



## **SIARAN AKHBAR PRESS STATEMENT**

**S.A.2018/03/11 (HQ)**

### **TNB'S MAIDEN FORAY INTO ONSHORE WIND PORTFOLIO IN THE UK**

Tenaga Nasional Berhad (“TNB”) today, via its wholly owned subsidiary, Tenaga Wind Ventures UK Ltd, has completed its acquisition of an 80% interest in two renewable energy companies registered in the UK; GVO Wind Limited and Bluemerang Capital Limited for an enterprise value of approximately GBP 171 million.

This acquisition marks TNB’s maiden foray into onshore wind in the UK. It is part of TNB's Five-Year International Expansion Roadmap. Acquiring the onshore wind assets is also in line with TNB’s strategy on renewable energy (RE) expansion under Reimagining Tenaga strategy to position TNB as one of the top global utility players by 2025. TNB intends to grow its RE portfolio to an optimal size via greenfield development or acquiring other RE portfolio of similar or complementary technology.

The combined portfolio of GVO Wind Limited and Bluemerang Capital Limited is the largest Feed-in Tariff (“FiT”) wind portfolio in the UK comprising 53 operational onshore medium wind turbines, with a total combined capacity of 26.1MW spread across the UK.

This is TNB’s second acquisition in the UK after the 2017’s acquisition of the Vortex Solar photovoltaic assets.

The acquisition of an operating wind portfolio is a low risk investment to TNB as there is no exposure to planning and construction risk. The wind portfolio is comprised of young assets, with an average age of 2.5 years and an estimated useful life of 25+ years. The assets are located across the UK, providing a diversification and natural hedge to individual onshore wind turbine revenue risk. The portfolio is supported by a 20-year UK government-backed FiT renewable support mechanism and offers attractive financial returns with earnings accretive from year one.

TNB funded the acquisition through a combination of internally generated funds and borrowings.

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TNB President/Chief Executive Officer, Datuk Seri Ir. Azman Mohd said the acquisition of onshore wind assets in the United Kingdom-is a relatively new commercial venture by TNB. *“This acquisition will strengthen TNB’s RE portfolio to its asset base and enhancing TNB’s technical and commercial insights in RE market space. TNB looks forward for future investments that will bring synergy to the Company.”*

With the completion of the acquisition, TNB’s international renewable energy portfolio will have a combined net installed capacity of c.280 MW following its previous acquisition of Vortex Solar Investments S.a.r.l in 2017, a portfolio of 24 solar photovoltaic farms, Britain’s third largest solar power business; and other RE assets in its acquired power portfolio in Turkey and India.

TNB intends to develop its human capital as part of this acquisition by accelerating the training and exposure of TNB personnel in the wind RE operations, particularly in a developed economy, which would be the first to experience the changes in technology and market trend.

Longspur Capital Limited is a specialized power infrastructure asset manager and investor, who will assist TNB with the management of the acquired wind portfolio and will also source new renewable investment opportunities for TNB in the UK.

*“TNB has mandated us to assist in the management of the newly acquired wind portfolio. We are delighted in this strategic partnership with TNB to support their human capital development and to assist further in their efforts to grow and consolidate the generation and power infrastructure in the UK and Europe”,* commented Catalin Breaban and Harry Bond, Co-Managers of Longspur Capital Limited.

In addition, the acquisition will further enhance TNB’s knowledge in RE asset management, supporting TNB’s aspiration to be a global energy player by 2025.

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## **About**

**Tenaga Wind Ventures UK Ltd** is a wholly owned subsidiary of Tenaga Investments UK Ltd, which is a wholly owned subsidiary of TNB International Sdn Bhd which in turn, is a wholly owned subsidiary of TNB.

**Longspur Capital Limited**, formerly known as GVP Capital Limited, is an asset manager that invests in renewable power and related infrastructure assets in the UK and internationally. The asset manager has been founded by AtlasInvest Holding BVBA and Mr. Georg von Opel together with the respective management teams that built the Bluemerang Capital Limited and GVO Wind Limited portfolios. Longspur Capital Limited is co-managed by Mr. Harry Bond and Mr. Catalin Breaban. TNB has appointed Longspur Capital Limited to manage the Acquired Cos. wind portfolio and to source new investment opportunities.

**GVO Wind Limited** was incorporated in 2012 to develop, construct and to manage feed-in tariff wind projects in the UK. The sole shareholder is Mr Georg von Opel who invests across various asset classes in multiple jurisdictions around the world.

**Temporis Capital** was previously the investment manager for GVO Wind. Temporis Capital is an investment management firm with \$1 billion in AUM which specialises in the renewable energy and clean technology sectors across multiple asset classes.

**Bluemerang Capital Limited** was founded in 2012 by AtlasInvest Holding BVBA together with Catalin Breaban to invest in the development, construction and acquisitions of wind projects in the UK. AtlasInvest, headed by its Founder and Chairman Marcel van Poecke, is a private investment company invested across the energy sector. Through its partnership with The Carlyle Group, AtlasInvest also manages Carlyle International Energy Partners.

## **Advisors**

TNB was supported by a strong team of advisors: Dentons UK and Middle East LLP acted as legal counsel, Baringa Partners LLP UK acted as the UK market consultant, Ernst & Young acted as tax advisor, Willis Towers Watson conducted the insurance due diligence whilst the technical due diligence was conducted by Poyry Energy Ltd. Financial and accounting due diligence was performed by TNB internal experts. In addition, TNB took reliance on the due diligence reports and financial model produced by Sellers' appointed advisors comprising of Burges Salmon, Womble Bond Dickinson, Anderson Strathern, KPMG and DNV. The Sellers legal advisor was Slaughter & May and the M&A adviser was KPMG.