



Ceiba Energy executes construction contract with Mitsubishi and CONSAG for its 1.6 GW Portocem project

The \$900 million Portocem project will develop Brazil's Northeast region into an essential energy hub

Houston, Texas, May 12, 2023 – Ceiba Energy, a Houston-based power company with a focus on Latin American markets, backed by Denham Capital the global energy transition investment firm, is pleased to announce that it has signed an engineering, procurement and construction (EPC) contract with a consortium formed by Mitsubishi Power Americas and CONSAG. The contract concerns Ceiba's Portocem project, an LNG-to-Power development located in Northeast Brazil with a capacity of c.1.6

GW. The project will help the region become an important natural gas hub in Latin America, by complementing the existing renewable energy base in the region, as well as bolstering economic and industrial development; creating up to 3,000 jobs during the construction period and up to 150 jobs during operation.

The project complements the abundant wind and solar energy in the region, adding much needed firm capacity stability to the system and supporting its growth. Consisting of four gas turbines which may partially be fueled by hydrogen, the project is aiming to deliver a low-carbon, reliable and cost competitive power solution in Northeast Brazil.

The contract will see construction of the Portocem power plant, which received its generation license from the Ministry of Mines and Energy in August 2022, authorizing its establishment as an Independent Electric Power Producer. The company subsequently signed a 15-year Power Capacity Reserve Agreement with the Brazilian power system clearinghouse, the Electrical Energy Commercialization Chamber (CCEE) in November 2022. The plant has a commercial operation target date of July 1, 2026.

The power plant is a greenfield project consisting of four natural gas-fired Mitsubishi M501JAC gas turbines, located in the Ceará Free Trade Zone ("ZPE Ceará"), within the municipality of Caucaia, in the State of Ceará, 50 km northwest of the state's capital, Fortaleza, and will be connected to the National Interconnected System (SIN) at the existing Pecém II substation, via a 6 km 500 kV transmission line.

Mitsubishi Power will be responsible for the supply and commissioning of the M501JAC gas turbines, while CONSAG will be responsible for the engineering work, the supply and installation of the balance of plant equipment, and the installation of the turbines. CONSAG will also be responsible for the construction of the transmission line and the new 500 kV bay at Pecém II.

The project's gas supply will come from a floating storage and regasification unit ("FSRU"), chartered by Portocem and permanently moored in the Port of Pecém. The FSRU has been designed not only to support Portocem but to supply gas to boost the industrial development of Brazil's Northeast Region and to help local industries transition away from consuming more conventional fuels, such as coal and liquid fuels.

The power plant is being designed to support times when Brazil's renewable energy cannot cover power demand. By providing reliable firm capacity, Portocem expects to support the continued growth of renewable energy generation in Brazil.



The project, with a total investment of BRL 5 billion (approximately US\$ 900 million) will be financed with Denham Capital's equity funds and debt to be raised from local sources such as regional and national development banks and capital markets.

Emilio Vicens, Chief Executive Officer of Ceiba Energy, commented:

"We are excited to bring this major project to fruition and establish Portocem as a strategic project for Brazil's Northeast region. With the support of our long-time owners and partners Denham Capital and our construction partners, Mitsubishi Power and CONSAG, we are very happy to bring this important phase to completion which will immediately have a positive impact on the region. Our goal is to provide reliable and sustainable energy to meet the growing demand in Latin America, and we are proud to support Brazil's energy transition."

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About Ceiba Energy

Founded in 2015, Ceiba Energy is an owner, developer, and operator of power generation assets in Latin America. In particular, the Company focuses on delivering renewable, low-carbon and affordable power generation. The Ceiba management team brings an in-depth understanding of Latin American power markets and assets. The team has more than 80 years of combined power generation and energy infrastructure experience in Latin America and emerging markets. For more information, visit www.ceibaenergy.com.

About Denham Capital

Founded in 2004, Denham Capital is a global Energy Transition investment firm, having raised more than \$12 billion (which includes funds now managed by Trace Capital) of capital across multiple sectors. Specializing in private equity, infrastructure and credit, we invest in sectors that are central to the economic and resource transitions happening globally. We deliver the metals and minerals and sustainable infrastructure needed for today and tomorrow.

Denham Capital sponsors entrepreneurs, delivering the financial resources and industry expertise needed to create and grow successful infrastructure and resource businesses. We seek to establish long term partnerships with entrepreneurs and companies who share our vision for growth and value creation. Our investment teams have extensive renewable power, infrastructure and mining investment experience, including technical experience as engineers, operators, and business owners.

Our firm is built on a foundation of experience, fairness, economic rationale, flexibility and trust, and we bring these values into every opportunity we pursue. We believe our tactical familiarity within our industry sectors along with a disciplined approach centered around fairness and shared success make us an ideal partner.

For more information, visit www.denhamcapital.com/

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