

KENYA ELECTRICITY GENERATING COMPANY LIMITED (KenGen) (Registration Number C.20/55)

PUBLIC NOTICE

DISCLOSURE OF THE TERMS OF THE RIGHTS ISSUE FOR KENYA ELECTRICITY GENERATING COMPANY LIMITED (KenGen) Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2002

1. INTRODUCTION

We are pleased to advise the shareholders of KenGen that the Capital Markets Authority (CMA) and the Nairobi Securities Exchange (NSE) have approved the proposed renounceable rights issue to the existing shareholders of KenGen ("the Rights Issue").

The major features of the Rights Issue are as set out below.

2. TERMS OF THE RIGHTS ISSUE

KenGen is offering a total of 4,396,722,912 new ordinary shares ("New Shares") at Shs 6.55 per KenGen ordinary share ("Rights Issue Offer Price") to raise approximately Shs 28,798,535,074 (before expenses) in new equity capital.

The shareholders of KenGen will have the right to subscribe for two new ordinary shares for every one ordinary shares held on the register closure date 3.00 pm on Monday, 16th May 2016 ("the Record Date").

RIGHTS ISSUE STATISTICS

Rights Issue Offer Price	6.55
Total Number of New Shares	4,396,722,912
Total Equity Capital to be raised	28,798,535,074
Entitlement Ratio	Two for one

The Rights Issue Offer Price represents a discount of 18.33 per cent to the Volume Weighted Average Price of KenGen Ordinary Shares on the NSE for the past 30 trading days up to and including 4th May 2016, and 22.94% per cent on the last trade price, being the date the Board approved the Rights Issue terms.

KenGen shareholders who have Central Depository System ("CDS") accounts will have their accounts credited with the applicable Entitlement and will receive a Provisional Allotment Letter ("PAL") notifying them of the same on or about 20th May 2016.

KenGen shareholders who do not have CDS accounts will receive PALs notifying them of their Entitlement. Such KenGen shareholders are advised that they will only be able to participate in the dealing/trading of their Entitlement Rights on the NSE once they have opened a CDS account and the account credited with their Entitlement. All KenGen shareholders without CDS account are requested to visit their stockbrokers/investment banks or other authorized agents to open the CDS accounts.

The New Shares, when allotted, shall rank pari passu with the existing issued ordinary shares of KenGen shareholders, including the right to receive dividends or distributions paid or declared after the date of allotment.

3. COMMITMENT FROM THE PRINCIPAL SHAREHOLDER

The Board is pleased to confirm that the Government of Kenya has indicated that they will take up their full entitlement in the Rights Issue, representing 70 per cent of the transaction, through a conversion of some of the loans on-lent by the Government to KenGen into equity (shares).

4. TIMETABLE OF KEY EVENTS

Capital Markets Authority Approval	Monday, 9 May 2016
Nairobi Securities Exchange Approval	Monday, 9 May 2016
Record Date/Register Closure Date (last date on which shares will trade cum-rights and eligible shareholders on the share register of KenGen entitled to receive PALs will be determined)	Monday, 16 May 2016
Rights Issue Opening Date	Monday, 23 May 2016
Commencement of Trading in Nil Paid Rights	Monday, 23 May 2016
Last Date for Renunciation of Rights	
by Private Transfer	Friday, 27 May 2016
Last Date for Trading in Nil Paid Rights	Friday, 3 June 2016
Rights Issue Closing Date	Friday, 10 June 2016
Rump Closing Date	Friday, 17 June 2016
Press announcement of Rights Issue Results	Friday, 1 July 2016
Listing and commencement of trading of	
New Shares at the NSE	Wednesday, 6 July 2016

5. DOCUMENTATION

The full particulars of the Rights Issue are set out in the full Information Memorandum that will be available from the 23rd May 2016 on KenGen's website: www.kengen.co.ke and with all the sales agents appointed by KenGen for the Rights Issue (i.e. all licensed stock brokers and CDS agents in Kenya), and all branches of Cooperative Bank of Kenya Limited.

The summary or condensed version of the full Information Memorandum will be contained in an abridged Information Memorandum (the "Abridged IM") that will be posted to the qualifying shareholders of KenGen together with the Provisional Allotment Letters from Friday, 20th May 2016.

6. REGISTER CLOSURE DATE

KenGen would like to inform all its esteemed shareholders and the general public that further to the approval of the Rights Issue by the Capital Markets Authority on (9th May 2016), the register of members shall be closed at 3.00pm on Monday 16th May 2016 to facilitate the Rights Issue processing. All those members who will not be in the register by this date will not be eligible to participate in the Rights Issue.

7. TRANSACTION ADVISORS

Standard Investment Bank and Renaissance Capital are the Lead Transaction Advisor while Dyer & Blair Investment Bank and Faida Investment Bank are the Lead Sponsoring Stockbroker. Image Registrars will be the Receiving Agent and Data Processor while Co-operative Bank of Kenya will be the Receiving Bank for the Rights Issue

By Order of the Board
Mrs. Rebecca Miano, Company Secretary
Date: Monday 9th May, 2016

Disclaimer: This announcement is for informational purposes only and is not intended to constitute, and may not be construed as, a public offering.

This announcement has been issued with the approval of the Capital Markets Authority pursuant to the Capital Markets (Public Offers, Listing and Disclosures) Regulations, 2002 as amended. As a matter of policy, the Capital Markets Authority assumes no responsibility for the correctness of the statements appearing in this announcement. This announcement is an advertisement and not an information memorandum and investors should not subscribe for or purchase any Nil-Paid Rights, Full-Paid Rights, Provisional Allotment Letters and/or Rights Shares referred to in this announcement except on the basis of information in the Information Memorandum which is expected to be published by KenGen in connection with the Rights Issue. Copies of the Information Memorandum will, following publication, be available on KenGen's website (www.kengen.co.ke) to investors with the exception of any jurisdiction where it would be unlawful to make such information available including the United States, the European Economic Area, South Africa and the United Kingdom and any other territory where it would be unlawful to make such information available.