

EQUITY PLACEMENT IN FRENCH WINDFARM PORTFOLIO



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Augusta advised ENERTRAG AG on the placement of equity in Windfarm Bougainville, a 12 MW operating windfarm, and three subsequent windfarms totalling 35.5MW to be constructed through 2007/8 to HgCapital, a UK based renewable energy investor.

ENERTRAG AG (“ENERTRAG”), one of Europe’s leading independent power producers and wind farm developers and operators engaged Augusta to advise on raising equity for four windfarms in France from institutional equity investors. The transaction was notable as the first time ENERTRAG had raised equity in the institutional market rather than through private investors via closed-end funds, the traditional investors in windfarms in Germany.

The portfolio was developed by ENERTRAG’s French subsidiary. To finance the first wind farm, Bougainville, Hg Capital provided its own equity and HgCapital and ENERTRAG entered into a joint construction financing and term loan facility with a leading European bank. Hg Capital will buy the wind farm at completion of construction. In a long-term operating partnership with HG Capital, ENERTRAG will operate and maintain the wind farms for 20 years. Augusta advised and coordinated the sale process on ENERTRAG’s behalf, including advising on appropriate transaction size, institutional investors, bid assesment and placement strategy.

As part of the transaction, ENERTRAG maintain both the Operating and Maintenance contracts and management agreement for the windfarms; but was able to unlock equity from the transaction to reinvest in ongoing development projects.

Detlev Hartmann, CFO of ENERTRAG said: “We hired Augusta to provide us with broad access to the European institutional equity market and to run the placement process so as to maximise the value of the transaction for Enertrag. Combined with our technical and financing expertise we were able to successfully close what was one of the first private equity placements in a series of windfarms by a German developer.”

Tom Murley, HgCapital’s head of Renewable Energy stated: “We are very pleased to have entered into this innovative transaction which allows us to be a strong financing partner to ENERTRAG now and in the future.”

The equity deal closed in July 2006 and the senior debt deal closed on 19th December 2006.