
Phoenix Power to launch IPO

Phoenix Power Company SAOG (under transformation), the leading power company of the Sultanate with its asset based in the Al Sharqiya Governorate of Oman, today announced its intention to launch its Initial Public Offering on <10 May, 2015>. As stated in the Project Founders' Agreement, the company is required to offer 35 percent of their share capital to the public through an IPO. Accordingly, Phoenix Power, which owns the Sur Independent Power Plant (IPP), intends to offer 511,910,511 existing shares through listing on the Muscat Securities Market.

Bank Muscat Investment Banking is the financial advisor and the sole issue manager for the IPO.

Phoenix Power owns, maintains and operates the Sur Independent Power Project (Sur IPP), Sultanate's largest power plant of 2000 MW in operation. The company is owned by a consortium comprising Axia Power Holdings B.V. (Marubeni Corporation, Japan), Chubu Electric Power Sur B.V. (Chubu Electric Power Co, Japan), Qatar Electricity & Water Company, Q.S.C, and Multitech LLC (part of the Suhail Bahwan Group, Oman).

Commenting on the proposed IPO, Mr. Peter Jones, Executive Managing Director of Phoenix Power announced: "This is a very exciting phase for Phoenix Power. Now that the Sur IPP has been contributing to Oman's power supply, we are delighted to offer the public an opportunity to participate in our future commercial success. According to the Oman Power & Water Procurement Company (OPWP), who is the sole off-taker of the power produced, Phoenix Power is expected to play a major role in meeting Oman's growing power demand for many years to come. The IPO is a unique opportunity for an investment in the Sultanate's largest power plant in operation."

Sur IPP was officially inaugurated on 27 April, 2015. The ceremony marked an important milestone in the journey of the company, which constitutes an investment of USD 1.6 Billion, and installed capacity of 2,000 MW, representing about 27.8% of Sultanate's Main Interconnected System total current contracted power capacity.

Strengths of Phoenix Power

- Strategic asset representing c.27.8% of the Sultanate's MIS total current contracted capacity (Based on OPWP's 7-year statement, 2014-2020)
- Contracted power purchase until 2029 with the Government
- Stable and predictable cash flows in the PPA period

- Strong and experienced shareholders

Mr. Peter Jones, confirms: “The Sur IPP indeed makes a valuable contribution to Oman through the provision of power to the people and industries of the Sultanate. The power sector in Oman has a proven track record and, with strong demand growth, has a bright future ahead. The Phoenix Power IPO offers an opportunity for an investment in a nation-building industry.”

More information on the company is available on the company’s website at www.phoenixpower.co.om

About the Shareholders

Axia Power Holdings B.V.

Axia Power Holdings B.V. is an entity that is 100% owned by Marubeni, which serves as an overseas investment vehicle for Marubeni’s investments into power projects.

Marubeni, acting as the lead member of the consortium, was established in 1858 and grew to become one of the leading Japanese trading houses. It oversees a range of operations that encompass the domestic market, export-import, and offshore trade, with total assets of around USD 70 billion (as of December 2014). As of 1st April 2015, Marubeni has 5 business groups directly under the president and several committees, covering Food & Consumer Products Group, Chemical & Forest Products Group, Energy & Metals Group, Transportation & Industrial Machinery Group, and Power Projects & Plant Group. Power Projects & Plant Group consists of Power Projects Division, Energy & Environment Infrastructure Division, and Plant Division, and it is one of the core group within Marubeni.

Marubeni is very active in the IPP industry, having participated in 49 I(W)PP projects with the total gross capacity of 32,533 MW and the total net capacity of 10,541 MW (as of April 2015) in overseas.

Marubeni’s role in the IPP business includes a wide spectrum including development, financing, equity participation as well as engineering, procurement and construction (“EPC”) and O&M. Marubeni operates I(W)PP projects in many countries around the world, including Oman, Saudi Arabia, Qatar, U.A.E., Tunisia, Turkey, Portugal, United Kingdom, Jamaica, Trinidad and Tobago, Australia, U.S.A, Canada, the Philippines, Thailand, Taiwan, Pakistan, India, Indonesia, Cambodia, Singapore, and Korea. In addition, Marubeni is an active player in the EPC business and has built over 102,145 MW of power plants worldwide. The power division’s vision is to establish itself in the top position in the comprehensive power business in Japan and abroad.

In addition to the power business, Marubeni has a variety of experiences in non-recourse project financing such as LNG related business and ship transportation business. Marubeni has an outstanding

record in project financing in emerging markets, and has arranged for funds from various export credit agencies, multilateral institutions, international commercial banks, institutional investors and local banks.

www.marubeni.com

Chubu Electric Power Sur B.V.

Chubu Electric is a wholly owned subsidiary of CEPCo, established to hold shares in and manage Phoenix Power and the operation and maintenance company for the Project.

Chubu Electric's wholly owned parent company, CEPCo, listed on the Tokyo Stock Exchange, is one of the largest among 9 regional power utilities in Japan, operating its own power plants, transmission and distribution systems. With its 33,386 MW generating capacity, CEPCo serves approximately 39,000 km² and 16 million people and a significantly manufacturing focused area with companies such as Toyota Motors based in the region. CEPCo has vast experience over the years of power business and operation since its foundation in 1951.

CEPCo also has an established international business focused on power generation and related businesses in Middle East, Asia and North America, and is involved in a number of independent power projects as shareholder, developer and operator comprising net capacity of 3,260 MW. In terms of having business experience in the Middle East area, CEPCo is participating in 3 IPP/IWPP projects as a shareholder in Qatar and is engaged in technical partnership scheme with the local power sector there.

www.chuden.co.jp/english/

Qatar Electricity & Water Company

Qatar Electricity & Water Company, Q.S.C (QEWCo), a Qatari Shareholding Company, was established in 1990, with the Government of Qatar as a major shareholder. QEWCo has since been successfully meeting Qatar's ever-increasing demand for electricity and water. It is one of the major companies in Qatar and the GCC region and owns and operates a vast network of power generation and water desalination stations in Qatar. The company has increased several folds its production capacity in the past 10 years. Outside Qatar, the company has stakes in Jordan and Oman. QEWCo's current total equity portfolio includes over 5,635 MW of power generation and 294 MIGD of water desalination capacity (including projects under construction) of which QEWCo solely owns and operates 6 stations with total production capacity of 2,049 MW of power and 201 MIGD of water.

www.qewc.com/qewc/en/

Multitech LLC

Multitech is part of the Suhail Bahwan Group, a leading business house in Oman.

Multitech is the investment arm of the Suhail Bahwan Group for participation in power and water privatisation projects in Oman. Multitech is the founding shareholder in:

- ACWA Power Barka SAOG (Barka 1 IWPP);
- Al Suwadi Power Co. SAOC (Barka 3 IPP);
- Al Batinah Power Co. SAOC (Sohar 2 IPP); and
- Phoenix Power Co. SAOC (under transformation) (Sur IPP).

Multitech also engages in the trading of welding products, electrical products, water treatment & oilfield chemicals and cranes.

Multitech is under the day to day management of Bahwan Engineering Company LLC, the flagship of Suhail Bahwan Group.

www.suhailbahwangroup.com

Ends.