

CONTOURGLOBAL™



Project Kivu watt: Integrated Methane Gas Extraction and 100 MW Power Generation

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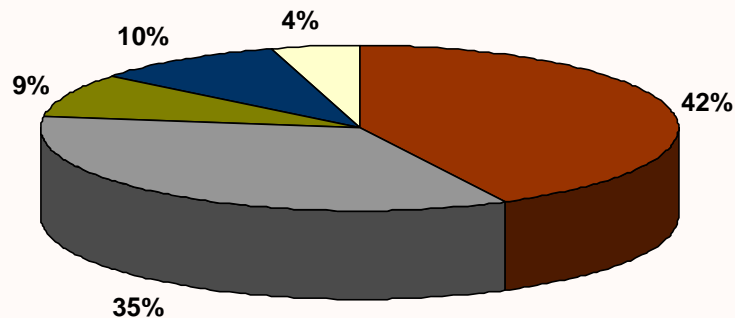
May 11, 2009



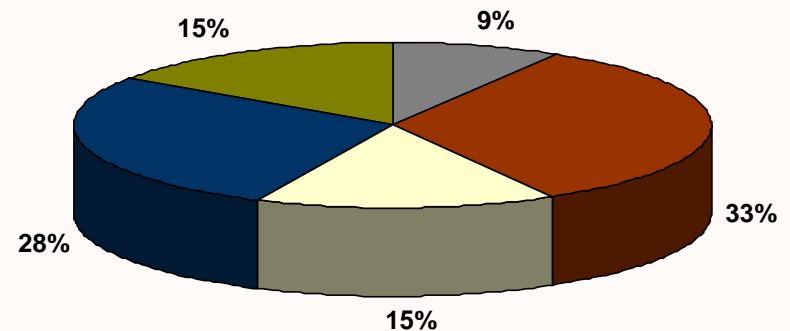
ContourGlobal: Who we are

- We develop, acquire and operate electric power and district heating businesses globally
- +125 employees in eight international offices; over 850 people in operating companies.
- Total assets +US\$1.0 B (\$0 in 2005)
- We focus upon high-growth, under-served markets (e.g. Africa, Eastern Europe) and innovative niches (e.g. renewable energy, energy efficiency)

By Fuel-Type



By Region



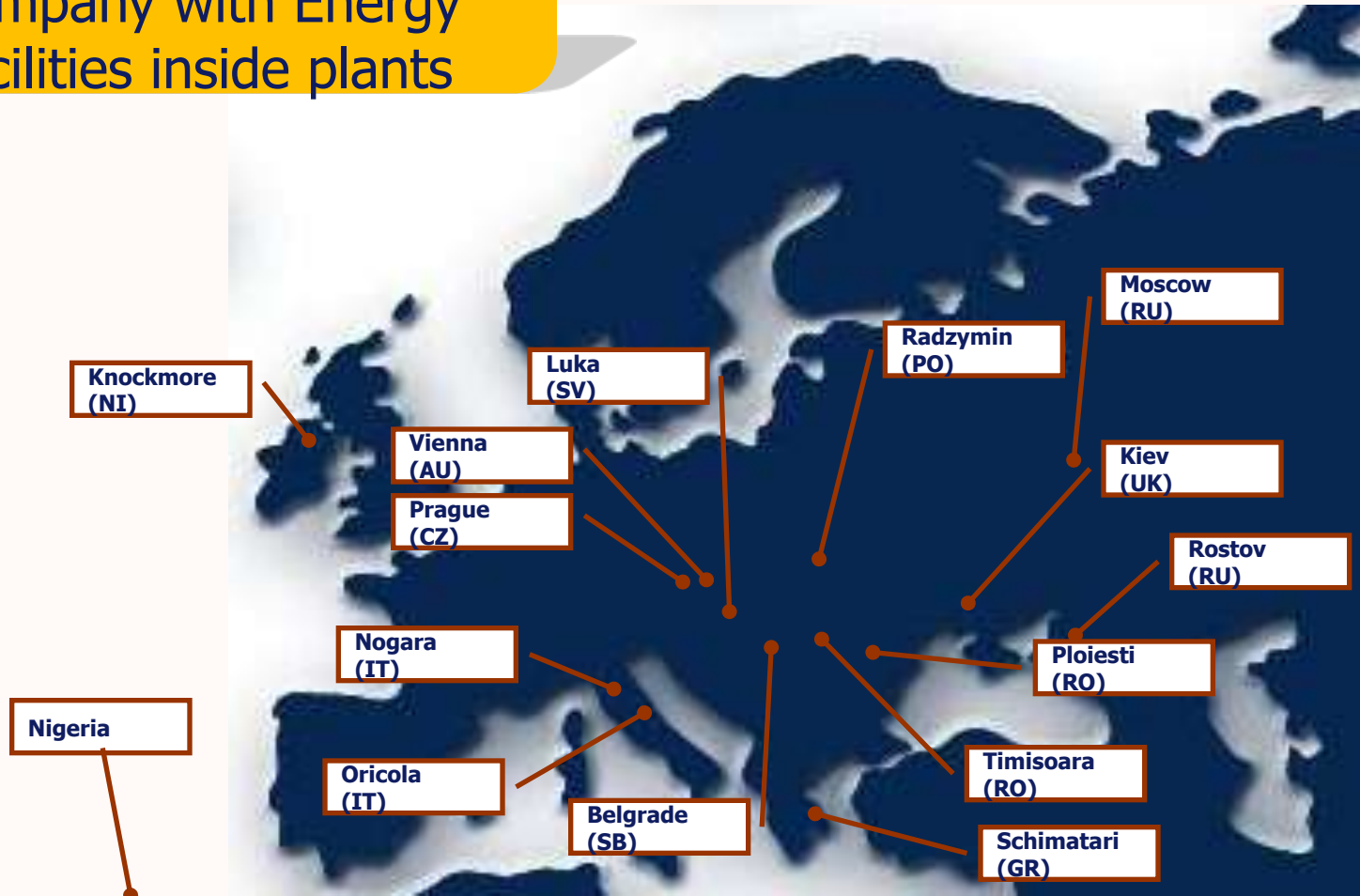
■ Gas ■ Coal ■ Biomass ■ Hydro ■ Waste-Heat ■ North America ■ South America ■ Africa ■ Ukraine ■ Others

ContourGlobal: Where we are



ContourGlobal: Where we are—CG Solutions

Provides Coca Cola
Hellenic Bottling
Company with Energy
Facilities inside plants



- **Togo**
 - **100 MW Dual Fuel Generation Facility in Lome, Togo under construction**
 - \$190 Million USD Total Project Cost**
 - **US Overseas Private Investment Corporation is sole debt provider**
 - **Contour spent \$60 million before financial close for equipment, EPC and development**
 - **Project closed in the midst of and despite the global financial crisis**
- **Nigeria**
 - **Quad generation (electricity, heat, H2O and Co2) for Coca Cola network of bottling plants**
 - **12 facilities for approximately \$260 USD**
- **Rwanda (following slides)**

Lake Kivu – Overview

Key Features

- **100 MW integrated gas extraction and power generation facility Phase I (20 MW) and Phase II (80 MW) plant**
- **Source of fuel is methane bed in Lake Kivu**
- **Unique gas separation technology**
- **Dramatic increase in energy supply**
- **Substantial increase in transmission capacity required to implement phase II**



Project Overview

- **Phase I project cost \$80 million. Phase II capex \$240 million—66% gas extraction, 33% power**
- **COD Phase I 3Q 2010**
- **COD Phase II 2012**
- **25 Year PPA and Concession**
- **Long Term Tariff 0.09 kwh**
- **CG has spent \$8 million to date**



Lake Kivu – Risks and Mitigants

Key Risks

- ***Technology, Technology, Technology***—scant operating precedent
- **Successful project requires that sponsor integrate science and engineering in a way not usually seen outside the laboratory**
- ***Construction Risk***-- Since there is no comparable project, there is likely not to be a fixed price turn-key EPC contract for the gas extraction
- ***Catastrophic Release Risk***—Continuous pressure build up in methane bed over long term. Extraction reduces risk but release is possible.

Risk Mitigants

- ***Technology***—Significant investment in front end engineering and design. Extensive simulations. For phase II lenders, Phase I operations.
- ***Construction Risk***—Unlikely to be EPC for gas facility. Sponsor must prepare detailed integration, procurement and construction management plan.
- ***Catastrophic Release Risk***—GOR assumes risk.



Lake Kivu – Risks and Mitigants

Key Risks (cont)

- **Insurance risk**—In addition to insurance challenges related to volcanic and earthquake coverage, the general marine market is in distress.
- **Transmission system risk**—The Rwandan transmission system can not currently take 100 MW of energy. Transmission upgrades managed by utility must be coordinated with gas-power project.

Risk Mitigants

- **Insurance Risk**—Insurance premia are pass thru but some coverages may not be available
- **Transmission Risk**—In 2009 GOR expects to obtain World Bank funding for substantial transmission upgrades



Lake Kivu –

Although they don't exist, things I'd like to see for projects of this type

- **Risk Sharing for 'high risk fuels (eg, ARGeo funding for geothermal "test wells")**
- **Political Risks have been effectively socialized by the international community. Traditional insurance risks could use similar support—particularly during times of financial turbulence or when natural resource exists in an area with seismic risk.**
- **Systematic approach to "chicken and egg" problem with generation and T&D—resource planning extremely difficult when transmission system upgrades or build out are outside the developer's scope. It is clear where the risk resides but we all know that take or pays where the offtaker can't take are not sustainable.**



Lake Kivu – Success Factors

- **Government of Rwanda took very commercial approach to negotiations and structuring—extremely transparent process; small focused team with senior level sponsorship**
- **International counsel involved at an early stage—separate counsel for gas extraction concession and Power Purchase Agreement**
- **Developer willing to spend significant development funds prior to signing PPA and Concession which created confidence that project would move forward after signing.**

