

50MW Hydro Power Plant with GOV PPA - 87 USD/MW for 20-Years





50MW Hydro Power Plant with GOV PPA - 87 USD/MW for 20-Years

Hydropower plants in Kazakhstan have played a significant role in the country's energy sector for many years. Kazakhstan boasts large rivers and abundant water resources, making it an ideal location for the development of hydropower projects. These plants harness the power of flowing water to generate electricity, providing a clean and renewable energy source for the nation.

The development of hydropower plants in Kazakhstan has several advantages. Firstly, it reduces the country's reliance on imported fossil fuels, enhancing energy security and independence. It also mitigates greenhouse gas emissions, contributing to efforts to combat climate change and reduce the country's carbon footprint. Additionally, these plants contribute to local economic development by creating job opportunities during the construction and operation phases.

Overview

A Power Purchase Agreement (PPA) has been obtained from RFC/KEGOC (Government Body) for 38.99 tenge without VAT (indexed to USD and inflation)

The project is currently in the preparation phase, the technical documentation and the feasibility study are being finalized.

The company that owns this project is looking for a partner who may be interested in allocating a portion of capital in exchange for equity. It must be said that the project will be 70% financed by local banks.

The Power Purchase Agreement is very relevant as this is with the state and has a very high tariff.

Furthermore, the owner company is open to the use of turbines and electromachines of European or Chinese origin.

Keypoints

- Object: Hydro Power Plant
- Location: East Kazakhstan
- Power Purchase Agreement (PPA): PPA with RFC "Settlement and Financial Center" (Government Body) for approx 39KZT (87USD/MWh)
- Off-take Contract: 20 years
- Installed Capacity: 50MW
- Yearly Estimated Production: 227,000,000 kWh
- CAPEX: 110M USD
- Total Cost: 2,200 USD / kW
- Estimated Revenue: 19,750,000 USD / Year
- EBITDA: 94% Margin
- Equity: % 30,00
- Borrowed funds: %: 70,0%
- Loan (of Capex): % 70,0%

- Bank Commitment: Obtained
- Credit terms: 15 Years
- Interest rate (Construction): % 9,00%
- Interest rate (Equipment): % 9,00%
- Commission for credit: % 0,6%
- Inflation Rate: 5,00%
- Off-take contract: 20 Years
- Payback period of NOT Discounted Cash Flow: 3,17 Years
- Payback period of Discounted Cash Flow 6,64 Years
- IRR: 20,20%
- Construction period: Q4-2024-Q4-2028.

Equity Deals

- Option 1: Looking for Equity Sponsor of 30% Equity;
- Option 2: Looking for Equity Sponsor for 51% of the 30% Equity;

The information contained herein does not constitute an offer to sell or a solicitation of an offer or a recommendation to purchase securities under the securities laws of any jurisdiction, including the United States Securities Act of 1933, as amended, or any US state securities laws, or a solicitation to enter into any other transaction.

The projected financial information contained in the Memorandum is based on judgmental estimates and assumptions made by the management of the target Company, about circumstances and events that have not yet taken place. Accordingly, there can be no assurance that the projected results will be attained. In particular, but without prejudice to the generality of the foregoing, no representation or warranty whatsoever is given in relation to the reasonableness or achievability of the projections contained in the Memorandum or in relation to the bases and assumptions underlying such projections and you must satisfy yourself in relation to the reasonableness, achievability and accuracy thereof.

By delivering this Memorandum, neither MergersUS Inc., nor its authorized agents are making any recommendations regarding the acquisition or strategies outlined herein. Interested parties shall exercise independent judgment in, and have sole responsibility for, determining whether an acquisition of the Company is suitable for them, and neither MergersUS Inc, nor its authorized agents have responsibility to, and will not, monitor the condition of interested parties to determine that an acquisition is or remains suitable for them. Among other things, suitability of an acquisition will depend upon an interested party's investment and business plans and financial situation.

This document is prepared for information purposes only. It is made available on the express understanding that it will be used for the sole purpose of assisting the recipients to decide whether they wish to proceed with a further investigation of the Proposed Transaction.

The recipients realize and agree that this document is not intended to form the basis of any investment decision or any other appraisal or decision regarding the Proposed Transaction, and does not constitute the basis for the contract which may be concluded in relation to the Proposed Transaction.

All information contained in this document may subsequently be updated and adjusted. MergersUS Inc. has not independently verified any of the information contained herein or on which this document is based. Neither the Company, nor its management or shareholders, nor MergersUS Inc. , nor any of their respective directors, partners, officers, employees or affiliates make any representation or warranty (express or implied) or accept or will accept any responsibility or liability regarding or in relation to the accuracy or completeness of the information contained in this document or any other written or oral information made available to any interested party or its advisers. Any liability in respect of any such information or any inaccuracy in or omission from the document is expressly disclaimed.

www.mergerscorp.com



WWW.MERGERSCORP.COM