

February 2, 2016

Sojitz Corporation

**Sojitz Acquires Combined-Cycle Power Plant in Sri Lanka  
to Expand Sole IPP Business Owned by a Japanese Company in the Country**

Sojitz Corporation has acquired 90% equity interest in AES Kelanitissa Private Limited from The AES Corporation, a major US power company, through one of their subsidiaries. AES Kelanitissa owns and operates a 163 megawatt combined-cycle power plant on the outskirts of Colombo, Sri Lanka.

Sojitz has been a major shareholder in Asia Power Private Limited, another IPP project company in Sri Lanka, since it started operation of a 50 megawatt thermal power plant in 1998, and AES Kelanitissa is Sojitz's second IPP project in the country. By making a full contribution to the operations of the IPP project, Sojitz aims to assimilate and build management knowhow including on-site operation and maintenance of power plants, to further strengthen and expand Sojitz Group's business functions. Sojitz intends to hedge country risk associated with this project by applying the foreign investment insurance provided by Nippon Export & Investment Insurance (NEXI).

Sri Lanka's stable economic growth has led experts to predict a roughly 6% annual increase in electricity demand. However, about 35% of the country's current 3,932 megawatt generating capacity comes from hydroelectric power, making blackouts a common problem during the dry season. Thermal power generation can provide both stability to the power grid and a flexible backup when fluctuations in supply occur, which has led many to call for the further spread of thermal power within Sri Lanka. This acquisition will contribute to the stable supply of electricity in Sri Lanka, covering roughly 7% (2,000 megawatts) of peak demand for the country's population of nearly 21 million people.

In light of the sustainable growth predicted for the region, Sojitz aims to strengthen and expand its power and infrastructure business to create a foundation for long-term, stable earnings. Sojitz will actively pursue business

opportunities in high potential markets including Asia, the Middle East, Africa, and the Americas to contribute to development in those regions.



## 【AES Kelanitissa Power Plant】

### Related Information:

#### [AES Kelanitissa (Private) Limited – Company Overview]

Plant Site : Wellanpitiya, Colombo District, Democratic Socialist Republic of Sri Lanka

Generating Capacity : 163 megawatt

Start of Commercial Operations: 2003

Main Business : Combined-cycle power generation, sale of electric

## 【AES Kelanitissa Power Plant】

power

Equity Interest : Sojitz - 90%  
Hayleys Plc - 10% (a major Sri Lankan conglomerate)

Power Offtaker : Ceylon Electricity Board

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