

# Investor Pitch: Canadian Stake in SFL Unique Nebras Meghnaghat 584 MW Power Plant, Bangladesh

## Executive Summary

Acquire a 38.76% Canadian-held equity stake in Bangladesh's premier 584 MW Combined Cycle Gas-fired Power Plant, operational since January 2024 and powered by General Electric's world-class 9HA turbine. This is a rare opportunity to secure a stake in a high-performing, fully operational infrastructure asset, offering robust financial returns and stable cash flows. The acquisition of a 38.76% stake of this USD 612.35 million Plant is offered at USD 130.81 million. It presents a lucrative investment underpinned by a 22-year Power Purchase Agreement (PPA) with the Bangladesh Power Development Board (BPDB), secured by a sovereign guarantee from the Government of Bangladesh—delivering unmatched security and predictability. Waldron Solutions is authorised by WEST BAY INC. Canada (Strategic Finance Limited SFL powerplant trustee) to identify and engage with said Investor.

## Project Highlights

- **Location:** Meghnaghat, Narayangonj, Bangladesh
- **Capacity:** 584 MW (contracted), 589.98 MW (tested)
- **Technology:** GE 9HA H-class gas turbine (industry-leading efficiency)
- **Sponsors:** Strategic Finance Limited (38.76%), Unique Hotel & Resorts PLC (37.24%), Nebras Power Qatar (24%)
- **Operation:** Commercial since Jan 2024; top merit-order dispatch for cost and efficiency
- **Off-taker:** BPDB (22-year PPA, sovereign guarantee)
- **Gas Supplier:** Titas Gas Transmission & Distribution Ltd.
- **O&M:** Malakoff Technical Solutions, China NorthEast Electric Power Engineering & Services
- **Total Project Cost:** USD 612.35 million (75:25 debt-equity)
- **Financing:** Standard Chartered Bank, AIB, DEG, OPEC Fund, Hong Kong Mortgage Corporation
- **Tax Exemptions:** Until 2036, plus incentives on royalties, technical fees, interest, and capital gains
- **Investment sought:** Acquisition of SFL's 38.76% stake is offered at USD 130.81 million, presenting a lucrative investment.

## Gas Pricing and Fuel Cost Security (*New Section*)

- The gas price assumption of approximately USD 3/MMBtu in the financial model is based on Bangladesh's regulated power-sector gas pricing framework, not international LNG spot prices.
- Gas supplied to grid-connected IPPs is priced on a pooled and subsidised basis as approved by the Government and implemented through Petrobangla, regardless of whether the underlying source is domestic gas or imported LNG.
- This policy has been consistently applied since LNG imports began and remains in force for operating and contracted power projects.

- Electricity generation is treated as a priority sector, and the subsidy gap between international LNG prices and the regulated power tariff is borne by the Government through Petrobangla, not passed through to IPPs. The project is therefore insulated from international LNG price volatility under the prevailing sector-wide policy framework.
- Under the long-term PPA with BPDB, the project benefits from fuel cost pass-through and a sovereign offtaker. Historically, any policy or pricing adjustments in Bangladesh have been applied prospectively, with existing PPAs honoured and protected. There is no precedent of executed utility-scale IPP contracts being rendered void due to subsequent gas pricing or subsidy policy.

### **Efficiency Advantage (New Section)**

- The project benefits from a strong efficiency profile, with an average heat rate gain of approximately 3% currently. This higher efficiency translates into lower gas consumption per unit of electricity generated.
- If gas pricing were ever to shift toward imported LNG parity, the project would be more profitable, as the heat rate gain will apply to a larger amount.

### **Unmatched Security and Returns**

- **22-Year Sovereign-Guaranteed PPA:** The plant's revenue is anchored by a long-term PPA with BPDB, with payments fully secured by a sovereign guarantee from the Government of Bangladesh. This structure ensures full capacity utilization, stable cash flows, and protection against payment default or political risk.
- **Financial Strength:** Projected equity IRR of 23.21%, average annual net profit of USD 42.44 million, and average annual revenue of USD 190.81 million. Cash flows are further protected by mechanisms for currency adjustment and true-up, mitigating FX risk.
- **Priority Dispatch:** The plant's advanced technology and cost-effectiveness ensure it is dispatched first, maximizing utilization and revenue.
- **Tax and Regulatory Incentives:** Corporate tax exemptions until 2036 and other financial incentives enhance returns.

### **Bangladesh Investment Context**

- **Growth Market:** Bangladesh's economy has averaged 6–7% annual GDP growth, with rapid urbanization and industrialization driving electricity demand.
- **Energy Sector Reform:** The government prioritizes reliable power supply and supports Independent Power Producers (IPPs) with robust regulatory frameworks and incentives.
- **Strategic Location:** Bangladesh is a gateway to South and Southeast Asia, offering access to large and growing markets.
- **International Partnerships:** The project is backed by global lenders and technical partners, reflecting international confidence in Bangladesh's energy sector.

### **Risks and Mitigation**

- **Political and Regulatory Risks:** Bangladesh has experienced political transitions, but the energy sector remains a top government priority. The sovereign guarantee on the PPA is a powerful risk mitigant, ensuring payment even in adverse scenarios.
- **Regulatory Change:** The government's commitment to reform and honoring contracts with foreign investors provides additional comfort.
- **Financial and Operational Risks:** USD-denominated revenues and hedging agreements protect against FX volatility. The PPA's true-up mechanism ensures stability of returns.
- **Payment Delays:** In case of BPDB payment delays, the project can draw on a bank guarantee and, if necessary, claim under the sovereign guarantee.
- **Demand Risk:** Bangladesh's growing economy and transition to technology-driven industries ensure rising electricity demand. The plant's efficiency secures its top position for dispatch.
- **Fuel Supply:** Gas supply is contractually guaranteed, with penalties for shortfalls.
- **Insurance and ESG:** Comprehensive insurance coverage and adherence to international environmental and social standards ensure operational resilience and sustainability.

### Investment Positives

- **Stable, Predictable Cash Flows:** Backed by a 22-year, government-guaranteed PPA.
- **Attractive Returns:** High equity IRR and strong net profit.
- **Strategic Asset:** Fully operational, high-efficiency plant with priority dispatch.
- **Favorable Investment Climate:** Tax holidays, duty-free imports, and robust legal protections for foreign investors.
- **Sustainability:** Alignment with global ESG standards and Bangladesh's energy transition goals.

### Conclusion & Next Steps

This is a rare opportunity to acquire a substantial Canadian stake in Bangladesh's premier power generation asset—fully operational, high-performing, and backed by sovereign guarantees and world-class partners. The plant's strategic position, robust financials, and alignment with Bangladesh's energy transition make it a compelling investment for those seeking stable returns and long-term value in a dynamic emerging market.

**Contact Waldron Solutions Pty Ltd to initiate confidential discussions and begin your due diligence.**