

Bhote Koshi Power Company Pvt. Ltd

Press Release

Nepali stake goes up in Bhote Koshi Power Company

For immediate Release

27th March, 2006: Himel International Energy Pvt. Limited (HIEPL) today announced the acquisition of majority shares in Bhote Koshi Power Company Private Limited. The deal was completed on 24th March, Friday.

HIEPL now holds the shares of Panda of Nepal, owned by Panda Global Holdings, a Dallas based Energy Company and MCNIC, owned by DTE Energy. Both companies are divesting as per their strategy of exiting out of all global businesses and concentrating on the US domestic energy markets.

Speaking at the occasion, Mr. Siddhartha Rana, new chairman of BKPC expressed his joy over the completion of the acquisition. "This has been a project close to my heart," Rana said, adding, "Nepal's potential in energy sector has been greatly talked about in the past. This is a major step towards our future endeavors in energy business."

Sujeev Shakya was named as the President of the company. Dr. Sandip Shah continues to be the General Manager of the company.

Speaking at the occasion, Mr. John Zamlan, authorized representative of the outgoing foreign partners Panda and MCNIC said, "This share transfer nicely fits the future business strategies of all the parties involved. It is truly a "win-win" milestone that had always been envisioned and that now has become a reality."

Haiman Xia of International Finance Corporation (IFC) said, "The transfer of majority ownership of BKPC from the original foreign partners to the local partner is a positive and timely development for Nepal. IFC is pleased to be associated with this project and strongly supports this transaction." IFC and DEG - German Investment and Development Company, are the lead lenders.

Sujit Mundul, CEO of Standard Chartered Bank Nepal, expressed his joy over beginning of a new era of acquisition finance in Nepal. Standard Chartered were Financial advisors and lead arrangers of acquisition finance on this deal.

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About BKPC

Bhote Koshi Power Company (BKPC) is responsible for the implementation and management of the Upper Bhote Koshi Hydropower Project. The project is located on the Bhote Koshi River in the Sindhupalchok district of central Nepal, close to the Tibet, China-Nepal border and 70 kilometers from Kathmandu, the main need center for the power. The Bhote Koshi River originates from glaciers and glacier lakes in Tibet, China.. It is run-of-the-river project and it produces electricity in accordance with the river flow. The company is managed by Tara Management Private Limited.

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