

OPERATIONS REPORT

ENERGY



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(La Baraque) Limited



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OPERATIONS REPORT (continued)

ENERGY

(G4-4, G4-9)

Omnicanne's Thermal Energy Operations comprise three power plants: A 35-MW coal-fired plant at St Aubin, a 90-MW coal-and-bagasse fired cogeneration plant and a smaller 3.8-MW plant fueled by coal and woodchips at La Baraque.

In 2016, Omnicanne's power plants produced a total of 839 GWh of electricity (2015: 820 GWh) and exported 720 GWh (2015: 692 GWh) to the national grid. Furthermore, out of the total electricity exported to the grid, 126 GWh were produced from a renewable source, bagasse.

The 2.3% increase in total electricity production was due to higher demand from the off taker. On the other hand, the small 3.8 MW power plant at La Baraque, which was operational for 7563 hours, produced 157,468 tonnes of steam and 21 GWh of electricity, intended for internal consumption within our industrial cluster. The consistent financial and operational performance of the energy segment is the result of rigorous maintenance planning to ensure that the power plants remain reliable and flexible operating units.

After several years of study and testing, the Carbon Burn Out project, which consists of the transformation of coal ashes into energy and a valuable low carbon footprint cement additive, started in 2015. The construction of the plant at La Baraque was completed in December 2016 and it is now in commissioning phase. It is recalled that this CBO plant has the capacity to treat the coal ash generated by Omnicanne's power plants at La Baraque and St Aubin as well as that of Terragen at Belle Vue.

With the commitment of all employees, we have successfully maintained the certification of our Integrated Management System for both power plants throughout the last 4 years. We have also promptly made the transition to the 2015 version at both St Aubin and La Baraque power plants. We believe that the 'risk based approach' of the ISO 9001:2015 standard is in line with the Continual Improvement journey we have embarked on by improving the effectiveness of our management systems while maintaining and managing a system that inherently addresses risk and meets objectives.

Electricity Produced and Exported

| Year | 2016 | 2015 | 2014 |
|---|--------------|-------|-------|
| Total Electricity Produced (GWh) | 839 | 820 | 825 |
| - Thermal La Baraque (90-MW power plant) | 567 | 554 | 573 |
| - Thermal St Aubin | 251 | 245 | 252 |
| - Small Energy Plant (3.8-MW power plant) | 21 | 21 | |
| Total Electricity Exported (GWh)* | 720 | 692 | 724 |
| - Thermal La Baraque (90-MW power plant) | 491 | 471 | 493 |
| - Thermal St Aubin | 229 | 221 | 231 |
| Island-Wide Production (GWh) | 2,734 | 2,688 | 2,640 |
| Percentage of Island-Wide Production | 26% | 26% | 27% |

*Excludes electricity produced by the Small Energy Plant

839 GWh

Electricity Produced

Prospects

The existing power plants have so far been performing as planned and the main focus for 2017 will be the successful commissioning of the Carbon Burn-Out plant.