
Sri Lanka and India coal plant deal to be inked in November

Saturday, 10 Oct, 2009

LBO reported that Ceylon Electricity Board, Sri Lanka state run power utility will sign a firm deal with India's National Thermal Power Corporation to build a 500MegaWatt coal plant in November.

Mr Ranjith Gunawardana additional general manager of Ceylon Electricity Board said the plant is a 50/50 JV between CEB and NTPC with each partner putting USD 75 million of equity and USD 350 million in debt.

He said that said a power purchase agreement a JV agreement and an implementation agreement would be signed in November following approval from Sri Lanka cabinet of ministers.

He added that a CEB official was in India and final touches were being put on the agreements. Once a power purchase agreement was signed, the coal plant would approach international lenders for debt financing,

Mr Gunawardana said construction is expected to begin in 2010.

The plant can be expanded up to 1,000MW in a second stage.

(Sourced from LBO)

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