



CapAsia's Investments in Pakistan Wind Parks secure US\$203 million financing

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Singapore: Two wind parks in Pakistan - Foundation Wind Energy I Limited and Foundation Wind Energy II (Pvt.) Limited - have recently secured financing for approximately US\$203 million.

CapAsia, a private equity fund manager specialising in mid-cap infrastructure investments in Southeast, South and Central Asia, has invested in these two wind parks of 50 MW via its Islamic Infrastructure Fund (IIF). The parks, developed in the Sindh province in Southeast Pakistan under the sponsorship of the Fauji Foundation, Fauji Fertilizer Bin Qasim and the Tapal Group - all from Pakistan, will be located at Gharo, in the Sindh province of Pakistan.

Islamic Development Bank (IDB) and Asian Development Bank (ADB) are the lead arrangers for the projects' foreign financing portion, while the National Bank of Pakistan (NBP) is the lead arranger for the local financing portion. The entire financing is *Shariah*-compliant and represents the largest Islamic financing for the wind sector in Pakistan. The financing comprises of US\$133 million *Ijarah* Finance Facility provided by IDB and ADB and PKR6,000 million *Musharakah* Finance Facility provided by a consortium of local financial institutions led by the NBP.

The project financing was recently awarded the '2011 deal of the year for Pakistan' by Islamic Finance News while its main sponsor, Fauji Foundation, was awarded the 'Go Global Investee Companies 2011' by the Malaysian Venture Capital and Private Equity Association, for putting together the equity investment required by the projects.

David Osborne, Managing Director of CapAsia said, "The signing of this financing is an important milestone for the wind power projects. It demonstrates that infrastructure projects of this scale in Pakistan can be funded using the Islamic structure of financing. We are delighted to collaborate with both Fauji Foundation and Tapal Group as partners. With Fauji Foundation's considerable experience in developing projects of this nature



and the strong support from our partners, the IDB and the ADB as well as from NBP, we look forward to the successful commissioning of the wind farms in 2013.”

Lieutenant General Muhammad Mustafa Khan (Rtd.), Managing Director of Fauji Foundation said, “Pakistan is currently facing a huge energy crisis, which is jeopardising its economic progress. It is the Foundation’s policy to actively invest in the power sector and support the development of Pakistan. Following this project, Fauji Foundation and its Group of companies have decided to further pioneer the Pakistan wind sector by developing an additional 50 MW wind farm in Pakistan.”

In March 2012, the projects were awarded a reference tariff for generation of electricity along with their generation license by National Electric Power Regulatory Authority (NEPRA) of Pakistan. The projects are expected to commence construction in the third quarter of 2012 and commercial operations by end 2013. A consortium of Nordex SE (Germany) and Descon Engineering Limited (Pakistan) is the turnkey EPC (engineering, procurement and construction) Contractor for the projects.

CapAsia entered into a participation agreement to provide US\$20.5 million in equity capital via IIF to the two wind parks in March 2011. The IIF, managed by CapAsia, is a US\$287 million private equity infrastructure fund that is jointly sponsored by the Islamic Development Bank and the Asian Development Bank.

Since its inception in 2006, CapAsia’s AUM (assets under management) has grown to over US\$400 million. It currently manages three main funds – namely The South East Asian Strategic Assets Fund (SEASAF), IIF and the Asia Infrastructure Fund (AIF).

About CapAsia:

CapAsia is a private equity firm investing in the infrastructure sectors in the emerging economies of Asia outside of China and India. Founded in 2006, the firm has over 12 investment professionals and offices in Singapore, Kuala Lumpur, Jakarta, and Bangkok. CapAsia currently manages US\$402 million across three funds. It is majority owned by The Rohatyn Group (TRG), a private investment firm focused on emerging markets, with CIMB Group as a significant minority shareholder.



About the Islamic Infrastructure Fund:

The Islamic Infrastructure Fund (IIF) was established at the initiative of the Islamic Development bank (IDB) and the Asian Development Bank (ADB). CapAsia was selected as fund manager following a process of competitive bidding and qualification. It makes *Shari'ah*-compliant investments in the economic and social infrastructure sectors in the Islamic countries of Asia that are countries of operation of both the IDB and ADB.

About the Fauji Foundation:

The Fauji Foundation is a trust set up for the welfare of former military service personnel and their dependents. The Fauji Foundation provides education and health care services to almost 9 million beneficiaries. These services are financed from the income that Fauji Foundation derives from its investments in long term assets.

About the Fauji Fertilizer Bin Qasim, Limited:

The Fauji Fertilizer Bin Qasim, Ltd. is an associated company of Fauji Foundation and is the only fertilizer complex in Pakistan producing di-ammonium phosphate fertilizer and granular urea.

About the Tapal Group:

The Tapal Group has been associated with the power sector for over 45 years. The Tapal Group has previously initiated the development of Tapal Energy Limited, a joint venture with Wartsila (Finland) and Marubeni (Japan), which became the first IPP project (a 126-MW diesel power plant) to commence operations under the 1995 Pakistan Power Policy.

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