

## **JSC Caucasus Energy & Infrastructure Announces The Results Of The REPO Transaction**

JSC Caucasus Energy & Infrastructure (CEI, GSE: NRGY), the private equity vehicle managed by Galt & Taggart Asset Management, Georgia (GTAM Georgia), announces the results of the REPO transaction conducted pursuant to the decision of the Extraordinary General Meeting of Shareholders (EGM) of CEI on December 12, 2008. The REPO transaction was undertaken to limit the downward pressure on the company share price in the environment of sizeable redemptions and the global liquidity shortage faced, among others, by the company shareholders.

Under the REPO transaction, CEI shareholders were granted the right to sell up to 60% (sixty percent) of their stake holding in the company back to CEI at the (GEL equivalent) price of US\$ 0.70 per share. As a result of this transaction the company bought back 25.7 million shares worth GEL 29.7 million (US\$ 18.0 million). The proceeds, net of transaction charges, have been wired to shareholders' accounts.

Shareholders who participated in the above transaction are entitled to repurchase the same amount of CEI shares from the company at a new NAV-linked price in December 2009. The exact price as well as other details of the repurchase transaction will be announced closer to the transaction date in the fourth quarter of 2009.

In the aftermath of the REPO transaction CEI's Net Asset Value (NAV) per share has increased from an estimated 1.81 GEL to an estimated 2.50 GEL. The liquidity (net cash and cash equivalents) per share has also increased from 1.37 GEL to 1.60 GEL. The shareholder structure of the company has remained largely unchanged.

"We are delighted that the REPO transaction allowed us to significantly increase the company's NAV per share, once again demonstrating CEI's commitment to serve towards the best interests of its shareholders by maximizing their shareholding value and supporting them in these difficult market conditions", commented **Archil Mamatelashvili**, the Chief Executive Officer of CEI.

---

### **About Caucasus Energy & Infrastructure**

Caucasus Energy & Infrastructure ("CEI") is a joint stock company organized under the laws of Georgia. CEI invests in companies that are engaged in the production, transmission and distribution of gas and electricity, the production, distribution and marketing of crude and oil products, water utilities, cargo warehousing and logistics, toll roads, waste management and recycling, as well as in various carbon emission trade-related opportunities in Georgia, Armenia and Azerbaijan. As such, the Company believes that it is currently the sole investable vehicle admitted to trading on the GSE, which offers investors broad exposure to the energy and infrastructure segments of the economy in Transcaucasia.

### **About Galt & Taggart Asset Management**

Galt & Taggart Asset Management ("GTAM") is an asset management arm of JSC Bank of Georgia. Established in 2007, GTAM acts as an investment advisor to several investment funds, Georgia's second largest pension fund and an endowment fund.

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

**Bidzina Bejuashvili**  
Chief Executive Officer, GTAM  
+995 32 444 154  
[bbejuashvili@gtam.ge](mailto:bbejuashvili@gtam.ge)

**Archil Mamatelashvili**  
Chief Executive Officer, CEI  
+995 32 383 153  
[amamatelashvili@cei.ge](mailto:amamatelashvili@cei.ge)

This news report is presented for general informational purposes only and should not be construed as an offer to sell or the solicitation of an offer to buy any securities. Certain statements in this news report are forward-looking statements and, as such, are based on the management's current expectations and are subject to uncertainty and changes in circumstances.

---