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Arcapita Buying Power Plant

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Arcapita and Fulcrum Power Services have agreed to acquire the Bosque power generation facility from LS Power Group. No financial terms were disclosed. The Laguna Park, Texas-based Bosque facility launched as a natural gas-fired power plant in 2000, and is being converted into a combined cycle facility with a capacity of over 800 megawatts. Bosque sells its energy and ancillary services into the Texas power market.

PRESS RELEASE

Arcapita Inc., a leading private equity investment firm, announced recently that it and its affiliates, together with Fulcrum Power Services L.P., a premier provider of energy management services, have signed a definitive purchase agreement to acquire the Bosque power generation facility from LS Power Group. Terms of the transaction were not disclosed.

Located in Laguna Park, Texas, the Bosque facility commenced operations as a natural gas fired power plant in 2000, and is currently undergoing conversion to a combined cycle facility with a capacity of over 800 megawatts. Bosque sells its energy and ancillary services into the Texas power market.

Commenting on the transaction, Atif Abdulmalik, CEO of Arcapita, said, "We are pleased with the addition of Bosque into Arcapita's investment portfolio. It represents our second asset based investment in North America, as we continue to build up this line of business."

Based in the Atlanta office, Jerry Stalun, Arcapita's Head of Asset Based Investment in North America, said, "With strong demand for electricity in the Texas power market, Bosque is a facility with an excellent operating history which has benefited from consistent maintenance and capital improvements. In addition, Fulcrum's proven asset management capabilities and expertise in the Texas power market will serve to enhance the cash flows generated by the facility."

Jesson Bradshaw, CEO and co founder of Fulcrum Power Services L.P., said, "We are pleased to partner with Arcapita in the acquisition of the Bosque Power Company. We are very familiar with Bosque's personnel, its strong operating history and its strategic value in the ERCOT marketplace. This project is ideally situated to provide reliable power supplies in the fast growing ERCOT regional market."

Fred Reed, Fulcrum's Executive Vice President of Generation, said, "The expansion of the facility will result in improved efficiency and greater operational flexibility, and we believe that this will position Bosque favorably to benefit from tightening reserve margins in ERCOT."

The acquisition is Arcapita's largest US asset based investment and joins other recent transactions such as the \$369 million acquisition of Varel Holdings, Inc., the world's fastest growing drill bit manufacturers, and the \$4.2 billion acquisition of Viridian Group plc, the Northern Ireland electricity utility.

The transaction is expected to close in early 2008 and is subject to regulatory approvals and other customary closing conditions. Arcapita and Fulcrum were advised by Credit Suisse, who have also provided financing for the acquisition. King & Spalding LLP acted as legal advisor to Arcapita and Fulcrum in the acquisition and financing, while Latham & Watkins LLP acted as legal advisor to LS Power Group.