



## **Press Release**

### **Cenpower terminates EPC contract with Group Five**

**Accra, November 30, 2018** - Cenpower Generation Company Limited has announced the termination today of its Engineering, Procurement and Construction (EPC) contract with Group Five Power International (Pty) Limited (Group Five) for the construction of the 350 megawatt Combined Cycle Gas Turbine (CCGT) power plant, the Kpone Independent Power Project (KIPP) in the Tema industrial zone.

The project has suffered more than a year's delay and Cenpower recently called on the bonds put in place as security by Group Five for Delay Damages due to the inability of Group Five to complete the project by the scheduled completion date of September 13, 2017.

Theophilus Sackey, Chief Executive Officer of Cenpower said Group Five had been allowed time to remedy the failure to timely complete the project but as a consequence of the continued delays it was necessary to terminate the EPC Contract. "Given the continued delays to completion, it has been concluded that it is in the best interests of the project and its stakeholders to terminate the EPC contract," Mr. Sackey stated.

He noted that although the Delay Damages recently received by Cenpower do not come close to the losses suffered by the Company, Cenpower and its shareholders remain committed to ensuring that the project is completed and commercially operational as soon as possible. Currently, construction of the plant is complete but testing and commissioning work still remain to be performed. A technical team from the shareholder group has been assembled to complete the outstanding commissioning works as soon as possible. The team will work with all the current Ghanaian workers on the project thereby ensuring that there are no jobs losses as a result of the termination.

Mr. Sackey further stated - the delay has been a temporary set-back. All the project investors remain unwavering in their commitment to the project and look forward to contributing to Ghana's continued development through this groundbreaking project.

**End**

## **Editor's Note**

### **About Cenpower Generation Company Limited**

Cenpower, the first licensed IPP in Ghana, was established in 2003 and is currently implementing the Kpone Independent Power Plant ('KIPP') at Kpone, near Tema.

The KIPP, which is the first green-field project finance IPP in Ghana, will be amongst Ghana's most fuel-efficient thermal power stations when completed and once in production, the power plant will become a critical base-load facility in meeting Ghana's existing and growing electricity demand.

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