

UPDATE 1-Thailand's Superblock to invest \$884 mln in solar power in 2015

- * Sources of funding from capital-raising, warrant issue, loan
- * Aims to boost commercial operation target to 500 MW in 2015
- * Expect to turn around and make profit in 2015 (Adds company comments, details)

By Khettiya Jittapong

BANGKOK, June 8 (Reuters) - Thai electricity distributor Superblock PCL plans to invest 30 billion baht (\$884 million) in 2015 on expanding its solar power business at home and abroad, it said on Monday.

Superblock is one of several Thai companies shifting to solar power to benefit from a government drive to promote renewable energy in Thailand, which fuels nearly 70 percent of its power plants with natural gas.

Thailand wants to nearly quadruple solar power capacity to 6000 megawatts (MW) over the next two decades, according to a government power development plan published in May.

Superblock plans to raise 25 billion baht through share sales and warrant issues to fund the expansion, Chairman Jormsup Lochaya told Reuters.

The company has also received a 6.7 billion baht credit line from Bangkok Bank, which helped secure funding for its first solar farm project, Jormsup said.

Superblock is on track to achieve its target for the commercial operation of 500 MW of capacity this year and has already this year signed deals for 396 MW solar farms, he said, noting the company aims to double capacity to 1000 MW next year, and then again to 2,000 MW over the next three years.

The company is in talks with a potential partner in Japan to invest in a 300 MW solar project, Superblock said.

Superblock, valued at \$1.2 billion on the Thai bourse, sold its foamed concrete block business to Siam City Cement PCL in 2013 before diversifying into renewable energy.

Jormsup said the investment initially dragged down earnings but said he expected to make profits in 2015, turning around a net loss of 89.7 million baht in 2014.

Superblock expects to realise revenue from solar power plants in the third quarter and sees solar generating about 90 percent of total revenue by the end of 2105, he said. Growth would be strong in 2016, he added.

Superblock is also considering investing in 695 MW of wind power with estimated investment of 90 million baht per MW, he said. (\$1 = 33.8700 baht) (Reporting by Khettiya Jittapong; Editing by Miral Fahmy and David Holmes)

