



A FORTIS COMPANY

Belize Electricity Limited
2 ½ Miles Northern Highway
P.O. Box 327
Belize City, BELIZE
Corporate Tel.: 227-0954
Customer Care: 0-800-235-2273
Fax: 223-0891
Email: pr@bel.com.bz
Website: www.bel.com.bz

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Contact: Vonetta Burrell – Public Relations Officer

E-mail: vonetta.burrell@bel.com.bz

BEL to Report on 2006 Performance to Shareholders at AGM on May 17 **– Company Invests \$32 million in Service Improvement Initiatives**

At 7:00 p.m. today, Belize Electricity Limited (BEL) will hold its Annual General Meeting (AGM) of Shareholders for the year ended December 31, 2006 at the Best Western Belize Biltmore Plaza.

This year's AGM will be held under the theme "*Investing • Expanding • Improving*" to reflect the Company's focus on investing heavily in service improvement initiatives, following a marked improvement in its financial liquidity compared to 2005.

In 2006, BEL invested \$32 million in expanding and improving service to its approximately 71,000 customers.

"At the core of our short and long-term strategic plans is continuously improving service," said President and Chief Executive Officer, Lynn Young. "In 2006, our improved financial position allowed us to redouble efforts to achieve the service goals we have set for ourselves. While our accomplishments were numerous during the year, we continue to listen keenly to our customers for guidance on where we can further improve."

Major project accomplishments during the year include the Upgrade of the Southern Transmission Line to 69 kV from 34.5 kV. This initiative is helping to deliver improved service quality and reliability to customers in the area and reduce system losses. It is a sub-project under BEL's Fifth Power Development Project (Power V),

which is a three-year initiative involving transmission and distribution system expansions, as well as improving business processes.

Other initiatives under Power V in 2006 include the construction of over 58 miles of new power lines, the construction of new line extensions to connect several housing and tourism development projects, the upgrade of the Army Camp Substation in Ladyville and the rebuilding of several feeders in that municipality.

In 2006, BEL also brought on line a new Customer Information and Billing System which is helping the Company to better serve the individual needs of customers and also improved its e-billing services to notify customers via email of approaching due dates for bill payments.

Earnings in 2006 amounted to \$26.1 million dollars from \$18.9 million in 2005. The 2006 earnings is equivalent to 10.5 per cent return on assets which remains below the rate used by the Public Utilities Commission in setting electricity tariffs.

Revenues increased to \$149 million of which \$91 million was spent on cost of power. In 2006, the cost of power per kilowatt hour (kWh) was reduced by 8 per cent which helped to reduce the Rate Stabilization Account to \$19 million in December 2006 from \$29 million in December 2005.

This was largely due to operation of the Chalillo Hydroelectric Facility. The hydro storage provided BEL the flexibility to maximize the use of economic power from Comisión Federal de Electricidad (CFE) and minimize the use of high cost peak power from CFE and from diesel generating plants and the Westlake Generating Plant.

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