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Gulf Energy on the move

30 Gulf Energy Development PCL, one of Thailand's largest independent power producers, is preparing to increase its investments in two gas-fired power plants (5,300 MW), which are under a joint development agreement with

Mitsui, from 51 per cent to 70 per cent, in line with the company's plan to invest and develop gas-fired power plants to support its earnings growth in the long run. The initial IPO price range has been set at Bt40.0 – Bt45.0 per share, which reflects the company's clear business strategies, continuous business development plans and robust operational performance.

Pornnipa Chinvetkitvanit, president of Gulf Energy Development Plc, disclosed that the company is in the process of increasing its shareholding in Independent Power Development Co. Ltd (IPD), a joint venture between GULF and Mitsui, which is developing two gas-fired IPPs, with a total capacity of 5,300 megawatts (MW), that are scheduled to begin their commercial operations in 2021-2024.

The process to increase the company's shareholding in IPD is taking place after the shareholders of IPD had a resolution to issue 198,866,667 new shares at a par value of Bt10 each during the extraordinary general meeting held recently. Mitsui, which currently holds 49.0 per cent in IPD, has waived its rights to subscribe the new shares, consistent with the joint venture agreement between GULF and Mitsui to allow GULF to increase its shareholding in IPD from 51 per cent at present to 70 per cent. However, under this arrangement, GULF will be entitled to 75 per cent of IPD's dividends. GULF has oversubscribed the new shares, which in effect will increase its shareholdings in IPD to 70 per cent once the registration of IPD's capital increase is completed. It is also in the process of arranging for its entitlement to the additional 5.0 per cent of dividends from IPD, which is expected to be completed by February 28, 2018.

As of November 1 this year, GULF has gas-fired power plants and rooftop solar projects in operation with a total installed capacity of 4,772.1 MW. The company is also developing a number of gas-fired power projects to add another 6,353.6 MW to its existing portfolio by 2024. During the first nine months of this year, the company has posted a total revenue of Bt1.96 billion, a jump of more than ten times from the same period last year when its revenue was Bt156.2 million. While its net profit during the first nine months of this year topped Bt2.73 billion marking an increase of over 400 per cent from the same period last year when its net profit was Bt500 million.