



July 7, 2014

PREPA ANNOUNCES AGREEMENT WITH LENDERS

San Juan, PR - The Puerto Rico Electric Power Authority (PREPA) today announced that its lenders who provide revolving lines of credit used to pay for purchased power, fuel and other expenses have agreed to not exercise remedies as a result of credit downgrades and other events. Under the agreements, PREPA may delay certain payments currently due until July 31, 2014.

Over the next few weeks, PREPA will continue discussions with the lenders and will use this period to evaluate various alternatives to improve its financial situation. The agreements place no limits on PREPA's ongoing operations. Payments due to employees and suppliers will continue to be paid in the normal course.

“While PREPA faces certain financial challenges today, we are working hard to improve operations, strengthen service and modernize our infrastructure, so we can deliver cleaner and more reliable energy to our customers,” said Juan Alicea Flores, Executive Director for PREPA. “We thank our lenders for their ongoing cooperation and support as we work to transform PREPA to best serve our customers.”

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