



Tbilisi, 13<sup>th</sup> December 2011

### *Caucasus Energy and Infrastructure Reports on Registration Progress under Clean Development Mechanism*

JSC Caucasus Energy and Infrastructure (CEI) announces that specialists from Électricité de France (EDF) and Bureau Veritas have visited CEI to hold talks with the management regarding registration of the Mtkvari hydroelectric project under the United Nation's Clean Development Mechanism (CDM) as defined by the Kyoto Protocol. After the project has been approved and thus registered by the CDM board, Mtkvari HPP, once operational, will be able to issue and trade certified emission reduction (CERs) units or carbon credits.

A CER is a unit that can be traded for one metric tonne of carbon dioxide equivalent pursuant to the Kyoto Protocol. CERs are issued by projects that are aimed at reduction of greenhouse gas emissions to the atmosphere and can be purchased by enterprises operating in the countries, which have signed up to meet the emission reduction targets under the Kyoto Protocol. Mtkvari HPP, as a producer of electricity exclusively from renewable energy sources, will offset more carbon-intensive electricity production in Georgia and will therefore be allowed to issue a certain amount of CERs per year.

CEI has hired EDF, which is one of the world's largest producers of electricity, to prepare the CDM project design documentation for the Mtkvari hydroelectric project. Bureau Veritas, which is the global leader in certification services and acts as a Designated Operational Entity for CDM projects, will complete an independent evaluation of the project according to the requirements of the CDM. Specialists from EDF and Bureau Veritas held meetings with the management of the company and visited the Mtkvari HPP construction site last week in order to finalise all the outstanding issues concerning the project design documentation. The approval process is expected to be completed in the second half of 2012.

*“We are delighted that the Mtkvari hydroelectric project fulfills several important criteria as a CDM project and is therefore eligible for CDM accreditation. Mtkvari HPP, as well as lowering the country's carbon footprint, will maximize the company's shareholder value through the creation of financial incentives under the CDM”,* commented the CEO of Caucasus Energy and Infrastructure **George Abdushelishvili**

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#### **About Caucasus Energy and Infrastructure**

Caucasus Energy & Infrastructure (CEI) is a joint stock company organised in compliance with the Georgian legislation. CEI holds a mandate to invest in Transcaucasian companies engaged in the production, transmission and distribution of gas and electricity. The company is currently constructing a 48 MW hydro power plant on the Mtkvari River in Akhaltsikhe, Southern Georgia (near Turkish border).

For further information, please visit [www.cei.ge](http://www.cei.ge) or contact:

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