

FOR IMMEDIATE RELEASE

OUR'S Update on Base Load Project

(KINGSTON, Jamaica; April 29, 2014): The Office of Utilities Regulation (OUR) has advised the Ministry of Science, Technology, Energy and Mining (MSTEM) that Energy World International Limited (EWI), which was granted a licence to supply 381 MW of generating capacity using natural gas as the fuel source, has to date not posted the US\$36.85 million performance bond.

In a letter to the Minister, the Hon. Phillip Paulwell, the OUR reminded him that pursuant to the provisions of the OUR's Instructions for Final Proposals dated May 27, 2013, and the Implementation Agreement between EWI and the Government of Jamaica, the bond was to be paid within ten days of the date of the licence.

The Amended and Restated Energy World International Limited Supply of Electricity Licence, 2014, was issued on April 14, 2014, and therefore the bond became due on or before April 24, 2014. In light of the Government Procurement Rules and given that the licence has already been issued to EWI, and a Power Purchase Agreement has been executed, the OUR has advised the Minister of the failure of EWI to lodge the performance bond. It is now for the Minister to take such steps as he deems appropriate before the OUR can proceed any further.

The OUR on Wednesday, March 26, 2014, recommended to the Minister that EWI be granted a licence to supply generating capacity to the national grid. In arriving at its recommendations, the OUR ensured that safeguards were put in place to protect the interests of Jamaican consumers, and minimise the implementation risks associated with the project.

The recommended licence was issued on April 4, 2014 and an Amended and Restated Licence was issued on April 14. This was complemented by an Implementation Agreement between the Government of Jamaica and EWI.

A copy of the recommended licence as well as the Amended and Restated licence will be posted on the OUR's website: www.our.org.jm

The OUR notes the comments made by the Inter-American Development Bank in relation to the project and will address this in a subsequent release.

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