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Empresa de Generación Eléctrica de Junín S.A.C. Notes to the interim financial statements

As of March 31, 2015 and December 31, 2014

1. Identification and business activity

(a) Identification

Empresa de Generación Eléctrica de Junín S.A.C. (hereafter "the Company") is a Peruvian entity incorporated on December 14, 2009, in the city of Lima by Latin America Power Perú S.A.C. (a subsidiary of Latin America Power Holding B.V., domiciled in the Netherlands) and GCZ Energla S.A.C., which respectively hold 70 percent and 30 percent of the voting shares of the Company's capital stock.

(b) Business activity

The Company is dedicated to the generation and sale of electricity to local private and state-owned companies, as well as to engineering activities, and actions related to its business activity. Its legal domicile is Av. del Pinar N° 152, Oficina N° 508, Santiago de Surco, Lima, Peru.

Through Ministerial Resolution N° 072-2012-MEM/DM dated February 16, 2012, the Peruvian State via the Ministry of Energy and Mines (hereafter "MEM") awarded the Company the definite concession to develop electric generation activities at the Runatullo III Hydroelectric Plant, located in the Mariscal Castilla and Comas districts, province of Concepción, department of Junín. Also, through Ministerial Resolution N° 114-2012-MEM/DM, dated March 2, 2012, the Peruvian State via MEM awarded the Company the definite concession to develop electric generation activities at the Runatullo III Hydroelectric Plant, located in the Mariscal Castilla and Comas districts, province of Concepción, department of Junín, and also approved the subscription of the Concession Contract between the Peruvian State, represented by MEM, and the Company, which took place on September 30, 2011.

On September 30, 2011, the Company was awarded the Tender on Electricity Supply through renewable energy resources (hereafter "RER") called by the Supervising Agency of Investments in Energy and Mining (OSINERGMIN), which, among other RER generating projects, selected the Runatullo III Hydroelectric Plant as supplier of electricity for the National Interconnected Electric System (SEIN under its Spanish acronym) for a 20-year term. The Company committed to start commercial operations at the Runatullo III Hydroelectric Plant, at the latest, on December 15, 2014. As a consequence, the Company and the Peruvian State entered into the corresponding supply contract. The construction of these Plants was performed by its related party GCZ Ingenieros S.A.C.

On December 12, 2013, the Company was awarded the Tender on Electricity Supply through RER called by OSINERGMIN, which among other RER generating projects, selected the Runatullo II Hydroelectric Plant as supplier of electricity for the SEIN for a 20-year period maturity, which establish that, through the mechanism of RER Auctions, the Company receives a fixed fee per megawatt established for each hydroelectric plant. The Company committed to start commercial operations at the Runatullo II Hydroelectric Plant, at the latest, on December 15, 2014. As consequence, the Company and the Peruvian State subscribed the corresponding supply contract.

In November 2014, the Company started operations at the Runatullo III Hydroelectric Plant, which has 20.2 MW of installed capacity.

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