

JSC Caucasus Energy & Infrastructure Announces The Approval Of Its Application For The Construction Of Dzegvi HPP

JSC Caucasus Energy & Infrastructure (CEI, GSE: NRGY), the private equity vehicle managed by Galt & Taggart Asset Management (GTAM), announced today that the Ministry of Energy of Georgia approved the application of CEI for the construction of a 10 MW capacity Hydro Power Plant on Mtkvari River (Dzegvi HPP). The Memorandum of Understanding between the Ministry and the company is expected to be signed within the next three months.

The HPP site is located in Mtskheta district, 20 kilometers away from Tbilisi. The annual electricity generation at the HPP should exceed 55 mln kWhs, while the annual capacity load - 5,500 hours. Upon completion of the construction, CEI will be allowed to supply electricity to any industrial customer as well as household at market prices. The construction will start in late autumn 2008 and, according to the company estimates, will be completed in three years.

"We are delighted to have secured our very first BOO (Build, Operate, Own) rights at Dzegvi. It is one of the few run-of-river plants, that do not require construction of long channels and with reasonably high level of electricity generation throughout the year", 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 with the aggregate AUM in excess of \$120 million.

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