

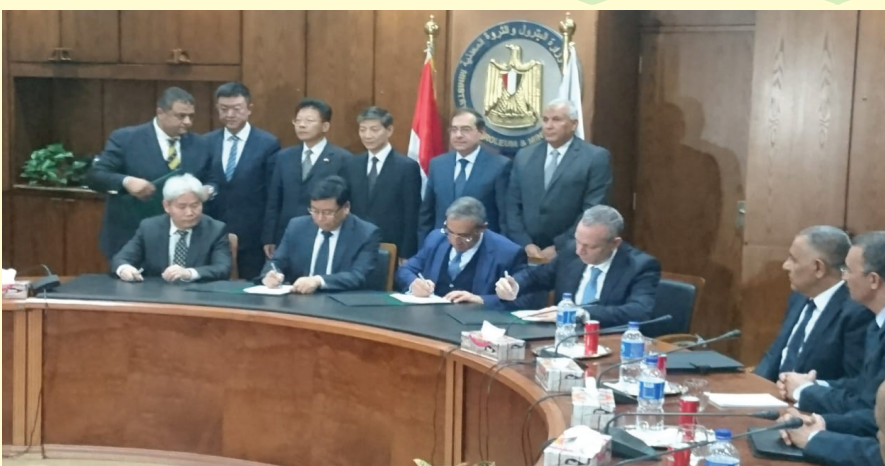
PRESS RELEASE

TUESDAY, December 24, 2019

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EPC CONTRACT SIGNATURE FOR THE ENGINEERING, PROCUREMENT, CONSTRUCTION, TESTING, COMMISSION- ING AND PERFORMANCE GUARANTEES (EPC) WORKS FOR THE MAIN PLANT SITE ESTABLISHMENT AND INSIDE BATTERY LIMITS, UTILITIES & OFFSITES FACILITIES

On 24th December, 2019 in the presence of H.E. Minister of Petroleum and Mineral Resources, New Valley Governor, the Chinese Ambassador in Egypt, Senior Executives of WAPHCO, China State Construction Engineering Corporation LTD (CSCEC) and WENGFU (Group), Ltd. (WF) the EPC CONTRACT for the Engineering, Procurement, Construction, Testing, Commissioning and Performance Guarantees works for the main plant site establishment and Inside Battery limits, utilities and offsites facilities have been signed between WAPHCO and the Joint Venture (JV) of CSCEC/WF.



The project is anticipated to be executed, and later on the facilities will be operated, under a Private Free Zone (PFZ) scheme where a new operating company to be established shortly for that purpose to which the EPC CONTRACT will be assigned once the legal formation of such PFZ company is concluded.

The EPC CONTRACT covers the new phosphoric acid production facilities producing 54% P_2O_5 MGA with a total capacity of 1,000,000 MTPY dedicated fully for export to the international marketing as well as the storage area, temporary construction facilities and offsites on a Lumpsum Turnkey (LSTK) bases with an overall value of USD 842 million. The project is planned to be executed over a duration of 30 months to the start of production trials phase followed by 6 months of test runs and performance guarantees. The JV will execute the project via an overseas incorporated JV utilizing CSCEC local office in Egypt as the local representative for the JV during the execution phase. The JV will incorporate separate agreements with the Technology Licensors (Prayon Technologies for the PAP, K-Technology for the CIX unit and Outotec GmbH for the SAP) in order to manage and Technology Licensors Agreements (TLA's) during the execution phase till the handover of the facilities to WAPHCO.



The Project will be financed on a project limited recourse financing from international and local banks / financing institutions where the financing arrangements are led by the Financial Advisor Alex Bank / Intesa San Paolo. This phase for the project shall start immediately with the nomination of the Lead Arranger for the Financing Consortium followed by the technical and commercial due diligence on all project documents that are fairly complete and ready for such phase. The due diligence phase is expected to take around 4 months with the expected commencement date for the EPC works during Q2 2020 and a target start of production within Q3 2022.

The signing ceremony also included the signing of the product offtake agreement between WAPHCO and WF (third largest producer of phosphate products in the world) for a quantity of 500,000 MTPY for a period of 5 years extended to 6 more years.

“ We are very pleased to achieve this important milestone in the lifetime of the project and look forward for a successful execution of the works leading to the start of the EPC works and completing the project on time.”, said Mr. Khaled El Ghazaly, WAPHCO’S Chairman. “We will provide all the support to the JV during the execution phase in order to maintain the schedule and start up the plant on time in order to fulfil our obligations towards the offtakers and the Lenders, said Eng. Medhat Yousry, WAPHCO’s Managing Director and CEO.

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END OF TEXT

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