



REQUEST FOR EXPRESSIONS OF INTEREST

August 24, 2011

Caribbean Utilities Company, Ltd., (CUC), commenced operations in May 1966 as the public electric utility in Grand Cayman, the largest of the three Cayman Islands, and presently serves over 26, 000 customers.

CUC relies upon diesel generation to produce electricity for Grand Cayman. CUC's power system is comprised of 17 generating units (15 diesel and two gas turbines) with a combined capacity of 151.22 megawatts (MW). Generation expansion planning by the Company is based mainly on historical growth trends and planned major commercial developments. In addition, limits prescribed by CUC's Licence with the Cayman Islands Electricity Regulatory Authority ("ERA") dictate the minimum and maximum reserve generating capacity that the Company must maintain to ensure a reliable supply of electricity after allowance for breakdown and scheduled maintenance.

The Company's transmission and distribution (T&D) system is comprised of seven major transformer substations, approximately 345 miles of land-based high-voltage (69 kilovolts and 13 kilovolts) T&D lines and 15 miles of high-voltage submarine cable in Grand Cayman. The T&D lines and substations are designed for high winds and flooding that might result from a hurricane.

CUC is inviting interested parties to submit an Expression of Interest and Preliminary Proposal for the financing, construction, ownership and operation of renewable energy generation facilities. It is CUC's intention to accept up to 13 MW in aggregate of grid-connected renewable energy generators on Grand Cayman.

Proposals shall be for a minimum of 50 kW rated generation capacity per site. Proposals for systems larger than 5 MW in rated capacity should also include option pricing for systems less than or equal to 5 MW in rated capacity. The location of the generation site(s) shall be determined by the interested party. It is envisioned that the Investor would become an Independent Power Producer (IPP) that will enter into a Power Purchase Agreement (PPA) with CUC for the supply of electricity from the alternative energy generators. The proposed PPA between CUC and the IPP would be submitted to the ERA for review and approval. Upon approval of the PPA, the IPP will also need to secure a generating license from the ERA.

Caribbean Utilities Company, Ltd.

457 North Sound Road, P.O. Box 38 GT, Grand Cayman, Cayman Islands

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Following final selection, the IPP will be required to perform all the relevant technical and non-technical studies related to the development of renewable energy generation, followed by the design and installation thereof. The requirements may include, but are not limited to:

- A feasibility study. Feasibility studies for any renewable energy source being proposed are the responsibility of the IPP. Investors should note that CUC has 12 months of wind study data from two locations that will be made available to qualified investors if the proposed solution utilizes wind power. Wind turbine proposers will be required to demonstrate compliance with Cayman Islands Civil Aviation Authority and Cayman Islands National Metrological Service (CINMS) regulations. CINMS is developing a Doppler radar in the East End district.
- An environmental impact study (if necessary).
- Detailed designs for the project (site, civil, electrical and mechanical studies performed by the IPP or others and grid interconnection studies which will be performed by CUC at the Investor's cost)

The IPP will be responsible for the costs of the following in addition to the feasibility study, environmental impact study (if necessary) and preparing the detailed designs for the project:

- Procurement of site, materials, equipment, and labour for the project.
- Obtaining the necessary planning and permitting approvals.
- The site, civil, electrical, and electromechanical works for the project.
- Interconnection facilities.
- Field testing, commissioning, performance testing and reliability testing.
- Operation and maintenance of the proposed facility.

Upon completion of the project, the IPP would be expected to own and operate the facility. CUC requires an optional price to purchase the facility after the commercial operation date, "COD" to be included as part of the proposal.

An Expression of Interest and Preliminary Proposal must demonstrate the following:

1. The respondent's track record in financing, designing, constructing and operating comparable size renewable energy generation projects within a specified timeframe.
2. An outline of the technology and generating facilities being proposed including capacity, expected, annual net generated energy, proposed site and other technical details specific to the proposed solution.
3. Proposed Commercial Operation Date
4. Understanding of the local permitting process and how permitting will be achieved.



5. A “not to exceed” pricing proposal covering all aspects of the project shall be included.
6. Facility ownership transfer pricing based on year of transfer.

CUC will evaluate proposals on both technical and financial merits with 70% scoring going to the quoted price per kWh and / or quoted facility transfer cost vs. expected net generation output. The remaining 30% score will be split equally on bullet points 1-4 above. CUC may select one or several proposals in order to achieve the overall renewable generating capacity objective without compromising the reliability and stability of the electricity system

Interested alternative energy generation developers may request further information by contacting Sacha Tibbetts, Manager Engineering Services at the address given below. Expressions of Interest must be delivered to the address below as soon as possible, but no later than October 31st 2011. CUC will evaluate the expressions of interest and announce viable projects, with the approval of the ERA, by December 31st 2011 at which time; successful developers will be invited to negotiate a PPA with CUC.

Attention:

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