

Energy Alliance

Press Release

Energy Alliance and EBRD Strike Accord to Extend the Market Reach of Energy Efficiency Technologies in Ukraine

Kyiv, Ukraine – February 19, 2004 – Energy Alliance, one of the pioneers of innovative on-site cogeneration systems in Ukraine, announced the signing of a \$10 million line of credit with European Bank for Reconstruction and Development (EBRD). The line of credit will be used to finance energy efficiency projects in local industrial companies.

This is the second-round of financing secured by Energy Alliance over the past four months. In October 2003 Western NIS Enterprise Fund (WNISEF), the region's leading private equity fund investing in small- and medium-sized private companies in Ukraine and Moldova, provided \$2 million of equity financing toward the company's capitalization. Raising additional capital from the EBRD will leverage Energy Alliance's ability to meet the expanding demand for its products and services.

Peter Hobson, Senior Banker in EBRD's Energy Efficiency Team, stated that the EBRD is very pleased to support industrial energy efficiency investments in Ukraine, since there exists a significant scope for such activities in eastern Europe.

“We're proud of the fact that Energy Alliance, which has recently debuted on the Ukrainian market, has managed to attract the EBRD's funds within such a short period of time”, said Energy Alliance's Chief Executive Officer Maxim Burtovy. “The EBRD's decision to earmark the loan money underscores a heightened appreciation of the value of these new energy efficiency technologies for a large segment of Ukraine's industrial companies.”

Energy Alliance is owned by a group of companies, including Western NIS Enterprise Fund (WNISEF); Hostomel Glass Plant; and Turbo-Spektr. WNISEF is the largest private equity fund in the region, investing in securities of private companies with outstanding growth potential and the ability to build competitive advantages in the marketplace. Since inception, the cumulative investment commitment of WNISEF totals \$85.5 million to 27 companies in Ukraine and Moldova, employing over 15,000 people.

In this transaction, Zenith Capital, an independent financial advisory firm represented by Roman Matkiwsky, advised WNISEF. Zenith Capital assisted WNISEF and Energy Alliance in the preparation and execution of attracting international debt financing.

For additional information, please contact:

Maxim Burtovy
Chief Executive Officer
Energy Alliance
Phone: +380 (44) 537-2517
Fax: +380 (44) 537-2517
E-mail: mburtovy2003@yahoo.com