

Reuters: EDPP.IN
Bloomberg: EDP PL

Investors & Analysts' Briefing

ENERGIAS DO BRASIL CONTRACTS A PPA TO BUILD A COAL PLANT IN BRAZIL

Energias do Brasil in a 50% partnership with MPX Mineração e Energia ("MPX") contracted yesterday a long term PPA (Power Purchase Agreement) for the sale of electricity from the future Pecém coal plant, to be built on the Ceará State.

The conditions contracted in the electricity auction promoted by the Brazilian regulatory authorities include the availability of an installed capacity of 615 MW for a 15-year term starting in January 2012 and a gross margin of R\$417.4m per year (amount at 2007 nominal prices to be updated at inflation) with the full pass through of fuel costs. According to the engineering & procurement agreement already agreed with suppliers, the new plant will represent a USD1.3bn capex. The project should be financed with 75% of long term debt with the Brazilian development bank BNDES and in the market.

The construction of this coal plant under a long term PPA with the Brazilian regulated system is expected to support the achievement of an adequate reserve margin in the Brazilian electricity system over the next decade taking into account the economic growth prospects of the country, the lack of new hydro projects available for construction in the short term and the current restrictions in terms of natural gas sourcing.

EDP owns 62.4% of Energias do Brasil, the subsidiary of EDP Group for the Brazilian electricity market. Energias do Brasil is listed in the São Paulo Stock Exchange (Bovespa: ENBR3).

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