

FS Energy and Power Fund Suspends Share Repurchase Program and Distributions

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The board of FS Energy and Power Fund, a non-traded business development company that invests in energy companies, decided to terminate the company's quarterly tender offer and suspend the share repurchase program, citing difficult market conditions due to the coronavirus (COVID-19) pandemic and events relating to crude oil production as the reason for the changes. The company also suspended regular cash distributions to shareholders after March 31, 2020.

FS Energy and Power Fund noted in a filing with the Securities and Exchange Commission that "recent market events such as the global outbreak of COVID-19, and the ongoing failure of Saudi Arabia, Russia and other oil producing countries to reach an agreement around crude oil production, have impacted the financial markets and significantly disrupted U.S. and global economies, including energy markets. The price of oil has also been severely impacted."



“Economists and major investment banks have expressed concern that these events could lead to a world-wide economic downturn and its prolonged economic impact is uncertain,” the company added.

As a result of this tender offer termination, no shares will be purchased and all shares previously tendered will be returned to shareholders. The board also decided to suspend the share repurchase program for an indefinite period of time and will reassess the company’s ability to recommence the program in the future.

The board has not declared regular cash distributions for any period after March 31, 2020, and future cash distributions will be suspended until market conditions and the company’s financial operations support resuming distributions.

FS Energy and Power Fund launched in July 2011 to invest primarily in privately-held U.S. companies in the energy and power industry. In November 2016, the company closed its public offering to new investors. The company’s investment portfolio had a fair value of \$3.8 billion as of September 30, 2019.

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