



[Press Release]



## **CKI and Power Assets Acquire Canadian Power Plant Asset From Husky and TransAlta Cogeneration for HK\$718 million**

(28 February, 2011) - Cheung Kong Infrastructure Holdings Limited (“CKI”) and Power Assets Holdings Limited (“Power Assets”) have signed agreements to jointly acquire the Meridian Cogeneration Plant in Saskatchewan, Canada from (i) Husky Oil Limited, a wholly owned subsidiary of Husky Energy Inc. (“Husky”) and (ii) TransAlta Cogeneration, L.P. (“TA Cogen”).

Upon completion of the transactions, CKI and Power Assets’ effective stake in the Meridian Cogeneration Plant will increase from 24.995% to 100%. The net consideration for the 75.005% additional interest is approximately CAD91.4 million (approximately HK\$718 million).

The acquisition marks a new milestone in the relationship between CKI/Power Assets and Husky. Currently, Husky and TA Cogen each own a 50% interest in the Meridian Cogeneration Plant. As CKI and Power Assets together currently hold a 49.99% interest in TA Cogen, CKI and Power Assets’ effective stake in the Meridian Cogeneration Plant is 24.995% before the acquisition. After the transaction is completed, CKI and Power Assets will hold a 100% interest in the plant.

The Meridian Cogeneration Plant is a natural gas-fired cogeneration plant with an installed capacity of 220 MW. It holds a long-term power purchase agreement with Saskatchewan Power Corporation (a provincial electricity company owned by the province of Saskatchewan) and a long-term steam supply contract with Husky - both lasting until early 2025.

Completion of the transactions is subject to consent from Saskatchewan Power Corporation as well as regulatory approval. The transactions are expected to be completed by April 2011.

After the transaction is completed, Husky will continue to play the role of steam off-taker and operator of the Meridian Cogeneration Plant.

Mr H L Kam, Group Managing Director of CKI and Executive Director of Hutchison Whampoa Limited (“Hutchison”), said: “We are very pleased with the acquisition. This transaction will bring three member companies of Hutchison closer together – (i) Husky is an associate of Hutchison; (ii) CKI is a subsidiary of Hutchison; and (iii) Power Assets is an associate of CKI. We hope that the future will bring further mutually beneficial cooperations between CKI/Power Assets and Husky.”

Mr Kam continued: “This Meridian Cogeneration Plant deal represents CKI’s first acquisition in 2011. It marks another electricity asset investment since CKI acquired EDF Energy plc’s UK electricity networks last November.”

Mr Kam added: “With a strong cash position of HK\$5 billion, we will continue to propel our acquisition momentum forward. We are currently studying more than 10 investment opportunities around the globe and look forward to expanding our portfolio further in the near future.”

Mr K S Tso, Group Managing Director of Power Assets, commented: “We are very pleased to have acquired this shortly after changing our company name to ‘Power Assets Holdings Limited’ to reflect our increasingly diverse worldwide interests and strategic focus. While maintaining our investment in Hong Kong, we will expand our portfolio in power and utility-related businesses outside of Hong Kong. The acquisition of the Meridian Cogeneration Plant is part and parcel of this strategy as we continue to work with CKI to expand our global footprint.”

Mr Terrance Kutryk, Husky's VP of Midstream and Refined Products, added: “The sale of our interest in the Meridian Cogeneration Plant fits with our strategy to sharpen our focus on growing oil and gas production and creating value for the near, mid and long term. CKI and Power Assets have vast expertise in the generation, transmission and distribution of power and we look forward to working with them.”

Acquisition of the plant will further strengthen CKI/Power Assets’ Canadian portfolio. In addition to the 100% interest in the Meridian Cogeneration Plant, CKI and Power Assets hold stakes in five other power generation plants in Canada - three in Ontario and two in Alberta - through their 49.99% interest in TA Cogen. The total generating capacity of the six plants in Canada is 1,362 MW.

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## **About CKI**

CKI is the largest publicly-listed infrastructure company in Hong Kong with diversified investments in Energy Infrastructure, Transportation Infrastructure, Water Infrastructure and Infrastructure Related Businesses. With operations in Hong Kong, Mainland China, the United Kingdom, Australia, New Zealand, Canada and the Philippines, CKI is a leading player in the global infrastructure arena. More information is available at [www.cki.com.hk](http://www.cki.com.hk).

## **About Power Assets**

Power Assets Holdings Ltd is a global investor in power and utility-related businesses investing in electricity generation and distribution, renewable energy and gas distribution. Formerly known as Hongkong Electric Holdings Ltd., the Power Assets Group has two major subsidiaries – The Hongkong Electric Company, Ltd (HK Electric) and Power Assets Investments Ltd (PAI). Established in 1889, HK Electric is a power utility supplying electricity to Hong Kong Island and Lamma Island. PAI is the investment arm of Power Assets with investments in Mainland China, the United Kingdom, Australia, New Zealand, Canada and Thailand. More information is available at [www.powerassets.com](http://www.powerassets.com).

## **About Husky**

Husky Energy is an integrated energy company headquartered in Calgary, Alberta, Canada. Husky Energy is a publicly traded company listed on the Toronto Stock Exchange under the symbol HSE. More information is available at [www.huskyenergy.com](http://www.huskyenergy.com).