



Federal Republic of Nigeria Bureau of Public Enterprises

Privatization of Generation and Distribution Companies Created out of the Power Holding Company of Nigeria Plc (PHCN)

Afam Power Plc, Nigeria Sale of Equity (Minimum of 51%) Information Brochure

Afam Power Plc (Afam Genco) is one of the successor companies created following the unbundling of the Power Holding Company of Nigeria Plc (PHCN).

PHCN (formerly the National Electric Power Authority – NEPA) had been the state-owned agency responsible for generating, transmitting and distributing electricity for the entire country of Nigeria. As part of the ongoing power sector reform efforts by the Federal Government of Nigeria (FGN), much of state-owned interest in the electricity services industry is being divested.

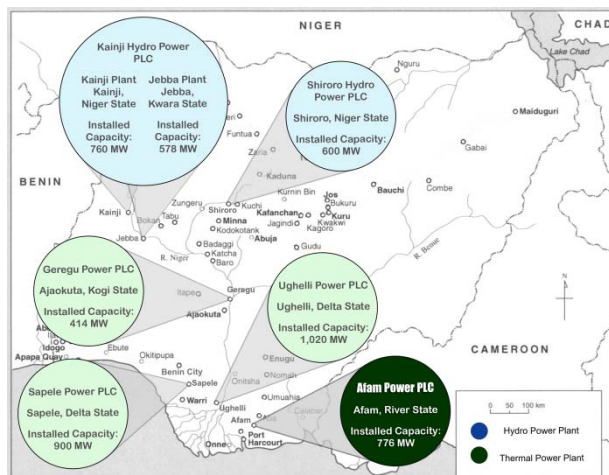
Afam Genco is to be privatized through a sale of a minimum of 51% of its equity to qualified long-term investors with necessary capital and technical expertise to service the company's customers in an efficient manner. The sale will be carried out as an international competitive tender.

FGN, having set aside over US\$ 1.3-billion budget, will handle any labor and rightsizing liabilities that may arise before this sale transaction completes. The selected investors are expected to improve the company's operational efficiency to achieve commercial sustainability within a reasonable timeframe. Interim subsidy, if required, will be provided by FGN during the efficiency improvement period.

The National Electricity Regulatory Commission (NERC) is currently in the process of implementing the sector

transition toward a fair and cost-reflective tariff regime through the revision of the Multi-Year Tariff Order. In addition, credit enhancement packages are to be provided to the sector by FGN.

Afam Genco facility is located in River State. It has an installed capacity of 776 MW with an available capacity of 45 MW and generated 152 GWh of power in 2009, which accounted for 0.7% of Nigeria's power generation.



Afam Genco – Key Information

Year(s) Commissioned	Phase 1: 1962-1963; Phase 2: 1976-1978; Phase 3: 1982; Phase 4: 2001
Installed Capacity	776 MW (2008), of which: 25 MW Gas Turbines (2 units) 75 MW Gas Turbines (6 units) 139 MW Gas Turbines (2 units)
Available Capacity	45 MW (2009 ave.)
Energy Generated	152 GWh (2009)
% Share in National Power Generation	0.7% (2009)
Energy Consumed for Generation	0.75 GWh (2009)
Staff	281 (2009) – Retrenchment program planned
Revenue	US\$ 3.4 million (2009), of which: Capacity Charge: US\$ 2.3 million Energy Charge: US\$ 1.2 million
Operating Cost	US\$ 0.8 million (2009)
Expected Inv.	To be made available later.

Exchange Rate: 151 Naira/USD (2009 interbank rate average).

Lead Transaction Advisor



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