

**Section:** Business/NATIONAL**Date:** Tuesday 27 February 2018**Volume:** -**No:** -**Page:** B3(Top Right)**Col.Inch:** 18.71**Ad Value:** 28,065**PRValue (x3):** 84,195**Clip:** Full Color**Headline:** SKE informs SET plans for biomass**ENERGY**

## SKE informs SET plans for biomass

SET-listed compressed natural gas (CNG) service provider Sakol Energy Plc (SKE) plans to spend 789.84 million baht on a biomass power plant in Phrae province.

Yesterday SKE submitted a letter informing the SET that the board of directors last Friday approved investment in a biomass power plant to generate 9.9 megawatts, of which a maximum capacity of 8MW will be sold to the Provincial Electricity Authority (PEA).

The government's policy of purchasing electricity from small power producers for power generated from renewable energy also saw Mae Krating Power Co (MKP) enter into a sale and purchase agreement with PEA on June 23, 2014.

SKE expects the project's internal rate of return will be 12.5% and return on equity will be 16.9%.

The SKE statement said the company will buy 2 million ordinary shares of MKP from STFE Co. At a price of 40 baht per

share, SKE will spend 80 million baht.

After the purchase is complete, MKP will increase its share capital by another 25.73 million shares at a par value of 10 baht each, totalling 257.3 million baht in the rights offering.

SKE will also subscribe 20.584 million shares to preserve the shareholding right at 80%, totalling 205.84 million baht.

After the completing the two procedures, MKP will have registered and paid-up capital of 28.23 million shares and SKE will hold 22.584 million shares.

The statement said SKE will invest in MKP within the second quarter in 2018 after the general meeting of SKE's shareholders on April 19, which is expected to approve the decisions.

Moreover, SKE will provide additional investment for the biomass power plant project and its combined working capital of 513 million baht.

But the statement noted that STFE, the existing shareholder of MKP, is not related to SKE.

After SKE's acquisition, MKP will sign a contract with Advance Power Conversion Co to construct a power plant in a turnkey project, including construction, building, system work, machinery installation and testing, among others, all of which are expected to take about 14 months.

Moreover, MKP is a 60% shareholder in Phrae Green Power Co, with registered and paid-up capital of 5 million baht.