

Companies & Markets

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KKR in \$500m CleanPeak Energy play

Angela Macdonald-Smith

Private equity giant KKR is ploughing \$500 million into a solar and storage start-up co-founded by a former Citi banker, in a landmark investment in the sector targeting rooftop panels and battery installations on shopping centres and industrial premises.

The CleanPeak Energy investment is being made under the global power-house's climate transition strategy, which has so far committed more than \$US34 billion (\$51.9 billion) to climate and environmental sustainability ventures.

It will underpin an accelerated expansion of the Sydney-based outfit's capacity, tapping demand among commercial and industrial customers for on-site solar and storage systems to help meet climate targets and reduce costs, CleanPeak's chief executive Philip Graham said.

Supplemented by debt, the deal would give CleanPeak about \$1 billion of capacity on its balance sheet to accelerate its rollout, Graham said.

"The capital allows us now to be unconstrained in our growth ... we think it is a coming of age – it's a recognition of what we do, obviously attracting a major investor like KKR who has gone through a lot of due diligence on the sector."

He said it would help deliver assets that helped customers with their energy transition goals, despite the hurdles in the large-scale renewables rollout due to transmission and social licence issues.

"There are lots of constraints and issues in the wider transition to renewables, but we're managing to give our customers solutions today."

Graham said distributed energy – using so-called "behind the meter" systems installed on the customer's side of the electricity meter – would play a key role in the clean energy transition, which could not be completed by relying on utility-scale renewables and storage alone.

"You've got to have a distributed

energy focus as well, because when you do distributed energy solutions, you're not constraining the grid, you're putting the power right where it's being used," Graham said.

Neil Arora, KKR partner and head of climate transition strategy for Asia, said the market for clean energy services to commercial businesses was at an inflection point as companies sought "bankable" pathways to improve energy efficiency while keeping power reliable and affordable.

Arora said the combination of CleanPeak's proven operating platform and KKR's global network and experience across energy and infrastructure offered the opportunity "to unlock significant opportunities for corporate customers looking to decarbonise and reduce their energy bills".

CleanPeak will sit alongside other investments in KKR's transition fund including UK-based electric bus player Zenobe, German energy service provider EGC and US solar and storage developer Avantus.

The KKR transaction does not affect the existing holding company for the CleanPeak assets that was co-developed and is majority-owned by Igneo Infrastructure Partners, Igneo managing director Daniel Timms said.

Timms said Igneo had decided to take direct control of that asset company and build its own management capability within that vehicle, of which it owns more than 80 per cent.

"As part of our strategic direction, we've chosen to pursue future investments in distributed energy through our own dedicated management capabilities," Timms said.

KKR's investment comes eight years after Graham, a former energy investment banker at Citi who advised on AGL Energy's purchase of huge coal power stations on the east coast, and partner Jon Hare, a former head of strategy at Origin Energy, founded CleanPeak.

► Soul Patts backs battery developer North Harbour **p19**



Saturn Metals COO Stuart Ellison and exploration manager David Smith at Apollo Hill. PHOTO: TREVOR COLLENS

Gold price surge a game changer

Mining Processing 80 tonnes of ore to extract just one ounce of bullion now looks to be a viable proposition, writes Mark Wembridge.

Ian Bamborough gazes lovingly across the deep red earth of Saturn Metals' tenement, a gold deposit that has been short of affection since its discovery almost four decades ago.

The tall, Yorkshire-born boss of the ASX-listed metals explorer is standing on ground that holds at least 2.2 million ounces of gold – one of many finds clustered around the Western Australian town of Leonora in the heart of the state's Goldfields region some 800 kilometres north-east of Perth.

Apollo Hill has passed through several owners since 1986, yet none have established a commercially viable, open-cut mine. That's partly because the deposit's ore quality is lower than some others in an area awash with

gold, meaning the cost of extracting and processing Apollo Hill's riches has not been worth the effort. But after a sustained rally in the gold price to record highs, the game has changed for Australia's miners and explorers, including Bamborough's Saturn.

The precious metal's ascent has sparked a new gold rush in WA. Long-dormant shafts and ageing pits are being revived, and potential mines with lower-grade ore are now considered profitable.

Saturn's business model for Apollo Hill assumes an average grade of just 0.51 grams, or 0.02 ounces, of gold per tonne, with only 75 per cent of that being extracted successfully.

In other words, Saturn must mine and process more than 80 tonnes of ore

– equivalent to the weight of 13 African elephants – to extract a single ounce of bullion.

Saturn's cut-off grade – the line that separates processible ore and waste material – is a mere 0.2 grams per tonne. For comparison, Northern Star Resources, Australia's biggest listed gold miner, has an average grade across its mines of 1.8 grams per tonne. Genesis Minerals, which operates the Ulysses gold mine not far from Apollo Hill, averages 2.2 grams per tonne.

In the first quarter of the year, the average mill grade for Australian gold miners was 2.37 grams per tonne, according to Perth-based data group Aurum Analytics. Open-pit operations averaged 1.02 grams per tonne, and underground mines 3.48.

According to Bamborough, the high price of gold makes Saturn's expected ore grade a viable prospect. Today, a gram of gold is worth \$160.

"While we were studying [Apollo Hill], the gold price kept going up, so what was once a break-even concept started to look bloody attractive in terms of making money," he says.

"The market, particularly now, is rewarding near-term production. If [Apollo Hill] was a higher grade deposit, we would have been bought out years ago. It's a mammoth orebody, and it's completely undeveloped."

Australian gold miners can, as a rough guide, produce an ounce of gold

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Lex Greensill was 'dishonest', IAG alleges in \$7b Federal Court battle

Jenny Wiggins

Greensill Capital's insurers are racing to include a previously confidential report from Switzerland's financial regulator as part of their defence in an Australian legal battle as they try to avoid up to \$7 billion in payouts.

ASX-listed IAG and its former subsidiary Bond & Credit Co – now owned by Japanese insurer Tokio Marine – are fighting creditors of Lex Greensill's collapsed financing empire in the Federal Court and trying to finalise defence statements ahead of a trial slated for August 2026 in Sydney.

Lawyers representing Bond & Credit

Co told the court on Thursday that they had only obtained a report – written in German – of a crucial investigation by the Swiss Financial Market Supervisory Authority in early May, and didn't get a formal English translation until mid-June, around the same time excerpts were publicly released to some media organisations.

The FINMA investigation into Greensill Capital's relationship with Swiss investment bank Credit Suisse, which held \$US10 billion (\$15 billion) of securities arranged by the collapsed supply chain finance group, was concluded in early 2023.

While the regulator released a public

statement stating the bank had "seriously breached" its duty to identify and limit the risks of its business relationship with Lex Greensill, it did not release its full report.

Bond & Credit Co is now "working hard" to add information from the FINMA report into its defence, which will allege that Credit Suisse failed to do proper due diligence on Greensill Capital, counsel told the court on Thursday.

The FINMA information is crucial to the insurers' defence because they are trying to pin blame for Greensill Capital's collapse in early 2021 and subsequent insurance claims on Credit Suisse and Lex Greensill, including

arguing the Bundaberg-born entrepreneur was not honest.

"Lex Greensill had a propensity to be dishonest in his dealings with insurers," IAG, Bond & Credit Co and Tokio Marine have alleged in documents filed in the Federal Court.

The founder of Greensill Capital is not a named party in any of the 10 lawsuits that IAG is defending in Australia.

But Lex Greensill's role in arranging insurance for billions of dollars of invoices and so-called "future receivables" that his firm, Greensill Capital, packaged up and sold to Greensill Bank and Credit Suisse before collapsing in early 2021 is being detailed in court

documents. Greensill Bank's administrator and Credit Suisse have filed the claims against IAG because it previously half-owned a specialist Australian insurer, Bond & Credit Co.

Bond & Credit Co issued billions of dollars worth of insurance policies that were crucial to guaranteeing the invoices if the people who owed money on them defaulted.

The insurance claims are complex because IAG's 50 per cent stake in Bond & Credit Co was sold by the ASX-listed insurer to Tokio Marine in mid-2019, raising questions over who exactly is liable.

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