

PRESS RELEASE

AFC and Harith merge assets to bring power to Africa

- New joint venture has over 1,575 MW combined gross operational and under-construction capacity, and supplies power to over 30 million people-

- US\$3.3 billion capital value portfolio of assets, including landmark projects Kpone Independent Power Project in Ghana, Azura Edo in Nigeria and Lake Turkana Wind Power in Kenya –

London: 22nd June, 2016: Harith General Partners (Harith) and Africa Finance Corporation (AFC), two preeminent institutional investors based in Africa, have merged their power sector assets, expertise and experience to create a new energy entity combining both renewable and non-renewable power generating assets in Africa.

On a continent where more than 620 million people live without electricity, this robust partnership has been formed to lead the way in power generation, and the integrated management of power infrastructure assets to deliver the requisite base load generation capacity to drive and accelerate growth in African economies.

The joint venture's near term portfolio supplies reliable energy to over 30 million people in at least 10 African countries and has a combined gross operational and under-construction capacity of 1,575 MW.

The joint venture will merge the AFC's interests in Cenpower, owner of the Kpone Independent Power Project under construction in Ghana, and Cabeolica, a wind farm that provides 20% of Cape Verde's energy needs, with those of the Pan Africa Infrastructure Development Fund (PAIDF) which is managed by Harith. These include the Azura Edo IPP in Nigeria, the Lake Turkana Wind Power in Kenya, Kelvin Power Station in South Africa and the Rabai Thermal project in Kenya. Collectively this portfolio represents some of the largest projects in Africa's energy sector.

The new venture will be in a position to develop and finance projects through corporate finance transactions and project finance, significantly reducing the lead time to bringing power projects to fruition. It will also have the benefit of a team of dedicated advisers that bring a wealth of development and operational experience in the African power sector.

Andrew Alli, President and CEO of AFC, commented on the launch: "We are delighted to be announcing this partnership with Harith. Our new joint venture will make an invaluable contribution to improving generation capacity in countries across the length and breadth of Africa and by working together we can deliver

tangible benefit for Africans, switching their lights on and stimulating positive economic growth on the continent.

“Power is one of AFC’s priority sectors and we dedicate considerable time and resources to driving development here. Our total investments in energy amount to over \$350 million and we were the first private sector institution to hit our target under President Obama’s Power Africa initiative, with total direct investments of \$269 million and \$1.2 billion of mobilised third party investments,”

Tshepo Mahloele, CEO of Harith and Chairman of Aldwych, said: “The purpose of the proposed merger is to combine the assets of Aldwych and AFC so as to create an African power entity that will have substantial capital, sector specific experience, a critical mass of existing assets and a pipeline of credible power projects.

“This will enable the joint venture to expeditiously develop quality, cost reflective yet profitable power projects that will benefit Africans – both power users and investors alike. The timing could not have been better as the power sector in Africa presents very attractive investment opportunities and the growth in this sector is expected to continue exponentially. Needless to say, the positive developmental impact of electricity to our communities will be enormous and welcomed,” says Mahloele.

Mahloele also said: “Through our London based IPP company, Aldwych - which has a long history of international power industry experience – Harith has a proven track record of successfully spearheading, developing and managing signature assets within the energy sector in Sub Saharan Africa. We are proud to be taking this further through our new energy venture and see huge potential for both this vehicle, and our partnership with AFC, to grow and flourish in the future.”

As a result of this merger, some of the largest and best structured renewable and conventional electricity projects in Africa during the last decade will now be held within one consolidated joint venture, alongside the requisite development experience, pipeline, expertise and equity capital for similar future projects.

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Notes to Editors

About Harith General Partners: www.harith.co.za

Harith General Partners is the leading Pan-African fund manager for infrastructure development across the continent. With offices in Johannesburg and Cote d’Ivoire; Harith manages Africa’s first and only 15-year US\$630m infrastructure fund, the Pan African Infrastructure Development Fund (PAIDF) 1 and recently announced the first close of the US\$435m PAIDF2.

The funds are invested in a number of major projects in diversified sectors such as energy, transport, information and telecommunications, and water and sanitation. Harith recently added health care as a sector.

PAIDF is supported by African capital raised from state pension funds, development finance institutions, top investment banks and financial institutions.

Harith is also in a partnership with Asset and Resource Management Company Ltd (ARM), a leading Nigerian financial services company which currently manages over US\$2.7bn of assets, to form the ARM-Harith Infrastructure Fund (ARMIF). ARMIF invests in infrastructure projects in West Africa.

In addition to ARMIF, Harith has a joint venture with East Africa's PTA Bank to establish the US\$1bn COMESA Infrastructure Fund (CIF) with a mandate to invest in the Common Markets for East and Southern Africa.

About AFC: www.africafc.org

AFC, an international investment grade multilateral finance institution, was established in 2007 with an equity capital base of US\$1 billion, to be the catalyst for private sector infrastructure investment across Africa. With a current balance sheet size of approximately US\$3.2 billion, AFC is now the second highest investment grade rated multilateral financial institution in Africa with an A3/P2 (Stable outlook) rating from Moody's Investors Service. In May 2015, AFC successfully concluded a debut US\$750 million Eurobond issue which was 7 times oversubscribed and attracted investors from Asia, Europe and the USA.

AFC's investment approach combines specialist industry expertise with a focus on financial and technical advisory, project structuring, project development and risk capital to address Africa's infrastructure development needs and drive sustainable economic growth.

AFC invests in high quality infrastructure assets that provide essential services in the core infrastructure sectors of power, natural resources, heavy industry, transport, and telecommunications.

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