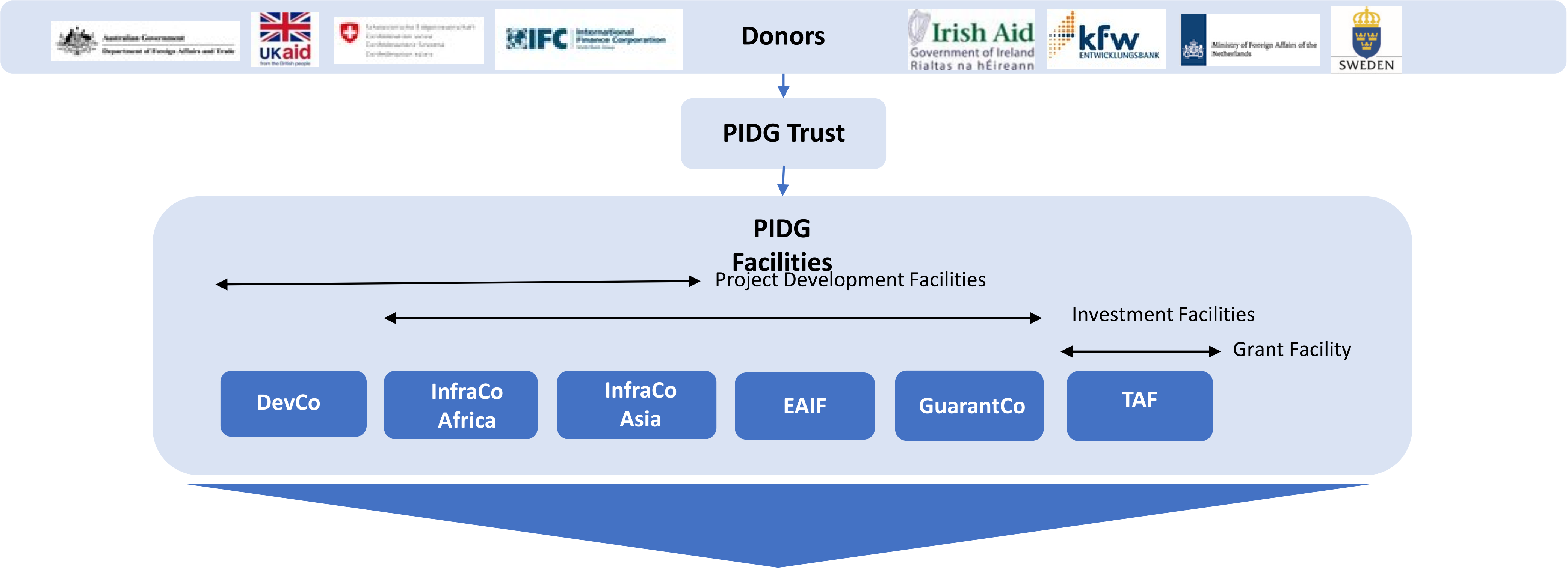
Working to enable Private Sector to develop early stage infrastructure projects

InfraCo AFRICA

A facility within the PIDG

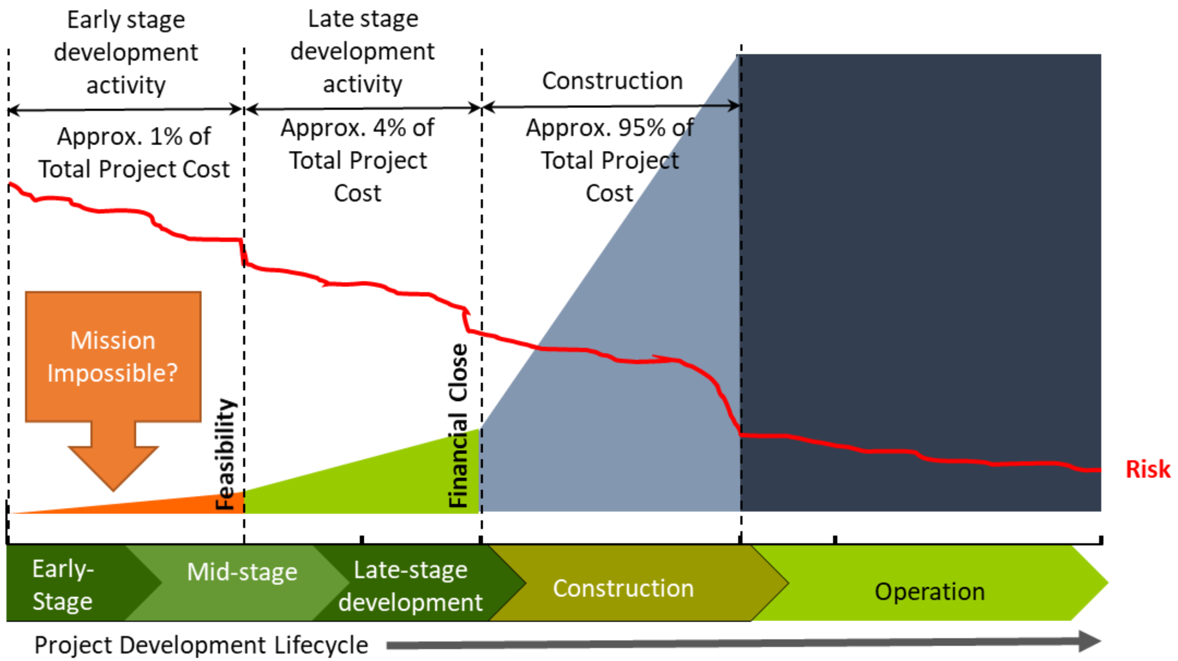
- We operate as part of the Private Infrastructure Development Group (PIDG)
- We are funded by governments and multilateral agencies but operate as a private company



130 Projects and 69 TAF grants in 55 countries catalysing US$27 Billion of Private Sector Investment

InfraCo AFRICA

Our challenge - alleviating poverty with infrastructure



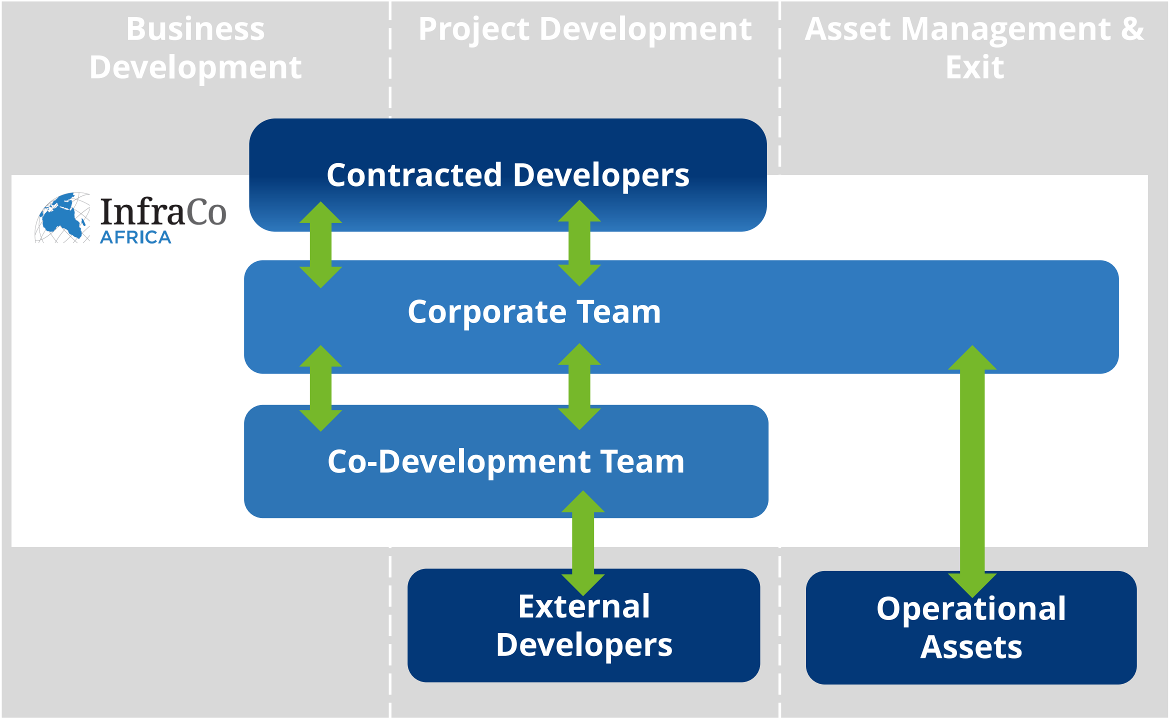
Source: GIB / UNEP Aequero

Early-stage infrastructure projects are a risky business:

- Scarce risk capital
- Limited local development teams
- Information gaps
- Constrained host government capacity
- Corruption and vested interests
- First mover **(dis)**advantage (sector opening)
- Disenfranchised local communities

These challenges are exacerbated in the poorest and most fragile sub-Saharan countries – our focus geography

Enabling and not replacing the private sector



Key

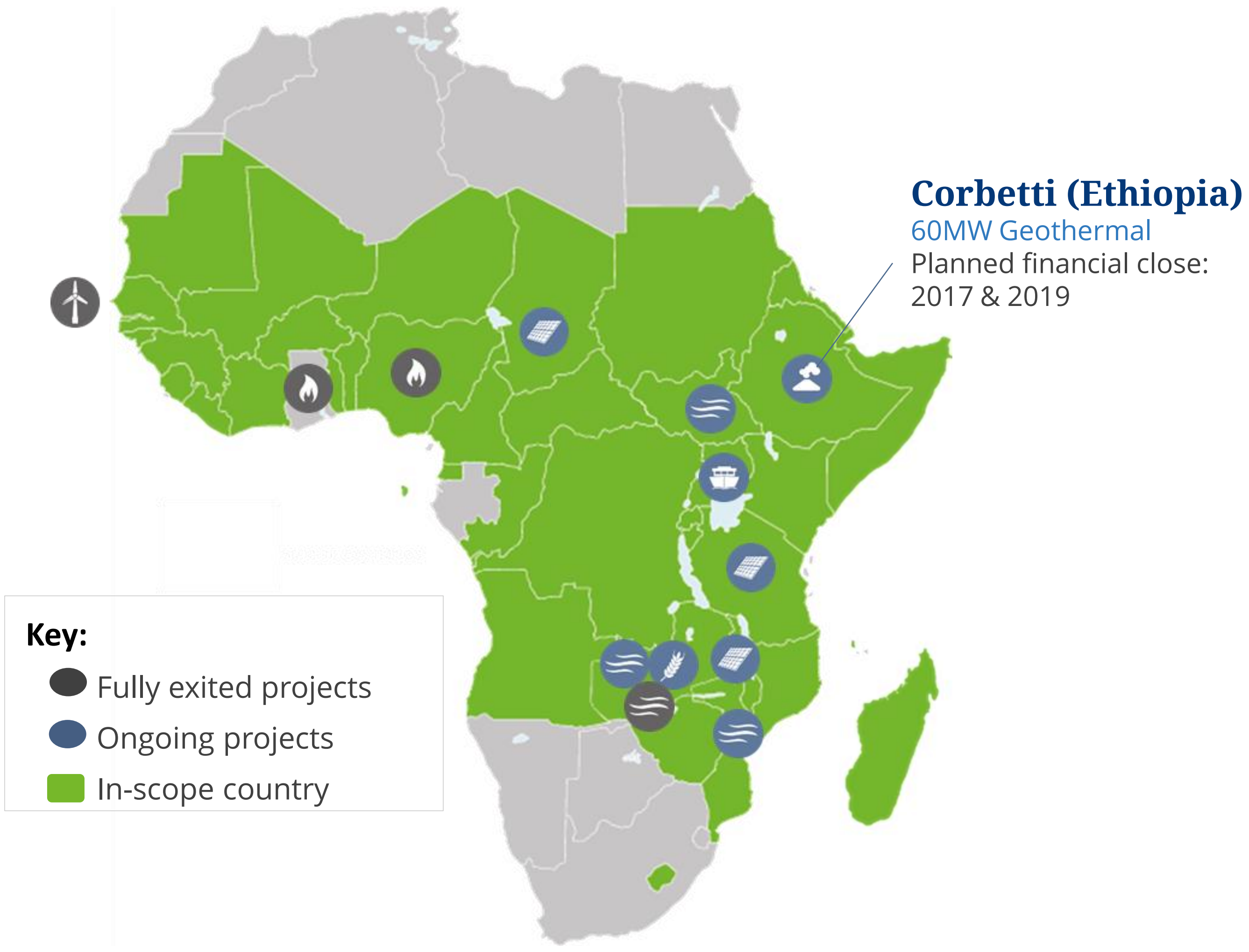
- Internal to InfraCo Africa
- External to InfraCo Africa
- Exchange of information, services and funds

We do more than provide scarce capital:

- Providing experienced on-the-ground resource
- Funding studies and deep specialists
- Building host government capacity
- Tackling corruption and pioneering best practices
- Engaging local communities
- Funding pilot solutions

People and partnerships are key to successful projects but we will never subsidise other's returns - instead we look to invest and partner in early-stage projects that are too risky for others alone

Working across sub-Saharan Afric



Today we have 9 projects under development and are developing 12 further opportunities

- By 2021 we plan to start another 23 projects

So far our financially closed projects have mobilised more than US$2 billion

- By 2021 this could reach US$3.7 billion

Responsible, sustainable projects are good for businesses and good for governments. We champion best practices (Anti Bribery, health & safety, environmental & social) on our projects and in our business operations.

InfraCo AFRICA

How does InfraCo Africa support projects?

Support from PIDG

- Equity funding
- Convertible loans
- Technical support (due diligence)
- Grants – Technical Assistance Facility

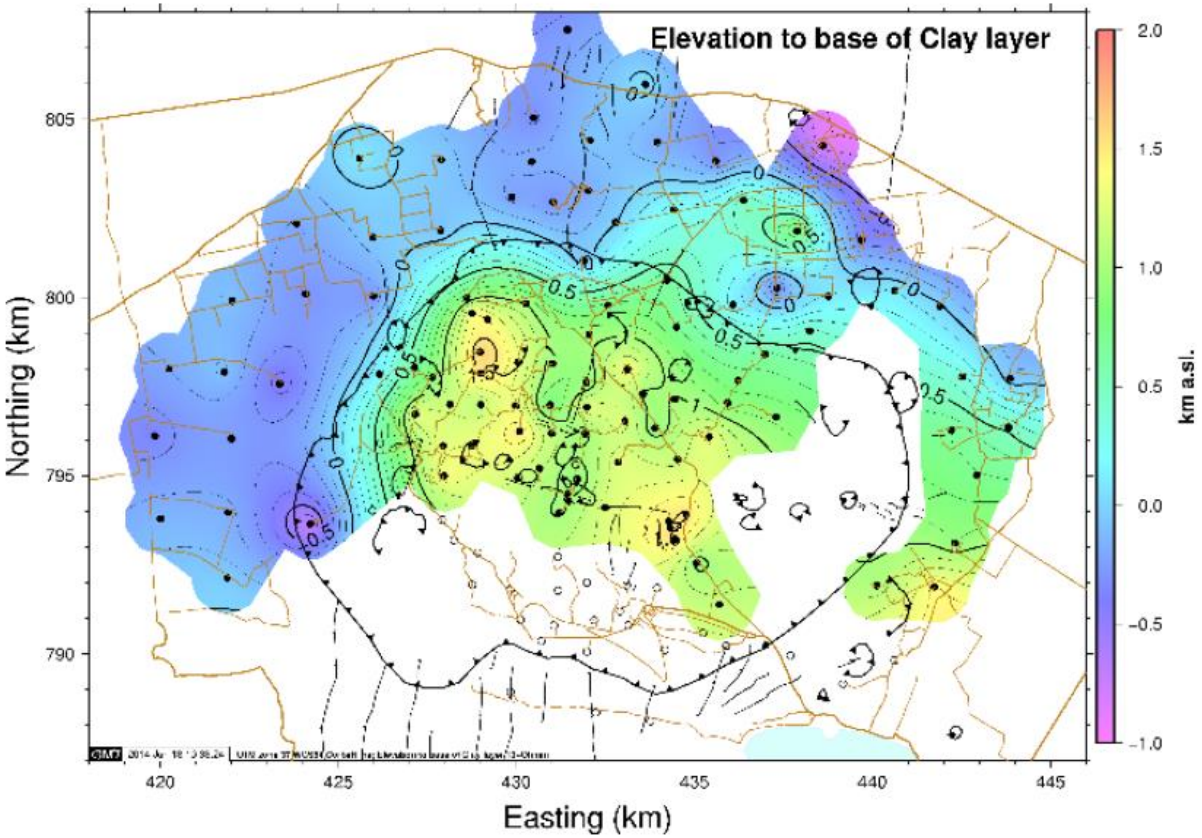
Support from other agencies

- USAID Power Africa partner
- EU – Africa Infrastructure Trust Fund

Political Support

- UK DFID and DIT
- US embassy / USAID
- Netherlands embassy
- IFC

From and InfraCo stand point, what makes an attractive geothermal project?



2015 Gislason et al.

Good anti-bribery track record

Developer capable of delivering a project:

- Able to work with host government to obtain license / concession
- Able to fund and organise surface explorations
- Able to secure grants from Geothermal Risk Mitigation Facility

Countries encouraging private projects by:

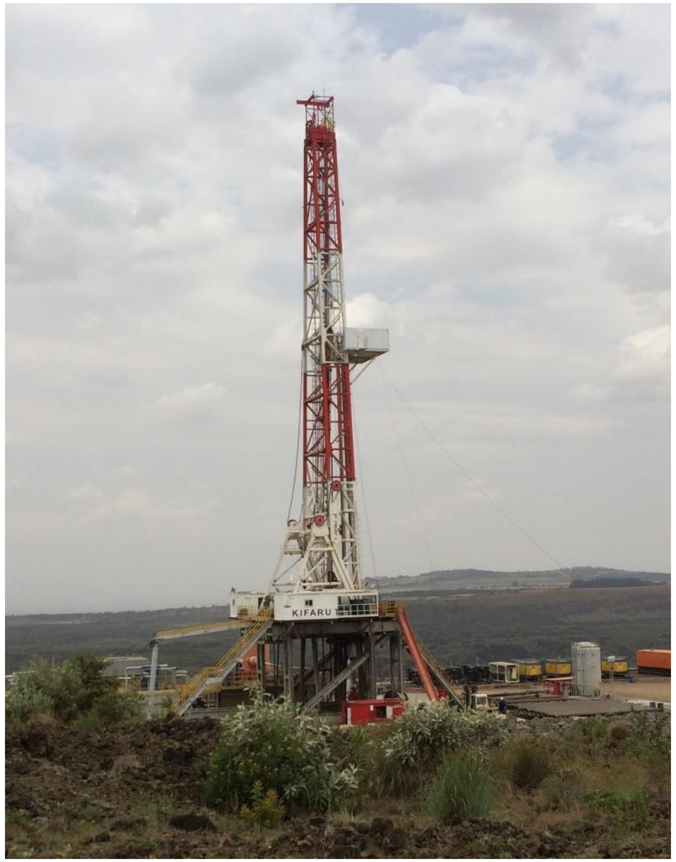
- Able to sign bankable Power Purchase Agreements (PPA)
- Willing to encourage private sector to increase investment in country

Current Geothermal Investment - Corbetti

First IPP in Ethiopia
First greenfield geothermal project in Africa
Second project financed geothermal project in Africa

- 2013 Reykjavik Geothermal sign Heads of Terms for PPA
- 2014 Reykjavik Geothermal, Iceland Drilling and Africa Renewable Energy Fund commit to funding Corbetti
- 2014 InfraCo Africa commissions report on geothermal projects in Africa
- 2015 InfraCo Africa commits to funding US$15 million
- 2018 PPA Signed -> Exploration Drilling
- 2019/2020 First phase starts generation

Greenfield Development



"Don't make the same mistake once"

- Equity to prove resource
- Geothermal resource insurance
  - Fix costs
  - Resource risk
  - Implementation risk
- Funding for appraisal drilling
  - Mezzanine Finance
  - Equity pool
  - Refinance earlier phase
- Early generation whilst arranging finance
- Phasing as resource area proved up
  - Size and funding versus speed
  - Grid capacity