



Orazul Energy Perú Press Release

In the past weeks, the Inkia Group (Nautilus Energy Holdings LLC) through Orazul Energy Perú S.A. (“OEP”) received an indication of interest for OEP’s thermal power generation and hydrocarbon businesses in Peru.

In that context, in line with our aspiration of generating value through portfolio optimization, the Inkia Group has decided to initiate a sale process of OEP’s thermal power generation and hydrocarbon businesses in Peru.

The sale process contemplates selling 100% of its indirect interest in its subsidiaries, Aguaytía Energy del Perú S.R.L. (“Aguaytía”) and Termoselva S.R.L. (“Termoselva”).

Aguaytía produces natural gas and natural gas liquids (“NGLs”), mainly liquefied petroleum gas (“LPG”) and natural gasoline. Natural gas is transported using company-owned pipelines and sold to Termoselva for the production of electricity at the Aguaytía thermal plant (“CTA”). Whenever CTA is not operating, extracted natural gas is reinjected into the wells to allow for the continued supply of NGLs. Termoselva, which operates CTA, is comprised of two single-cycle gas turbines, with a total installed capacity of 192MW.

Aguaytía and Termoselva combined represented approximately US\$51 million in revenues and US\$27 million in EBITDA for the year ended December 31, 2020. For the 3-month period ended March 31, 2021, combined they represented approximately US\$14 million in revenues and US\$8 million in EBITDA.

In the event that Aguaytía and Termoselva are sold, they would be sold as ongoing concern. The sale of these companies is not expected to have any impact on the normal operation of OEP’s hydro power business.

In the event the sale is closed, the net cash proceeds may be used within 1 year to (i) purchase any Notes (as defined below) or repay other senior indebtedness, (ii) make capital expenditures in a permitted business, or (iii) reinvest in or purchase additional assets. If the company has not applied the net cash proceeds within 1 year in one of the above permitted uses and such amount is in excess of US\$30 million, the Company will make an offer to purchase the Notes, at par, with any remaining net cash proceeds.

The closing of a potential sale process is expected to take up to 6 months. There is no assurance that the sale of Aguaytía and Termoselva will take place.



About the Company

We are a Peruvian company and our business is composed of a diversified portfolio of hydro and thermal power generation, natural gas production and processing assets. We are the only vertically integrated power company that owns and operates natural gas extraction assets in Peru. We conduct our operations through two primary business units: Orazul, which is comprised of hydropower generation and Aguaytía, which is an integrated gas-to-power complex comprised of natural gas production and processing and thermal power generation. We generate and sell electricity to regulated customers (distribution companies) and non-regulated customers under short-term and long-term power purchase agreements (“PPAs”) and to the spot market.

Our Notes

On April 28, 2017, OEP issued senior notes for an aggregate principal amount of US\$550 million in the international capital markets under Rule 144A and Regulation S of the U.S. Securities Act (the “Notes”). These Notes accrue interest at a rate of 5.625% payable semi-annually and have final maturity in April 2027. The Notes are rated BB by both Fitch Ratings and Standard & Poor’s.