

Aquila Capital acquires Norway's second-largest operator of small-scale hydropower plants

Hamburg, January 13th – Aquila Capital, one of Europe's leading independent alternative asset managers, has acquired Norway's second-largest operator of small-scale hydropower plants on behalf of institutional clients that include Dutch pension fund ABP and German insurance companies. The terms of the investment are not being disclosed.

Aquila Capital has completed the acquisition of Norsk Grønnkraft AS, an operator of 33 small-scale facilities located in central and southern Norway, from owners Akershus Energi, Energiselskapet Buskerud, E-CO Energi and Østfold Energi.

Oldrik Verloop, Co-Head of Hydropower at Aquila Capital said: "This is one of the largest acquisitions of a small-scale Norwegian operator and shows how Aquila Capital has established a hydropower platform of scale in Norway since the first investment there in 2011. We aim to increase our production volume in Norway during the next five years to over 1,000 GWh."

Norsk Grønnkraft owns and operates a regionally diversified portfolio of 33 small-scale hydropower plants, generating c. 210 GWh per year. The average age of the facilities is eight years. Through a bilateral agreement with NGK Construction, Norsk Grønnkraft's former sister company, Aquila Capital is looking to add further generating facilities to the Norwegian hydropower platform.

It is the third investment in Norwegian hydropower by Aquila Capital for its clients. It follows the July 2014 acquisition of a 33% stake in Tinfos AS, an operator of two large-scale and nine small-scale run-of-river hydropower facilities, by a partnership between Aquila Capital and APG, the investment manager that acts for ABP. In June 2011, funds advised by Aquila Capital also acquired 33% of Jørpeland Kraft AS, which operates two run-of-river installations in the vicinity of Stavanger in western Norway.

The latest investment in Norsk Grønnkraft AS further expands Aquila Capital's position in Norway's blue-green hydropower battery network, which is emerging as a potential key element in the success of the massive investment being made in on- and offshore wind power around the Baltic and North Seas. Norway is also reportedly close to agreeing to construct a 700 km underwater power line that would allow the UK to import hydroelectric power from the country's grid. The development of the world's largest subsea interconnector could be in operation by 2020.

ABP stated: "ABP is pleased with this second investment in hydropower infrastructure within six months after the start of the partnership between APG Asset Management and Aquila Capital. Through APG, ABP has committed €250 million of equity to the venture to contribute to a significant expansion of its investments in sustainable energy generation within the next few years. We believe such an expansion is necessary as well as feasible, as is demonstrated by this latest investment."

Aquila Capital's Oldrik Verloop concluded: "Aquila Capital clients currently have a share in more than 50 hydropower generating facilities in Norway and Turkey. We are actively looking at further opportunities across Europe and expect to be making more investments in the course of 2015."

Ends.

About Aquila Capital

Established in 2001, Aquila Capital is a leading alternative investment firm managing a family of strategies in real assets, financial and private markets. The company applies a multi-team investment approach with dedicated experts in their respective fields. From regulated mutual funds to direct investments and special mandates, as a long-term partner, Aquila Capital provides holistic investment concepts and comprehensive investment advice and services to its investors.

Aquila Capital is part of the owner-managed Aquila Group, which employs more than 200 staff at nine locations in Europe and Asia Pacific and manages assets of over EUR 7.6bn for a global investor base (as at September 2014).

Further information can be found at www.aquila-capital.com.

Notes to editors

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