

U.S. TRADE AND DEVELOPMENT AGENCY

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USTDA GRANT SUPPORTS INTEGRATED COAL MINING AND POWER GENERATION PROJECT IN PAKISTAN

USTDA Invests \$1.4 Million in Support of U.S.-Pakistan Strategic Dialogue



USTDA Acting Director Leocadia I. Zak (left) and HEL Managing Director Saeed Khan Peracha (right) shake hands following the award of a USTDA grant that will partially fund early investment analysis on a proposed 150 MW coal-fired power plant in Pakistan.

WASHINGTON, D.C. – To address critical power shortages and promote energy security in Pakistan under the U.S.-Pakistan Strategic Dialogue, announced by President George W. Bush and President Pervez Musharraf in March 2006, USTDA today awarded an \$810,000 grant to Habibullah Energy Limited (HEL). The grant will partially fund the early investment analysis on a proposed 150 megawatt (MW) power plant, as well as develop a detailed plan to ensure the reliable supply of coal for the plant from the Lakhra coalfields in Pakistan. In addition to the USTDA grant, HEL will contribute significant additional resources towards the completion of the study.

The grant was conferred today in a signing ceremony at USTDA headquarters in Arlington, Virginia. USTDA Acting Director Leocadia I. Zak and Managing Director of HEL Saeed Khan Peracha signed the grant agreement. Mr. Abdul Wajid Rana, Economic Minister of the Embassy of Pakistan; Mr. Tom Cutler, Foreign Affairs Officer of the U.S. Department of Energy; and Ms. Esperanza Gomez Jelalian, Executive Director of the U.S.-Pakistan Business Council also participated in the signing ceremony.

Bilateral cooperation in the energy sector was identified as a priority area under the U.S.-Pakistan Strategic Dialogue with coal and renewable energy development specifically recognized as key areas for cooperative efforts. The proposed 150 MW integrated coal mining and power project is a major private sector initiative that will help alleviate Pakistan's present and growing power generation shortfall, and will be a major advance in the development of the country's enormous, but virtually untapped coal resources.

In addition to the grant awarded today, USTDA recently awarded two grants in support of Pakistan's renewable energy sector. One grant, in the amount of \$325,000, will fund a feasibility study for Pakistan's Alternative Energy Development Board for the establishment of a proposed 5-10 MW waste-to-energy power plant near Karachi. The other grant, valued at \$263,000, will fund technical assistance to Pakistan's National Electric Power Regulatory Authority to assist with renewable energy tariff-setting procedures, recommendations for changes to the legal framework affecting the renewable energy sector, and organizational improvements to NEPRA.

The opportunity to conduct the USTDA-supported study for HEL will be competed on the Federal Business Opportunities Website at www.fbo.gov. Interested U.S. firms should submit proposals according to the instructions contained in the Federal Business Opportunities announcement. HEL will select the U.S. firm that will provide the assistance.

The U.S. Trade and Development Agency advances economic development and U.S. commercial interests in developing and middle-income countries. The agency funds various forms of technical assistance, early investment analysis, training, orientation visits and business workshops that support the development of a modern infrastructure and a fair and open trading environment. USTDA's strategic use of foreign assistance funds to support sound investment policy and decision-making in host countries creates an enabling environment for trade, investment and sustainable economic development. In carrying out its mission, USTDA gives emphasis to economic sectors that may benefit from U.S. exports of goods and services.

-30-Visit USTDA's Website at <u>www.ustda.gov</u>