



## PRESS RELEASE

### US\$ 20 MILLION

## SAN JACINTO TIZATE GEOTHERMAL PROJECT

### 36.0 MW

The Central American Bank of Economic Integration (BCIE, in Spanish), has established the support to power projects, specifically renewable energy among its priorities. The Nicaraguan Government has selected the Energy Sector as its first priority, specifically the transformation of the country's generation matrix, to reduce high thermal power dependency rates. Consistent with this objective, BCIE is participating with a US\$20.0 million syndicated loan totaling US\$77.0 million, which purpose is the Financing of the Phase 1 Expansion of the San Jacinto Tizate Geothermal Project developed by Polaris Energy Nicaragua, S.A., a division of RAM Power Corporation of Canada. The total investment for this Project is US\$ 149.5 million. The loan from BCIE will have an 11-year term and a grace period of up to 24 months.

In addition to the BCIE, the consortium of lenders also includes The Netherland's FMO with US\$ 27.0 million, Export Development Canada (EDC) with US\$ 20.0 million and Cordiant Capital Inc de Canada with US\$ 10.0 million.

Project financing includes engineering, supply, construction and the commissioning of a 36.0 MW geothermal power plant located in San Jacinto, Telica Municipality, Leon Province. With this project, the San Jacinto plant will increase its current installed capacity from 10.0 MW to 46.0 MW, and this will represent approximately 9.0% of Nicaragua's effective installed capacity.

This is a top priority renewable power project structured within the projects of the Strategic Plan for the Energy Sector of Nicaragua, which purpose is the change in the country's power matrix, that currently depends in over 70.0% of hydrocarbon based generation, to a generation mostly based on the use of renewable resources. The same presents important socioeconomic benefits, highlighting among the same the following:

**Currency Savings:** Oil imports averaging 542,300 barrels annually will decline, and this will mean an annual average reduction in estimated oil billings of US\$ 38.0 million.

**Jobs:** Approximately 260 direct jobs will be created during the project's execution stage; the project is located in an area with high poverty levels.

**Competitiveness and Level of Life:** Contribution, in the mid-term, to the stabilization of the cost of power for end consumers, shrinking production costs, the strengthening of the company's competitiveness, and the improvement of the life of the population.

**CO2 Emissions Reduction:** Contribution to the environment, estimating an annual average reduction of CO2 emissions from 258,000 tons.