



## **PRESS RELEASE**

### **C-Power EUR 1,289 M investment financing for the construction and operation of a 325 MW offshore wind farm**

Antwerp – 25 November 2010

C-Power is pleased to announce that it has closed the financing of the second and third phases of the offshore wind farm on the Thornton Bank (located about 30 km in the North Sea off the Belgian coast). A group of 7 commercial lenders: KBC, Rabobank, Société Générale, KfW Ipex-Bank, Commerzbank, Dexia and ASN Bank together with export credit agencies Euler-Hermes of Germany and EKF of Denmark, and the European Investment Bank will provide between them long term facilities totaling EUR 869 M.

This financing will enable the construction of the second and third phases of the 325 MW offshore wind farm between 2011 and 2013, for a total investment cost (excluding contingencies) of EUR 1,289 M, which includes the refinancing of the already operational 30 MW pilot phase which consists of 6 REpower 5M offshore wind turbines.

The second and third phases will consist of the installation of 48 jacket foundations, 48 REpower 6M wind turbines (with rated power output of 6.15 MW), the laying of infield cables and a second 150 kV export cable, as well as the installation of an offshore high voltage substation.

The use of 6MW offshore wind turbines will be a world première: the 6M REpower offshore wind turbine is a more powerful evolution of the existing and currently operating 5M turbines. These 48 REpower 6M wind turbines will collectively have a total additional capacity of 295 MW, bringing the completed wind farm total capacity to 325 MW, enough to provide power to 600.000 inhabitants and to avoid 450.000 tons of carbon emissions per annum to the environment.

C-Power will thus contribute 10% of the renewable energy capacity needed for Belgium to meet its EU objective to reach 13% renewable energy by 2020.

This financing is the largest ever to be closed in the offshore sector and the first transaction where banks finance the installation and operation of 6MW offshore wind turbines.

Following the landmark financing of the first phase in 2007 (EUR 126 M for 30 MW), this deal again sets standards for the fast growing offshore wind market and shows that the banking market is open for financially and technically sound projects.

The transaction is a non-recourse financing, with banks bearing risk with limited sponsor support during the construction phase. Despite the use of the largest offshore wind turbines available on the market, the financing deal was made possible by a strong contractual package with the contractors, REpower (supply and operating of the wind turbines), THV Seawind [DEME-Fabricom joint venture] (supply and installation of the foundations, cable laying and installation of the offshore transformer station and wind turbine installation logistics) and ABB (supply of the 33kV infields cables and the second 150kV sea cable as well as the offshore transformer station), taking advantage of their joint experience during the first phase construction. This firm contractual base established with experienced contractors is supplemented by a solid contingency package controlled by the lenders to cover potential cost overruns or delays, cash sweep mechanisms which protect lenders from downside scenarios and specially tailored availability guarantees under the operating contract with REpower which allow revenues and debt service to be protected even during periods of lower turbine operational availability. The project also benefits from a comprehensive insurance program brokered by Willis.

With the participation of 3 public institutions (the two export credit agencies and the EIB) and 7 commercial banks, the transaction is one of the most complex ever done in the wind sector.

C-Power the company set up to develop the offshore wind farm in the concession area on the Thornton Bank is owned by a group of 4 reputable Belgian shareholders: SRIW Environnement, Socofe, Nuhma, DEME, and two European strategic partners EDF-EN and RWE Innogy. C-Power completed its pilot phase project in June 2009, with 6 REpower 5MW turbines having now produced over 155 GWh and achieving last year an availability rate of about 97%. The project was the first ever to erect large scale 5MW wind turbines offshore on a commercial basis.

C-Power is advised by Energy Bankers à Paris (financing) and Allen & Overy (legal). The lenders were advised by Mott MacDonald (technical), Watson Farley & Williams and Loyens Loeff (legal), Jardine Lloyd Thomson (insurance), with Kromann Reumert advising EKF and White & Case advising the EIB on legal matters, and Ernst & Young/AHB acting as Independent Chartered Auditor for the Federal Republic of Germany.

"This financial close is a demonstration of the trust that shareholders, contracting parties and the finance community are giving on a well structured project setting a good reference for the many more offshore wind farms to be financed in the near future", comments Filip Martens, CEO of C-Power. "This was the achievement of a strongly motivated team which, in order to bring together 23 contractual parties including 10 financial institutions, designed a contractual framework of more than 20,500 pages."

**C-Power NV** is the project developer for the first offshore wind farm in the Belgian North Sea. C-Power's shareholders are:

1. **DEME**, a worldwide operating maritime engineering specialist. DEME's subsidiaries Dredging International and Geosea are the only Belgian companies with experience in building offshore wind turbine foundations and installing offshore wind turbines and are involved in the construction of several multi-megawatt offshore wind farms globally.
2. **EDF Energies Nouvelles**, a listed company in which Electricité de France (EDF) holds 50% of the shares. EDF-EN develops and operates renewable energy projects on a worldwide basis.
3. **Nuhma**, an investment vehicle of the communes of the Limburg province for the participation in electricity and utility ventures.
4. **RWE Innogy GmbH, a subsidiary of RWE AG** pools the renewable energy expertise and power plant experience of the RWE Group. The company plans, builds and operates facilities generating power from renewable energies. RWE Innogy aims to actively participate in and promote the vigorous growth of the renewable energies industry in Europe.
5. **Socofe**, an investment company of the public administrations of the Walloon Region of Belgium specialised in financing and developing utility projects.
6. **SRIW Environnement**, the environmental holding company of the Walloon Investment Company S.R.I.W, is a company specialised in financing and developing environmental and utility projects.

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