

April 30, 2010

Sojitz Corporation

Sojitz to Participate in IPP in Saudi Arabia
— 1720 MW Gas-Fired Combined-Cycle Power Generation Project —

Sojitz Corporation will participate in an independent power project (IPP) in Saudi Arabia with Suez-Tractebel SA (Suez), a world-leading gas and electric power company, and Al Jomaih Holding Company (Al Jomaih), a major Saudi business conglomerate.

Sojitz formed a consortium with Suez and Al Jomaih to invest the Riyadh PP11 project, a gas-fired combined-cycle power generation plant that is to be constructed 125 km west of Riyadh in Saudi Arabia. The consortium obtained exclusive negotiating right from the Saudi Electricity Company (SEC) and plans to execute formal agreements at the end of May.

The total project cost of Riyadh PP11 is approximately 200 billion yen, and Sojitz will contribute approximately 10 billion yen. An operating company will be established by Sojitz acquiring 15% of the equity interest, Suez 20%, Al Jomaih 15%, and SEC 50%. The new company, which operates under a BOO (build, own and operate) scheme, will construct, operate and maintain the power plant with a long-term, 20-years power purchase agreement with SEC. Construction of the power plant will start in June 2010, and commercial operation is scheduled to begin in May 2013.

Riyadh PP11 will generate electric power with the advanced combined-cycle using gas and steam turbines operated by heat recovery steam generators. Its output will be about 1720 MW, and its main features will be minimal environmental impact and higher efficiency. In Saudi Arabia, most of power plants are oil-fired, taking advantage of the country's abundant oil resources, but attention has been shifting to gas-fired combined-cycle power plants in consideration of the environment, and there are high expectations for Riyadh PP11 as an environmentally-friendly project.

Sojitz has supplied substation and transmission equipment to SEC for more than 30 years, but this is the first time that it will participate in an IPP in the Middle East. This project will serve to strengthen Sojitz's ties with Saudi Electricity Company. Sojitz has positioned IPP investment as one of the core areas for long-term and stable revenues and plans to strengthen and expand the IPP business. Sojitz will focus on IPP business opportunities in Gulf countries of the Middle East and in Southeast Asia.

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