



10 NOV, 2022

KAB to purchase biogas firm for RM15mil

The Star, Malaysia



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PETALING JAYA: Kejuruteraan Asastera Bhd (KAB) has proposed Future Biomass Gasification Sdn Bhd (FBG) for RM15mil from Future NRG Sdn Bhd, which owns a biogas power plant in Kedah with an installed capacity of 2.4MW.

KAB, in a release yesterday, noted it will benefit from long-term recurring income as FBG has an existing 16-year renewable energy power purchase agreement (Reppa) with Tenaga Nasional Bhd.

The Reppa is effective from March 2019 to March 2034, which enabled FBG to supply power to the national grid.

The acquisition is expected in completed by the first quarter of 2023 and will be funded with bank borrowings and internally generated funds.