



BELIZE ELECTRICITY LIMITED

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December 2, 2011

BEL Applies to the Public Utilities Commission for an Adjustment to Electricity Rates

Belize Electricity Limited (BEL) has submitted an application to the Public Utilities Commission (PUC) for a 3.4 per cent reduction in the average electricity rate. This application is being made under a Full Tariff Review Proceeding (FTRP) for the period July 1, 2012 through to June 30, 2016.

During the FTRP the PUC will review and set the regulated values, mean electricity rate, tariffs, rates, fees and charges relating to the electric utility for the review period. Thereafter, Annual Tariff Reviews will be conducted each year between 2012 and 2016, at which time the PUC will review the Company's performance against the values set during the FTRP and make adjustments where necessary to reflect changing realities.

In its current FTRP application, BEL's request to lower the Mean Electricity Rate is being made possible by the Company's improvements in both its operational performance and financial management.

Following change of ownership on June 20, 2011, in addition to keeping the lights on, heavy emphasis has been placed on tightening the Company's operations to minimize waste, curb unnecessary expenditure, while maintaining operational efficiency and service reliability. This has all been achieved with a decision not to reduce staff and with encouraging improvement to the Company's cash flow.

While some of the cash flow improvement is related to seasonal reductions in the cost of power, the Company's efforts to eliminate inefficiencies in its processes have also had a positive impact on its financial performance. Since July 2011, BEL's cash flow position has improved and the Company has not had to make any further request to the Government of Belize for assistance in the form of electricity pre-payments.

"Even with these improvements, continued efforts are required in order to further improve the Company's financial health and by the end of 2012, we project that our financial performance will be at a level where we can once again secure long-term financing for investments in major expansion initiatives," said Chief Executive Officer Jeffrey Locke.

BEL's application is consistent with the PUC's regulations, prohibiting the Company from financing its recovery through customers. The Company is therefore making all efforts to pass on to its customers the benefit of reductions in the cost of power accrued over the past three years.

Copies of BEL's submission are available at its Corporate Headquarters located at 2½ Miles Northern Highway, Belize City and its branch offices countrywide. The submission is also available for viewing at the office of the PUC located at 41 Gabourel Lane, Belize City and on BEL's website at www.bel.com.bz.

As per the regulations, BEL will be making a presentation on its application at a Public Hearing, scheduled for December 21, 2011. The PUC will provide more information on this event.

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