

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

JSC Caucasus Energy & Infrastructure (CEI, GSE: NRGY), the private equity vehicle managed by Galt & Taggart Asset Management, Georgia (GTAM Georgia), announced today that the Ministry of Energy of Georgia approved the company's application for the construction of a 28 MW capacity Hydro Power Plant on Mtkvari River in Southern Georgia (Mtkvari HPP). The Memorandum of Understanding between the Ministry and the company is expected to be signed within a month.

The water intake of the HPP is located in Aspindza district connected with a 7.6km tunnel to the powerhouse in the village of Sakuneti, 10 kilometers away from Akhaltsikhe (Samtskhe-Javakheti region). The annual electricity generation at the HPP should exceed 160 mln kWhs, while the annual capacity load - 5,700 hours. The construction will start in spring 2009 and, according to the company estimates, will be completed in three and half years.

"We are delighted to have secured our second BOO (Build, Operate, Own) right at Mtkvari in close proximity to the Turkish borders. The HPP will provide a consistent level of electricity generation throughout the year with reasonably high efficiency rate", 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 \$150 million as at June 30, 2008.

For further information, please visit www.cei.ge or contact:

Bidzina Bejuashvili
Chief Executive Officer, GTAM
+995 32 444 154
bbejuashvili@gtam.ge

Nata Papelova
Head of PR, GTAM
+995 32 444 444 (7909)
npapelova@gtam.ge

Archil Mamatelashvili
Chief Executive Officer, CEI
+995 32 447 838
amamatelashvili@cei.ge

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