

FINANCIAL REVIEW

SE	Market Wrap - Street Talk
HD	Delta Coastal, Lumo Energy sale processes gather steam
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LP	<p>Indicative bids for the NSW Government's Delta Coastal plants were submitted this week with at least four potential acquirers set to be sent through to the next round.</p> <p>Japan's Marubeni and ASX-listed ERM Power, the under-bidders for Macquarie Generation, which was bought by AGL Energy for \$1.5 billion last month, are believed to be involved in the process.</p>
TD	<p>It is understood Origin Energy and a Chinese company, thought to be Shenhua Energy, have also lobbied in a first-round offer.</p> <p>The government hopes to sell Delta Coastal, which includes the Vales Point and Colongra generators, for up to \$800 million.</p> <p>While Delta produces a fraction of MacGen's supply, the plants, located on NSW's central coast, are often tapped into when the state's electricity supply becomes stretched.</p> <p>In the MacGen sale process, the main under-bidder to AGL, ERM Power, was ruled out as an acquirer by the then NSW Treasurer Mike Baird, who said its offer was too low.</p> <p>Meanwhile, Lumo Energy's auction has attracted interest from renewable firm Pacific Hydro and private equity-owned Alinta Energy as well as Origin Energy, Snowy Hydro's Red Energy, and M2 Telecommunications.</p> <p>Up to half a dozen prospective buyers will attend management presentations and site visits in Melbourne through July and August with owner Infratil Energy hoping to close out a deal by the end of September.</p> <p>Lumo, which analysts have valued at between \$420 million and \$570 million, is making about \$60 million this year with a significant uptick expected in earnings over the next two to three years.</p>
CO	agkega : AGL Energy Limited boral : Origin Energy Ltd macgen : Macquarie Generation
IN	i1 : Energy i16 : Electricity/Gas Utilities i16101 : Electric Power Generation ieutil : Electric Utilities imulti : Multiutilities iutil : Utilities
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