

KenGen Media Report

October 6-7, 2011



KenGen News

Electronic Media

Media House	Date	LINK	Topic
Capital FM	Oct 6, 2011	http://bit.ly/n2H5KB	KenGen to use carbon credits in financing geothermal
Classic FM	Oct 6, 2011	http://bit.ly/pm8aRC	KenGen to use carbon credits in financing geo-thermal
KISS Fm	Oct 6, 2011	http://bit.ly/oAbAX8	KenGen stands to earn Sh 1b annually
Radio Jambo	Oct 6, 2011	http://bit.ly/mXLkeu	KenGen to boost operations

Industry News

Media House	Date	Link	Topic
KBC	Oct 6, 2011	http://bit.ly/n9nWi4	Kenya needs more funding for power generations
KBC Swahili	Oct 6, 2011	http://bit.ly/qujkt4	Kenya needs more funding for power generation
KBC	Oct 6, 2011	http://bit.ly/n9m6mb	Raila roots for establishment of a nuclear plant
NTV	Oct 6, 2011	http://bit.ly/rqrmOz	National energy conference comes to a close
NTV	Oct 6, 2011	http://bit.ly/or6tSE	Raila calls for government to fund energy companies

KenGen News

Print Media

Media House	Date	Page	Topic
The Star	Oct 7, 2011	37	Stock Market

Print Media

Media House	Date	Page	Topic
The Star	Oct 7, 2011	37	Kenya missing out on energy funding

Kenya missing out on energy funding

BY JAMES MBUGUA

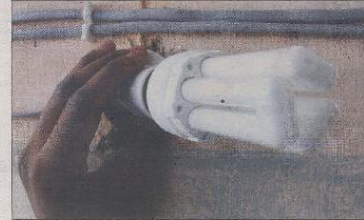
THERE is a lot of money to fund energy projects but planners must compete for it by presenting high quality plans, the Second National Energy Conference heard yesterday.

Local players in the energy sector including power generators and distributors attending the conference had complained that banks tend to subject them to lengthy assessment processes only to deny them funding in the end.

Handal Singh Jabbar, the chairman of the Energy Regulatory Commission, told the conference that the country had lost over US\$200million (S\$203.6m) owing to delays in approving funding for Ukato and Rabai power plants.

But representatives from the World Bank, French Agency for Development (AFD) and the Africa Finance Corporation told the conference that project assessments would take shorter time if they met standards.

Clara Alvarez, a senior infrastructure specialist with the World Bank, told plan-



CUTTING COSTS: The new energy saving bulbs distributed by KPLC countrywide.

ners to hear in mind that they were competing for money with projects all over the world and they needed to outdo their competitors.

"The better the quality of the project, the higher the chance of getting the money," Alvarez said.

Among the most common reasons for failure to secure funding, she said, was lack of clear and long-term regulation in place such as what utilities are charged. Some projects, she noted, had

doubtful financial viability while others do not allocate risk properly.

The Africa Finance Corporation which has just launched a wind power project in Cape Verde said planners must have very strong answers to questions on issues such as tariff models, risks and availability of fuel to power plants.

"If we structure our projects properly then financing will not be a problem," Oliver Tunde Andrews

of Africa Finance Corporation said.

Maicau Goudeau, the AFD program manager in Kenya cited lack of capacity to assess all the projects and raise the resources as another source of delay.

"We require a lot of time to mobilise resources," Goudeau said adding that in Kenya for example, neither AFD nor the Kenyan government has the personnel resources to move project assessment faster.

Financial

FOREX Exchange Rates

CURRENCY	MEAN	BUY	SELL
US DOLLAR	100.9486	101.6500	101.1476
STERLING POUND	155.9488	156.4470	155.4507
EURO	114.7584	114.0074	115.0764
SAR/RIED	126282	127560	124903
US\$	28.3200	28.2120	28.4268
S\$	16.0420	16.5500	15.5340
AE DIRHAM	27.6330	27.2252	27.9280
INDONESIAN RUPIAH	1316.33	1313.92	1318.72
RUPIAH	02.2610	02.3326	02.0812
CHINESE YUAN	18.890	19.0027	18.6865

STOCKS Major movers

WINNERS	CHANGE (%)	PRICE
TRANS-CENTURY	28.50	28.50
REA VAPINGO	14.00	14.00
KENOLKOBIL	10.00	10.00
KENYA AIRWAYS	2.50	2.50
EVEREADY	1.95	1.95

LOSERS	CHANGE (%)	PRICE
CARBACIO INVESTMENTS	-8.70	105.00
STANDARD GROUP	-3.51	27.50
NATION MEDIA	-3.45	140.00
EQUITY BANK	-2.41	17.00
BAMBURI CEMENT	-2.52	155.00

The Star
Oct 7, 2011
Equity Bank share goes down to 20-month low

KenGen firmed 1.587% to close at 9.60 and traded 321,900 shares . Kengen remains -43.529% in 2011.

Shilling edges higher after bold CBK rate rise

THE Kenyan shilling continued to edge up against the dollar yesterday, after the Central Bank knocked the market with a 4 percentage point rise in its leading rate on Wednesday to combat inflation and stabilise the exchange rate.

An 0.623 GMT commodities basket posted the

shilling at K100.704/01.30 against the dollar, slightly up from Wednesday's close of 101.00/01.21.50.

The currency rose by around a shilling per dollar on Wednesday after the rate shock.

"I expect a rally, maybe towards the 100 level," said a senior trader with a leading commercial bank.

Policymakers raised the Central Bank Rate by 400 basis points at a rate-setting meeting on Wednesday to 11 percent, just three weeks after they raised it by 75 basis points.

The shilling has borne the brunt of higher oil and food prices in international markets this year,

numbering to several record lows against the dollar since March.

The situation was compounded by a row between markets and central bank over how to deal with the challenge, as well as by the effects of the debt crisis in the euro zone. Traders said even though the increase was a

positive move, attention needed to shift towards addressing a widening balance of payments gap, to save off further weak energy of the shilling.

The government has requested additional balance of payments support from the IMF and is planning to issue a debt Eurobond this fiscal year.



ACTED: CBK's Njuguna Njiru.

Equity Bank share goes down to 20-month low

ALY KHAN'S HIGHLIGHTS



More info at www.rich.co.ke

THE Nairobi Stock Exchange and The Shilling.

The bourse traded 92,382,228 worth of baskets which is 1903,493 and less than \$1m, which is the 2nd such session in the last 5 sessions.

The Nairobi All Share closed 0.05 points to close at 69.65. The All share has had nine positive sessions in the last 14. However, the last sessions have seen minimal down moves.

The NSE20 edged 8.54 points higher to close at 3281.96. Marler Cap was 888.991b versus 899.877b.

In Agriculture, Rea Vipingo was the 2nd biggest gainer at the bourse today and closed 4.65% higher at 14.60 and traded 42,100 shares. Rea Vipingo made more in the first half than it had made in any of the past five full years.

Kakui improved 0.746% to close at 67.50. Nairi Rea closed 5 cents better at 12.50 and traded 44,300 shares.

In Commercial and Services, Safaricom traded 2nd at the Bourse and firmed 1.47% to close at 3.05 on 2,774,600 shares worth 8,664,680.

Kenya Airways bounced 3.03% to close at 25.50 and traded 14,200 shares.

Kenya Airways has closed yesterday as a 29 month closing low. Kenya Airways has fallen 45,754% to 2011.

Nation Media rebounded 3.44% to close at 140.00 and gave back its gain from yesterday.

Standard closed a shilling lower at 27.50. Uchumi closed at 8.50.

Among banks, Equity Bank was the most actively traded counter again today but nothing like the currency of yesterday when it traded 14,192m shares and closed 2.33% higher at 17.60.

Equity Bank fell 3.41% to close at 17.00 and this is a fresh 2011 and 26 month closing low. Equity bank has retraced 34.46% in 2011.

Bancory Bank firmed 0.462% to close at 10.85 and traded 696,300 shares.

ICB closed at 15.90 and traded 287,200 shares.

Small Share closed unchanged at 177.00.

CoopBank firmed 1 cent at close to 14.00 and traded 362,100 shares.

TransCentury was the biggest absolute gainer at the bourse today. TransCentury rallied 5.55% to close at 28.50 and traded 130,700 shares. TransCentury has been on a wild ride since being introduced with a listing on the 14th of July, at a reference price of 30.00.

TransCentury fell 30% through 3rd October to close at 25.00 before rallying 14% 3rd October through today.

In Industrial and Allied, KenolKobil rallied 3.09% to close at 10.00 and traded 646,800 shares.

The wire report I added to in my previous session ed.

The MD outlined a RoadMap to Takeover which Investors have evidently found compelling. KenolKobil has rallied 10.619% in 2011, trades on a

Trading P/E of 8.244. FY Earnings Guidance was given as well and that was for 3.0m which equates to a 100% year on year EPS increase, by my calculation.

EABL closed unchanged at 162.00 and traded 46,100 shares. EABL has retraced 19.402% in 2011.

KenGen firmed 1.587% to close at 9.60 and traded 321,900 shares. KenGen remains -43.529% in 2011. KPLC eased 0.18% to close at 16.95 and traded 236,800 shares.

Kenya missing out on energy funding

BY JAMES MBUGUA

There is a lot of money to fund energy projects but planners must compete for it by presenting high quality plans, the Second National Energy Conference heard yesterday.

Local players in the energy sector including power generators and distributors attending the conference had complained that banks tend to subject them to lengthy assessment processes only to deny them funding in the end.

Himalaj Singh Jajbal, the chairman of the Energy Regulatory Commission, told the conference that the country had lost over US\$200million in US\$200million in delays in approving funding for Kisumu and Rabai power plants.

But representatives from the World Bank, French Agency for Development (AFD) and the Africa Finance Corporation (AFC) were present at the conference that project assessments would take a shorter time if they met standards.

Chris Alvarez, a senior infrastructure specialist with the World Bank, told plan-



CUTTING COSTS: The new energy saving bulbs distributed by KPLC countrywide.

ners to bear in mind that they were competing for money with projects all over the world and they needed to stand out their competitors.

"The better the quality of the project, the higher the chance of getting the money," Alvarez said.

Among the most common reasons for failure to secure funding, she said, was lack of clear and long term reputation in place such as what standards are charged. Some projects, she noted, had

doubtful financial viability while others do not allocate risk properly.

The Africa Finance Corporation which has just handed a solar power project in Cape Verde said planners must have very strong answers to questions on issues such as tariff policies, risks and availability of fuel to power plants.

"If we structure our projects properly then financing will not be a problem," Oliver Jimde Andrews

of Africa Finance Corporation said.

Marianne Conzelmann, the AFD program manager in Kenya cited lack of capacity to assess all the projects and raise the resources as another source of delay.

"We require a lot of time to mobilize resources," Conzelmann said adding that in Kenya for example, neither AFD nor the Kenyan government has the personnel resources to move project assessment faster.

financial

FOREX Exchange Rates

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SARAND	126/382	127/600	126/633
USHS	28/325	28/213	28/428
SIP	10/423	10/500	10/736
LEONARY	27/632	27/628	27/630
HONGKONG	110/628	111/785	110/778
INDIANRUPEE	62/551	62/156	62/182
CHINESE YUAN	78/861	78/1027	78/8676

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The currency rose by around a shilling per dollar on Wednesday after the rate hike.

"I expect a rally maybe towards the 100 level," said a senior trader with a leading commercial bank.

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The shilling has borne the brunt of higher oil and food prices in international markets this year,

contributing to several record lows against the dollar since March.

The situation was compounded by a row between markets and central bank over how to deal with the challenge, as well as by the effects of the debt crisis in the euro zone. Traders said even though the increase was a

positive move, attention needed to shift towards addressing a widening balance of payments gap, to stem off further weakening of the shilling.

The government has requested additional assistance of payments support from the IMF and is planning to issue a debt Eurobond this fiscal year.



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Barclays Bank edged 0.462% to close at 10.55 and traded 696,400 shares.

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Consolidated firm 5 cents to close at 14.01 and traded 362,100 shares.

Inventary was the biggest absolute gainer at the bourse today. TransCentury rallied 3.28% to close at 28.50 and traded 130,700 shares.

TransCentury has been on a wild ride since being introduced via a listing on the 14th of July, as a reference price of 50.00.

TransCentury fell 50% through 3rd October to close at 25.10 before rallying 14% 3rd October

through today.

In Industrial and Allied, KenKobil rallied 3.09% to close at 10.00 and traded 646,300 shares.

The wire report failed to do any previous misses either.

The MD replaced a RoadMap to Takeover which Investors have evidently found compelling. KenKobil has rallied 10.61% in 2011, trades on a

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