

SECURITIES ACT 2001

SECURITIES (REGISTRATION STATEMENT) RULES NO. 2 OF 2002

IN EXERCISE of the powers conferred on it by sections 97, 161 and 162 of the Securities Act 2001, the Commission makes the following procedural rules and specifies the form of the registration statement.

CITATION AND COMMENCEMENT

1. These rules may be cited as the Securities (Registration Statement) Rules No. 2 of 2002 and shall come into force on the date issued by the Commission.

INTERPRETATION

2. In these rules:

'Commission' means the Eastern Caribbean Securities Regulatory Commission

'Reporting Issuer' refers to reporting issuers as described in section 97 of the Securities Act.

'Securities Act' means the Securities Act 2001.

REPORTING ISSUERS

3. (a) Reporting issuers are required to register with the Commission in accordance with s.97 (2) of the Securities Act 2001.
(b) Reporting issuers incorporated subsequently to the prescribed time must register with the Commission within ninety (90) days of the date of incorporation.

REGISTRATION STATEMENT

4. It is unlawful for any person to issue securities unless a registration statement in the form prescribed in the schedule has been filed with the Commission along with the fee payable under the Securities (Licences and Fees) Regulations, and has been approved by the Commission.
5. Registration statements must be updated annually in accordance with s.97 (4) of the Securities Act 2001.
6. The following documents shall accompany the registration statement:

- (a) Formation documents (Memorandum and/or Articles of Association and/or By-laws of the reporting issuer)
 - (b) Certificate of Incorporation
 - (c) Audited financial statements for the past three (3) financial years
 - (d) Year to date un-audited financial statements
 - (e) Prospectus
7. Any statement contained in the registration statement or accompanying documents which is false or misleading or which the reporting issuer has reasonable grounds to believe is false or misleading or which, by reason of the omission of some fact or other information, is rendered false or misleading is a contravention of section 121 of the Securities Act 2001.

Instructions for Preparation of Registration Statement

GENERAL INFORMATION

1. The Company

The company should provide basic company information such as exact corporate name, date and place of incorporation, contact information, principal activities and any exceptional factors that have influenced its activities. Describe those aspects of the business, which are presently in operation and declare any future plans.

2. Risk Factors

Avoid generalised statements. Include only those factors that are unique to the company. No specific number of risk factors needs to be indicated. Attach additional sheets of paper as needed. Typical risk factors include untested products, cash flow and liquidity problems, dependence on a key supplier or customer, management inexperience, nature of business, absence of a trading market (specific to the securities of the company), etc.

3. Offering Factors

The information provided should be a summary of past offers of the company and details of the current offer. Provide a description of the class of securities issued and the rights attaching to them including, where applicable, voting, dividends, return on capital on the winding up of the issuer, redemption, interest payable and repayment of principal. Include the procedure for the exercise of any right as well as the date(s), if any, on which entitlement to dividends or interest arises. Parts I, II, III, IV and V are applicable to registrants of new offers; Part VI is applicable to new registrants with outstanding issues that were not registered with the Commission; Part III (1) applies to all registrants.

4. Use of Proceeds

Uses of proceeds should be stated with a high degree of specificity. Suggested categories include working capital, debt reduction, capital expenditures, acquisitions and any other relevant category. If a substantial amount is allocated to working capital, identify sub categories for use of funds.

5. Capitalisation and Description of Securities

Capitalisation should be shown as of a date no earlier than the most recent financial year-end.

6. Officers and Key Personnel of the Company

Apart from the top management team, companies have considerable flexibility in identifying key personnel. If information about key personnel, beyond that relating to top management, is not relevant to the valuation of the firm, such information may be omitted. The top management team is broadly defined as Chief Executive Officer, Managing Director, and Chief Financial Officers. Similar positions must also be identified.

7. Substantial Stockholdings

Individuals or corporations owning in excess of 5 per cent of the company should be identified.

8. Financial Statements

Audited financial statements prepared in accordance with International Accounting Standards should be included. Balance sheets, income statements and statements of cash flows are to be attached, as well as any other financial statements deemed relevant by the auditors. A complete auditor's report must be submitted. The financial statements should reflect any bonus securities, stock dividends and recapitalisations that have occurred in the previous 12 months. New registrants and registrants of new issues must provide financial statements for the last three financial years. Registrants fulfilling the annual reporting requirement need only provide the current financial statements. New companies are required to provide pro-forma financial statements for three financial years.

9. The registration statement along with accompanying documentation must be filed with the Commission at its address:

The Secretary
Eastern Caribbean Securities Regulatory Commission
ECCB Financial Complex
P O Box 1855
Basseterre
St Kitts

ISSUER REGISTRATION STATEMENT
Section 97(2) (3) (4) of the Securities Act 2001

REGISTRATION STATEMENT RS-1

Select One: Notice of Sale of Securities Initial Registration Annual Registration

Grenada Electricity Services Ltd

(Exact name of Company as set forth in Certificate of Incorporation)

Place and date of incorporation: **Grenada**

Street and postal address of registered office: **Halifax Street, St. George's, Grenada**

Company telephone number: **(473) 440-3391**

Fax number: **(473) 440-4106**

Email address: **mail@grenlec.com**

Financial year-end: **December 31, 2009**
(month) (day) Year

Contact person(s): **Vernon Lawrence**

Telephone number (if different from above): (_____) _____

Fax number: (_____) _____

Email address: **vlawrence@grenlec.com**

This Company:

- Has never conducted operations.
 - Is in the development stage.
 - Is currently conducting operations.
 - Has shown a profit in the last financial year.
 - Other (Specify): _____
- (Check at least one, as appropriate)

Has the company applied for listing on the Eastern Caribbean Securities Exchange [] Yes [] No

Date of Issue of this Registration Statement: **March 31, 2010**

THIS DISCLOSURE DOCUMENT CONTAINS ALL OF THE REPRESENTATIONS BY THE COMPANY CONCERNING THIS OFFERING, AND NO PERSON SHALL MAKE DIFFERENT OR BROADER STATEMENTS THAN THOSE CONTAINED HEREIN. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS DISCLOSURE DOCUMENT, OR THE PROSPECTUS PUBLISHED IN RESPECT OF THIS ISSUE. INVESTMENT IN BUSINESSES INVOLVES A CERTAIN DEGREE OF RISK, AND INVESTORS SHOULD NOT INVEST IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR INVESTMENT IN ITS ENTIRETY. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

This Disclosure Document, together with Financial Statements and other Attachments, consists of a total of _____ pages.

**PART I
OFFER STATISTICS FOR SECURITIES OFFERING**

Type of securities offered: _____

Maximum number of securities offered _____

Minimum number of securities offered _____

Offer Price Per Share _____

Total proceeds: If maximum sold: \$ _____ If minimum sold: \$ _____

Offered Securities as a percentage of issued and outstanding Securities _____

Market Capitalisation at Offer Price _____

Price Earnings Ratio _____

Date of Opening of Subscription List _____

Date of Closing of Subscription List _____

Is a commissioned selling agent selling the securities in this offering? [] Yes [] No

If yes, what commission is charged? _____ %

Is there other compensation to selling agent(s)? [] Yes [] No

Is there an escrow of proceeds until minimum is obtained
and allocations made? [] Yes [] No

Copies of the Prospectus in respect of which this form is issued can be obtained from:

(name and address)

Person(s) to contact at the company with respect to this offering:

This offering has been registered for offer and sale in the following territories:

Territory

Effective Date

NOT APPLICABLE

**PART II
OFFERING PRICE FACTORS**

1. If the securities offered are common stock, or are exercisable for or convertible into common stock, the following factors may be relevant to the price at which the securities are being offered.

2. What were net, after-tax earnings for the last financial year? (If losses, show in parenthesis.)

Total \$ _____ (\$ _____ per share)

3. If the company had profits, show offering price as a multiple of earnings.

$$\frac{\text{Offering Price Per Share}}{\text{Net After-Tax Earnings Last Year Per Share}} = \text{ (price/earnings) }$$

4. (a) What is the net tangible book value of the company? (If deficit, show in parenthesis.) For this purpose, net tangible book value means total assets (exclusive of copyrights, patents, goodwill, research and development costs and similar intangible items) minus total liabilities.

\$ _____ (\$ _____ per share)

(b) State the dates on which the company sold or otherwise issued securities during the last 12 months, the amount of such securities sold, the number of persons to whom they were sold, any relationship of such persons to the company at the time of sale, the price at which they were sold and, if not sold for cash, a concise description of the consideration.

5. (a) What percentage of the outstanding securities of the company will the investors in this offering have? (Assume exercise of outstanding options, warrants or rights and conversion of convertible securities, if the respective exercise or conversion prices are at or less than the offering price).

If the maximum is sold: _____ %

If the minimum is sold: _____ %.

- (b) What post-offering value is management implicitly attributing to the entire company by establishing the price per security set forth under Part I, or exercise or conversion price if common stock is not offered? (Total outstanding securities after offering times offering price, or exercise or conversion price if common stock is not offered.)

If maximum is sold: _____ %

If minimum is sold: _____ %.

NOT APPLICABLE

**PART III
DESCRIPTION OF SECURITIES**

1. Description of Share Capital

a) Authorised

TYPE/CLASS	AMOUNT
Ordinary Share	25,000,000

(c) b) Issued

TYPE/CLASS	AMOUNT
Ordinary Share	19,000,000

2. The securities offered hereby are:

NUMBER TYPE

- [] Common Stock
- [] Preferred or Preference Stock
- [] Notes, Bonds or Debentures
- [] Other

3. These securities have:

Yes No

- Cumulative voting rights
- Other special voting rights
- Pre-emptive rights to purchase in new issues of securities
- Preference as to dividends or interest
- Preference upon liquidation
- Other special rights or preferences (specify):

Explain:

4. Are the securities convertible? Yes No

If so, state conversion price or formula.

Date when conversion becomes effective: ___/___/___

Date when conversion expires: ___/___/___

5. Provide details of any bonus securities or stock dividends in the last two years

**PART IV
USE OF PROCEEDS**

1. The following table sets forth the use of the proceeds from this offering:

	If Minimum	%	If Maximum	%
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	\$ _____	100%	\$ _____	100%
Total Proceeds				
Less: Offering Expenses				
Commissions and Finders Fees	_____		_____	
Legal & Accounting	_____		_____	
Copying & Advertising	_____		_____	
Other (Specify):	_____		_____	
Net Proceeds from Offering	_____		_____	
Use of Net Proceeds	_____		_____	
	_____		_____	
	_____		_____	
	_____		_____	
	_____		_____	
	_____		_____	
	_____		_____	
	_____		_____	
	_____		_____	
	_____		_____	
	_____		_____	
Total Use of Net Proceeds	_____	<u>100%</u>	_____	<u>100%</u>

2. (a) If funds from sources other than this offering are to be used in conjunction with the proceeds from this offering, state the amounts and sources of such other funds, and whether the funds are firm or contingent. If contingent, explain.
- (b) If any material part of the proceeds is to be used to discharge indebtedness, describe the terms of such indebtedness, including interest rates. If the indebtedness to be discharged was incurred within the current or previous financial year, describe the use of the proceeds of such indebtedness.

- (c) If any material amount of the proceeds is to be used to acquire assets, other than in the ordinary course of business, briefly describe and state the cost of the assets and other material terms of the acquisitions. If the assets are to be acquired from senior officers, directors, employees or principal stockholders of the company or their associates, give the names of the persons from whom the assets are to be acquired and set forth the cost to the company, the method followed in determining the cost, and any profit to such persons.
- (d) If any amount of the proceeds is to be used to reimburse any senior officer, director, employee or stockholder for services already rendered, assets previously transferred, or monies loaned or advanced, or otherwise, provide the name(s) of employee(s) and stockholder(s) and the terms of the transaction.

**PART V
PLAN OF DISTRIBUTION**

1. Applications will be accepted for a minimum of _____ securities and thereafter in multiples of _____

2. If Applications for securities exceed the number being offered, indicate how the allocations will be made:

3. If application is not accepted or is accepted for a smaller number of securities than applied for, will the balance of the application money be returned with/without interest to the applicant.

4. The underwriter(s) or selling agent(s) (that is, the persons selling the securities as agent for the company for a commission or other compensation) in this offering are:

Name: _____	Name: _____
Address: _____	Address: _____
Telephone No.: () _____	Telephone No. () _____
Fax No () _____	Fax No: () _____
Email Address: _____	Email Address: _____

5. Underwriting Details (Commissions, Over-allotment Options, Responsibility for Unsold Securities, Services Provided, etc)

6. If this offering is not being made through selling agents, the names of persons at the company through which this offering is being made:

Name: _____	Name: _____
Address: _____	Address: _____
Telephone No.: () _____	Telephone No. () _____
Fax No () _____	Fax No: () _____
Email Address: _____	Email Address: _____

7. (a) If this offering is limited to a special group, such as employees of the company, describe the limitations and any restrictions on resale that apply:

(b) Will the securities offered be held in physical form or in a book-entry dematerialised form.

(c) Will the securities (if held in physical form) or the electronic record (if held as a book entry position in dematerialised format) bear a legend notifying holders of restrictions identified in Part V (7)(a)?

Yes No

(d) Explain the nature of any resale restrictions on outstanding securities, and when those restrictions will terminate, if this can be determined:

**PART VI
OFFER STATISTICS FOR REGISTRATION**

8. For issues of securities within the past five years indicate the type of securities offered:

Secured 10 year amortizing 7% Bond, principal repayments by

 40 equal quarterly instalments.

Is the offering still open? *Yes* *No*

Amount Subscribed: \$45,800,000

Date of Opening of Subscription List 17th December 2007

Date of Closing of Subscription List 18th December 2007

Price per security: \$ 5,000 – Minimum subscription

Total proceeds: \$ 47,695,000

Was the offering: Over-subscribed Under-subscribed

This offering was registered for offer and sale in the following territories:

Territory	Effective Date
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

PART VII THE COMPANY

4. (a) Provide brief history of the company since its inception to the present time.

Grenada Electricity Services Ltd (Grenlec) was incorporated under the provision of the Companies Ordinance (Chp. 47 of the Revised Laws of Grenada, 1934). The Company was created as a private company by an Act passed in the Grenada Legislative Council on November 7th 1960. The Electricity Supply Ordinance No. 25 of 1960 gave Grenlec the sole and exclusive license to generate, transmit, distribute and sell electricity on the island during a period of eighty (80) years from January 1st 1961.

Grenlec was initially a subsidiary of the Commonwealth Development Corporation (CDC) with the Government of Grenada as a shareholder. Electricity Service, which started in 1928, was at the time controlled by the Government of Grenada under the Public Works Department. In 1982, the Government of Grenada bought the CDC's shares and became the sole owner of the Company.

The company was converted into a Public Limited Company in September 1994 through a partnership between WRB Enterprises, the Government and the people of Grenada. The Government of Grenada concluded a Share Purchase Agreement in 1994 with WRB Enterprises Inc. of Tampa Florida, for the purchase of 7.5M (50%) shares in Grenlec for the sum of EC\$15M. An integral part of the Purchase Agreement was that both the Government of Grenada and WRB Enterprises Inc. would each purchase 2M additional new shares for the sum of EC\$4M. Both purchases were concluded on September 26th 1994.

The Electricity Supply Act of 1994 gives Grenlec the exclusive rights to generate, transmit, distribute and sell electricity for consumption in Grenada, Carriacou and Petit Martinique until 2073. The Electricity Supply Act of 1994 substantially re-enacts the old Ordinance. In addition, the new Act adds provisions for the protection of consumers and sets out the statutory rates to be charged for electricity with a mechanism for the annual adjustments of the rates based on the Retail Price Index (RPI – X) where RPI is the Retail Price Index published annually by the Government and X is a factor of 2. This formula is applicable only during the first ten (10) years of the license. On November 8, 1996 Grenlec was issued a certificate of continuance under Section 365 of the Companies Act.

Generation and Distribution Facilities

Prior to privatisation in 1994, the company had an installed capacity of 21.0MW with peak demand of 11.94MW, total sales of 63,244MWh and 24,455 customers. The company was growing at an average rate of 8% over

the first ten years subsequent to privatization. However, after the hurricane in 2004 sales contracted and in 2004 and 2005 there was a decline comparative to 2003. In 2006 and 2007 the trend of growth was restored with increases in kWh unit sales over the previous year of 14.73% and 9.39% respectively. Growth in the last two years has declined to 4.41% and 2.82% respectively mainly due to the impact of the global economic recession. The customer base at December 31, 2009 was 42,928 and there was a peak demand in the year of 30.46MW compared to the 29.37MW of 2008.

Generation Assets

In 2006 the company commissioned two new 8MW Wartsila generating units that brought the installed capacity to 49.7MW. This meant that over the last six years new generating capacity of 31.5MW has been installed. At the same time the company has been decommissioning the older units that were at the old power plant. The 'B' plant that was constructed to house 5 new generators, engine auxiliaries, new control room and switchgear facility is now up to its full capacity. As a result future developments with regards to new generators will have to be undertaken at the old power plant.

In 1999 a new power station and distribution facility was commissioned in Carriacou providing availability in excess of 99%. The facility comprises three new generator sets of a rating of 750KW each, which will provide sufficient generating capacity for the foreseeable future. The company is seeing modest growth in demand in Carriacou with an average growth of 2.5% over the last five years.

Early in 2000 the company established a Planning and Engineering Department whose role is to co-ordinate the future technical development of Grenlec. Projects overseen include the construction of a transmission system to meet the growing demand of customers in specific areas completed in 2010 and the implementation of a Geographical Information System (GIS).

- (b) Provide a description of the developments in the company's main line of business including accomplishments and future plans.

Some of the developments over the years are incorporated in the above responses. With regards to future plans the company has continued to increase its generating capacity in keeping with growth in demand. At present the generating capacity is sufficient to meet current demands. Given current growth the company is planning for an increase in its generating capacity in 2011. This will most likely begin with a new power

plant at its Queen's Park facility with one new generator installed with a capacity in the region of 8MW.

In order to meet the growth in demand in the south of the island it was necessary to develop a transmission network. This network consists of a 33/11KV substation at Queen's Park and another at Grand Anse and two – 33KV transmission lines linking the two substations.

During the restoration program the company took the opportunity to build one of the 33KV transmission lines. The substations and second line were commissioned in August, 2010 The first transmission line was completed in September 2005 but because it was not yet ready for operation at 33KV it was energised at 11KV and now serves as an express feeder at 11KV to transmit power to the south.

In December 2007 Grenlec raised ECD47.7M in a bond issue. The purpose of the funds raised was to pay off higher interest debt and to fund capital expenditure relating to the Transmission System. Payments have been made in accordance with the agreement and at the end of December 2009 there was a principal balance of \$38.15M.

In July 2008 the company marked a milestone occasion with the listing of its shares on the Eastern Caribbean Stock Exchange (ECSE). This meant that shareholders no longer have to engage in private treaties in the buying and selling of their shares. The value of their shares is also readily available on the ECSE website. The delay in the listing of the shares had been as a result of legal impediments in Grenada that were only removed in late 2007 thereby allowing the company to pursue the listing which it had always been willing to do.

World fuel prices reached record levels in 2008 and alternative sources of energy thus became more viable and as such are being actively explored, particularly as it relates to renewable energy. Specifically, the company has focused on wind and geothermal as the most viable of these options and we are in the process of carrying out tests to determine the feasibility of establishing a wind farm. Two locations have been identified in Grenada and one in Carriacou with a view to determining if the wind regime will be adequate to support the generation of electricity.

- (c) Describe in detail what business the company does and proposes to do, including what products or goods are or will be produced or services that are or will be rendered.

Grenada Electricity Services Limited is the sole provider of Electric Power in Grenada, Carriacou and Petit Martinique. The company by Act 18 Of

1994 has the authority to generate and distribute electricity throughout the tri Island state

- (d) Describe how these products or services are to be produced or rendered and how and when the company intends to carry out its activities. If the company plans to offer a new product(s), state the present stage of development, including whether or not a working prototype(s) is in existence. Indicate if completion of development of the product would require a material amount of the resources of the company, and the estimated amount.

The company is already in operation and there are no plans for the production of new products.

- (e) Describe specifically the marketing strategies the company is employing or will employ in penetrating its market or in developing a new market. Indicate how and by whom, its product or services are or will be marketed (such as advertising, personal contact by sales representative, etc.), how its marketing structure operates or will operate and the basis of its marketing approach including any marketing studies.

As part of the Company's plan to supply all household with electric power it continues to embark on programs aimed at making power available to all. As part of its strategy of allowing for alternative energy the company has developed an interconnection policy and started the piloting of customer owned grid connected photovoltaic projects with satisfactory results.

- (f) Describe generally the principal properties (such as real estate, plant and equipment, patents, etc.) that the company owns, indicating also what properties it leases and a summary of the terms under those leases, including the amount of payments, expiration dates and the terms of any renewal options. Indicate what properties the company intends to acquire in the immediate future, the cost of such acquisitions and the sources of financing it expects to use in obtaining these properties, whether by purchase, lease or otherwise.

Electric power generators, distribution lines, , power plant and distribution offices - lands at Grand Anse, Queen's Park, Woodlands and Carriacou and Petit Martinique -heavy and light motor vehicles including pole planting and digging equipment and computers and related network are owned by the company. The administrative offices were sold in 2008 in a sale and lease agreement with the current owners. The annual lease is ECD 480K. Grenlec has plans to construct its own administrative building beginning as early as 2010.

- (g) Description of the industry in which the company sells its products or services. (Where applicable, include any recognised trends within that industry. Describe that part of the industry and the territory in which the business competes).

Electric power is sold locally to Domestic, Commercial and Industrial Customers.

- (h) Indicate current and future forms of competition, (whether by price, service or otherwise). Name the company's main actual and/or potential competitors. Indicate the relative size, financial and market strengths of the company's competitors and/or its anticipated competitors. State bases on which the company can effectively compete with these and other companies within the industry.

Currently Grenada Electricity Services Ltd. is the sole supplier of Electric Power. However, the previous Government of Grenada made several public pronouncements about the liberalisation of the electric industry. This could involve the introduction of independent producers to generate and sell power to selected customers by competing on price and service, and to allow self generation by companies who wish to do so. The new government elected in July 2008 has not given any indication to date that they are likely to follow this lead. However, we have been active participants in discussions relating to the development of an energy policy.

- (i) Indicate the extent to which the company's operations have depended or are expected to depend upon patents, copyrights, trade secrets, know-how or other proprietary information. Describe the steps taken to secure and protect the company's intellectual property. (Include use of confidentiality agreements, covenants-not-to-compete and the like).

Presently, no other entity can produce electricity without the consent of Grenada Electricity Services Limited. Customers are only allowed to use their plant for standby power and not for normal operation.

- (j) State whether the company's business, products or properties have been subject to material regulation (including environmental regulation). Indicate the nature and extent of regulation and its effect or potential effects upon the company and its operations.

Currently there are provisions for a Public Utilities Commission.

At present Grenada Electricity Services Limited is servicing two loans from the European Investment Bank and as part of the terms and conditions of

these loan agreements must meet the standards on environmental issues. These standards are based on World Bank or National standards wherever they exist. They ensure that the Company operates with minimum negative impact on the environment.

- (k) State names of the company's subsidiaries. Outline their business purposes. Give names of primary owners. (Indicate whether this information is included in the Financial Statements attached hereto).

Grenada Electricity Services Limited has no subsidiaries

- (l) State whether the company is a subsidiary. If so, describe the business of the parent company. Indicate what percentage of the company is owned by the parent.

The company is a subsidiary of Grenada Private Power Limited (GPP) which is a subsidiary of WRB Enterprises Inc. and owns fifty percent (50%) of the shares in Grenada Electricity Services Limited. WRB Enterprises Inc, owns majority shares in GPP and is one of the largest privately owned holding companies in Tampa, Florida. The company owns an investment portfolio that includes electric utilities in Grand Turk, cable companies, banking, real estate, desalination and portable water facilities and telecommunication companies. In 2003 WRB purchased a 50% shareholding in Domlec

- (m) Summarise the material events in the development of the company including any material acquisitions or mergers during the past five years.

In 2005 the second of two hurricanes in two years struck Grenada. Its impact was not as severe as the first when 90% of the distribution system was damaged. Since then the company has been making its annual provision of \$2M and the hurricane fund at the end of 2009 was \$8M.

In 2008 the company was able to recover fuel revenue that had been under-recovered dating back to 2004. This occurred as world fuel prices fell to four year lows below USD40 per barrel by December 2008.

5. List in order of importance the factors, which are the most substantial risks to an investor (i.e., those factors which constitute the greatest threat that the investment will be lost in whole or in part, or will not provide an adequate return).

(1) Natural disasters such as a hurricane can pose a challenge to investors and other stakeholders. This has shown itself clearly in 2004 with the impact of Ivan and to a lesser extent in 2005 with Emily.

(2) The deregulating of the electric industry can also be a challenge since it has not yet been tested in the Eastern Caribbean.,

(3) Sharply increasing fuel prices can also over the short run impact on the company's cash flow and profitability.

(4) _____

(5) _____

(6) _____

(7) _____

(8) _____

Attach Additional Sheets if needed

3. Indicate whether the company is having or anticipates having within the next 12 months any cash flow or liquidity problems and whether or not it is in default or in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the company to make payments.

Grenlec is not in default nor in breach of any note, loan, lease or other indebtedness or financing arrangement requiring the company to make payments. In fact even after two hurricanes the company was able to meet all of its obligations in accordance with all existing agreements. Additionally, the Company has continued to meet and in most cases significantly exceed the covenants set by these financial institutions. At the end of 2009 the company had a net cash balance of \$9.93M and a current ratio of 2.37. We do not anticipate any cash flow or liquidity problems over the next twelve months.

4. Indicate whether proceeds from this offering will satisfy the company's cash requirements for the next 12 months, and whether it will be necessary to raise additional funds. State the source of additional funds, if known.

Not Applicable

**PART VIII
CAPITALIZATION**

5. Indicate the capitalisation of the company as of the most recent balance sheet date (adjusted to reflect any subsequent stock splits, stock dividends, recapitalisations or refinancing) and as adjusted to reflect the sale of the minimum and maximum amount of securities in this offering and the use of the net proceeds therefrom:

	Amount Outstanding		
	As of:	<u>As Adjusted</u>	
	<u>31/ 12 /2009</u>	<u>Minimum</u>	<u>Maximum</u>
Debt:			
Short-term debt (average interest rate <u>6.44%</u>)	\$ <u>8,046,736</u>	\$ _____	\$ _____
Long-term debt (average interest rate <u>6.68%</u>)	\$ <u>55,475,419</u>	\$ _____	\$ _____
Total debt	\$ <u>63,522,155</u>	\$ _____	\$ _____
Stockholders equity (deficit):			
Preferred stock - par or stated value (by class of preferred in order of preferences)			
	\$ <u>-</u>	\$ _____	\$ _____
Revaluation	\$ <u>-</u>	\$ _____	\$ _____
Reserves			
Hurricane	\$ _____	\$ _____	\$ _____
Insurance Reserve			
Common stock--par or stated value	\$ <u>32,339,840</u>	\$ _____	\$ _____
Additional paid in capital	\$-----	\$ _____	\$ _____
Retained earnings (deficit)	\$ <u>37,203,608</u>	\$ _____	\$ _____
Total stockholders equity (deficit)	\$ <u>69,556,853</u>	\$ _____	\$ _____
Total Capitalisation	\$ <u>133,079,008</u>	\$ _____	\$ _____

6. Capital Commitments and Contingent Liabilities

a	Unfunded Pension Liabilities	None
b	Letters of Credit	None
c	Performance bonds	None
d	Guarantees and Warranties	None
e	Un-drawn commitments	\$ -
f	Letters of Comfort	None
g	Capital Commitment	\$-
h	Others	\$50,000. in customs bonds.

**PART IX
DIVIDEND POLICY**

7. If the company has within the last five years paid dividends, provide the following:

DATE	AMOUNT	% OF NET INCOME	DIVIDEND PER SHARE
2009	8,360,000.00	86.94	0.44
2008	8,360,000.00	56.24	0.44
2007	7,600,000.00	92.18	0.40
2006	4,940,000.00	61.15	0.26
2005	0.00	-----	-----

8. Outline any projections or plans for payment of dividends over the next two years?

Grenlec's dividend payments are made quarterly based on the Board of Directors assessment of actual performance. Generally, the intention is to at least maintain the level of dividends as per the previous year. Dividend payments have been maintained at \$0.44 per share over the last two years despite the world economic downturn which saw a decline in sales growth. While there are no plans to increase the dividend payment in 2010 this is quite likely given the history of the company if the actual performance is supportive of it.

**PART X
OFFICERS AND KEY PERSONNEL OF THE COMPANY**

1. EXECUTIVE OFFICERS

Position: **Managing Director / CEO**

Name: **Vernon Lawrence**

Age: 58

Mailing Address: Halifax Street, P O Box 381, St. George's, Grenada

Telephone No.: (473) 440 – 9425

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

Managing Director- Grenada Electricity Services Ltd.

General Manager – Grenada Electricity Services Limited (2002 – 2004)

Managing Director – Jamaica Public Services Co. Ltd 2000 – 2001

Senior Director Customer Services – Jamaica Public Service Company Ltd. 1994 - 2000

Education (degrees or other academic qualifications, schools attended, and dates):

MBA – University of the West Indies 1991

BSc Electrical Engineering (1st Class Hons.) University of the West Indies 1976

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

Position: **Customer Services Manager**

Name: Cassandra Slocombe

Age: 36

Mailing Address: Halifax Street, P O Box 381, St. George's, Grenada

Telephone No.: (473) 440-3391

List jobs held during the last five years. Give brief description of responsibilities. Include names of employers.

Customer Services Manager January 2005 -

. Quality Management / Human Resources Representative - Caribbean Agro Industries - 1997 - 2005

1. Management of customer service activities

Education (degrees or other academic qualifications, schools attended, and dates):

Executive Diploma in Management UWI 1999

BSc Natural Sciences UWI 1997

Also a Director of the company [] Yes [**X**] No

If retained on a part time basis indicate amount of time to be spent dealing with company matters:

Use additional sheets if necessary.

Position: **Financial Controller**

Name: Benedict Brathwaite

Age: 48

Mailing Address: Halifax Street, P O Box 381, St. George's, Grenada

Telephone No.: (473) 440-8782

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Grenada Electricity Services Limited – Financial Controller

Grenada Electricity Services Limited – Finance Manager (1998 – 2005)

Responsibilities – Accounting operations, Budgeting and Cost Monitoring, Credit and Collections

Education (degrees or other academic qualifications, schools attended, and dates):

ACCA – Emile Wolfe 1990

BSc Economics UWI 1983

Also a Director of the company [] Yes [**X**] No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Position: Acting **Distribution Manager**

Name: Eric Williams

Age: 40

Mailing Address: Halifax Street, P O Box 381, St. George's, Grenada

Telephone No.: (473) 444-0910

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Grenada Electricity Services Limited – Acting Distribution Manager

Grenada Electricity Services Limited - Assistant Distribution Manager (2002 – 2004)

Grenada Electricity Services Limited – Customer Services Supervisor (2000 – 2002)

Responsibilities- Construction, Design. & Maintenance of the Distribution Systems

Education (degrees or other academic qualifications, schools attended, and dates) :

B'Eng (Hons) – Electrical & Electronic Engineering: London Southbank University 1994

MBA – St. George's University, 2009

3.

Position: **Human Resource Manager**

Name: Jacqueline Williams

Age: 42

Mailing Address: Halifax Street, P O Box 381, St. George's, Grenada

Telephone No.: (473) 440-8782

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

Grenada Electricity Services Limited – Human Resource Manager - 2006 - Present

People manager involved in the development of HR policies, conflict resolution, employee development and training, recruitment and selection and employee welfare.

Director, Human Resources & Industrial Relations – Southern Regional Health Authority – 2002-2006

Oversee the HR portfolio for three southern parishes in Jamaica as it relates to health services-clinics and hospitals. Supervise the recruitment and selection activities, administer salaries and benefit schemes. Manage the industrial relations climate to ensure harmony with Union and workers.

Education (degrees or other academic qualifications, schools attended, and dates):

Batchelor of Science, Professional Management – Nova University – 1995 - 1998

How to Manage Work Place Negativity – Jamaica Employers Federation - 2005

Managerial Behaviour & Team Effectiveness – Cornell University – 1999

Industrial Relations Practices – Tourism Product Development Company - 1996

Position: **Chief Engineer**

Name: Clive Hosten

Age 46

Mailing Address: Halifax Street, P O Box 381, St. George's, Grenada

Telephone No.: (473) 440-8371

List jobs held during past five years. Give brief description of responsibilities. Include names of employers.

Grenada Electricity Services Limited – Chief Engineer

Grenada Electricity Services Limited – Production Manager (1998 – 2005)

Grenada Electricity Services Limited – Electrical Engineer – 1993-1998

Education (degrees or other academic qualifications, schools attended, and dates):

BSc Electrical Engineering UWI 1988

MBA University of Bath 2003

Use Additional Sheets if Necessary

Position: Manager **Carriacou & Petit
Martinique**

Name: John Mc Donald

Age: 52

Mailing Address: Main Street, Hillsborough, Carriacou

Telephone No.: (473) 443-8383

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

Grenada Electricity Services Limited – Manager, Carriacou & Petit Martinique

Government of Grenada – Senior Administrative Officer 1997 – 1998

Education (degrees or other academic qualifications, schools attended, and dates):

Certificate in Public Administration UWI 1995

Also a Director of the company [] Yes [**X**] No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

2. DIRECTORS

Position: **Chairman**

Name: G Robert Blanchard Jr.

Age: 45

Mailing Address: 1414 Swann Avenue, Suite 201, Tampa Florida 33606

Telephone No.: (813) 251-3737

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

WRB Enterprise Inc. President

WRB Enterprise Inc. Executive Vice President

Education (degrees or other academic qualifications, schools attended, and dates):

BA in Political Science and Philosophy – Emory University, Atlanta CA

Also a Director of the company [] Yes [] No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Position: **Director**

Name: Malcolm C Harris

Age: 62

Mailing Address: 1414 Swann Avenue, Suite 201, Tampa, Florida 33606

Telephone No.: (813) 251-3737

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

WRB Enterprises Inc. - Chief Finance Officer

Education (degrees or other academic qualifications, schools attended, and dates):

Institute of Chartered Accountants – 1967

Institute of Taxation - 1968

University of Miami – Masters of Business Administration - 1978

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

Position: **Director**

Name: Arthur Campbell

Age: 58

Mailing Address: # 9 Young Street, P O Box 380, St. George's, Grenada

Telephone No.: (473) 440-8039

List jobs held during the past five years. Give brief description of responsibilities. Include names of employers.

General Manager Gravel, Concrete and Emulsion Corporation

Managing Director Home Pride Bakery

Education (degrees or other academic qualifications, schools attended, and dates):

MBA Financial Management 1999

Also a Director of the company Yes No

If retained on a part time basis, indicate amount of time to be spent dealing with company matters:

Use Additional Sheets if Necessary

2. Number of Directors: 12.

If Directors are not elected annually, or are elected under a voting trust or other arrangement, explain:

Four (4) Directors are elected annually, six (6) are appointed by Grenada Private Power, one (1) elected by the Government of Grenada and one (1) elected by the Employees

3. Summarise Articles of Association or Bylaws which are relevant to Directors

Four of the directors serve for a one year term and retire by rotation and are eligible for re-election, six are appointed by Grenada Private Power (GPP) one is elected by the Government of Grenada (GOG) then one is elected by the employees. A director is not required to hold a share qualification.

PART XI

SUBSTANTIAL STOCKHOLDERS

1. (a) Principal owners of the company (those who beneficially own more than 5% of the common and preferred stock presently outstanding whether directly or indirectly) starting with the largest common stockholder. Indicate by endnote any transaction where the consideration was not cash. State the nature of any such consideration.

SECURITIES NOW HELD:

Name: Address:	Class of Securities:	No. of Securities:	% of Total
Grenada Private Power	Ordinary Shares	9,500,000	50
Government of Grenada	Ordinary Shares	1,899,997	10
National Insurance Scheme	Ordinary Shares	2,204,838	12
Eastern Caribbean Holding Inc.	Ordinary Shares	2,162,640	11

- (b) Include all common stock issuable upon conversion of convertible securities and show conversion rate per share as if conversion has occurred. **NONE**

UPON CONVERSION:

Name: Address:	Class of Securities:	Conversion Rate:	No. of Securities upon Conversion	% of Total*

* Current holding of securities if conversion option were exercised.

SUBMISSION OF MATTERS TO A VOTE OF SHAREHOLDERS

If any matter was submitted during the past year (or is likely to be put forward in the next six months) to a vote of shareholders, through the solicitation of proxies or otherwise, furnish the following information:

- (a) The date of the meeting and whether it was an annual or special meeting.
 - (b) If the meeting involved the election of directors, the name of each director elected at the meeting and the name of each director whose term of office as a director continued after the meeting.
- a) **The date of the meeting was Wednesday May 13, 2009 and it was the Annual Meeting of Shareholders.**
- b) **Directors elected at the meeting were as follows:**
- **Claudette Joseph**
 - **Arthur Campbell**
 - **Alfred Logie**
 - **Raymond E Gittens**

The Directors whose term of office continued after the meeting were:

- **G. Robert Blanchard Jr.**
- **Malcolm Harris**
- **Vernon Lawrence**
- **Nigel Wardle**
- **Royston La Hee**
- **Ronald Roseman**
- **Robert Curtis**

The employees of Grenlec appointed Mr. Chester Palmer as their representative replacing Mr. Dyer Marquez

PART XII

LITIGATION

1. Describe any past, pending or threatened litigation or administrative action which has had or may have a material effect upon the company's business, financial condition, or operations, including any litigation or action involving the company's Officers, Directors or other key personnel. State the names of the principal parties, the nature and current status of the matters, and amounts involved. Give an evaluation by management or counsel, to the extent feasible, of the merits of the proceedings or litigation and the potential impact on the company's business, financial condition, or operations.

None

PART XIII

MISCELLANEOUS FACTORS

1. Describe any other material factors, either adverse or favourable, that will or could affect the company or its business (for example, outline any defaults under major contracts, any breach of by-law provisions, etc.). Include any details which are necessary to clarify any potentially misleading or incomplete information in this Registration Statement.

None

PART XIV

FINANCIAL STATEMENTS

1. Attach Auditor's Report. Attach current audited financial statements, audited financial statements for the last three financial years and the most recent un-audited financial statement if next audited statement is due in less than six months; or the most recent un-audited quarterly statement if the next audited statement is due in more than six months, or pro-forma financial statements, whichever is applicable. If the company has acquired another business since the beginning of the last financial year the assets or net income of which were in excess of 20% of those for the company, show pro-forma combined financial statements as if the acquisition had occurred at the beginning of the company's last financial year.

Attached are the audited financial statements for the year ended December 31, 2009.

PART XV

MANAGEMENT'S DISCUSSION AND ANALYSIS OF CERTAIN RELEVANT FACTORS

1. If the company's financial statements show losses from operations, explain the causes underlying these losses and what steps the company has taken or is taking to address these causes.

None

2. Describe any trends in the company's historical operating results. Indicate any changes now occurring in the underlying economics of the industry or the company's business, which, in the opinion of Management, will have a significant impact (either favourable or adverse) upon the company's results of operations within the next 12 months. Give a rough estimate of the probable extent of the impact, if possible.

The world economic downturn has impacted the Company's performance over the past two years. We have seen kWh sales growth decline to 4.41% in 2008 and 2.82% in 2009 respectively. This is significantly lower than the growth rates we saw prior to none hurricane years when it averaged over 7%. In 2009 the Gross Domestic Product (GDP) of Grenada declined by 7.70% which puts Grenlec's sales growth performance into context. Electricity sales were recorded against the backdrop of the fuel charge being lower than that of 2008 by some 42%, as world fuel prices though increasing for most of the year was less than in the prior year.

The Company continued to experience system losses in single digits for a fourth consecutive year with a loss of 9.20%. Low system losses have a positive impact on the profits of the Company as we are able to sell a higher number of units without necessarily seeing an increase in the generated units. As a result the Company has now adjusted its benchmark for system losses to 8.50% down from the previous 10%.

In 2009 the Company achieved its best ever fuel efficiency performance of 19.21 kWh's generated per imperial gallon of fuel utilized. Sustaining efficiency improvements in recent years has been vital to the Company to be able to maintain its profit levels in an environment of comparatively higher fuel prices. Any positive impact of fuel efficiency above the baseline established in the ESA is shared between the Company and the consumer, while any negative impact above the same baseline is borne by the Company alone. We are now seeing some of the benefits of having purchased generators over the years when the Company's focus was improved fuel efficiency as a key factor.

Profit before taxation and allocations of \$17.49M in 2009 were higher than that for any year other than 2008. This however, compares favourably to 2008 when one considers net fuel revenue of \$0.92M in 2009 as against \$6.76M in 2008 and the gain on the sale of the administrative building in 2008 of \$2.6M. Achieving this level of profitability with such a low growth rate is an indication of the sustainability of Grenlec's financial performance.

Grenlec continued along the path of exploring renewable energy in 2009 with particular attention being paid to wind and geothermal. The results to date from the wind loggers that were installed are encouraging as the wind regime in some instances surpassed our expectations. While wind is intermittent, geothermal on the other hand will provide base load capacity. Given the costs involved in such exploration, the Company has engaged the government in discussions so that a framework can be established to allow for the rights to access the requisite lands

**PART XVI
SIGNATURES**

A Director, the Chief Executive and Financial Officers of the company shall sign this Registration Statement on behalf of the company. By so doing each certifies that he has made diligent efforts to verify the material accuracy and completeness of the information herein contained. By submitting this Registration Statement to the ECSRC, each Director, the Chief Executive Officer and the Chief Financial Officer of the company agree to make himself available to each investor prior to the time of investment, and to respond to questions and otherwise confirm the information contained herein. The Directors, the Chief Executive Officer and the Chief Financial Officer hereby undertake to make the company's books and records, copies of any contract, lease or other document referred to in the Registration Statement, or any other material contract or lease (including stock options and employee benefit plans), except any proprietary or confidential portions thereof, and a set of the exhibits to this Registration Statement, available to each investor, prior to the making of any investment by such investor.

The Chief Financial Officer by signing this form is hereby certifying that the financial statements submitted fairly state the company's financial position and results of operations, or receipts and disbursements, as of the dates and period(s) indicated. The Chief Financial Officer further certifies that all financial statements submitted herewith are prepared in accordance with International Accounting Standards consistently applied (except as stated in the notes thereto) and (with respect to year-end figures) including all adjustments necessary for fair presentation under the circumstances.

Name of Chief Executive Officer:

Name of Director:


Vernon Lawrence

Arthur Campbell

Signature



Signature



Date

Date

Name of Chief Financial Officer:

Benedict Brathwaite

Benedict Brathwaite

Signature



Date

Made and issued this 30 day of March 2010.

.....
Crispin Sorhaindo
Chairman
Eastern Caribbean Securities Regulatory Commission