



Annual Report 2004



الشركة الفلسطينية للكهرباء
PALESTINE ELECTRIC COMPANY P.L.C

Remembrance: President Yasser Arafat



As our nation mourns the loss of its president Yasser Arafat, we would like to take this opportunity to present our sincere condolences to the Palestinian people. He was a firm believer in a strong Palestinian economy, and encouraged the role of the private sector in building the infrastructure of Palestine. Our dreams for a better future and the development of our company are our way to pay tribute to our late leader.

May God bless his soul.

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Chairman's Statement



A Year of Remarkable Achievements

2004 was a year of hardships and difficulties marked by the loss of our President Yasser Arafat. But it was also a year that witnessed persistence, growth and success in carrying on our dreams in creating a better future for Palestine and facing all the political and economical difficulties caused by the occupation.

I have personally lost a friend, our nation has lost a father and a leader, and although the pain of his loss was insurmountable, we have taken it upon ourselves to dedicate our time and efforts in building a better Palestine. Our goal has always been the development of the Palestinian economy and infrastructure, and Palestine Electric Company has helped us achieve part of our goals. We still have a long way to go, and many more dreams to achieve, but this year was certainly marked by outstanding achievements and developments, surmounting all the political and economical challenges we faced.

Our team's efforts, efficiency and dedication were the main reason behind our company's success. I would like to thank them all for allowing this company to grow and flourish and for being part of this family. I would also like to thank our board members for their superior guidance, support and concern for the company, and our shareholders for their trust and confidence in us.

In this difficult time, one can only be proud to see a Palestinian establishment standing still and strong among all the political and economical instabilities and tensions. Palestine Electric Company has once more proved to be a very successful investment thanks to our people's efforts, faith, trust and confidence in us and in a better future.

A handwritten signature in black ink, appearing to read 'Said Khoury', written in a cursive style.

Said Khoury
Chairman

Executive Managing Director's Statement



A Successful Company Empowered by its Individuals

An infamous thinker and writer once said that: 'An empowered organization is one in which individuals have the knowledge, skill, desire, and opportunity to personally succeed in a way that leads to collective organizational success'. I find this saying to apply so closely to Palestine Electric Company in that our success and achievements have all been a result of a successful company empowered by its individuals.

We have fulfilled our 2004 promises and achieved remarkable results

Gaza Power Generating Company started its commercial operation at 140MW on March 15th, 2004, thus PEC started trading in the Palestine Securities Exchange on May 10th, 2004. Since we started trading, the company has maintained its momentum and stability during 2004 despite difficult political and economic situations.

Financially, 2004 was a good year for PEC/GPGC and our performance met our expectations regarding the company's profits. We made \$9.4 million profits during 2004.

We always have our shareholders in mind

The PEC share performance for 2004 is only an initial indication of what this share holds for its shareholders. We are continuously striving to enhance our internal company structure and are studying the possibility of obtaining gas for the power plant.

Other anticipated developments (discussed further within this report) are expected to lead to further success for the company and thus higher returns for our shareholders.

We continuously strive to develop and enhance our organizational structure

We believe that a healthy organizational structure and internal system is the key for success in the long term. As we gain more experience in the Palestinian market, we are constantly modifying and enhancing our systems, policies and procedures to be in line with International standards for effective management and efficiency levels.

We are contributing to the Palestinian economy and community

PEC constantly aims at playing a positive role in the Palestinian economy and in supporting the development of the community around.

We have recently participated in a new community project in the Gaza Middle Area (Al Mintaqa Al Wusta). The community project will encompass a cultural centre with a library; training centre and children play area.

PEC/GPGC has also provided training opportunities for Palestinian University students and we aim at encouraging and cooperating with national institutions.

Our accomplishments in 2004 have helped us in setting a strong foothold in the Palestinian energy sector and we have succeeded in our position as the sole provider of electricity to the Palestinian National Authority. Our role in being a significant factor in the social and economic development of our dear Palestine is of major importance to us as we maintain our recruitment, training and development of the local workforce.

Upon our accomplishments, 2005 will yet be another year of opportunities for us to further advance and succeed in our mission, and meet the expectations of our shareholders.

Last but not least, I would like to thank our Chairman and Board members for their continuous support, encouragement and faith in the PEC/GPGC team and our shareholders for their continuous commitment and efforts that empower Palestine Electric Company.



Walid Salman

Executive Managing Director

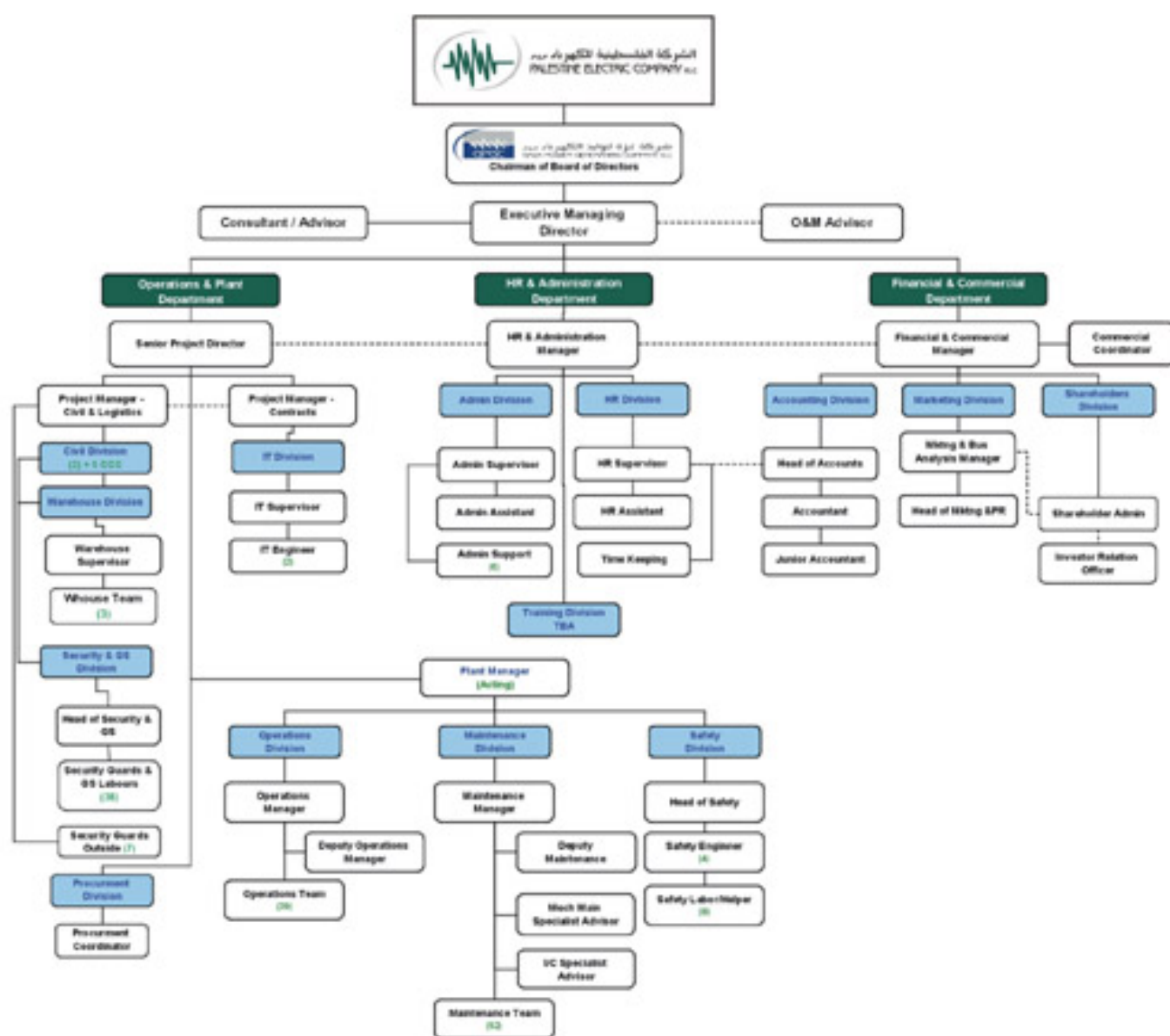
Our Company's Structure

Board of Directors

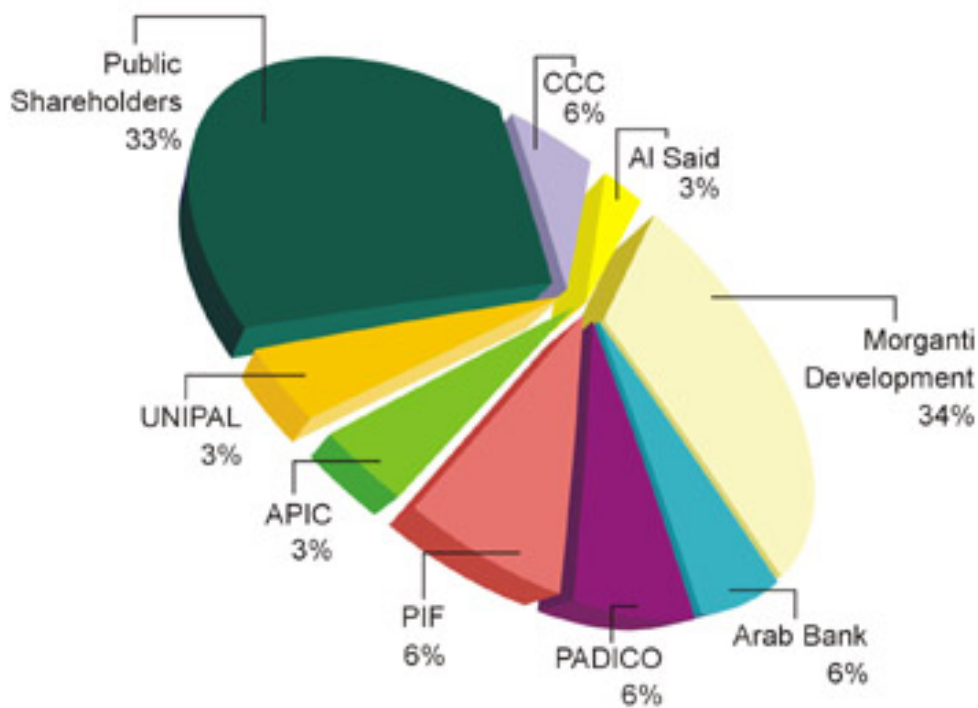
1	Said Khoury	Chairman
2	Shukri Bishara	Vice Chairman
3	Mohammed Rachid	Member
4	Nabil Sarraf	Member
5	Tareq Aqqad	Member
6	Ihab Ashkar	Member
7	Walid Salman	Member
8	Samir Shawa	Member
9	Walid Najjab	Member
10	Hani Ali	Member
11	Marwan Salloum	Member
12	Sharhabeel Al Zaeem	Member
13	Farouq Franji	Member

*According to the Company's Articles of Association, three seats on the Board of Directors are dedicated to any Public Shareholders holding 1% or more of the shares. At the time of this report, only one seat has been occupied and an exemption has been granted due to the lack of any others holding the required amounts of shares.

Organizational Chart



Shareholders



PEC Shares Distribution

Public Shareholders

33% of PEC shares are owned by public shareholders in Palestine and internationally

Consolidated Contractors International Company "CCC"

Projects include Heavy civil construction; highways; roads and airports; water & sewage treatment plants; pumping stations & all related networks; and mechanical construction.

Al Said Limited

Partner Company with CCC

Morganti Development

Also known as 'The Morganti Group' provides quality construction management, design/build and general contracting services.

Arab Bank

Arab Bank is a financial institution providing private sector banking services and has a global network of more than 400 branches and offices.

Palestine Development and Investment Ltd "PADICO"

PADICO provides competitive financial returns to investors while directing new capital towards projects that would create new job opportunities to improve the standard of living of Palestinian people. PADICO's activities are diversified throughout the major economic sectors in Palestine with subsidiary and sister companies in the tourism, real estate, industrial, industrial estates, capital markets, and telecom sectors.

Palestine Investment Fund "PIF"


Amongst its aims is to acquire/invest, and to sell/dispose off Portfolio Investments, Liquid Investments, and Temporary Investments that promote economic growth and infrastructure development in Palestine.

Arab Palestinian Investment Company "APIC"

APIC is one of the biggest investment companies in Palestine, which operated several industrial and financial projects in the country.

UNIPAL General Trading Company "UNIPAL"

UNIPAL, a subsidiary of APIC, is a Consumer Goods Distribution operation in Palestine. UNIPAL does its business through its own main distribution center in the West Bank and Gaza and through its regional depots.



Establishment and Development

As we believe that the first step to a peaceful environment is an independent strong economy, we try, through PEC holding and its input to the Palestinian Economy and Society, to achieve this goal by contributing to the development of the Palestinian infrastructure, promoting and encouraging the private sector's involvement in the Energy sector and creating job opportunities for the local population. Our interests lie in building the confidence of International investors in these high-risk investments and politically difficult environment in Palestine in order to allow the population of this region to benefit from development and prosperity.

We also believe in establishing a trustworthy and transparent relationship with our shareholders and the general public, in order to build the people's confidence and hope in a better future.

Establishment

Prior to 1999, the Israeli Electric Corporation was the only source of electricity to the Palestinian Territories. The idea of establishing a Palestinian power generating company came around when a group of renowned Palestinian sponsors dedicated time, effort and exhibited the courage to invest in their homeland in face of the risk involved in a politically unstable setting. Hence, Palestine Electric Company (Holding) was formed and became the first Palestinian power generating company.

Together with the support of the Palestine National Authority (PNA), PEC (Holding) managed to get an International company on board, which eventually developed into the establishment of the Palestine Electric Public Company. Funding for the project was based on private and public shareholders' equity and Arab Bank financing.

Gaza Power Generating Company (GPGC) was established as the operating company under which the Gaza Power Plant exists with PEC owning more than 99.9% of the outstanding shares of GPGC.

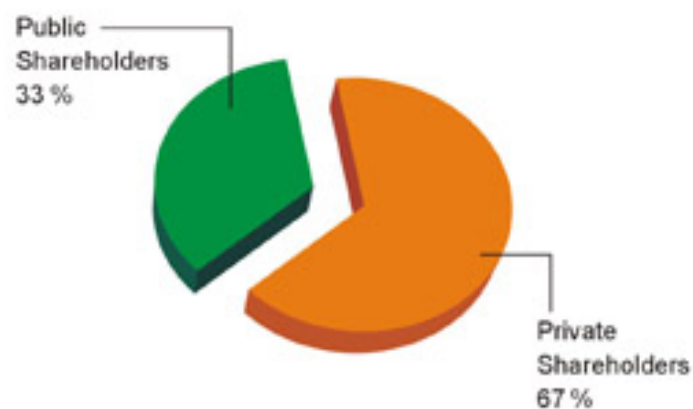
PEC operates under the mandate of being the sole provider of electricity to the Gaza Strip through an Implementation Agreement with the Palestinian National Authority and a Purchase Agreement with the Palestinian Energy Authority.

Based on the agreements above, Gaza Power Generating Company-GPGC generates electricity in Gaza and sells it to the Palestinian National Authority and the Gaza Distribution Company who are responsible for the distribution of electricity within the Gaza strip. GPGC does not handle the distribution of electricity nor the end-user.

Project Value & Ownership

The estimated project value for GPGC is \$150 M of which \$90 M is in debt and \$60 M in equity.

PEC, which was formed in Gaza under the laws of Palestine to develop, own and operate the first IPP in the Palestinian Territories, is a public owned company whereby the public shareholders represent 33% and the private shareholders 67%.



Project Ownership

Our Company's Vision

For the purpose of strengthening our prominent position in the Palestinian Energy Sector, developing the Palestinian Infrastructure and assisting the local population through the creation of job opportunities and providing professional training, we strive to expand our services to a wider regional zone.

Power Plant

Power Plant Location

GPGC Power Plant is located in the Gaza Middle Area, 10KM from the South of Gaza city. The power plant is constructed on an area of 147,000 meters square.



About the Power Plant

Gaza 140 MW combined Cycle Power Plant "The Facility" is based on four (4) ABB GT10B2 Gas Turbine Generators (GTG) used in combined cycle with two Steam Turbine Generators (STG) in a configuration of two generating blocks each consisting of two gas turbine generators and one steam turbine generator.

The Facility main equipments are:

1. Four Gas Turbine generator units, type GT10B2, with ancillary equipment.
2. Four dual pressure Heat Recovery Steam Generators with fuel-gas by-pass and stacks.
3. Two ABB Medium Pressure steam turbine units.
4. Two cold water condensers.
5. A saltwater cooling tower.
6. Electrical power equipment including four 2-winding step-up transformers.
7. Plant control system including instrumentation.
8. Auxiliary equipment to support the combined cycle process.

The Gas turbines are equipped with dual fire capability and could burn both natural gas and liquid fuel. Initially conventional combustion chambers utilize Distillate Fuel No. 2 (Diesel Oil) which is trucked into the Power Plant.

Eventually Natural Gas will replace Diesel Oil once it becomes available.

Operation Schedule

The plant has been producing electricity since June 2002 (Initial operating Date) and reached the full commercial operation (COD) by March 15, 2004 as per the following schedule:

Phase	Plant Output (MW)	Commercial Operation Date
1- Gas Turbine (GT11) in simple Cycle	22.9	18/06/2002
2- Gas Turbine (GT22) in simple Cycle	45.8	24/08/2002
3- Gas Turbine (GT13) in simple Cycle	68.6	06/12/2002
4- Gas Turbine (GT24) in simple Cycle	91.4	20/01/2003
5- Power Block 10 in Combined Cycle	115.2	26/02/2004
6- Power Block 20 in Combined Cycle (Whole Facility)	139.6	15/03/2004

Technical Performance

Commercial Operation Period

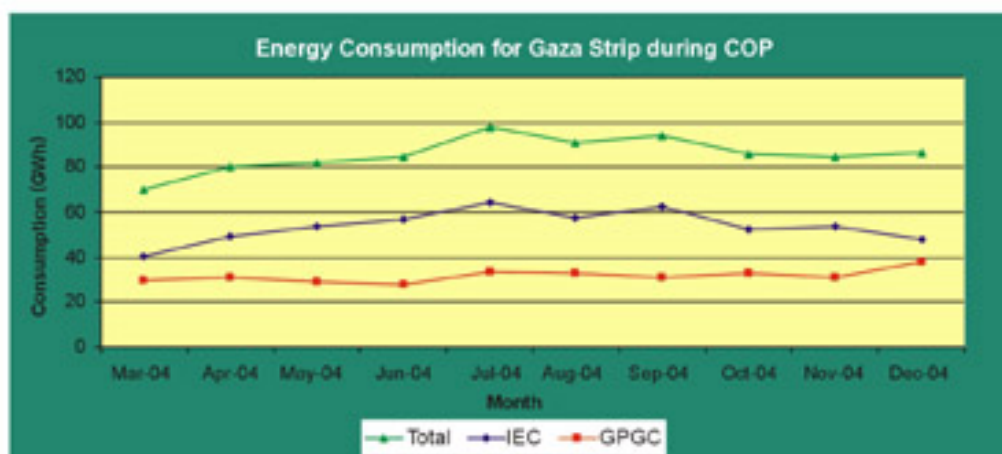
The current capacity for the Gaza power plant is 140 MW. The commercial Operation Date was achieved on March 15, 2004 after completing all the required tests. However, The Palestinian Energy and Natural Resources Authority (PENRA)'s Transmission Facilities can evacuate only 84 MW, which represents only 60% of the available GPGC Capacity.

The plant currently supplies nearly one third (1/3) of the consumers in Gaza Strip with electricity. The plant capacity can supply electricity to about 90% of the consumers in Gaza, but PENRA is not making full use of available plant output. This is mainly due to limitation of PENRA's transmission facilities and high fuel cost.

Energy Generated and Load Factor

The following chart shows the total energy consumption from Gaza power plant and IEC from March 2004 to December 2004. The overall Energy consumption in the Gaza Strip for the last 9 Months is around 860 GWh.

The Energy Produced from Gaza Power Plant represents around 36% of the overall electrical energy consumption for the Gaza Strip.



Our Care for the Environment

GPGC is in compliance with the OPIC standards, which are based on the World Bank's Pollution Prevention and Abatement standards.

The guidelines and procedures for measures and plans that address environmental aspects in the project area include:

- Environmental monitoring program(s).
- Guidelines for construction contractors on environmentally friendly practices.
- Environmental safeguards in relation to the community health and safety in the project area.
- Dissemination of information to interested parties on our current environmental status in the project.

GPGC aims at ensuring that the project is designed, constructed, operated and maintained in an environmentally sensitive manner, and in accordance with applicable OPIC requirements, World Bank guidelines and local Palestinian environmental requirements and policies.



2004 - A Year of Achievements

Although 2004 was a difficult year politically and economically, we have once more proved our ability to succeed despite several impediments. Our determination to succeed; our sense of responsibility towards our shareholders; our devoted, efficient and experienced team and our faith in our capacity in facing all challenges were the driving force to our accomplishments.

Commercial Operation

During the construction and initial operation period of the Gaza power generating plant, we faced several problems related to the unstable political situation at the time, which led us to re-schedule our set time plan for the completion of our initial phase. Nonetheless, the efforts of the company resulted in our success in reaching commercial operation on March 15th, 2004, thus defying all obstacles and problems we faced along the way.

Having reached commercial operation, we were still unable to utilize the full power generating capacity of the plant due to delays in the completion of the electric transportation and distribution network in the Gaza strip, which hindered the ability to make use of all the power generated.

First General Assembly Meeting

Amidst political uncertainty and risk but with an optimistic outlook at the future, preparations were made for holding the first PEC general assembly meeting for the shareholders on 29th of March 2004.

The general assembly meeting took place in Gaza and Ramallah in Palestine, and in Amman, Jordan, with video conferencing between the three cities. Arrangements were made in Gaza and Ramallah to facilitate the attendance of the largest number possible of PEC shareholders. The Company Board of Directors met in Amman due to complications related to travelling to Palestine.

During the first General Assembly Meeting, detailed information and explanations were presented regarding the establishment of the company, construction and operation phases, overview of the financial status of the company for 2003 and the previous years, in addition to a brief about the problems and obstacles the company faced along the way up to reaching commercial operation and the announcement of its first General Assembly Meeting.

PEC Shares and Trading on the Palestine Securities Exchange

Preceding the first General Assembly Meeting was the signing of the PEC share listing and trading agreement between the Palestine Securities Exchange (PSE) and PEC. Based on the signed agreement, PEC shares started trading in PSE on 10 May 2004. During its first week of trading it was clear that the company had attained remarkable support from the Palestinian public and trust in its ability to succeed and flourish in the long run.

New Construction Activities and Civil Works

In our continuous efforts to develop and enhance our performance, the Company has invested its efforts in several construction activities during 2004 in order to support the ongoing expansion of our diverse activities in the Power Plant.

New Administration Building

Upon the completion of the staffing process and with the increasing of our staff members, our company saw necessary the construction of a new administration building. The building includes the latest technologies and a conference room, for the comfort and benefit of our staff, in order to provide them with the most satisfying work atmosphere. The new building has been in use since early 2005.



The Main Warehouse

A new Independent Warehouse has also been built in the Power Plant due to the services and work demand. Its construction has been completed and it will be ready for professional use by the first quarter of 2005.



The Training Center

GPGC has constructed a state-of-the-art specialized training center featuring a multi-purpose auditorium. The center will be primarily used for staff training purposes and for hosting organised tours for the public and other visitors. Other features will include video conferencing facilities; recreational facilities and visitors can view a conclusive reportage of the power station. The anticipated date for the opening of the training center is in the second quarter of 2005.



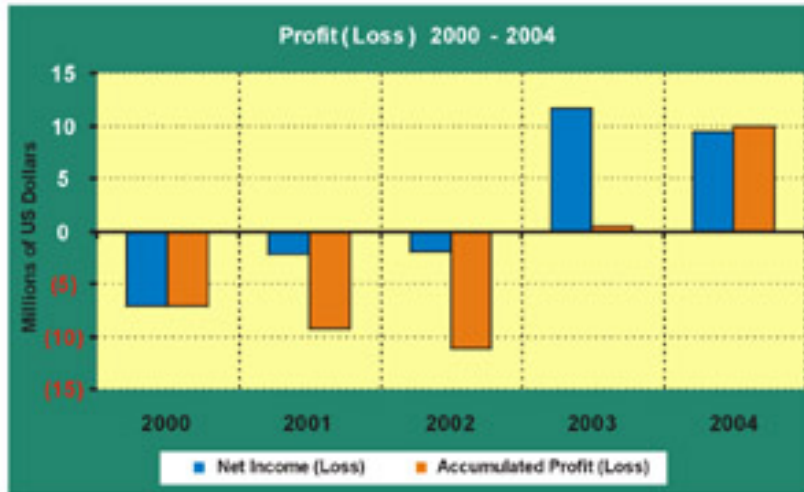
Financial Highlights For 2004

Profits It has been another successful year for our company, as we have a second year of profits, mounting to \$9.4 million for the year 2004. Despite the tight cash flow, we have been successful in marking the year 2004 as another financially successful year.

The Board of Directors will decide on the dividends distribution to the shareholders, depending on the Financial Statements and Cash Flow situation of the Company at the time.

	2000	2001	2002	2003	2004
Net Income (Loss)	(7,080)	(2,179)	(1,916)	11,687	9,412
Accumulated Profit (Loss)	(7,080)	(9,259)	(11,175)	512	9,924
Shareholders' Equity	52,920	50,741	48,825	60,512	69,924
Earnings Per Share	(0.151)	(0.036)	(0.032)	0.195	0.157

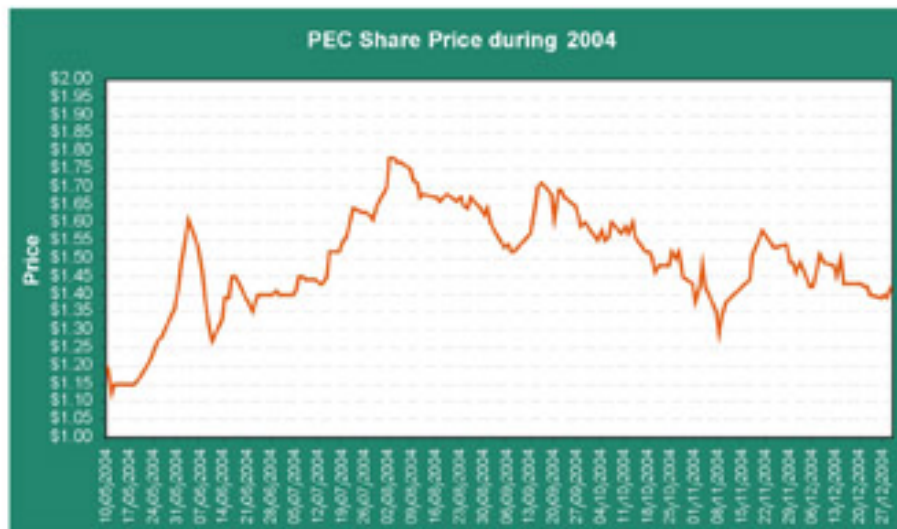
* The amounts in the above table are in thousands of dollars ('000s).



Shares Performance

The market value of PEC shares have significantly increased as they have been holding at a stable average of \$1.5/share.

This graph shows our shares performance and price variations throughout the year 2004.



Policies and procedures

Our company's aim is to maintain a transparent and efficient system. In order to enhance our shareholders' trust and confidence in us, we focused our efforts on the enforcement and improvement of our Financial and Commercial policies and procedures, especially those related to Budgeting, Cash Management and Procurement. Our efforts to reduce costs, preserve a transparent image and increase the efficiency and productivity of our operations are in progress, as we strive to improve our policies and procedures through their ongoing evaluation and development.

HR & Administrative Policies & Procedures

2004 was marked with meaningful achievements in terms of the development of our human resources and administration department. Our goal has been to achieve the maximum efficiency and productivity to enforce our shareholders' trust in our company without compromising the rights of our personnel.

Our Team Work

98% of the staff is of Palestinian origin. We are determined to make use of the national Human Resources and in an attempt to relief the poverty conditions due to unemployment in Gaza.

Our company has been privileged to have a team of dedicated employees who view this project as the development of their own dream. Our management has been determined to employ local staff in order to make use of our national human resources and now that our company has reached complete recruitment (with very few positions remaining); our management has successfully reached its goals.

GPGC currently employs 172 workers consisting of administration and management staff, technical staff, engineers, power plant technicians and security workers.

Our staff consists of:

Department	Employees
Management and Commercial	13
O&M and Technical Support	156
Civil and Logistics	3

As we have successfully achieved our full staffing, we are also proud to announce that our management's policies regarding local recruitment resulted in having 98% of our staff from the local population compared to only 2% of Expatriates, which are needed for their vast expertise and skills in power plants and technical matters.

Our local staff has also proven to be highly competent and qualified, education levels showing as follows:

Academic Degree Level	Employees
Minimum Bachelor's Degree	90
Diplomas	32
Vocational	48
No Education	2

Training

Our company has also been interested in the development of our staff's skills in order to amplify their efficiency and productivity as well as allow them to benefit from a career path development. For that purpose, we have established an in-house training program that targeted several subjects from technical issues to leadership skills and teamwork.

Policies and Procedures

As we always keep our shareholders' interests at heart, our company is determined to enhance and improve our policies and procedures. For that matter, several policies and procedures have been enhanced and improved in order to insure our staff's efficiency and productivity. These policies and procedures are also in respect with the Palestinian law in order to guarantee the personnel's rights. The most important policies reviewed in 2004 have been those concerning the organizational structure of the company as well as the personnel and administrative policies and procedures.

It is also important to note that we have been evaluating those policies and procedures throughout the year and continuously worked on their development and improvement.

Our Relationship with the PNA & Local Authorities

The Palestine Electric Company/Gaza Power Generating Company (PEC/GPGC) continuously aims to maintain and strengthen its ties with the Palestinian National Authority (PNA), Ministry of Energy and Natural Resources (MENR), and all related parties by encouraging communication and cooperation on all levels.

In light of obstacles that arise due to the prevailing political situation, PEC/GPGC believes in joining forces with its partners and contacts to overcome these obstacles and to jointly plan for the future of the energy sector in Palestine in general and Gaza strip in particular, thus ensuring the benefit of the Palestinian public as a priority.

During 2004, GPGC took part in seminars and local meetings alongside MENR and the Gaza Power Distribution Company to clarify queries from the public regarding issues such as the power shutdowns, price of electricity to the final users and other topics of specific concern to the Palestinian public. We also prepared a detailed reply report to answer issues and queries raised in the report issued by the 'Budgeting and Financial Affairs Committee', which is one of the Palestinian Legislative Council's committees, concerning the power sector in Gaza strip.

Their report discussed in detail the Power Purchase Agreement (PPA) signed between the company and the PNA represented by MENR that gives PEC/GPGC the sole right to produce electricity.

Our reply report answers all the queries raised by the 'Budgeting and Financial Affairs Committee' through discussing issues such as the construction cost of the power plant and its capacity, the responsibilities and rights of the company, the delivery and storage of fuel to the power plant, the electricity production cost, the price of electricity to the end user, the ties with MENR and the dependence on Palestinian workers in the power plant.

Our reply report has been distributed to all members of the Palestinian Legislative Council and other related parties.




Our Relationship with the Community

PEC/GPGC believes in the importance of its role in the Palestinian community, being one of the prominent companies in Palestine. In its mission to aid and provide help to the Palestinian public and community in light of political happenings, PEC/GPGC undertook several social activities and sponsorships mainly:

- Contributed in easing the suffering of the Palestinians by providing donations during the first days of the holy month of Ramadan, in coordination with a local charity organization, for the locals in the Jabalia Camp who were affected by the Israeli intrusion into the camp during the end of the year 2004.
- Contributed in several economic activities, events and seminars such as the sponsorship of the 'Infrastructure Excellence' seminar in Gaza and supported the 'Palestinian Public Communication Centre' by helping them obtain the latest communication equipment.
- Coordinated with Palestinian universities and provided educational training programs for university students with related specializations, to help them satisfy the requirements for graduation.

In the company's attempt to maintain transparency of its activities to the Palestinian public and PEC shareholders, and in its goal to develop and enhance the image of the company within the community and reach the highest levels of competence and performance, PEC/GPGC undertook several PR & Marketing activities, mainly:

- The launch of the company website at www.pec-gpgc.com to allow the shareholders and the general public to stay informed and updated with the latest company news, development, financial status and accomplishments.
- The company management has encouraged the local media and press and helped in transmitting to the public a clear and realistic picture of the company's successes, current situation and problems it faces.
- The launch of the company's first quarterly e-newsletter that encompasses the latest company news, activities, a brief on the financial status and performance and technical highlights for the quarter.



2005 Aspirations & Objectives

Financial and Commercial Objectives

Objectives:

- Maximize shareholders value.
- Ensure a steady growth rate.
- Reduce Operational Costs.
- Establish an Internal Audit department.

Action Plan:

Due to the importance and criticality of our tasks, the Financial and Commercial department will be working throughout the year 2005 on the implementation of its goals.

- By increasing its staff efficiency and productivity, GPGC will reduce its costs. For that purpose, several high-qualified training programs will be carried throughout the year of 2005.
- One of the main problems facing GPGC is the delay in payments by the PNA which results from the fact that the PNA is facing great difficulty in collecting electricity bills and therefore has accumulated significant amounts in outstanding payments to GPGC. For that purpose, GPGC will run an intensive awareness campaign, aiming at educating people regarding the importance of keeping current in their payments, as well as the citizens' duties towards the building of a successful and efficient energy infrastructure system in Gaza.
- The reduction of operational costs is a vital issue for GPGC efficiency. For that purpose, GPGC will intentionally strive at reducing and optimising costs through the enforcement and control of its strict policies and procedures regarding planning and budgeting.
- GPGC will be working on the establishment of an Internal Audit Department with its manuals, procedures and charter, in order to insure efficiency and cost reduction policies.

Administrative Objectives

The Administration department at PEC/GPGC has undergone remarkable developments and has achieved the highest standards applicable in International companies in terms of its internal policies and procedures and all staff related matters.

2005 will encompass several targets within the Administration department, including the following main objectives:

Objectives:

- Increase staff efficiency.
- Provide the best technical and professional assistance for staff.
- Support employees in the development of their skills.
- Enforce policies and procedures within GPGC.
- Using the most advanced applications and facilities in HR management field.

Action Plan:

- Staff training program according to each individual's related area of work and training requirements (including technical training).
- Cooperate with national academic institutions regarding the staff training programs.
- Work with the Internal Audit Department to ensure the implementation of company policies and procedures.
- Finalize the ongoing electronic HR management project in coordination with the IT Department and training of staff.

Public Relations and Marketing Objectives

The public relations and marketing department at Gaza Power Generating Company has identified the main goals and objectives for the year 2005, with the aim of maintaining transparency and enhancing communication with the public.

Objectives:

Our main objectives are:

- Strengthening shareholders trust in the company.
- Developing and enhancing the company's relation with the Palestinian public and related parties.
- Supporting the Palestinian community socially and economically.
- Raising public awareness regarding the company's activities and clarify its role in the process of generating and providing electricity.

Action Plan:

In order to accomplish our goals, the public relations and marketing department has set a detailed time plan for all its activities for the year 2005.

The main activities are as follows:

- Launching the new company modified website that will encompass conclusive information about the company, latest news and activities in English and Arabic.
- Enhancing our public communication tools to facilitate responding to questions and queries via electronic mail and our website, in addition to holding regular seminars and conferences.
- Continuing our efforts in maintaining and strengthening our ties with the Palestinian National Authority and all related government parties.
- Assisting the PNA by communicating with the Palestinian public to clarify the importance of building Gaza energy infrastructure and the citizen's role and duties towards building a successful and efficient system.
- Further plans to enhance our role in the community through sponsoring of main local events and participating in activities and happenings in different fields.
- Managing an 'Awareness campaign' in order to explain the mechanism of production and distribution of power in Gaza, thus clarifying GPGC's position as a provider of electricity and not responsible for transmission.

Technical Objectives

Future Expansion for Gaza Power Plant

The peak power demand experienced in Gaza during December 2004 was about 196 MW, and the summer peak could be higher. Thus the current peak demand exceeds the nominal output of the Gaza 140 MWCCPP.

GPGC is currently studying the expansion of Gaza Power Plant to meet the demand for Gaza Strip and potential export to the West Bank.

Conversion to Natural Gas

The Facility is designed to operate on distillate Fuel and natural gas. Currently, the Facility operates on distillate Fuel. If natural gas supplies become available in the Gaza Strip for delivery to the Facility, it is more economical to use natural gas as the primary Fuel in the Facility to operate the gas turbines. A considerable saving to PENRA is expected which will reduce the cost of kwh to the customers.

The expected annual consumption for natural gas for Gaza's 140 MW Combined Cycle Power Plant is 7.6 bcf/yr.

GPGC Management and technical staff are currently extending their sincere efforts for obtaining natural gas for the power plant in the near future.