



President Goodluck Ebele Jonathan leads Ground Breaking ceremony at Azura-Edo IPP

Project will pave the way for other project financed IPPs in Nigeria

Benin, Nigeria – October 10, 2014 - Azura Power Holdings Ltd, (“**Azura**” or the “**Company**”) today conducted the official groundbreaking ceremony at the Azura-Edo Independent Power Project (IPP) in Benin, Nigeria. The ceremony was led by President of the Federal Republic of Nigeria, Dr Goodluck Ebele Jonathan alongside Edo State Governor, Comrade Adams Oshiomole and other high ranking members of the Federal and State Executives. The ground breaking ceremony marks the beginning of construction work at the project, which is on track to achieve full financial close in 2014.

The Azura-Edo project is the first of a new wave of project-financed greenfield IPPs currently being developed in Nigeria. The financing of the \$800m Azura-Edo IPP has been sourced from a consortium of local and international financiers. The project also incorporates an additional US\$300 million investment being made by Seplat Petroleum Development Company PLC (“**Seplat**”) in new gas processing facilities at its Oben Gas Plant, which, as part of Seplat’s joint venture with the Nigerian Petroleum Development Company (NPDC), will supply the Azura-Edo IPP with the project’s fuel gas requirements. In total, the investments by Azura and Seplat constitute over US\$1 billion of local and international financing into the Nigerian gas and power sector.

Azura is owned by Amaya Capital Limited and American Capital Energy & Infrastructure. The other sponsors contributing equity to the project include: the Africa Infrastructure Investment Fund 2; Aldwych International Ltd; and the Asset & Resource Management Company Ltd (ARM). The Engineering, Procurement and Construction contractors are Siemens and Julius Berger Nigeria; with an Operations & Maintenance contract in place with the PIC Group (a subsidiary of Marubeni). The Azura-Edo IPP is also the first Nigerian power project to benefit from the World Bank’s ‘Partial Risk Guarantee’ structure, specifically created to meet the developing needs of emerging markets world-wide, and political risk insurance for equity and commercial debt from the Multilateral Investment Guarantee Agency, also part of the World Bank group. Significantly, the overall transaction will be underpinned by financial support provided by the Federal Government of Nigeria through a Put and Call Option Agreement agreed by Dr Ngozi Okonjo-Iweala, the Coordinating Minister for the Economy and Honourable Minister of Finance; complementing the Power Purchase Agreement that was signed in 2013 between Azura and the Nigerian Bulk Electricity Trading PLC (NBET).

The Azura-Edo IPP comprises a 450MW open cycle gas turbine power station; a short transmission line connecting the power plant to a local substation and a short underground gas pipeline connecting the power plant to the country’s main gas-supply. It represents the first phase of a 1,500MW power plant facility. The plant’s location on the outskirts of Benin City is ideal because of its close proximity to Nigeria’s biggest gas distribution pipeline (which makes gas feedstock easily available) and its unique accessibility to the country’s high voltage transmission network (which facilitates the evacuation and distribution of power). The first phase of the plant, which is targeted to come on stream in 2017, is forecast to create over 1,000 jobs during its construction and operation.

The United Nations estimates that Nigeria’s population will reach 230 million within the next 20 years, and the total grid-based power generation capacity must rise, during this period, by at least tenfold to meet the demand. Azura is, and will continue to be, a key driver in this growth in capacity.

Mr. Sundeep Bahanda, co-founder of Amaya Capital and Dr. David Ladipo, Managing Director of Azura, said in a joint statement: *"This ground breaking ceremony is a major milestone in our project development timeline, and the President's endorsement a strong demonstration of the critical importance of this project to the Nigeria power sector reforms. By working closely with the government over a number of years the Azura-Edo project has been used to develop many of the template contracts and documentation that will be used in project financed power projects over the coming years. We would like to sincerely thank President Jonathan and his administration for their commitment to seeing this project to completion, and for taking the time to share today with us. We would also like to commend Governor Oshiomhole for his relentless determination to modernise the infrastructure of Edo State and thank him for his unstinting support for the Azura Project."*

Opiuyo Oforiokuma, Managing Director of the ARM Infrastructure Fund and the lead indigenous project sponsor said; *"The Azura-Edo project is a leading example of the strength of a partnership between indigenous equity partners and international sponsors and financiers. By combining specialist local equity, through our infrastructure fund, with international equity and debt, alongside best in class contractors the Azura-Edo project is a world class example of how to develop an infrastructure project in Africa."*

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ABOUT AZURA POWER HOLDINGS

Founded by Amaya Capital, Azura is a world-class power development company that was created to build a platform for the development, construction, acquisition and operation of power generation facilities initially in Nigeria and over time, West Africa. Azura utilizes its project development, industry and financing capabilities, in addition to the capital and expertise of Amaya and its partners, to develop early and late stage opportunities in the power sector. Azura announced an investment by American Capital Energy & Infrastructure in December 2013. For further information, please refer to www.azurawa.com.

ABOUT AMAYA CAPITAL

Amaya Capital, established in 2009, is a principal investment firm focused on large scale projects in West Africa. Unlike a typical private equity fund, Amaya does not manage third party funds but rather invests as a principal from an early development stage in a pro-active manner using the capital, capabilities, and resources of its founders and associates. Amaya has interests in the gas and power sectors in Nigeria. For further information, please refer to www.amayacap.com.

ABOUT AMERICAN CAPITAL ENERGY & INFRASTRUCTURE

American Capital Energy and Infrastructure, a subsidiary of American Capital, Ltd., is a private equity group that invests in energy projects in high growth markets, with a focus on Africa, Asia and Latin America. American Capital has US\$ 93 billion of total assets under management. For further information, please refer to www.acei.com.

ABOUT AIIM

AIIM is a manager and advisor of a group of niche funds designed to invest long-term institutional equity into African infrastructure projects. AIIM was established in 2000 as a joint venture between Macquarie and the Old Mutual Investment Group (South Africa) ("OMIGSA"), to manage the South Africa Infrastructure Fund ("SAIF"). The Macquarie Group is a global pioneer of infrastructure private equity investing. AIIM has access to this global expertise and has positioned itself as one of the leading infrastructure investment managers in the African market. AIIM is a co-investor in the pioneering Lekki Toll Road Concession. Please see www.macquarie.com/za/macquarie_funds_group.htm.

ABOUT ALDWYCH INTERNATIONAL

Aldwych International Ltd is an experienced and successful IPP focused solely on sub-Saharan Africa. Its majority shareholder is Pan African Infrastructure Development Fund ("PAIDF"). The vision for Aldwych and PAIDF is to create a financing platform for infrastructure development that will accelerate Africa's growth. Aldwych is an equity owner in the Rabai power plant in Kenya, the largest shareholder in the 300MW Lake Turkana Kenyan Wind Farm Project and is also the operator of the 600MW Kelvin power plant in Johannesburg. See more at www.aldwych-international.com.

ABOUT ASSET & RESOURCE MANAGEMENT COMPANY

Established in 1994, ARM is one of Nigeria's most innovative and respected non-bank financial institutions. Focused on Traditional Asset Management and Specialised Funds, ARM's superior research quality, asset management experience, and value-adding financial advisory services, are well-known. ARM comprises non-pension asset management, life insurance, pension fund administration, stock broking/execution services, trust services, real estate management/development, infrastructure finance/development, private equity, and hospitality/retail. Headquartered in Lagos, Nigeria, ARM manages assets in excess of US\$3 billion. ARM is registered with the Nigerian SEC, and sponsored the pioneering Lekki Toll Road Concession in Lagos. ARM was awarded "2013 Best Fund Manager in Nigeria" by Capital Finance International, and has a Augusto & Co AA- investment manager rating. Please see www.arm.com.ng

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