



10TH SEPTEMBER 2018

STATEMENT BY CENTUM INVESTMENT COMPANY PLC ON ITS INVESTMENT IN AKIIRA GEOTHERMAL LTD

BRIEF ON AKIIRA GEOTHERMAL LTD (AGL)

AGL is the developer of a two-phased 140MW power project with the first phase being the development of 70MW. The project is in the Naivasha area of Nakuru County, Kenya. The project is expected to contribute to the base load power requirements of the national grid as per Government of Kenya's policy.

AGL is jointly owned by Centum Investment Company Plc (via Mvuke Power Ltd) (37.5%), DI Frontier Energy Carbon Fund (37.5%), Marine Power Generation (15%) and RAM Energy Inc. (10%). To date Akiira Geothermal Ltd. has invested USD 31.6m, of which USD 2.3m are grants from Seed Capital Assistance Facility, OPIC and the Geothermal Risk Mitigation Facility (GRMF).

PROGRESS ON PROJECT TO DATE

Key milestones achieved to date include signing of the Power Purchase Agreement (PPA) with Kenya Power & Lighting Company (KPLC), National Environment Management Authority (NEMA) licensing to carry out exploratory works and the Letter of Support (LoS) from the Government of Kenya. Akiira secured the Government of Kenya LoS in August 2017 and is a critical milestone for the project as it protects the project from prescribed risks at a national level and changes to the laws and regulations that would significantly impact the project.

In geothermal drilling there are various stages of well drilling, exploration and production. During the exploration phase the objective is to identify resource patterns to aid in production drilling hence why multiple exploration wells are drilled. AGL has so far completed the drilling of two exploration wells funded by shareholders' equity and proved existence of the geothermal resource. Akiira will continue exploration drilling to further the development of the project in line with our commitment to our stakeholders. Some of these exploration wells are then utilized as reinjection wells. Reinjection wells are an integral part of all modern, sustainable and environmentally friendly geothermal utilization projects. They are a means of efficient wastewater disposal and to provide additional recharge to geothermal systems. To determine what each well will be used for can only be assessed after a few wells have been drilled. In the event that any well is deemed unproductive, AGL may claim under insurance taken out for drilling risk.

CURRENT STATUS AND NEXT STEPS

AGL is working towards further drilling in Q4 of 2018 to complete exploratory drilling and achieve target financial close by Q4 2019. AGL is in advanced stages of organizing the project finance from various lenders and the award process for both the Engineering, Procurement and Construction (EPC) and Operations and Management (O&M) contracts is expected to be finalized with financial close of the project.

It is anticipated that AGL will commence production drilling and power plant construction for the first phase 70MW in early 2020 and achieve commercial operation in early 2022.

In respect of the second 70MW phase, it is anticipated that in 2020 AGL will simultaneously start the exploratory studies and drilling aiming to deliver the second phase of project by year 2024.

CENTUM'S CARRYING VALUE OF ITS INVESTMENT IN AGL

Centum follows a prudent approach in valuing all its investments. In the case of investments into projects that are yet to achieve commercial operation, Centum carries the value of the investments into such projects at cost and only revalues the project and books any revaluation gains following commercial operation. AGL is KES 2.14 of our 73.16 Net Asset Value Per Share, accounting for 2.9%.

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