

30 MW Wind Farm Opportunity



Development Project Requires £16,400,000 Equity Investment



2.0MW Siemens Wind Turbine (above) at Whitelee Wind Farm Scotland

2010 was the year our client harvested the anemometer (wind speed) data for this site and it has transpired now with hindsight that 2010

was a very **unwindy year** !

Even so, the site is such that even in a poor year like 2010, the site would produce electricity on

average (i.e. over 24 x 365 hours) at over 30% of the turbines' capacity - 80 Giga-Watt Hours to be precise . . . that is, enough for 17,200 homes !

In a windy year the capacity factor would be closer to 40%.

The opportunity, which is to construct 15 x 2.0 MW turbines, is 'shovel ready' in that all the planning and ecological hurdles have been overcome and so the project is **ready to go**.

Special points of interest:

- **Ideal Capital Development Gain Opportunity**
- **Relatively Short Term Investment Horizon**
- **Project Is Ready To Go (Shovel Ready)**

An Ideal Capital Gain Opportunity

With the project being so ready to go this means that the duration of the equity capital's deployment across the construction period will be minimal thus producing the highest possible rate of investment return, development gain or Internal Rate Of Return. And with a **Debt : Equity Ra-**

tio of 60:40 or higher, we hope to produce an **IRR** for the investor of 50% or better.

Development Duration : 2 years.

Suggested investor participation : 47.5% share in our LLP vehicle.

Investment Required : £16,400,000.

Expected Net Present Value from development gain : £11,300,000.

The client will project manage the development leaving the investor free of direct involvement if desired.

In This Opportunity

30 MW Opportunity	1
High Capital Gain	1
Debt: Equity 60:40	1
Capital Valuation	2
Project Exit	2
Pipeline Of Opportunities	3
About Windrush	4

Capital Expenditure & Interest

It is anticipated that our equity capital would be deployed in the construction project ahead of the debt facility.

This means that interest rolled forward to the project completion will be minimised thus giving equity participants

the highest possible exit value and highest return on capital employed.

Calculating Market Value Of The Wind Farm

Description	Income Flow	Capital Flow	Net Flow	Size (MW)	Return (%)	Amount
Investment	-8,000,000	-8,000,000	8,808	8,808	8,808	8,808
Investment	-8,000,000	-8,000,000	8,825	8,825	3,304,117	1,43
Investment	0	0	8,978	8,978	8	8
Investment	0	0	8,884	8,884	8	8
Investment	0	0	8,908	8,908	8	8
Development Loan Only	25,340,530	25,340,530	2,808	2,808	814,708	1,04
This Quarter 1	0	0	2,258	2,258	8	8
This Quarter 2	0	0	2,304	2,304	8	8
This Quarter 3	0	0	2,350	2,350	8	8
This Quarter 4	0	0	2,396	2,396	8	8
This Quarter 5	0	0	2,442	2,442	8	8
This Quarter 6	0	0	2,488	2,488	8	8
This Quarter 7	0	0	2,534	2,534	8	8
This Quarter 8	0	0	2,580	2,580	8	8
This Quarter 9	0	0	2,626	2,626	8	8
This Quarter 10	0	0	2,672	2,672	8	8

Download the Spreadsheet for this opportunity by loading it's [url web address](#) into your internet browser.

For example, we know that in a 'calm' year that the capacity factor will be about 0.305 (30.5%) yielding 80.154 GWh in a year which translates into about €7,500,000 in revenue a year. We can model too for inflation in the market price of electricity because we know that it has varied between 5.91% and 8.56% p.a. over the past 5 years.

fore **capital valuations** for the outright sale of the newly constructed asset.

One way to proceed with the opportunity would be to even now establish a contract with the ultimate buyer of the wind farm upon it's going operational.

Having achieved that, securing the debt (bank) funding should be relatively straightforward.

We are able to calculate what the **capital value of the brand new wind farm** will be because we know what the revenue figures will be and we are able to mathematically model it.

And **planning permission** has been granted to allow for the wind farm being operational for 25 years.

All this enables us to calculate 'pessimistic', 'realistic' and optimistic scenarios - and there-

Putting up another anemometer mast for the duration of the construction would be a way to provide for or pre-arrange a **higher sale price at hand-over**.

"The reward for work well done is the opportunity to do more".

- Jonas Salk

Exiting The Opportunity . . .

Our combined exit from the opportunity would be by means of a capital sale of the wind farm upon our having completed the development project.

Prospective buyers include;

- Financial Institutions such as **Pension Funds, Hedge Funds and Insurance**

Companies. For this type of buyer we have already worked out a figure for their buying metric - the 25-year cash flow stream's **Annual Equivalent Annuity** of €12,768,000 which gives their investors a very healthy 8% return p.a.

- **Large Businesses** looking to offset their carbon footprint and/or raise their public valuation and profile through a demonstration of **Environmental Corporate Responsibility** as well as protect themselves from future energy price increases.

A Pipeline Of Opportunities After This One . . .

There also exists two additional opportunities which could emerge from the 30 MW opportunity, namely

- There is a possibility that an **extension to the 30 MW wind farm** could be added at a later time, the rights to which we could retain upon the capital sale of the 30 MW part or we could sell the rights into the bargain . . . or sell the rights separately,
- There is a possibility that this op-

portunity could also open the doorway to the construction of a **geothermal** asset also on the client's land (subject to planning and the ability of the grid to carry the load, of course), and

- This client is also sourcing other opportunities with a view to developing a pipeline of development projects.

Conclusion;

The 30 MW opportunity is ready for the equity deployment now.

Get in touch by phone if you would like to take part. Let's seize the day !

Downloads

Webpage (download this Opportunity PDF):

<http://www.windrush.biz/wind-farm-investment-opportunity/30mw-windfarm-development-opportunity.pdf>

Spreadsheet (download this Opportunity Spreadsheet):

<http://www.windrush.biz/wind-farm-investment-opportunity/30mw-wind-farm-development-private-equity-investment-appraisal.xls>

"Don't get too comfortable with who you are at any given time - you may miss the opportunity to become who you want to be".

- Jon Bon Jovi

... harvesting wealth ... from mere wind ... for a lifetime !

**Windrush Renewables
287 Braidcraft Road
Glasgow G53 5LP**

**Phone: 07535 529 074
Phone: 07791 727 190
E-mail: francis@windrush.biz**

WWW.WINDRUSH.BIZ

About Windrush . . .

Windrush developed out of the credit crunch as a result of an even greater need for private equity in funding development projects. From 2010 it has been our mission to put together wind farm development joint venture opportunities which exhibit a high rate of return. As the renewable energy industry matures we anticipate a greater role acting as agents for the sale of operational wind farm assets.

Our clients vary from individual developers with one or more turbine opportunities through property companies looking to diversify into energy or infrastructure to industrial systems engineering companies in adjacent industries.

Currently we have developer clients with opportunities in Scotland, England, Ireland and the United States of America.

Frequently Asked Questions

Q: What scale of project opportunities is Windrush involved in ?

A: From a medium-sized (250kW) single wind turbine requiring an equity investment of £450,000 up to a 30MW wind farm major civil engineering opportunity requiring €44,000,000 . . . that's the beautiful thing about energy . . . sometimes we're dealing in multiples and in the same workday we can be working with orders of magnitude.

Q: Does Windrush only work with wind energy ?

A: No. For example, one of our developer clients intends to construct a geothermal power plant right after our initial wind farm development goes operational. We also have a client with an opportunity to develop a portfolio of green (natural) burial sites.

Q: How easy is it to arrange for my existing property to be used like this ?

A: It's a surprisingly straightforward process. It depends on the circumstances of the case of course, and it only takes a day to create the separate legal container for our venture together, our special purpose vehicle LLP.

For more general information, visit our website

www.windrush.biz

Meetings with prospective joint venture partners are regularly being held in Glasgow and Edinburgh.



Francis McMenamin, Windrush Principal