

Friday, 23 January 2015

ERM POWER COMPLETES US RETAIL ACQUISITION

ERM Power Ltd (ASX: EPW) today announced completion of the purchase of US electricity retailer, SPG Energy Group LLC, trading as Source Power and Gas (Source).

The transaction was announced to the market on 11 December 2014 and was subject to certain US regulatory approvals. Those approvals have now been granted.

As previously reported, the acquisition gives ERM Power an attractive, low risk entry point to the sizable US energy market, and the immediate priority is to grow the load and profitability of the business.

The core focus of ERM Business Energy is meeting the energy needs of businesses, and the Source acquisition provides further opportunity to expand that proven business model to drive growth.

Source is an early stage business and it is anticipated that it will begin to contribute earnings in the next financial year (FY2015-16).



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About Source

Source began operations in May 2012. It is based in Houston, Texas with a staff of 31. The majority of its customers are in Texas with recent expansion to Illinois, Ohio, New Jersey and Maryland. Its focus is on business customers, which represent the majority of the load. It also has approximately 20,000 residential customers. Annualised revenue is currently US\$120m and annualised load 1.4 TWh.

About ERM Power

ERM Power is a diversified Australian energy company with interests in electricity sales, generation and metering, and gas production and exploration. Trading as ERM Business Energy and founded in 1980, we have grown to become the 4th largest electricity retailer in Australia with operations in every state and the Australian Capital Territory. We initially focused on larger businesses but now offer our industry leading services to small businesses. We have equity interests in 497 megawatts of low emission, gas fired peaking power stations in Western Australia and Queensland, operate an electricity metering business that trades as Powermetric, sell conventional gas and condensate from onshore discoveries in Western Australia, and have gas exploration operations in Western Australia and New South Wales.

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