

INVESTMENT OPPORTUNITY

ELECTRIC AND THERMAL POWER PLANT IN VOLOGDA OBLAST, RUSSIA



GEP Vologdaoblkommunenergo, November 2017

KRASAVINO POWER PLANT

- Modern gas turbine power plant commissioned in 2010 with new technology and equipment
- Single heat supplier in the City of Krasavino.
- Awarded status of guaranteed supplier until Dec. 31, 2021 with high state guaranteed rates (RUB 608,708.24/MWt)
- On 27 November 2014, the owner of the power plant was placed into insolvency proceedings and on July 20, 2017 was put into receivership. A number of factors contributed to the owner-company's bankruptcy, but the asset remains highly profitable.
- Vasily Ekimov, a receiver proposed by Czech Export Bank, was appointed as the receiver. The creditor's committee includes members from Czech Export Bank and Eversheds Sutherland.

ADVANTAGES FOR INVESTOR

- Full management structure in place, including accounting, financial, legal and supply departments in Vologda and manufacturing in Krasavino
- The plant has large reserves of thermal power which could be provided to large industrial consumers.
- Major repairs of the steam turbine, gas turbines 1 and 3 and the power transformers have recently been completed.
- Additional investment requirements are limited.

Finances

In Thousands of Russian rubles	2014	2015	2016
Revenue	792,637	928,959	870,636*
Cost and depreciation	795,011	896,992	901,925**
EBITDA	274,512	305,869	242,766
EBITDA margin	34.6 %	32.9 %	27.9 %
Profits	-2,374	31,967	-31,289
Profit margins	-0.3%	3.4%	-3.6%

Notes:

* The drop in revenue was due to a failed transformer that has since been repaired

** Including major repairs to the steam turbine of RUB 29,100,000

GAS PRICES

	2014	2015	2016	First Half of 2017
Total gas consumption in thousands of Nm ³ , including:	81,192	90,709	80,798	36,039
- high pressure	75,365	80,707	74,560	14,325
- low pressure	5,827	10,002	6,238	301
- From exchange	-	-	-	21,412
Average gas price, RUB/thousands of Nm ³ , including:	4,210	4,344	4,168	4,005
- high pressure	4,185	4,317	4,137	4,120
- low pressure	4,541	4,566	4,528	4,423
- From exchange	-	-	-	3,911
Total cost of consumed gas, in thousands of RUB, including:	341,829	394,078	336,733	144,343
- high pressure	315,367	348,408	308,489	59,025
- low pressure	26,462	45,670	28,244	1,333
- From exchange	-	-	-	83,732

POWER PLANT SPECIFICATIONS

- Installed power capacity: 63.8 MW
- Installed heat capacity: 57 Gcal/h
- Generating equipment:
 - ❑ Three gas turbine units: TURBOMACH TITAN-T130S (Switzerland) at 14.4 MW
 - ❑ One steam turbine unit: SIEMENS SST-300 (Czech Republic), at 20.6 MW
 - ❑ Three heat recovery boilers: ALSTOM power, HRSG, Czech Republic at 19.3 tons/hour
 - ❑ Two steam boilers: BRESSON OKP-25, Czech Republic = 25 tons/hour
- Income from electricity sales is 91.4% compared to 8.6% of heat sales.
- Production numbers at the Krasavino Power Plant:

	2014	2015	2016
❑ Electricity (kWh)	320,000	351,000	287,530
❑ Thermal energy (Gcal)	50,000	60,000	60,684

EQUIPMENT REPAIR STATISTICS

Equipment	Major/Capital Repairs		Hours	Hours*
	Start	End	Before Maj. Repairs	After Maj. Repairs
Steam Turbine PT-4	15.07.2016	13.09.2016	50,943	9,479
Gas Turbine GT-1	16.03.2017	29.03.2017	45,758	4,583
Gas Turbine GT-2	-	-	45,919*	-
Gas Turbine GT-3	26.06.2017	18.07.2017	48,469	2,103
Power Transformer 110/10 kW T-1	14.02.2017	28.07.2017		
Power Transformer 110/10 kW T-2	11.10.2016	03.03.2017		

* - as of 30.10.2017

In addition, turbo and boiler units, auxiliary and general station equipment, buildings and other structures are repaired and serviced based on the annual plans.

CONTACT INFORMATION

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PRODUCTION FACILITIES

