



Any reply or subsequent reference to this communication should be addressed to the Contractor-General and the following reference quoted:-

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MEDIA RELEASE

The Office of the Contractor General Expresses Concerns as it regards the 360 Megawatt Project and the OUR's Pending Recommendation for the Provision of a Licence to EWI

Kingston; March 27, 2014 – The Office of the Contractor General (OCG) has taken note of the certain statements that have been made in the public domain, as it regards the pending recommendation of the Office of Utilities Regulation (OUR) to the Minister of Science, Technology, Energy and Mining for the issuance of a Licence for the Supply of Electricity to Energy World International (EWI).

The OCG is on record in voicing its dissatisfaction, from the onset, with the manner in which the OUR had undertaken certain aspects of the bidding process, specifically with regard to the way in which the entity, EWI became included in the process. The OCG upon careful review of the process undertaken by the OUR, recommended that EWI be excluded from the subject bidding process, on the basis that its bid was submitted to the OUR subsequent to the expiration of the bid submission deadline of March 15, 2013, which was issued by the OUR.

Notwithstanding the OCG's above stated recommendation and the OUR's subsequent blatant disregard of same, the OCG has remained committed to its mandate under the Contractor-General Act, and has continued in its effort to monitor the 360 Megawatt Project, with no less alacrity and diligence.

The OCG must use this opportunity to place upon public record that, by way of a letter which was dated March 17, 2014, it was formally advised by the OUR of its intention to "...*recommend to the Minister of Science, Technology, Energy and Mining that he issue a licence to Supply Electricity to Energy World International.*" The OUR further stated in said letter, that "... *the requirement for a financial statement was satisfied with the receipt of a letter from Energy World Corporation (EWC) confirming its involvement in the project*".

The OCG wishes to also publicly state, as it had, informed Mr. Albert Gordon, Director General of the OUR, in a letter dated March 19, 2014, that it cannot and will not, at this stage, support the decision that has now been taken by the OUR, to provide a recommendation to the Minister for the issuance of a licence to EWI for the supply of electricity.

The OCG is of the considered view, that whilst the EWI has provided the OUR with the Audited Financial Statements of the entity, EWC, in fulfillment of the Project Financing Requirements, which



formed part of the Instructions for Final Proposals, the OCG is, however, unsure as to whether EWC can be categorized as either EWI's parent company or equity partner, in relation to this matter.

The OCG's concern is premised upon the fact that EWI did not disclose in its proposal to the OUR, that the entity EWC, would be an equity partner. Further, the OCG is of the view that EWI would be EWC's parent company, as EWI has controlling shares and controls the management of EWC. As such, EWC's Audited Financial Statements could not satisfy the requirement for EWI's financial statements. In addition, the OCG is of the view that for the OUR to accept EWC's Audited Financial Statements, it would first have to be satisfied that EWI's Audited Financial Statements are insufficient and not that they are non-existent.

The OCG is of the considered view that the importance of this Project to national development is such that there is no room for any more mistakes and/or unqualified assumptions, and such, the OCG, therefore, urges the OUR to ascertain better particulars as it regards the fuel supply, specifically the location from which the gas will be supplied as well as the licences required to export same.

In this regard, the OCG, in its letter of March 19, 2014 to the OUR, has urged the OUR to consider the establishment of an Agreement between itself and the EWI, for an extension of the Bid Validity Period and await the provision of the EWI's Audited Financial Statements, in keeping with its initial request.

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