

ACWA Power and APICORP Announce a Transaction Concerning a Minority Stake in Shuqaiq IWPP

For Immediate Release: 27th March 2017, Riyadh, Kingdom of Saudi Arabia: International Company for Water & Power Projects (ACWA Power) a leading developer, owner and operator of independent power generation & water desalination plants, and Arab Petroleum Investments Corporation (APICORP), a multilateral development bank established in 1975 by the 10 member states of the Organization of Arab Petroleum Exporting Countries (OAPEC), announced the signing of a sale and purchase agreement in respect of an 8% effective stake in Shuqaiq Independent Water & Power Project (Shuqaiq IWPP) in Saudi Arabia.

Under the terms of the agreement, which is subject to the satisfaction of conditions precedent involving certain consents, APICORP shall purchase a 13.33% equity stake in Shuqaiq International Water Company (SIWEC), thereby giving them an 8% effective stake in Shuqaiq IWPP.

Shuqaiq IWPP is one of ACWA Power's early greenfield developments in Saudi Arabia. Located on the on the western shores of Saudi Arabia, 130 km north of Jazan, the plant has a capacity to generate 850 MW of power and 212,000 cubic meters of desalinated water per day. The project achieved financial close in 2007 and started commercial operations in 2011. It has a 20-year power and water purchase agreement with Water & Electricity Company, Saudi Arabia.

Prior to this transaction, ACWA Power had a 40% effective stake in the project, after having acquired a 6% effective stake in 2014 from Mitsubishi Corporation, Japan, to add to its original 34% effective stake in the project.

This transaction complements the memorandum of understanding for a co-investment initiative signed by APICORP and ACWA Power in 2014, suggesting close collaboration in various projects in the fields of power generation and water desalination across the core geographies of ACWA Power.

Commenting on the transaction, Dr. Raed Al Rayes, Deputy Chief Executive and General Manager of APICORP, said: "Shuqaiq IWPP ranks among the major developments in Saudi Arabia's water and power sector and makes significant contributions to meeting the country's rising demands in this field. We are proud to support ACWA Power in their growth plans through this transaction, which enhances and diversifies at the same time our equity portfolio by increasing exposure to the power generation sector that has stable profit rates and low risk. We look forward to working with our partners at Shuqaiq IWPP and to developing similar partnerships with companies in the same sector."

Rajit Nanda, Chief Investment Officer of ACWA Power, said: "This transaction is a reflection of the confidence that our partners have in ACWA Power, and in the way we develop, build and operate our assets. APICORP has been a valued partner for many years, and this transaction capitalizes on the alignment of the business objectives of APICORP and ACWA Power."

Kashif Rana, Chief Financial Officer of ACWA Power, said: "This transaction is a result of ACWA Power's evolving portfolio and corporate finance strategy. We are focusing on ensuring that our portfolio carries an optimum risk-return profile, while having a balance sheet that being efficient capital-structure wise will also support our growth plans."

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About ACWA Power:



ACWA Power is a developer, investor and operator of a portfolio of power generation and desalinated water production plants currently with presence in 11 countries including in the Middle East and North Africa, Southern Africa and South East Asia regions. ACWA Power's portfolio, with an investment value in excess of USD 30 billion, can generate 22+ GW of power and produce 2.5 million m³ /day of desalinated water to be mostly delivered on a bulk basis to state utilities and industrial majors on long term off-take contracts under Public-Private-Partnership, Concession and Utility Services Outsourcing models.

ACWA Power, registered and head-quartered in the Kingdom of Saudi Arabia, is owned by eight Saudi conglomerates, Sanabil Direct Investment Company (owned by the Public Investment Fund of Saudi Arabia), the Saudi Public Pensions Agency and the International Finance Corporation (a member of the World Bank Group).

ACWA Power pursues a mission to reliably deliver electricity and desalinated water at the lowest possible cost, thereby contributing to the social and economic development of the communities and countries it invests in and serves.

ACWA Power strives to achieve success by adhering to the values of Safety, People and Performance in operating its business.

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About APICORP:

The Arab Petroleum Investments Corporation (APICORP) is a multilateral development bank established to foster the development of the Arab world's oil and gas industries. The organization is owned by the 10 Member States of the Organization of Arab Petroleum Exporting Countries (OAPEC). APICORP makes equity investments and provides project loans, trade finance, advisory and research to the energy industry.

APICORP's headquarters are located in Dammam, in the Eastern Province of Saudi Arabia and it also operates a Banking Branch in Manama, Bahrain.

More information can be found at: www.apicorp-arabia.com