

Press Release

Brussels 20th of July 2004

Tractebel consortium wins the Sohar Independent Water and Power project in the Sultanate of Oman

Tractebel EGI, a business division of SUEZ, was selected to design, build, own, operate and maintain the greenfield Sohar Independent Water and Power project in Oman. The project consists of a 585MW Combined Cycle Gas Turbines plant and a 33 million imperial gallons a day (6250 cubic meters per hour) water desalination plant. The plant will be owned by Sohar Power Company and located in the Sohar Industrial Area, north of Muscat, on the Gulf of Oman, between EGI's Al Manah plant and the Taweelah A1 plant (Abu Dhabi), at about 300 km from each.

The project was awarded by the Ministry of Housing, Water and Electricity (MHEW) to a consortium held by Tractebel EGI and its local partners National Trading Corp., Zubair Corp., WJ Towell & Co., Sogex Oman, and the Ministry of Defence Pension Fund (MODPF), following an international tendering procedure. The Sohar project company will float 35% of its shares on the Muscat Securities Market within 4 years of its incorporation, as requested by the tender documents.

The approximately 500 million USD project will sell electricity and water to the Oman Power and Water Procurement Company SAOC (PWP) under a fifteen years Power and Water Purchase Agreement (PWPA) commencing on 1 April 2007. A first phase of 360 MW is scheduled to be operational on 1 April 2006. This PWPA will secure long term dollarised returns to Sohar Power Company.

In order to meet the growing power demand in Oman, the project will already provide power to the grid as early as 2006. Water is a precious utility to the country and population, desalination significantly increases the availability of potable water. The Sohar Power Company will also meet required national standards, consisting in employment and training of Omani nationals, as is promoted by the Regulatory Authority of the industry in Oman.

Marc Josz, Regional Manager of Tractebel EGI Middle East Asia declared: *“Oman has established a track record in attracting the private sector to invest and operate in its power and water desalination sector. This project, our second in Oman, consolidates our presence in a region with strong growth potential. The region offers an investor-friendly environment characterized by long-term power and water purchase contracts, with USD secured returns. The well-developed legal framework and the long-term off-take contracts for electricity and water made it possible already to obtain a limited recourse project financing”*.

Dirk Beeuwsaert, CEO of Tractebel EGI: *“We are particularly pleased –as lead developer- to have won the tender for this project. We have been active in the region since quite some time and managed to obtain the Sohar IWPP with local partners, who already joined us in winning the Al Manah project, in Oman. Sohar is an important and sizeable project and clearly complies with our profitability criteria”*.

Tractebel is present in the region for more than 16 years. In 1994, Tractebel EGI developed the Al Manah power plant (currently 270 MW) in the Sultanate of Oman, the first plant to be built, owned and managed by an independent power producer in the Gulf.

In 2003, Tractebel EGI inaugurated in Abu Dhabi, Al Taweelah A1, a power and water production plant, totalling 1,430 MW of electric power and 385,000 cubic meters of daily water production.

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