

Press Release

DEG finances Bhoruka wind park in India

- 15.3 million euros as a long-term loan for Bhoruka Power Corporation Ltd.
- French Proparco as co-lender
- Contribution to climate protection through the promotion of renewable energy

Reliable energy supply is a vital prerequisite for the economic growth in emerging markets and developing countries. Against the background of climate change, the utilisation of renewable energy is becoming more and more important. This is why DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH together with the French development finance institution Proparco, grants a long-term loan to the amount of 15.3 million euros for a wind park of the Indian Bhoruka Power Corporation Ltd. (BPCL). Of this amount, DEG provides 8.3 million euros and Proparco 7 million euros. Another lender is the Indian Axis Bank, which will grant a loan in rupees to the equivalent of 4.3 million euros. Edelweiss Capital Limited, India, acted as the financial advisor and arranger for BPCL.

Thanks to the financing, BPCL is going to set up a wind park with 17 turbines and a total capacity of around 26 MW in the Karnataka region in the south of India. Moreover, twelve kilometres of high-voltage power lines will be laid to connect the wind park to the mains supply.

BPCL has been developing hydro and wind power projects since 1992. At present, the company runs twelve smaller hydropower stations and three wind parks with a capacity of about 100 MW. The current investment improves the power supply of an economic region of India, which is of importance in terms of both industry and agriculture and where the present demand for electricity exceeds the supply by 3,500 MW. With BPCL DEG supports an experienced enterprise in the field of renewable energy thereby making a contribution to climate protection. Furthermore, BPLC excels by high social responsibility and uses about five per cent of its annual profits for social projects. In rural areas, the company, for instance, finances schools for women and

**Cologne, 21.01.2010
No 01**

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ophthalmic hospitals, which can thus offer medical treatment at lower cost.

- 30 With climate protection being an important focus of DEG business, it has already financed wind and hydropower stations in Africa, Asia and Latin America. In early 2009, DEG arranged the debt financing to the amount of 105 million US-dollars for the extension of Olkaria III, the first private geothermal power plant in Kenya.

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