



Economic and Regulatory Services  
for Investors in Infrastructure



## Castalia's Services for Infrastructure Investors

Our expertise in infrastructure markets helps investors:

- Identify good deals
- Make the right investment decision
- Manage regulatory and government risk.



SCREENING

- Idea generation
- Deal origination

INVESTMENT  
DECISION

- Due diligence
- Valuation
- Lenders' reports

OPERATIONS

- Regulatory support
- Managing policy risk

## Idea Generation and Deal Origination

Our market knowledge and contacts help investors to:

- See opportunities
- Develop strategies
- Originate leads.





CREATING  
INFRASTRUCTURE  
DEAL PIPELINE, IFC,  
MEKONG  
REGION

Castalia identified US\$6.9 billion pipeline of infrastructure deals for the energy, water and transport sectors in Vietnam, Laos, and Cambodia.

GEOHERMAL  
POWER  
OPPORTUNITIES,  
INDONESIA

Castalia identified 4,000MW of viable geothermal power generation projects in Java and Sumatra. We highlighted key risks and mitigants to make these investable propositions.

MARKET  
ANALYSIS,  
CLEAN ENERGY  
PRIVATE EQUITY  
FUND, ASIA

Castalia analyzed market conditions and opportunities for an Asian Clean Energy Fund raising US\$400 million in capital.

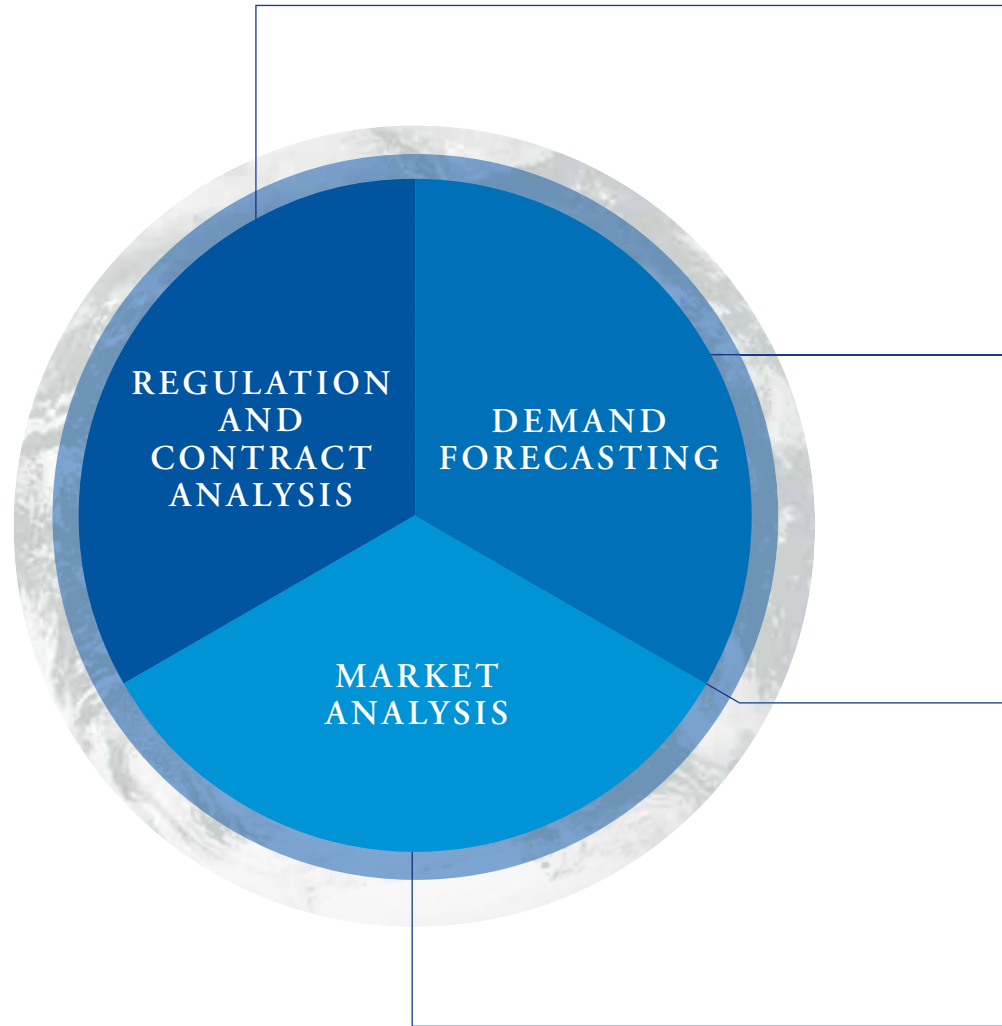
OPPORTUNITY  
TO BUY MIRANT'S  
POWER ASSETS,  
JAMAICA


A local investor was considering a bid for the Jamaica Public Service Company (annual revenue US\$750M). Castalia's market analysis indicated the asset would be over-priced. We advised not bidding.

## Due Diligence, Valuation, and Lenders' Reports

Our regulatory and market expertise helps investors to:

- Identify and quantify key investment risks
- Forecast revenues, costs, and investment need
- Provide independent assurance to lenders and other stakeholders.





BID FOR  
ELECTRICITY  
NETWORK,  
MACQUARIE BANK,  
NEW ZEALAND

Castalia helped a Macquarie Bank consortium forecast regulated revenues and assess regulatory risk for this US\$120M (annual revenue) business.




VALUATION OF  
PORT MERGER  
OPPORTUNITY,  
NEW ZEALAND

Forecast market share, revenues and operating costs for two of New Zealand's largest ports (combined asset value of US\$800M), and advised on the fair value of each port in a merger arrangement.



PURCHASE OF  
MASINLOC 600MW  
COAL PLANT, AES,  
PHILIPPINES

Castalia forecast plant dispatch and wholesale prices, using our model of the Philippines electricity market. This defined revenue and operating cost forecasts, key inputs to AES's successful US\$930M bid for the plant.



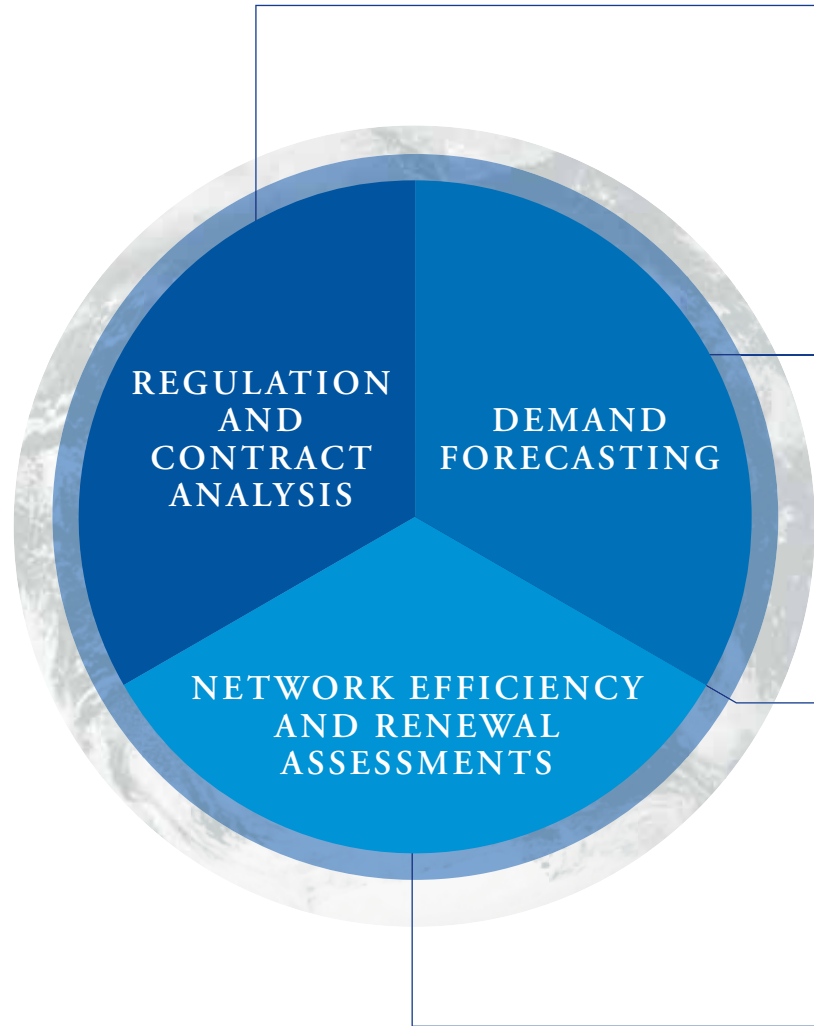
DEVELOPMENT  
OF EGENICSA  
25MW HYDRO  
GENERATOR, CCN,  
NICARAGUA

Castalia worked out the most profitable capacity for this hydro plant, using our dispatch and valuation model. We then helped the sponsor to raise additional equity and debt for the project.

## Regulatory Support and Managing Policy Risk

Our expertise and relations help investors:

- Assess evolving risks
- Influence policy and regulation
- Develop business strategies that mitigate remaining risks.





RISK OF CARBON  
CAP AND TRADE  
REGULATION,  
BABCOCK & BROWN  
POWER,  
AUSTRALIA

A proposed carbon trading scheme threatened to wipe hundreds of millions of dollars off the value of Australian coal-fired generation plants. Castalia advised BB Power on approaches to negotiate with the government on compensation for lost value.



GAS  
DISTRIBUTION  
TARIFFS, BABCOCK  
& BROWN  
INFRASTRUCTURE,  
NEW ZEALAND

PowerCo, a utility with annual revenue of US\$260 million, was threatened with a gas tariff reduction of 42%. Babcock and Brown Infrastructure (PowerCo's owner) engaged Castalia to help with its strategy to fight the reduction.



CALIFORNIA  
POWER CRISIS  
PROCEEDING,  
PG&E,  
USA

Working with the California Parties, Castalia helped PG&E to clawback about US\$150 million from power-traders who had breached FERC rules during the Californian power market crisis.



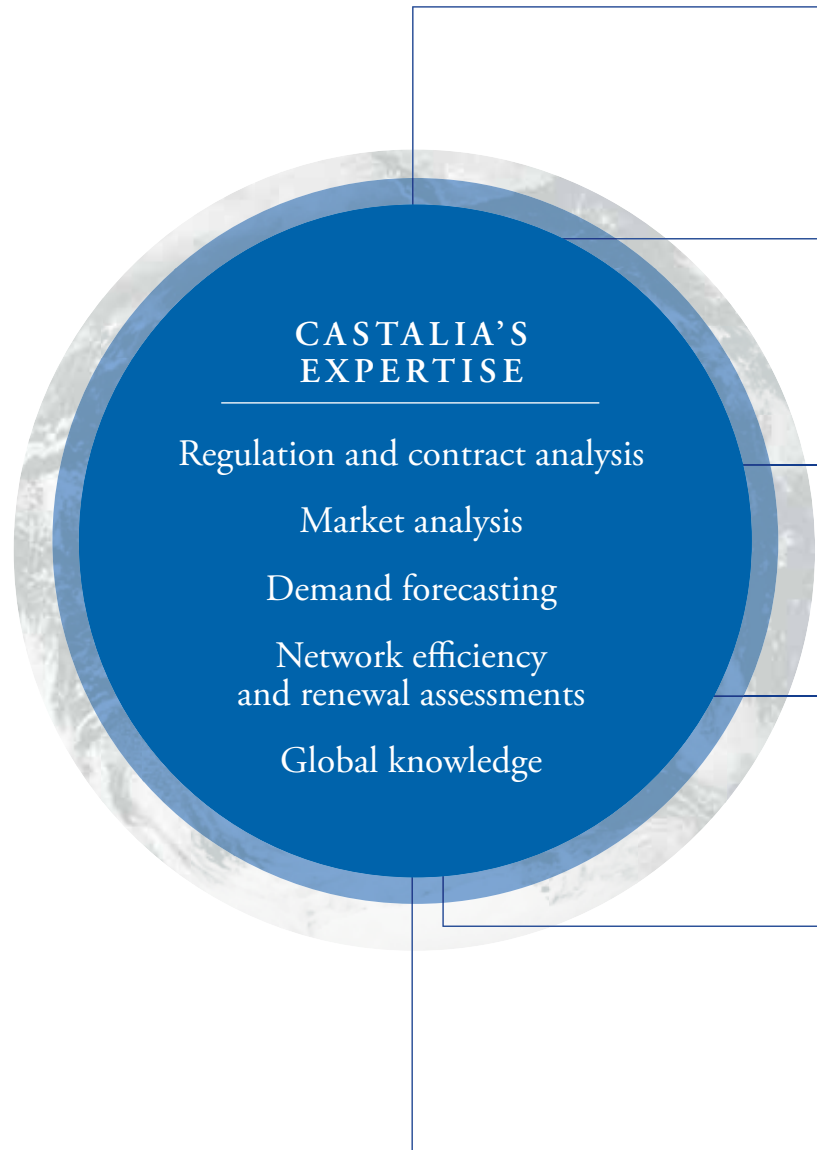
URBAN  
TRANSPORT  
PROCUREMENT  
POLICY, NZ BUS,  
NEW ZEALAND

The Ministry of Transport was going to change how urban transport operators were regulated and subsidized. The changes were not in the public interest, and would have hurt our client, NZ Bus. Castalia persuaded the Ministry to take a better approach.

## Assets and Expertise

Our advantage comes from investment in specific assets including:

- Experienced staff
- Industry databases and libraries
- Computer models.





#### OUR STAFF

We have worked for governments and regulators, so we know how they think.



#### OUR NETWORK

Worldwide network of contacts for market intelligence and cutting-edge insights.



#### OUR DATABASES

We maintain structured databases of utility costs and tariffs from around the world.



#### OUR MARKET MODELS

We run proprietary market simulation models for a number of power markets.



#### OUR CONTRACTS LIBRARY

We have an extensive library of PPP and similar contracts from around the world, together with comparative risk analytics.



#### OUR DISCIPLINES

We combine micro-economics with insights from corporate finance, law and engineering.

## Global Reach

We are a specialized global firm with:

- A quarter century experience in infrastructure advisory work
- Offices in Washington, Paris, Sydney, and Wellington
- A record of successful projects all over the world.

### KEY

- Energy
- Water
- Transport
- Multisector
- Telecom
- ★ Castalia Office





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