TASHIR

External Communications Department

Press Release

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Kaskad Holding Will Build a New Cogeneration Unit in the Capital of Bashkortostan

Kaskad Holding, part of Tashir Group, in consortium with JSC PDC SOYUZ has won open competitive negotiations on construction of a thermal power (cogeneration) unit, or TEC-5, in Zaton district of Ufa, the capital of Bashkortostan Republic.

The new unit will bring power and heat to Zaton, one of Ufa's rapidly developing districts. Moreover, according to Ufa heating scheme approved by Russia's Ministry of Energy, Zaton TEC will also be the key source of heating energy for Zabelye district to be developed soon. TEC-5 steam and gas power unit will have a total capacity of 440MW and a heating capacity of 290Gcal/h, helping to lower power deficit in Ufa energy hub and to make power supply to consumers more stable.

Kaskad Holding will provide overall construction of the unit objects to include main building, administrative block, startup boiler house, laboratory and personnel facility with maintenance workshops, a number of overpasses, chimney-type cooling towers, gas facilities, several pump houses, and utilities. The project also stipulates for constructing energy units and auxiliary units. In under two years' time, the new unit will supply Zaton district citizens with hot water and heating. Energy units are scheduled for commissioning in December 2016.

Rustem Khamitov, Head of the Republic of Bashkortostan, commented: "This is a very important object that our Republic and city really need. The region has a shortage of electric power and we have to buy it from our neighbors' power systems. New plants and enterprises are sure to require more and more power. This unit will extend Ufa's power and heating capacity."

Boris Kovalchuk, Chairman of the Management Board, Inter RAO, added: "Completion of the modern steam and gas Zaton TEC will be an important landmark for Inter RAO. It will help to increase heating business efficiency and make power supply to consumers in Ufa more stable. Besides, the expected capacity growth will



mark a new step forward for Bashkortostan that has not seen larger power units commissioned since the 1970s."

Igor Bulatov, Chairman, Kaskad Holding, says: "The new modern cogeneration unit in Ufa will be capable of both providing hundreds of thousands people with power and heating and supplying power to other infrastructure and manufacturing objects in the city. By starting this large-scale project, we at Kaskad Holding help the city's energy potential grow, having at our disposal all capabilities and resources required for the project completion."

The open negotiations for the right of signing the general contractor agreement to construct the Ufa cogenerating unit were announced in November 2014 by LLC Inter RAO Procurement Center, the customer being Bashkir Generating Company, part of Inter RAO UES.

"Completion of the modern steam and gas Zaton TEC will facilitate reaching one of our strategic development goals that is to increase generating objects' operational efficiency, reliability and safety in the regions of our presence. Besides, the expected capacity growth will mark a new step forward for the Republic of Bashkortostan that has not seen larger power units commissioned since the 1970s," claimed Ilnar Mirsiyapov, Head of the Strategy and Investment Unit, Inter RAO UES, Chairman, Bashkir Generating Company.

ABOUT

Kaskad Holding

Kaskad Holding is Russia's largest multi-profile engineering and construction organization, part of Tashir Group since 2005. The company's business activities include a full range of construction and engineering works, reconstruction and overhaul of city and industrial infrastructure and energy objects. Kaskad Holding's activities span industrial, civil, energy, and infrastructure construction, urban development management, and maintaining objects of various functions. Its staff totals 3,000 people.

Zaton TEC-5 in Ufa

The construction works on the TEC site were commenced in late 2008; it was frozen in 2010 by the energy company owner due to inability to achieve proper ROI. Inter

RAO Group, having entered the region in 2012, resumed the investment project to complete Zaton TEC in Ufa.

Inter RAO Group

Inter RAO Group is a diversified energy holding that manages assets in Russia, Europe and the CIS. The company is Russia's leader in electric power export and import, aggressively increasing its presence in generation and sales and developing new business lines. Inter RAO's strategy is focused on creating a highly efficient and diversified world-class energy holding with operations in all key competitive segments of the energy market. The total installed capacity of the Group's generation facilities is about 35 GW.

Bashkir Generation Company

Bashkir Generation Company LLC (part of Inter RAO Group) is a major regional electric power generator in Russia. BGC LLC manages power generation assets in the Republic of Bashkortostan and coordinates Bashkir Heat Distribution System LLC (BashRTS LLC), PGU TPP-5 LLC and several service subsidiaries. BGC LLC has 4145 MW and 8724 Gcal/h of installed capacity. Authorized capital of BGC LLC makes 21 billion rubles, 100 per cent of the company is controlled by Inter RAO.

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