



Investing in Asian Renewable Energy: *Mind the Gap*



Presented by:
Grant Hauber
Executive Director



Deal Flow Dilemma

- **Opportunity?**

Undeniable

- **Interest in the sector?**

Unprecedented

- **Capital available?**

Massing in large quantities

- **Actual Investments?**

Where are they? In what?

Asian RE-CT Opportunities



India

- Wind
- Biomass
- RE / EE Technology

Nepal / Laos

- Large Hydro

Pan-Asia

- Energy Efficiency

Singapore

- CE-CT Regional R&D Hub / Incubator

Korea

- RE Technology

China

- RE Technology
- Wind
- Moderate-size RE
- Small hydro

Thailand

- Small RE - biomass

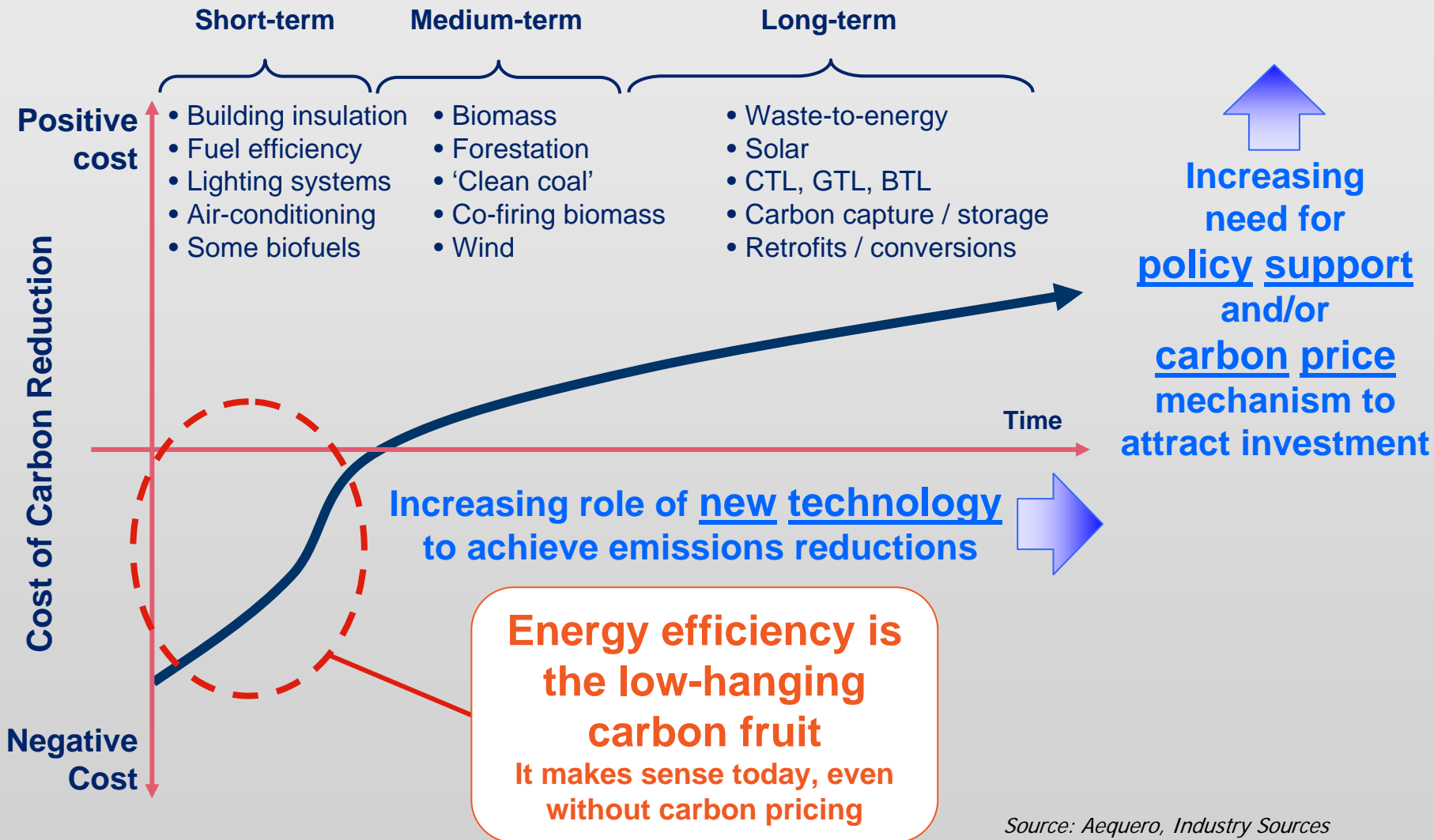
Malaysia

- Palm Oil Derivatives

Indonesia

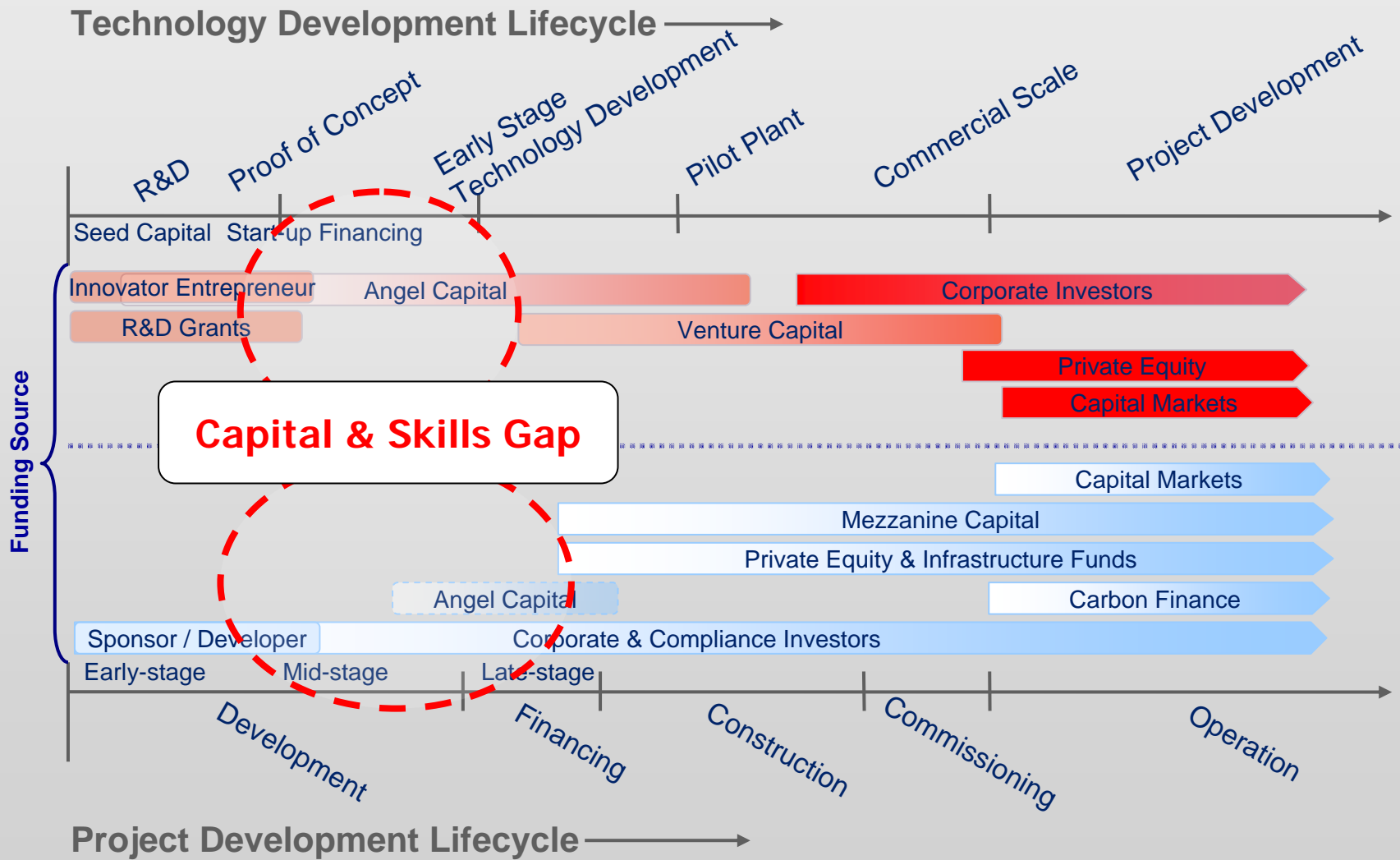
- Biomass RE
- Biofuels

Carbon Opportunity-Cost Curve



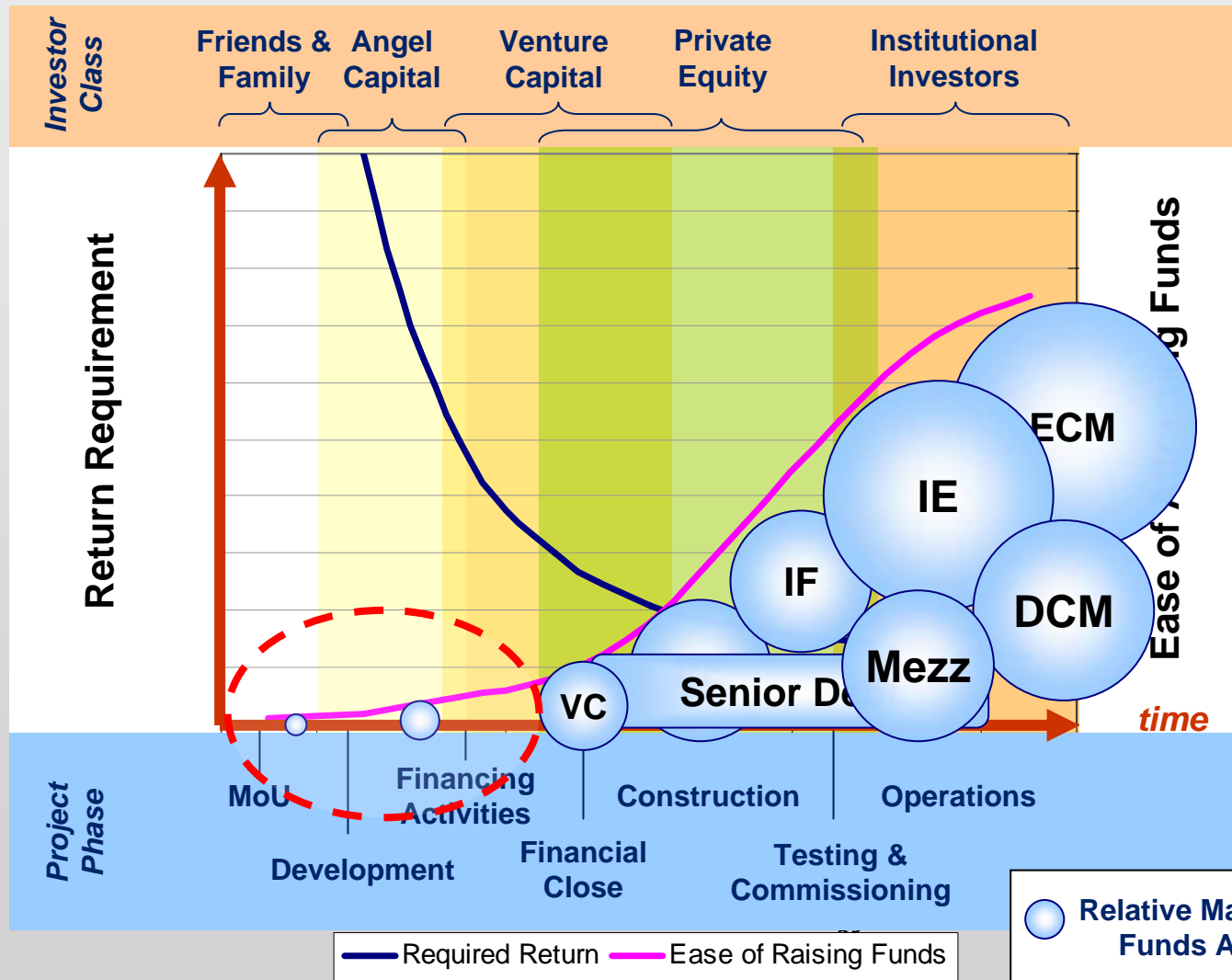
Source: Aequero, Industry Sources

Investment Development Lifecycle



Source: Aequero

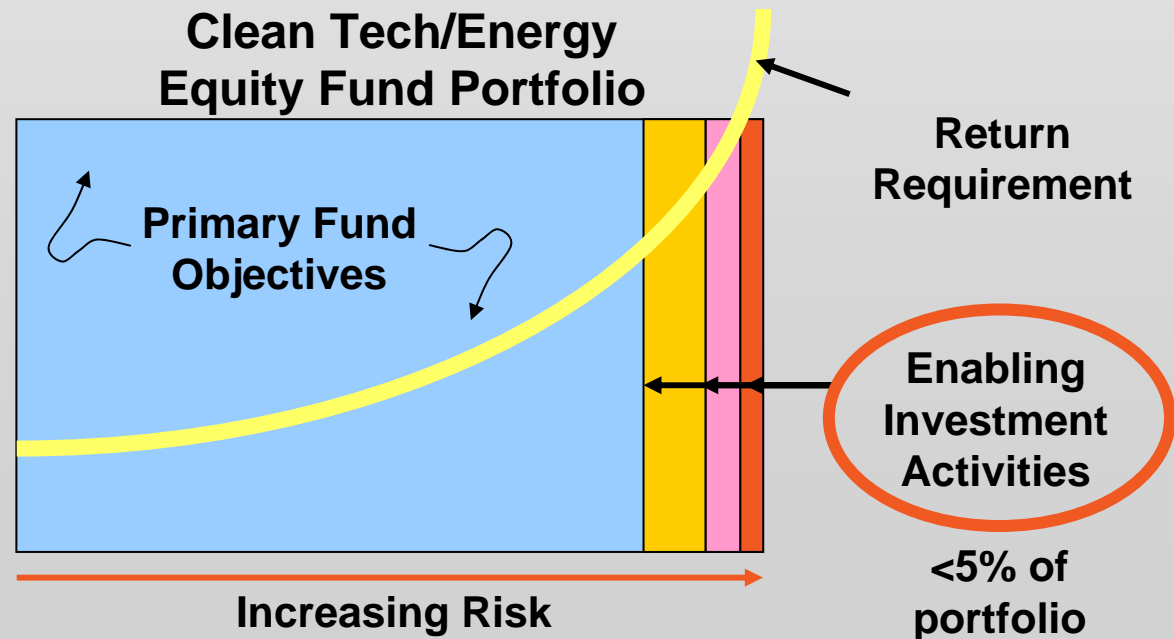
Fund Source-Stage-Return Relationship



Source: Aequero research

Allocate some funds to higher risk?

- Front-end risk capital allocation will benefit the business overall
- Risk capital required is not large – but it is indeed risky
- Consider development capital to be an ‘option’ on future investment opportunities
- Moving toward an earlier stage requires a different skills base



Steps to Asian RE/CT Sector Success

There is a need for more sector participants to start thinking more like developers

- **Choose your niche**
- **Choose your scale**
- **Choose your market**
- **Choose your partner**
- **Develop budget & time estimate...**
 ...then double it
- **Take some risk – wisely**
- **Get help!**

Now is the Time to Be Smart!

CE-CT sector has all the makings of a bubble

- Large amounts of capital amassed
- That money needs to be invested NOW
- Growing, popular ‘retail buzz’ – but needs success to last
- Expectations need to be properly calibrated

Great need to match ‘Big Money’ with ‘Big Skills’

- Commercial structuring
- Technology
- Political-economic savvy

Conclusions

- **There is no denying that there are strong drivers supporting change...**
 - ◆ Fundamental factors in environment, energy security, diversity
 - ◆ Need for new approach to energy use and supply
 - ◆ Growing demand from corporates, governments and the public
- **What's missing?**
 - ◆ Skills in project commercial development
 - ◆ Capital in the project development space
- **How do we get there?**
 - ◆ Nurturing entrepreneurs – industrial, political, social, technical
 - ◆ Risk capital specifically allocated to early stage
 - ◆ Deal managing and structuring by experienced, hands-on developers

An order-of-magnitude jump in CE-CT is not going to be led by traditional fund managers on their own. It requires complementary skills and experience to develop sound, sustainable, economic investments

Contact Us...



Aequero

Energy and Infrastructure Finance Advisors

Duncan Ritchie
Executive Director

Level 25, Bank of China Tower
No. 1 Garden Road
Central, Hong Kong SAR

Tel: +852 8175 0221

Fax: +852 2251 1618

Mob: +852 9307 5343

Thai Mob: +66 847 363 455

Email: duncan-ritchie@aequero.com

Web: www.aequero.com

J. Grant Hauber
Executive Director

14 Robinson Road
#13-00 Far East Finance Building
Singapore 048545

Tel: +65 6722 8397

Fax: +65 6725 8038

Mob: +65 9005 7800

Email: grant-hauber@aequero.com