

**Speech By Nizar Juma, Chairman of Bujagali Energy Ltd
and Chairman of Industrial Promotion Services (IPS)
at the inauguration ceremony of Bujagali Hydropower Project
by H.E. President Museveni in the presence of HH the Aga Khan
on 8 October 2012**

Your Excellency President Museveni
Your Highness the Aga Khan
Your Excellency the President of the Democratic Republic of Congo
Your Excellency the President of the Republic of Rwanda
Your Excellency the President of the Republic of Burundi
Your Excellency the President of the Republic of South Sudan
Your Excellency the President of the Sahrawi Arab Democratic
Republic
Your Excellency the Vice-President of the Republic of Tanzania
Your Excellency the Vice President of the Republic of Sudan
The Rt. Hon. Prime Minister of Uganda
Hon. Eng. Irene Muloni, Minister of Energy & Mineral Development
Honourable Ministers
Excellencies
All Other Distinguished Guests
Ladies & Gentlemen



On behalf of Bujagali Energy Limited and its shareholders, I am greatly honoured to welcome your Excellency, Your Highness the Aga Khan and our many distinguished guests. It is a great pleasure to see that you have come here today not only from all across Uganda, but from various parts of Africa – and from all over the world, to witness this inauguration ceremony, for the largest independent power plant in sub-Saharan Africa.

Moments such as these are unique in the history of any organisation and indeed any country. What makes it even more special is the fact that it comes as part of the 50th anniversary celebrations of the independence of the Republic of Uganda.

It is rather fitting that this should be so, as the foundation ceremony was laid during the year when His Highness the Aga Khan, celebrated his Golden Jubilee marking 50 years as Imam of the Ismaili Muslims.

It is also a proud moment for me personally to return to my country of birth, to celebrate this historic day!

Mr. President, thank you for the support and encouragement that Your Excellency has provided to this project. Your personal involvement has ensured amongst other things, the shortest possible contract period and the completion of the Bujagali Energy project on schedule.

Your Excellency, Bujagali Energy is one of the many projects that you have ushered in during your tenure as president of the Republic of Uganda. We have watched with admiration, how your leadership continues to transform the lives of millions of people of Uganda. On behalf of Bujagali

Energy Ltd and all of us here today, may I extend to you, Your Excellency, our appreciation, and our warmest and most sincere congratulations on the occasion of Uganda's 50th anniversary as an independent country?

Your Highness, may I express our gratitude for your guidance throughout this project. While implementing it we have aspired to the highest standards of transparency and integrity that mark the endeavours of the Aga Khan Development Network. We have been guided by your vision of making the benefit of the people of this country our top priority.

The project has not only been completed on schedule – but also on budget. It has met all performance targets, using the best industry practice, in an environmentally friendly and socially responsible manner.

We have been fortunate to work with Sithe Global an associate of Blackstone as our partners who also have a proven track record of success in the field of responsible and sustainable development. I would like to add that this has been a great partnership and we look forward to doing more projects with them in the future.

Your Excellency, Your Highness:

The Government of Uganda is also a shareholder in this project. It has contributed land valued at US \$ 20 million as well as intellectual assets and has demonstrated its commitment to low electricity tariff by its agreement not to receive any dividends until the project debt has been fully paid.

The Bujagali Project is developed on a 'build, own, operate and transfer' basis over a 30 year concession period.

The total project Cost is \$902 million and in case you are wondering what this represents:

The Bujagali Power Station is equivalent to an eleven storey building from the foundation to the rooftop. The dam itself is one kilometre long and consumed 320,000 cubic meters of concrete, 15,000 tonnes of steel and 580,000 cubic meters of rock for the dam embankment. At the peak of construction, over 3,000 men and women worked on the project.

To successfully harness natural resources to such magnitude; required a great deal of human ingenuity and we feel that to carry it through successfully, must surely have also received the consent and the blessing of the Almighty himself.

I would like to mention, that the geotechnical responsibility for this contract was accepted by the Government of Uganda. What that meant was that when we ran into some adverse geotechnical conditions, we were able to re-design the gated spillway in order to safeguard the safety of the dam.

This resulted in additional cost of \$43.5 million. But this was a responsibility that the Ugandan government had accepted from the start.

We strongly believe that had the Ugandan government not accepted this responsibility at the outset, the cost to the project would have been considerably higher, and the contract period would also have been significantly longer.

As it was, the commissioning of the plant began last February and was finished on June 13th— actually two days before the revised contract.

I would like to take this opportunity, Your Excellency, Your Highness, to thank the lenders; for their commitment, support and confidence in this venture. The debt finance totals 702 million U S Dollars

The lenders are:

The World Bank Group, including FIC, MIGA & IDA,
European Investment Bank (EIB),
African Development Bank (AfDB)
AFD/Proparco,
FMO,
KfW /DEG,
Barclays/ABSA Bank:
Standard Chartered Bank:

I am also pleased to recognise and thank, our construction contractors SALINI, who faced several challenges along the way – even including piracy in the Indian Ocean that resulted in delayed shipments!

Mr President:

Finally, I would like to recognise the professional leadership, from all government departments and in particular The Ministry of Energy and UETCL. Throughout the project period, your Excellency, your team have demonstrated their professionalism, supportiveness and above all a 'yes we can' attitude!

Ladies and Gentlemen: at Bujagali Energy Ltd - we are also blessed with an excellent team of committed people - who truly care about Africa and this project.

Whilst Western Europe and North America are looking at options for their economic growth and China and India are dazzling the world with their growth figures, we in Africa have experienced a GDP growth rate of 5% across the continent. This progress demonstrates that we are not only the centre of the world but also its future. Projects such as Bujagali, Your Excellency, Your Highness, will surely help to reinforce this view!

The Bujagali Energy Limited is honoured to share this moment with you.

Thank you

I would now like to invite David Foley Snr. M.D of The Private Equity Group of Blackstone to say a few words.

Read online at: <http://www.akdn.org/speech/speech-nizar-juma-chairman-bujagali-energy-ltd-inauguration-ceremony-bujagali-hydropower>