

German energy company RWE plans a new joint venture with Croatian state-owned energy utility HEP after exiting their partnership on the local 210 MW thermal power plant (TPP) Plomin 2, the two companies said on Thursday.

RWE took the earliest possible option to exit the Plomin 2 shareholding structure after signing a build-own-transfer (BOT) deal with HEP in 1996, the companies said in a joint statement.

"Today we are exiting Plomin 2, after we meet all environmental, technical and legal requirements, and we are pleased to say that we are leaving HEP a facility that it can independently exploit for the next 25 years," RWE representative Ralf Blomberg said in the statement.

RWE's BOT deal with HEP on Plomin 2 involved setting up a 50/50 joint venture, TE Plomin. The German partner also secured funding under favorable terms for the project as at the time Croatia had no access to such financing due to the economic and political conditions. The total investment in the Plomin 2 project was around 300 million euro (\$328.2 million). The business activities of the planned joint venture will be in line with the development of the energy sector in the region, where RWE's role will be more focused on providing strategic advice in the energy production segment, the statement said.

In Croatia, RWE is also active on the electricity and gas supply markets.

HEP group owns and operates over 4,000 MW of installed generation capacity and 974 MW of heat production capacity, including 25 hydroelectric plants and eight thermal power plants fired by oil, natural gas or coal.

Source; ENERGIA