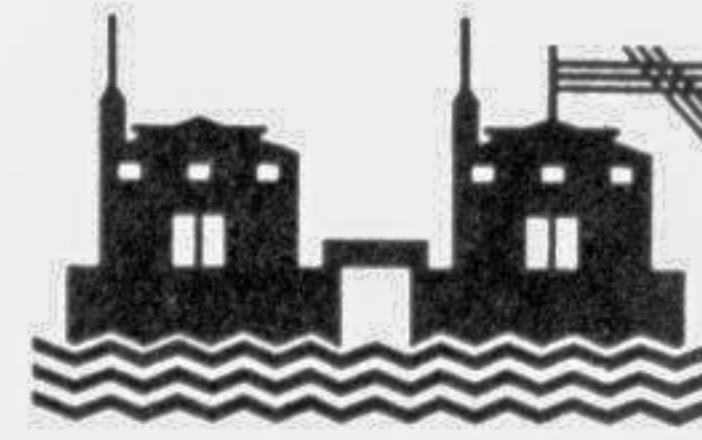


# COMMISSIONING CEREMONY

## OF 110 MEGAWATT BARGE MOUNTED POWER PLANT



### KHULNA POWER CO. LTD.

The Power Tigers

The Daily Star

Special Supplement September 12, 1998

Planned & Designed by: Paradise Advertising



#### MESSAGE

It gives me great pleasure to know that Khulna Power Company Ltd., a joint venture of Finland based Wartsila NSD Corporation along with two Bangladeshi companies Summit Group & United Group has successfully commissioned the first ever power generating project in the private sector in Bangladesh.

Bangladesh opened its power sector for private investment in October 1996 and finalized the barge mounted project's investment in October 1997 through international competitive bidding. The Khulna Power Company Ltd. has commissioned the 110 MW power project in less than one year. I believe the project would help increase power supply and bring prosperity in the western region of the country.

I hope the success of the mission would encourage the international community in investing more into the infrastructure projects in Bangladesh.

I wish the Khulna Power Company Ltd. all success.

Joi Bangla, Joi Bangabandhu  
May Bangladesh Live Forever

*Sheikh Hasina*  
Sheikh Hasina

Prime Minister  
Government of the People's Republic of  
Bangladesh.

#### MESSAGE

There is something special about the inauguration of this Barge Mounted Power Plant set up by the Khulna Power Company Ltd. It carries the unique recognition as the first private power generation project in Bangladesh. It effectively indicates what can be achieved in Bangladesh as a team work of foreign and local investors including the multilateral institution- in this case Finland-based Wartsila NSD Power Development and two Bangladeshi companies i.e. Summit Group and United Group and the International Finance Corporation. Congratulations!



This milestone project demonstrates the effectiveness of the private power generation policy adopted by the government in October, 1996. But this day would not have been made possible had it not been for the determined, resolute and rigorous follow-up made by the Hon'ble Prime Minister. Foreign investors, I am confident, would be greatly reassured by this concrete evidence.

Khulna Power Company Ltd. represents one of the many project and measures undertaken by the Government not only to solve the current power shortages in Bangladesh but also to restructure and establish an efficient and viable power industry that serves the long-term development goals of Bangladesh. I look forward to more such occasions in the future.

*Dr. Tawfiq-e-Elahi Chowdhury BB*

Dr. Tawfiq-e-Elahi Chowdhury BB  
Secretary, Ministry of Energy and  
Mineral Resources  
Government of Bangladesh.

#### Ahmar I. Iqbal MD, KPCL

On Oct 16, 1997 Khulna Power Company Limited (KPCL) signed a fifteen (15) year Power Purchase Agreement (PPA) with the Bangladesh Power Development Board (BPDB) to build, own and operate a 110 MW barge mounted power plant (Project) in Goalpara, Khulna District.

KPCL is a special purpose company established to develop the Project. Initially, KPCL consisted of Wartsila NSD Power Development (WNSDPD) and two Bangladesh based firms, Summit Industrial & Mercantile Corporation (Pvt.) Ltd. (Summit) and United Enterprises & Co. Ltd. (United). Coastal Corporation, a U.S. based Fortune 500 company is now the majority owner. Coastal's primary activity is the supply of fuel, particularly natural gas, around the world as well as ownership of several power plants intentionally. Wartsila is the world's largest manufacturer of medium speed reciprocating engine technology and currently has plants in over 100 countries, including 1,400 MW in India and over 500 MW in Pakistan. Jointly and separately Summit and United have extensive experience in project execution, civil construction, waterways transportation and trading.



The Project consists of two separate Wartsila NSD Power Commodore Barges. Each Power Commodore Barge is about 55 MW and has been registered in Panama under the name of Tiger I and Tiger III. Due to the previous registration of the name Tiger II with another vessel, KPCL elected to utilize Tiger III. The Project site allocated by BPDB is near the existing Khulna Power Station on the bank of River Bhairab and therefore minimum modification to the existing sub-station and transmission line was required.

Being the first ever private power plant selling to the BPDB, KPCL faced several challenges, however, through the strong cooperation and support of the BPDB, MEMR and other concerned Ministries, KPCL was able to implement the Project on schedule. To make the Project a success, simultaneously, work was taking place in three separate continents. In Asia, site works commenced in Khulna to accommodate the Power Commodore barges and other auxiliary facilities as well as the construction of the barge plant in Singapore, where many Bangladesh nationals also worked on the Plant. In Europe, the reciprocating engines were finalized in Wartsila's manufacturing facilities in Finland. In the United States, the International Finance Corporation (IFC), the private arm of the World Bank, commenced its evaluation of the Project.

Over 100 permanent jobs with the Project have been created as well as several hundred jobs during the peak of the civil site construction. KPCL and its sponsors have also participated in various social development programs in the country such as the Prime Minister's Flood Relief Program, Assistance for Blind Children, and Technical Education Program for primary school children. KPCL looks forward to its continued participation in Bangladesh's social and physical infrastructure.

#### MESSAGE

The Hon'ble Prime Minister Sheikh Hasina has given priority to the development of the power sector. In my understanding, it is the Government's explicit aim to eliminate power shortages as soon as possible so to be in a position to keep up with the anticipated growth in the economy with corresponding availability of power.

The introduction of KPCL power into the national grid is a substantial boost to the process and particularly in the supply of electricity in the western zone of Bangladesh. Equally important, it has paved the way for the realisation of future private investments in new and existing electricity generating capacity.

It is also a reassurance for the Government that the policy package announced in October 1996, designed to attract international investments and finance into the private sector, has received an overwhelming response.

I believe, KPCL has set a trend that will hopefully be followed by others in future. I presume the project has also allowed Bangladeshi talents to participate in this relatively low risk new venture. Our local financial institutions and capital market may like to observe and participate to develop and to respond to future requirements.



In the light of KPCL's success, I, on behalf of my colleagues in BPDB, wish to express hearty thanks to the management of the Company for the commitment demonstrated during the past two years in working together to bring the project to a happy conclusion.

The KPCL project at Khulna is Bangladesh's flagship in terms of the development of internationally credible private power projects. Its success is due to the successful cooperation of the Government, BPDB, the sponsors, financiers and the contractors. I would like to extend my heartiest congratulations to them all.

Finally, I am particularly delighted to be here on this inauguration ceremony also because I was also present on 5 December 1997 when the Hon'ble Prime Minister inaugurated the ground breaking ceremony.

Nuruddin Mahmud Kamal  
Chairman  
BPDB



#### Message

Mere words cannot express our joy of having participated as investors of the first ever private power generation plant in Bangladesh. On this joyous occasion we congratulate Khulna Power Company Limited on the very successful and timely launching of the 110 MW Barge Mounted Power Plant at Goalpara, Khulna. KPCL has demonstrated today the strength of unity beyond borders- the strength to achieve totality in team spirits between local and foreign investors.

On behalf of the management and staff members of the United Group, I thank every one who has made it possible today to witness the dawn of a new era- an era of private power generation by local entrepreneurs and foreign investors. Inshallah we will endeavour whole heartedly to devote ourselves at this critical juncture of power crisis for a changing socio-economic scenario of Bangladesh.

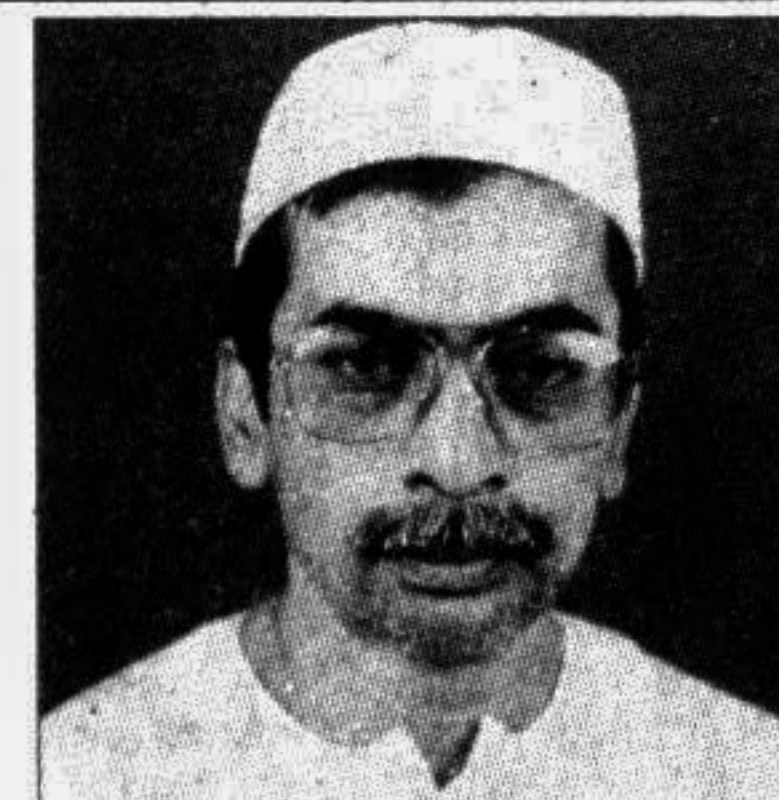
Our special thanks to our benevolent government for the much needed private power generation policy and all concerned at Bangladesh Power Development Board and the Ministry of Energy and Mineral Resources for their almost impossible task of materialising a new concept in the shortest possible time.

United Group also conveys special thanks to Wartsila NSD, Finland, Coastal Corporation, USA, International Finance Corporation and the Summit Group for working as a close team and join hands to make this project a milestone and a grand success.

Thanks to all of you and all others for making it possible today to turn a challenge into reality.

May Almighty Allah shower His fathomless Kindness for the success and prosperity of KPCL.

From the desk of  
Ahmed Ismail Hossain (Masood)  
Managing Director  
UNITED GROUP



#### MESSAGE

I am indeed delighted and happy to know that Khulna Power Company Ltd. (KPCL), a joint venture of Finland based Wartsila NSD Corporation with two local Bangladeshi companies Summit Group and United Group have successfully commissioned the 110 MW Barge Mounted Power Plant at Khulna.

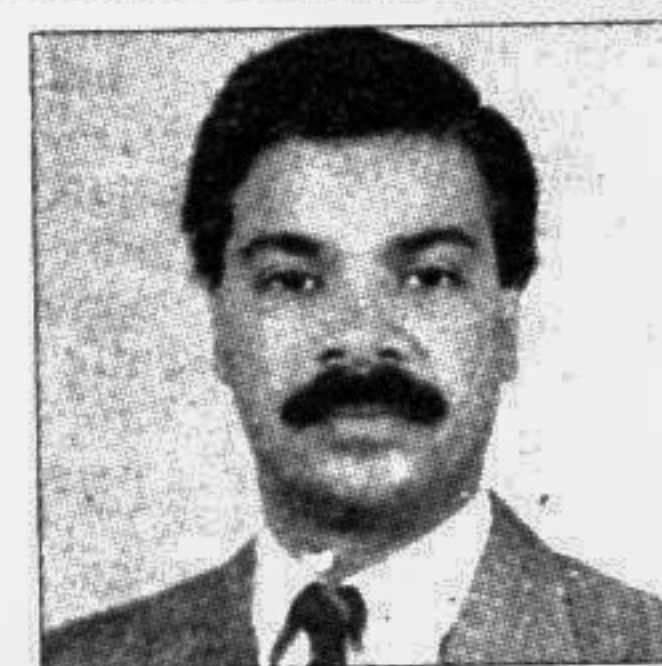
Through the Ministry of Energy and Mineral Resources and Bangladesh Power Development Board officials, I have been kept updated of the progress of the project and it certainly is a pleasure to know that the project of such a size was completed so smoothly in less than one year from the date of signing of the contract with Government of Bangladesh. Such an example will surely boost the moral of other International investors willing to do business in Bangladesh.

The role of International Finance Corporation having come in with both debt and equity financing in such a short period is equally commendable.

I understand that the project was made a success by the efforts of dedicated team of workers who worked round the clock to meet with the challenge. It is equally heartening to know that the local works at site were done by local Bangladeshi civil Construction Company. With this project we have moved a step further towards meeting our promises to the people of Bangladesh. This project will bring great relief to the industrial and domestic sector of the people living in western Bangladesh. I hope this is the beginning and KPCL will come forward in future to build more power plants.

*Prof. Rafiqul Islam*

Prof. Rafiqul Islam  
State Minister  
Ministry of Energy & Mineral Resources



#### MESSAGE

I am humble by the Almighty Allah's blessings. The privilege and honour to be associated with the country's first private sector power project, the largest investment in the private sector, is euphoric while the responsibilities are daunting.

The 110 MW power barges are very well done and have been implemented on schedule by the unequivocal support of the Government of Bangladesh's Ministry of Energy and Mineral Resources and Bangladesh Power Development Board. The relentless efforts of the foreign and local workers, staff and officers have been the corner stone of our success. The Project would not have been possible without the support of our foreign partner Wartsila (NSD) Power Development and local partners United Enterprises & Co. Limited and Summit Industrial and Mercantile Corporation (Pvt.) Limited.

The zeal and inspiration of this project has been our firm belief in 'corporate responsibility to society'. I am certain that the project will have immense impact in increasing productivity of Khulna region and alleviating poverty in Bangladesh.

May Allah guide us in the right path.

Muhammed Aziz Khan  
Chairman, Board of Directors  
Khulna Power Company Limited

#### Message

Summit is Humbled by the Blessings of the Almighty Allah. Summit Group's firm belief in 'corporate responsibility to society' and our love for Bangladesh has been expressed in the implementation of 110 M.W. Barge Mounted Power Plant, Khulna Power Co. Ltd., the first private sector power generation company of Bangladesh, the largest direct foreign investment in Bangladesh rightfully boasts major participation of two Bangladeshi firms.

Summit has always been pioneers. This pioneering spirit led us to be partners in the country's first private sector tanks terminal 'Summit United Tanks Terminal', we are honoured to be associated with the country's first private sector power generation.

The acute shortage of electricity is a strong deterrent to country's development. Summit is committed to eliminate this shortage and hope to be associated with production of 500 M.W. electricity by the year 2000.

May Allah give us the wisdom to follow His commanded path.

Muhammed Aziz Khan  
Chairman & Managing Director  
Summit Industrial and  
Mercantile Corporation (Pvt.) Ltd.



#### Message

We are very pleased to be a significant investor in the first private power project in Bangladesh and one of the largest private investors in the country. The progressive foreign investment policies of the Government of Bangladesh and support from the Bangladesh Power Development Board and key ministries, made this investment possible. We

hope that this project will succeed in its objective of reducing the energy shortages in the western region and contributing to economic growth.

The success of this project would not have been possible but for the dedication and hard work of our partners, the Summit and United Group of Companies and Wartsila NSD. We look forward to a long and successful association with them in this and other projects.

The Coastal Corporation is among the largest and most successful integrated energy companies in the world. Along with power production, the company has subsidiary operations in natural gas marketing, transmission, storage, gathering and processing; petroleum refining and marketing; oil and gas exploration and production; chemicals; and coal. We see many emerging opportunities in Bangladesh, and we hope to increase our investment in the country over time.

We wish the people of Bangladesh a bright and prosperous future.

David A. Arledge  
Chairman, President and  
Chief Executive Officer,  
The Coastal Corporation



#### Message

As the largest manufacturer of heavy reciprocating engine technology, Wartsila NSD Corporation is proud to play a role in enhancing Bangladesh's infrastructure facilities and attracting foreign investment to the country. The 110 MW Khulna

Barge Mounted Project will significantly enhance the supply of reliable electricity in Bangladesh's western region. The introduction of the latest and most efficient environmentally friendly power technology will also add to the country's technical base.

As the first private power project in the country, the Project would not have been possible without the support and close cooperation of the Government and the Bangladesh Power Development Board. Their tenacious efforts and co-operation was a key for making the Project a reality in less than 12 months and we look forward to their continued partnership for the next 15 years.

I wish to thank the efforts of all the people in making this project a success and wish the People of Bangladesh a bright and prosperous future.

Clas-Eirik Strand  
Senior Vice President  
Power Plants  
Wartsila NSD Corporation