

**Information on the Concession Agreement and Power Purchase Agreement
Signed between the Government of Liberia and Buchanan Renewable
(Monrovia) Power Inc.**

On Friday, January 16, 2009, A Concession Agreement and Power Purchase Agreement were signed between the Government of Liberia (GOL) and the Buchanan Renewable (Monrovia) Power Inc (BR Power).

This is one of the major deliverables of the Energy Sector, under Pillar IV of Liberia's Poverty Reduction Strategy (PRS).

The agreements are also in line with our National Energy Sector White Paper and the draft National Energy Policy whereby the private sector will be encouraged to participate in power generation as Independent Power Producers (IPPs) and the Liberia Electricity Corporation (LEC) or a successor company, by itself, or in joint venture with private entities, will handle transmission and distribution.

The following are key highlights of the Agreements:

1. Two (2) power plants, 17.5 MW each (total 34 MW), fired from wood of old rubber trees, will be built in the vicinity of Kakata.
2. About 30 MW (net) of power and 223 million kWh/yr of electrical energy will be delivered from these plants in Kakata to the LEC Substation in Paynesville for distribution to all parts of Monrovia and its environs. Power from these plants will also be distributed to Kakata and its surroundings and to other parts of Montserrado County.
3. The first power from these plants will be available by the end of 2010.
4. The duration of the Agreements is 25 years.
5. The estimated capital cost of the project is US\$149 million.
6. The Project offers the following benefits and has several advantages:
 - a) The fuel source, rubber wood, is a renewable resource and relatively clean, unlike fossil fuel which is non-renewable and has adverse environmental consequences.
 - b) Spent rubber wood is plentiful in Liberia unlike fossil fuel which has to be imported, thus causing strain on Liberia's Foreign Currency Base. Liberian rubber farmers will earn an income from the sale of spent rubber wood to Buchanan Renewables.

- c) Hundreds of construction jobs and more than 100 full-time, long term jobs associated with the power production and distribution will be created.
 - d) There will be construction of new roads to gain access to some of the rubber wood farms.
 - e) Liberia will be an example in Africa where rubber wood is being used to produce industrial power.
7. Despite the many advantages of the project, there is however a challenge to the Government of Liberia, through the LEC, to distribute the power to consumers and meet up with BR's monthly invoice. With LEC's present extremely poor transmission and distribution network, it will be almost impossible to achieve this target. The GOL has put in plans to create an enabling environment to attract private sector and donor funding to power transmission and distribution.