capable of operating at flexible daily load profiles, thus ensuring the daily country power demand profile is met, through adjustments of output as the need arises, without necessitating frequent shutdowns and start-ups which are costly.

About GE Power

GE Power is a world energy leader that provides technology, solutions and services across the entire energy value chain from the point of generation to consumption. We are transforming the electricity industry by uniting all the resources and scale of the world's first Digital Industrial company. Our customers operate in more than 150 countries, and together we power more than a third of the world to illuminate cities, build economies and connect the world.