

Phoenix Power IPO attracts strong investor interest.

A large number of institutional investors and high net worth individuals from the Sultanate attended investor roadshow presentations for the IPO.

Following the successful launch of the Initial Public Offering (IPO) of Phoenix Power Co SAOG (under transformation) on 10 May 2015, investor interest is gathering pace.

The IPO roadshow, held on 13 May 2015 in Muscat was well attended by a wide cross-section of investor groups, including institutional investors, high-net worth individuals and established family offices. Top members representing the founding shareholders of the company interacted with the attendees and the media and received a positive response from some of the most influential investors to the offering.

In his opening remarks, Mr Khalid Jolo, Chairman of Phoenix Power said, “Phoenix Power has the backing of Founders with a proven track record of implementing large and complex independent power and water plants globally and in the GCC. A well proven contractual framework for gas supply and off-take arrangements with the Government also underpins the commercial strength of the IPO”.

Commenting on the favourable reaction by investors, Peter Jones, Executive Managing Director, Phoenix Power said: “The IPO marks a milestone in the company’s history and we are very pleased by the positive reception and the significant level of investor interest we have seen so far. We are seeing interest from individual and institutional investors who share our view that the offer represents a good opportunity for investors to benefit from an attractive and robust sector, stable revenues, and competitive dividend yields of Phoenix Power.”

“The roadshow is providing a great experience to meet face-to-face with potential investors in Phoenix Power and we look forward to becoming a publicly listed company and broadening our existing shareholder base”

Phoenix Power is offering 511,910,511 existing shares, representing 35% of the issued share capital of Phoenix Power. The shares will be priced at Bzs 110 per share, inferring a total offer size of OMR 56.3 million and a market capitalisation on listing of OMR 161 million. The offering is expected to be the biggest in Oman this year.

At the IPO price, the company projected dividend yield comes to 7.3% until FY 2019 (excluding issue expenses). This compares with an average dividend yield of 5.9% for other power companies listed on

Muscat Securities Market. The first dividends will be paid in July 2015, and twice yearly thereafter. At the offer price, the company offers an IRR of ~13.5% to the investors as detailed in the prospectus.

The IPO will close on 8 June 2015.

Subscription

Application forms for the IPO are available for collection at any branches of the six subscription banks: bank muscat, National Bank of Oman, Oman Arab Bank, Bank Dhofar, Ahli Bank, and Bank Sohar

Information for applicants is available at www.phoenixpoweroman.com/ipo

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 Oman Power and Water Procurement Company owned by the Government of Oman
- Steady and reliable cash flows till 2029, even in a scenario of power demand volatility
- Fuel supply and price risk is mitigated through the gas supply agreement
- Extensive experience and expertise of the founding shareholders with an established track record

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 (QEWG), a Qatari Shareholding Company, was established in 1990, with the Government of Qatar as a major shareholder. QEWG 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. QEWG'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 QEWG 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. SAOG (Barka 3 IPP);
- Al Batinah Power Co. SAOG (Sohar 2 IPP); and
- Phoenix Power Co. SAOG (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.