

The race for electricity market entrance to Slovenia may already start between SEE power utilities of Croatia and Serbia after the announcement for sale of stake in GEN-I.

Supervision board of Petrol company gave recently green light to the management to start the procedure for the sale of 50% share in energy company GEN-I. Petrol already started the selection of advisor for this sale project.

GEN-I is since 2011 in joint equal ownership of Petrol and GEN Energy. GEN Energy has a contract for the sale of electricity from NPP Krsko which is state owned.

Priority purchase rights for the Petrol share have GEN Energy but Petrol can easily avoid this. Petrol shares in GEN-I are controlled by IGES. If Petrol decides to sell its share it will most likely neglect the priority purchase rights and simply follow its interests.

According to the local media GEN Energy does not have the financial capacity for buy out of Petrol. GEN Energy offered 20MEUR to Petrol which is far below the Petrol appetites.

Petrol's valuation sheets estimation of shares in GEN-I are estimated at 45MEUR.

Announced sale of GEN-I and lack of power from GEN Energy for take over opens the space for other bidders and interested competitors interested in SEE region market expansion, companies like Croatia power utility HEP or even Serbian EPS power utility which both announced earlier the regional expansion. , transmits Serbia-energy.eu