

# GREEN GLOBE ENERGY (GGE) SRI LANKA MINI-HYDRO INVESTMENT OPPORTUNITY



## OVERVIEW

Sri Lanka, known as “The Jewel of South Asia,” due to its enviable deep-water port along major maritime East-West shipping lanes, is poised for substantial economic and population growth. With increasing demand to accommodate the world’s largest cargo ships, Sri Lanka is developing a new, state-of-the-art “Smart City” and port, annexed to its capital, Colombo.

Transforming Colombo into a world-class logistics hub at the intersection of major shipping routes as well as building and upgrading clean energy infrastructure throughout the country requires investment. The country’s Sustainable Energy Authority has expressed the immediate need for at least 400 MW of additional base load to meet existing demand. In recognition of that need, the IMF recently funded a \$2.9 billion loan with “clean energy” being its number one target.

## THE OPPORTUNITY

As the first phase of its efforts to support renewable energy in Sri Lanka, Green Globe Ltd.’s energy division has targeted the acquisition of an existing mini-hydro project, LAK Power Ltd. (LAK), which has a long and successful record of producing power. The LAK mini-hydro project is located in the southwestern part of the island, near the village of Dedugala, a highland village less than 90 kilometers from Colombo.

LAK has been producing power since 2005 under a Power Purchase Agreement (PPA) with Sri Lanka’s government utility, Ceylon Electricity Board (CEB). The CEB has a successful track record of honoring its payment obligations to power producers since 1945. All permits for the project remain in place, and the PPA will automatically renew for another 20 years in 2026. Over the past 10 years, (2014-2023), LAK has produced a total of over 20 million kilowatts of power, exceeding 2 million kilowatts in eight of those 10 years and averaging 2,076,620 kilowatts per year over that span.

Green Globe Ltd. has been in Sri Lanka since 1996 and has strong business contacts and affiliations in the country. In cooperation with Sri Lankan partners who possess significant experience in the country’s renewable energy sector, Green Globe has formed Green Globe Sri Lanka, a holding company for its projects in the island nation. Green Globe Ltd. owns 50% of the holding company along with the Sri Lankan partners who will be responsible for development, construction, and ongoing operations. These partners bring the skills and experience necessary to design, build, and manage mini-hydro projects.



## INVESTMENT US \$200,000

Assumes combined 12.5% bank financing of 50% Hydro LTV - US \$166,500

### LAK Hydro Acquisition

LKR 1,000,000 / US \$333,000

### LAK Hydro Specs

- Capacity - 640 kW
- Historical production factor - 42%

### Power Purchase Tarriff

- Years 1 to 3 - LKR 24
- Years 4 to 10 - LKR 14.5 with 3% escalation clause per year

### Investor Distributions

- Priority distributions: - 80% until Investment returned
- Investment returned - Year 3
- 50% Matching distributions after

### Financial Metrics

- 10 Years
- Internal Rate of Return - 23%
- 10% Net Present Value - US \$119,000
- Liquidity event - Year 10

## To Learn More, Contact:

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