



BC hydro *News Release*



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BC Hydro Stands with SNC-LAVALIN on Pakistan Power Project

VANCOUVER – BC Hydro today reiterated its support for SNC-LAVALIN, its partner in the Raiwind Pakistan power project. BC Hydro also completely and fully denied any affiliation with the bribes being alleged by the government of Pakistan as part of that country's investigation into activities by all independent power producers.

"We are very concerned by the situation in Pakistan and have for some time been working both here and in that country to try and address it," said BC Hydro Chair Brian Smith. "BC Hydro stands by its partner, SNC-LAVALIN and will continue to perform due diligence and do everything possible to ensure the success of the Raiwind project."

"I can categorically state that there have been no bribes associated with BC Hydro," added Brian Smith. "We have been monitoring the situation in Pakistan for almost a year now, and based on that assessment we see both the overall investigation and the specific allegations as part of internal political and economic problems associated with a new governing party."

The Pakistan government is investigating all independent power producers from foreign countries – including those from Canada, Japan and the United States – who are involved in electricity projects in that country. One of those projects is the Raiwind electric power project which BC Hydro, together with its subsidiary BC Hydro International (BCHIL) and Canadian partner, SNC-LAVALIN, are building in Pakistan.

BACKGROUND

BCHIL and the International Power Corp (IPC) were the original shareholders in BCHI Power Development Corporation (POWER), a company through which BCHIL and IPC made equity investments in the Raiwind electric power project in Pakistan.

In March 1997, BCHIL sold its shares in IPC to SNC-LAVALIN. By selling its shares to SNC-LAVALIN, BCHIL relinquished its equity investment in IPC. Through the sale of its shares, BCHIL was also able to stabilize the Raiwind power project with a reputable partner and was released from any future involvement in IPC, including potential claims from IPC.

BCHIL is a provincial Crown corporation. BCHIL is a wholly-owned subsidiary of BC Hydro and offers engineering consulting expertise in electric power project development, operations and maintenance, and power services in select Canadian and international markets. SNC-LAVALIN is a publicly traded international engineering consulting company based in Montreal, Quebec and has an active office in Vancouver.