



# Award-Winning Restructuring Deal: Basslink Pty Ltd

As Receivers and Managers, FTI Consulting operated and successfully sold Basslink Pty Ltd, owner of the critical 370km subsea electricity cable connecting Tasmania to mainland Australia, for AU\$773 million.

## SITUATION

Basslink owned and operated the high voltage, direct current electricity interconnector. As a critical electricity asset, the interconnector linked the State of Tasmania to mainland Australia, allowing Tasmania to participate in the National Electricity Market.

Basslink became insolvent after owing \$50 million in costs and damages to the State of Tasmania following a major underwater cable failure and being offline for six months across 2015 and 2016 while the cable was being repaired.

The insolvency forced the Company to appoint Voluntary Administrators in November 2021. The secured lender at the time subsequently appointed Receivers and Managers to take control of the Company to recover their c.\$625 million loan by selling the business and resolving ongoing legal and contractual disputes with the State of Tasmania and Hydro-Electric Corporation.

## OUR ROLE

Having purchased the syndicated secured debt in early 2022, APA Group approached FTI Consulting to initially act as advisors for them as the new secured lender.

In June 2022, our role significantly expanded when APA Group made the decision to substitute the existing Receivers with Vaughan Strawbridge, Chris Hill and Paul Harlond. We were also appointed as Receivers over the Cayman entity and FTI Consulting Singapore was appointed as Receiver over certain assets in the Singapore entity.

APA Group had publicly expressed its interest in acquiring Basslink, having participated in a prior sale process conducted by the Company. As a result during the sale process, a detailed set of protocols were communicated to all parties to provide confidence an independent sale process was being conducted.

The sale process was well thought-out and documented, with the timetable set to complete by late November 2022, which was the deadline set by the Court for the extension of the voluntary administration period. With the assistance of sale advisors Houlihan Lokey, we immediately commenced a far-reaching sale campaign, executing a robust and competitive sale process within a condensed timeframe.

During this time, Basslink was operating as a merchant participant in the National Energy Market and its revenue streams were subject to price volatility. As a result, we were responsible for maintaining and operating the asset in a highly regulated energy industry during a period of extreme volatility.

Basslink had suffered over \$14 million in trading losses in the days before FTI Consulting replaced the previous Receivers. Working alongside energy experts from our Economic & Financial Consulting team, we implemented an electricity market trading strategy to prevent further losses to Basslink in an unpredictable energy market. We successfully traded the interconnector in the National Energy Market and were able to agree and implement an interim management agreement which mitigated the risk of further trading losses.

Upon completion of the robust and complex sale process, APA Group was announced as the preferred bidder, with the final sale being completed on 20 October 2022.

Across the course of the engagement, our experts worked closely with the various stakeholders of the business to reset complex relationships and further support long-term partnerships.

Added to this successful outcome, following the acquisition by APA Group, we obtained compensation from Regulators to recover the trading losses that occurred prior to our appointment.

# OUR IMPACT



In a condensed four month time period, FTI Consulting completed the sale for AU\$773 million to APA Group. The successful outcome saw all agreed claims made by secured creditors being satisfied in full, staff employment and entitlements assumed by the purchaser, and the business continuing as a going concern.



The asset was operated and maintained effectively throughout the Receivership period, being of significant importance to Tasmania’s energy security.



The relationship between the State of Tasmania and the Company has been reset to support long-term partnerships.

## VAUGHAN STRAWBRIDGE

Senior Managing Director  
+61 406 534 626  
vaughan.strawbridge@fticonsulting.com

## CHRIS HILL

Senior Managing Director  
+61 419 499 103  
chris.hill@fticonsulting.com

## PAUL HARLOND

Senior Managing Director  
+61 434 586 020  
paul.harlond@fticonsulting.com

## KATHRYN EVANS

Senior Managing Director  
+61 409 043 699  
kathryn.evans@fticonsulting.com

## KUMAR PADISETTI

Senior Managing Director  
+61 412 199 065  
kumar.padiseti@fticonsulting.com

## EMMA FISHBURN

Managing Director  
+61 438 141 985  
emma.fishburn@fticonsulting.com

*The views expressed herein are those of the author(s) and not necessarily the views of FTI Consulting, Inc., its management, its subsidiaries, its affiliates, or its other professionals. FTI Consulting, Inc., including its subsidiaries and affiliates, is a consulting firm and is not a certified public accounting firm or a law firm.*

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. © 2023 FTI Consulting, Inc. All rights reserved. [fticonsulting.com](https://www.fticonsulting.com)

