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### **Vattenfall sells its interests in South America**

**As part of Vattenfall's focus on its core business in the north European market, Vattenfall through its subsidiary Nordic Power Invest AB (NPI) has sold its ownership interest in South America to US company NRG Energy, Inc.**

The deal includes NPI's shares in two companies in Bolivia, Compania Boliviana de Energia Electrica SA - Bolivian Power Company Ltd. (Cobee), and Compania Electrica Central Bulo Bulu S.A., as well as one company located in Brazil, Itiquira Energetica S.A.

As part of the transaction, NRG also has agreed to purchase NPI's interests in two Peruvian assets, Cahua S.A. and Cementos Norte Pacasmayo (CNP) S.A., which comprise 45 MW of hydroelectric generation and 66 MW of hydroelectric and diesel generation, respectively. NPI owns 100 percent of CNP and approximately 60 percent of Cahua. Closing on the Peruvian assets is subject to the fulfilment of certain conditions set forth in the agreement.

Cobee, a 220 MW predominately hydroelectric project, is the second largest electric generator in Bolivia. Bulu Bulu is an 88 MW natural gas-fired facility in Bolivia, and Itiquira is a 156 MW hydroelectric project in the advanced stage of construction in Brazil. Full commercial operation of Itiquira is expected in March 2002.

NPI had been a 50 percent partner with NRG in Cobee, Bulu Bulu and Itiquira through their joint venture vehicle, Tosli Investments N.V.

"These divestments follow Vattenfall's recent successful acquisitions in Germany and its strategy to fully focus and concentrate on the north European market", says Gunnar Vallin, Vattenfall AB.

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*Vattenfall's vision is to be a leading European energy company. The Nordic region, Poland and Germany are its domestic markets. Today, Vattenfall generates power and supplies energy solutions to 2.2 million customers in the Nordic region and northern Europe. The largest electricity customers are industrial plants and energy companies. Vattenfall's main products are electricity, heat and natural gas, as well as network, consulting and maintenance services. Vattenfall's net sales in 2000 amounted to almost SEK 32 billion. Sales included 83 TWh electricity and 17 TWh heat.*