



17 JAN, 2023

KAB to acquire first biogas power plant in Kedah for RM15 mil

The Edge CEO Morning Brief, Malaysia



Page 1 of 2

KAB to acquire first biogas power plant in Kedah for RM15 mil

KUALA LUMPUR (Jan 16): Kejuruteraan Asastera Bhd (KAB) is acquiring the entire stake in Future Biomass Gasification Sdn Bhd (FBG) and its biogas power plant asset for a total of RM15 million. In a statement Monday, KAB said FBG owns a biogas power plant in Kuala Ketil, Kedah, with an installed capacity of 2.4 megawatts. The plant captures greenhouse gases released from palm oil effluents and converts the gas into electricity using highly-efficient biogas engine generators. The electricity generated by the biogas power plant is supplied to the national grid, and subsequently to nearby towns and villages under a feed-in tariff programme. With this acquisition, KAB said that it will recognise revenue from FBG's existing renewable energy power purchase agreement (Reppa) with Tenaga Nasional Bhd. The Reppa commenced in 2018 and is effective for 16 years until 2034. "Upon completion of acquisition, KAB's Sustainable Energy Solutions (SES) segment will own its first biogas power plant. KAB's SES portfolio currently has solar photovoltaic systems, cogeneration, and waste-heat-recovery assets in Malaysia and Thailand," added KAB. — by Syafiqah Salim

