Ministers participating in the Ministerial Dialogue on Wednesday 27th June, from bottom left, were Daudi Migreko, Minister of Energy & Mineral Development, Uganda; Alemayeh Tegenu, Minister of Mines & Energy, Ethiopia; Salvador Namburete, Minister of Energy, Mozambique; Jean Bernard Sindeu, Minister of Energy and Water Resources, Cameroon.
Other participants shown in the top picture from left to right were John Marks, Africa Energy; Joseph Lita, Permanent secretary, Ministry of Mines and Energy, Namibia; Mwangi Migereko, Assistant Minister of Energy, Kenya; Albert Chie, Head of Department of Energy, Ministry of Lands, Mines & Energy, Liberia.

2007 Africa Energy Forum

analysis

The Africa Energy Forum 2007 experienced a significant increase in attendance over last year—90 more delegates participated. About 50% of this increase came from German companies. Germany has not been a large participant in previous forums, but this year attendance jumped from just 6 to 49. (It is unlikely that this number will be retained when we hold the forum outside Germany.) But even subtracting the "German" factor, the increase was significant. A sizable proportion of the remaining increase can be attributed to the "South African" factor—delegate numbers rose from 57 to 71. Kenya also made an important contribution—participation increased from 7 to 23. Increases were registered for many African countries, but they were not of these magnitudes.

While banks and financial advisers were the domiant category of South African delegates, Kenya's participants were mainly government representatives and utilities. South African delegates represented a wide range of activities, which probably reflects the considerable activity and potential activity in the southern African power sector. Supply shortages were the talk of the day, with anecdotal reference to the run on small generators as outages become more frequent. South Africa's tightening power supply has certainly stimulated considerable agitation in the power market.

In the case of Kenya, most of the government representatives were present at the invitation of the German government. Kenyan utilities are showing confidence and commitment that would not go amiss elsewhere in Africa.

Although the increase in attendance was not large (20 to 23), Nigeria is an important player in the forum. The range of activities of the delegates was similar to South Africa: energy companies, banks, power developers, advisers. The one difference was the number of lawyers—one from South Africa, five from Nigeria, which probably reflects the increased activity in the Nigerian privatization market. As one can expect, the bulk of lawyers attending the conference—and there was an increase from 27 to 35—came from outside Africa, primarily from the UK, France and the USA.

Delegates classified as contractors and equipment suppliers accounted for the largest sector attending this year's forum. Most of these were from the large generator manufacturers: Siemens, Alstom, GE, Wärtsilä, Man Diesel, VA Tech. There is obviously an anticipation by these companies of a market improvement. Order books are already tight, and it is important to plan for future increases. The contractors came mainly from South Africa, again reflecting the increased activity there.

A major objective is to interest more power developers in the opportunities available in Africa. Although the developers still account for a large number of delegates, 40 both this year and last, they come from those trusted companies who have shown a long-term commitment to Africa. The major international power companies are still hesitant about the opportunities in the continent. But there is speculation that this may change as power companies exhaust the more traditional avenues of expansion. Acquisitions within Europe are finite, and Eastern Europe is offering dwindling returns.

The increased attendance of African utilities, in spite of the reluctance of Eskom to participate in public debates, is positive. A number of African utility executives are visibly engaged in improving efficiency and seeking partners that can assist in the process.

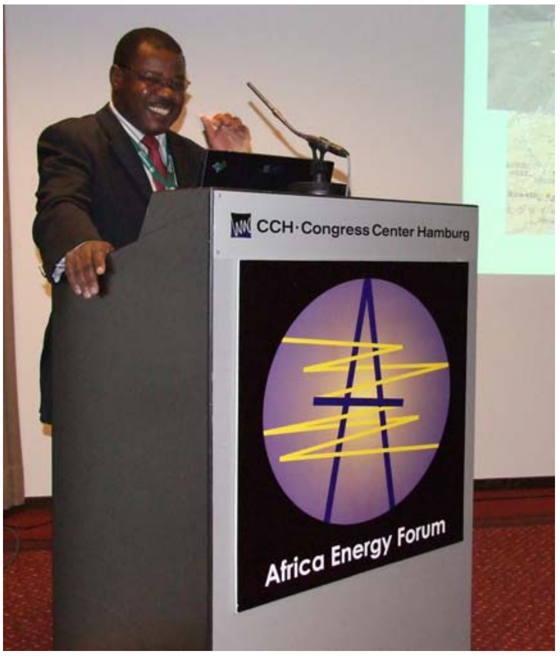
The overarching sentiment at the forum was positive, but there is still a lack of substantive projects. Nevertheless, the indications are that the market is moving in the right direction. Favourable fundamentals are encouraging financial institutions to consider opportunities in the African power sector. African growth rates are offering the possibility of good returns and helping to support a number of positive steps to improve country risk profiles. Africa-focused investment funds should be buoyed by the improved environment and when they place their funds this in turn will feed market confidence. It may be heresy, but there is talk of private equity companies extending their antennae to Africa. On the institutional side, development banks are increasing their activity in the African power sector, and in some cases this is directed towards improving energy access in rural communities. Improved economic activity is accompanied by an increased demand for power, and to sustain this growth there must be a continued increase in the supply of power. Distributive generation is sometimes referred to as emergence power, but in the present African context it could almost be referred to as transitional power. If incumbent power producers are unable to meet demand, suppliers of "transitional" power can play a crucial role in bridging the power gap by supplying the power required to fuel growth. This is over and above their essential function as a source of emergency power in situations such as drought and plant dilapidation. Delegates from the distributive generation sector, mainly based in the Middle East, increased to 30 from 24.

An other trend reflected in the forum attendance is the increased interest in Africa's energy sector from carbon trading companies. Having previously not featured, they sent six delegates this year—four from the UK and two from South Africa.

The growing acknowledgement of the pivotal role of energy in economic and social development probably explains the increased attendance at the EnergyAccess seminar (17 to 28) and the more than doubling in participants from development agencies (7 to 15).

In summary, the African power sector is now firmly on the agenda of both the development and commercial banks, and lawyers are experiencing or expecting to experience an increase in activity in the sector. The demand for power to support economic growth is providing a growing market of distributive generators. Generator manufacturers are also looking to Africa as a major area of future growth, while capacity increases South Africa are providing definite growth. Private power is still relatively nascent, although if one wishes to include Nigerian privatization the picture is more positive. Overall, what is particularly encouraging about AEF2007 is the number of African delegates who attended—183 or over 42% of the total.

Pictures from AEF 2007




Africa Energy Forum
Standard Bank
AfricaEnergy21
The Power of Energy
DEG
Bringing Power to Africa
GLOBELEQ


ALSTOM
Clean Power Today !


aggreko
LeBOEUF LAMB
aggreko
FIELDSTONE


CATERPILLAR
ONE COMPANY IS EQUAL TO ANY CHALLENGE


GLOBELEQ
Generating Power for Emerging Markets

'This was an extremely useful conference which should help solve some of Africa's energy problems.'
***Daudi Migereko**, Minister of energy and mineral development, Uganda*

The conference was one of the best he has attended!'
***Secretary to Hon Kiunjuri**, Assistant Minister of Energy, Kenya*

'I must congratulate you and your team for staging a good conference this year. I thoroughly enjoyed the quality presentations. Congratulations!'
***Margaret van der Merwe**, Kudu Project Leader, Nampower*

'I found the conference very beneficial, a good exchange of ideas, and well organized (a tribute to you and your team).'
***Michael Hajny**, Principal Consultant, PAConsulting*

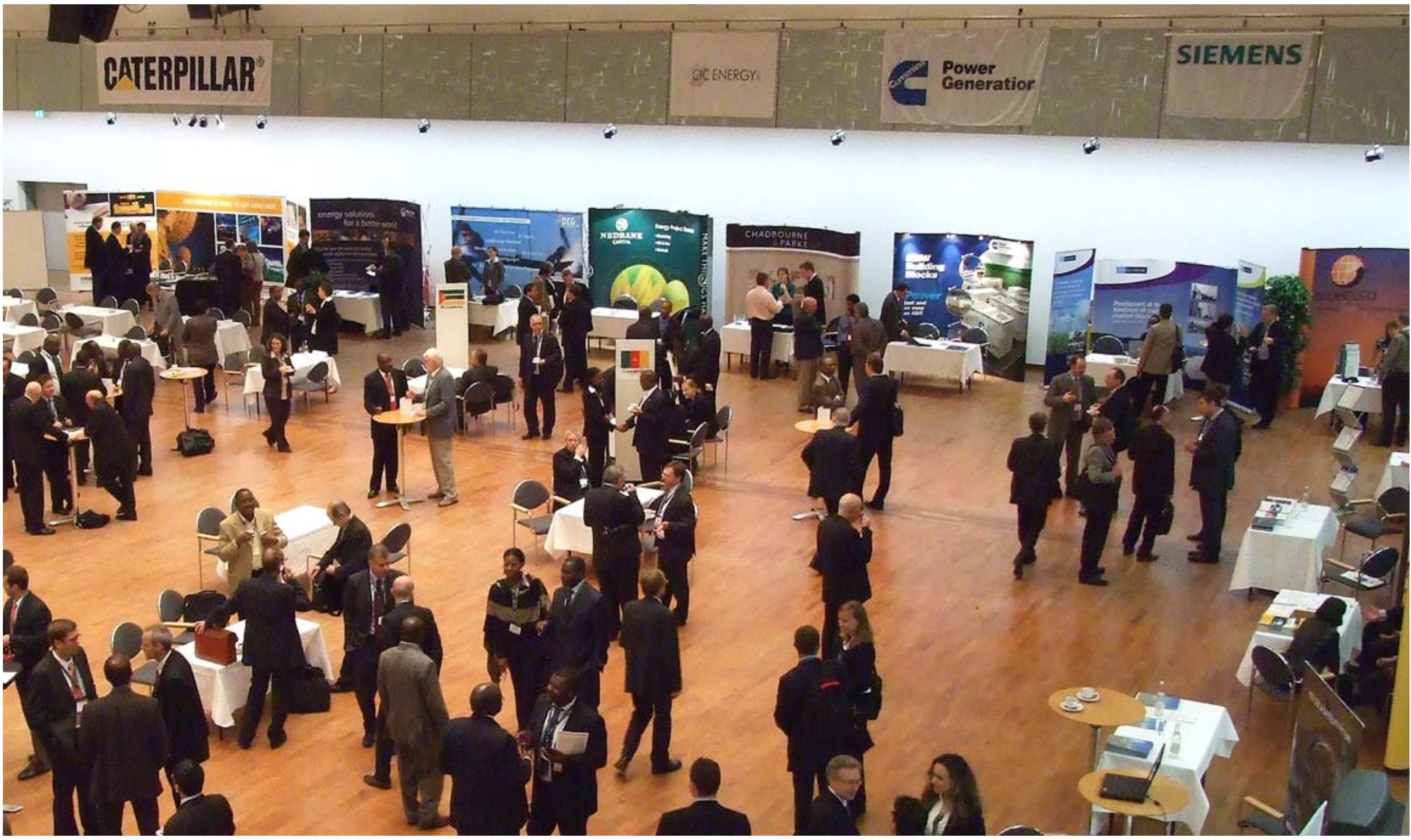
'Congratulations for the conference which once again was perfect.'
***Andre Botto**, Business Development Manager, Alstom*

'Excellent conference once again'
***Derek Shepherd**, Managing Director, Aggreko*

'Many thanks for organising this remarkable conference. The 2007 AEF has helped us greatly in meeting colleagues and old and prospective clients. I am looking already forward to the 2008 event.'
***Klaus Gihr**, Head of Energy, Transport & Telecommunication Division, sub-Saharan Africa, KfW*

'The conference is getting better and better every year. I really enjoyed the finance debate.'
***Anand Naidoo**, Investment Banker: Power & Energy, ABSA Capital*

'Very good event. Social functions very useful for networking.'
***Dean Cooper**, Managing Director, Parallax Sustainable Development Solutions*



2007 AEF Exhibition

The exhibition in this years AEF had great marketing value for the exhibitors as well as making a great back-drop for networking in the hall. The cafe area provided delegates with a useful place for seated discussions while the coffee points were extremely busy and excellent places to meet people and network. The internet point was also very popular this year. This year's exhibition was the largest to date for AEF and we are confident it will keep growing year on year.

Africa Energy Forum 2007 analysis

by country

There were 433 attendees at this year's conference, that is a massive 25% increase over last year's event. Once again the largest number of delegates came from Europe, accounting for 49% of the total, proportionally 1% higher than 2006. The number of delegates from Africa was proportionally unchanged at 42%. The actual number of delegates from Europe and Africa rose by 45 and 39 respectively.

Insofar as individual countries are concerned, we saw the biggest increase in delegates from Germany, up from just 6 in 2006 to 49 this year. We saw slight drops in attendance from France and the UK. Increases in attendance were seen from Austria, Finland, Hungary, Netherlands, Spain, Sweden and Switzerland. We had our first delegates from Chile, Brazil, Hungary and Kosovo this year.

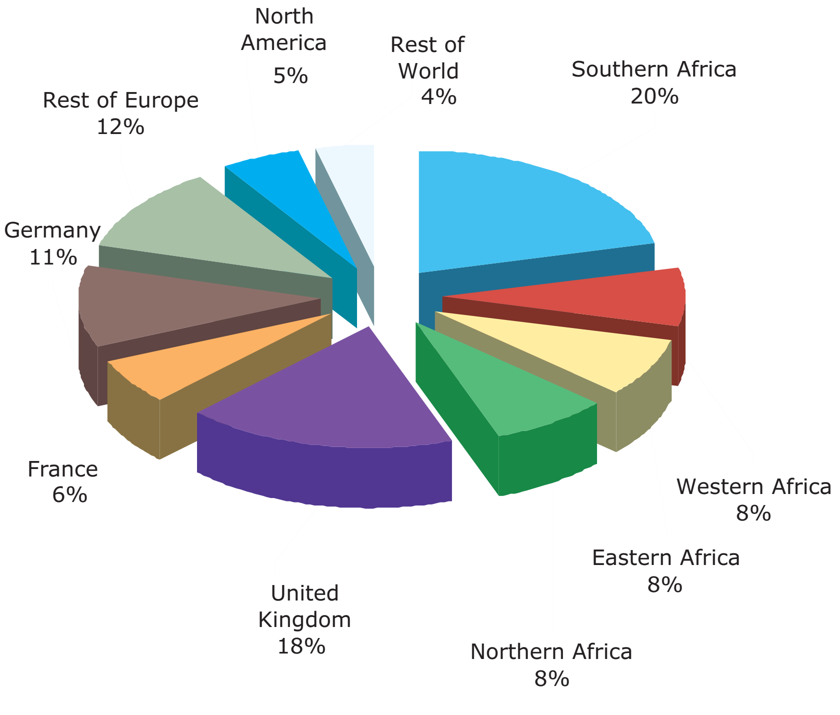
From Africa the largest source of delegates was South Africa with 71 up from 57 in 2006. The next largest participation came from Kenya and Nigeria, 23 delegates came from each. We saw a substantial rise in the amount of delegates from Kenya this year, from 7 in 2006 to 23 this year.

This year AEF also saw an increase in delegates from South America (Brazil and Chile) and the UAE with 4 and 12 delegates coming from each respectively.

From the figures it seems that interest in the African power sector is coming from a more diverse range of countries. The convenience of having the conference in Germany accounted for the large increase in German delegates.

Africa Energy Forum 2006 delegates

By country & region (%)



	2007	2006
Africa		
Algeria	0	1
Angola	2	4
Botswana	0	2
Cameroon	3	4
Congo	0	2
Egypt	9	5
Equitorial Guinea	0	3
Ethiopia	1	1
Gabon	0	2
Gambia	1	0
Ghana	4	6
Ivory Coast	3	0
Kenya	23	7
Liberia	2	0
Madagascar	0	2
Mauritania	1	1
Morocco	3	5
Mozambique	5	4
Namibia	7	5
Nigeria	23	20
Senegal	1	3
South Africa	71	57
Swaziland	2	0
Tanzania	8	4
Tunisia	2	0
Uganda	3	1
Zambia	9	5
Total Africa	**183**	**144**
Europe		
Austria	3	2
Belgium	6	8
Denmark	4	4
Finland	1	0
France	27	36
Germany	49	6
Hungary	1	0
Kosovo	1	0
Luxembourg	1	1
Monaco	0	1
Netherlands	12	7
Norway	5	6
Spain	2	1
Sweden	4	2
Switzerland	12	7
United Kingdom	82	84
Total Europe	**210**	**165**
North America		
Canada	6	4
United States of America	18	21
Total North America	**24**	**25**
Rest of World		
Brazil	3	0
Chile	1	0
Lebanon	1	0
United Arab Emirates	12	5
Russian Federation	0	4
Total Rest of World	**17**	**9**
Total	**433**	**343**

Africa Energy Forum 2007 analysis

by activity*

The largest sector that was represented in this year's AEF was contractors and equipment suppliers, accounting for13%. This was followed by advisers and consultants, making up 11%. Power developers were next, accounting for 9% of the total. We saw a large increase from commercial banks and financial services, with an increase from 6% last year to 7% this year, as we had many more delegates this year that translates into a large increase in real terms.

A discernable increase from last year was recorded in the attendance by contractors & equipment suppliers, advisers & consultants, lawyers, commercial banks and financial services, distributive generation, African electricity utilities, energy access and development banks.

Energy access accounted for 28 delegates as opposed to 17 last year. The EnergyAccess21 programme appeared to have a wider appeal this year hence the rise in this sector. This also reflects the German prominence in this sector, as many energy access companies were from Germany. A member of end-users of power attended this year, showing the growing concern of securing power supplies.

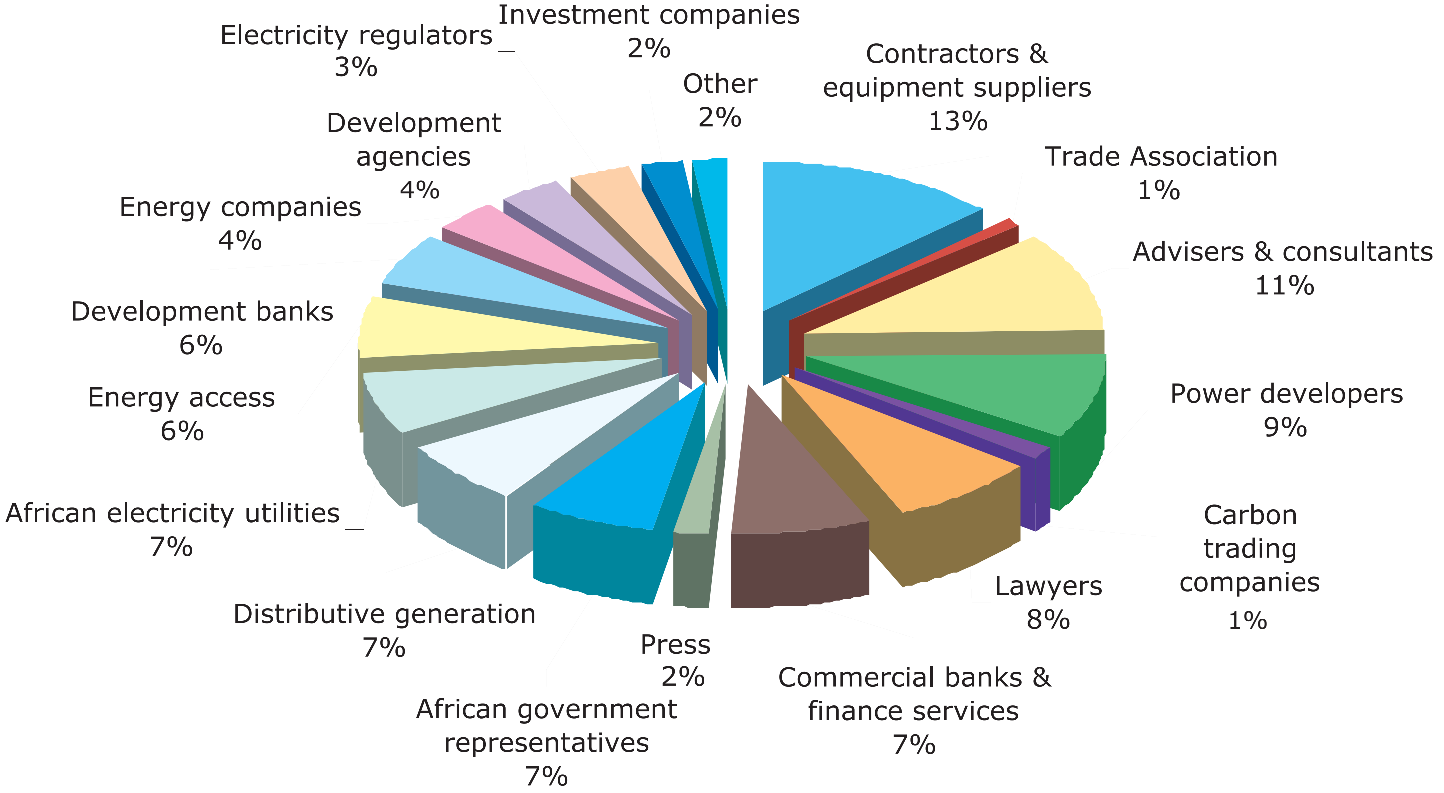
What is notable about the participation this year is the appearance of carbon trading companies. This is reflecting the growing international interest in trading Africa's surplus carbon credits and using the proceeds as a source of financing projects.

There was a drop in the number of delegates from energy companies, down to 4% from 8% last year. There were also proportional decreases in advisors and consultants, power developers, African government representatives and national oil companies. Although these sectors dropped proportionally, we had a much larger over all attendance so the actual number of delegates attending from all these sectors have remained the same or even increased slightly.

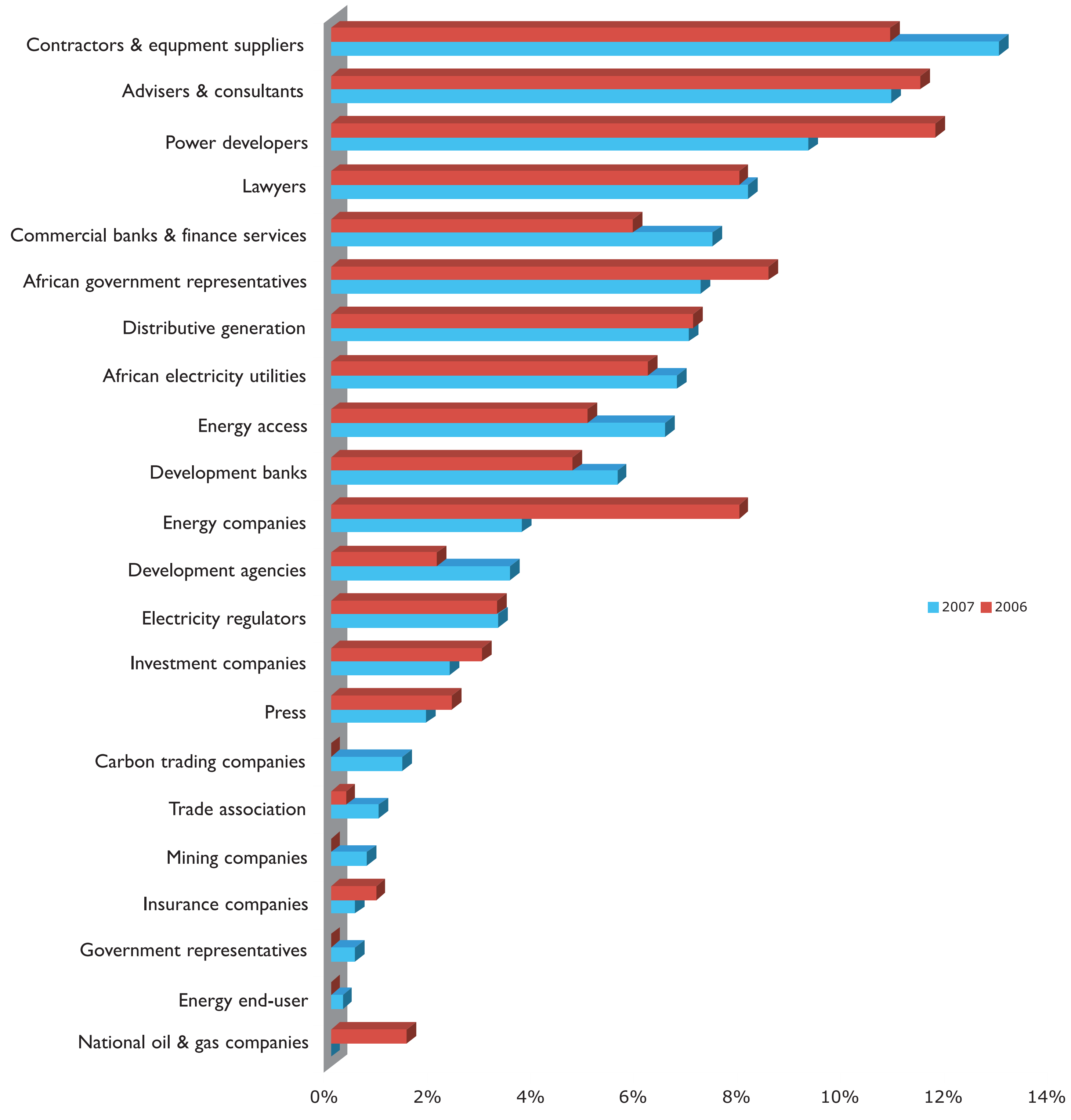
One can see from a general observation of the participants that there are a wide range of sectors attending and that the range is diversifying with new sectors such as carbon trading companies and mining companies. This is a real advantage for participants as one can make contacts with a variety of people from companies that cover a wide range of industry sectors.

Africa Energy Forum 2006 delegates

By activity (%)



*It is not always obvious in which category to classify a company's activities, particularly when their activities are varied. We have produced a list of companies and their activities, if you feel that we have miscatergorised any please let us know. Because of reclassification comparison with last year could be slightly misleading.



Attendance by activity	2007	2006
Contractors & equipment suppliers	56	37
Advisers & consultants	47	39
Power developers	40	40
Lawyers	35	27
Commercial banks & finance services	32	20
African government representatives	31	29
Distributive generation	30	24
African electricity utilities	29	21
Energy access	28	17
Development banks	24	16
Energy companies	14	27

Attendance by activity	2007	2006
Development agencies	15	7
Regulators	10	11
Investment companies	10	10
Press	8	8
Carbon trading companies	6	0
Trade association	4	0
Mining companies	3	0
National oil & gas companies	2	5
Government representatives	2	0
Energy end-user	1	0
Insurance companies	2	3
Total	**433**	**342**