



Date: 14th May, 2019

PRESS RELEASE

EL WADY PHOSPHORIC ACID PRODUCTION PROJECT, ABU TARTOUR, EGYPT

ENGINEERING, PROCUREMENT, CONSTRUCTION, TESTING, COMMISSIONING AND PERFORMANCE GUARANTEES (EPC) WORKS FOR THE MAIN PLANT SITE ESTABLISHMENT AND INSIDE BATTERY LIMITS, UTILITIES & OFFSITES FACILITIES (PACKAGES 1 & 2)

El Wady for Phosphate Industries and Fertilizers (WAPHCO) is planning to establish and operate a world class, world scale 500,000 MTPY phosphoric acid production plant in New Valley Governorate located in the South West corner of the Arab Republic of Egypt. WAPHCO will be receiving the phosphate rock ore from the rich ore mines of Abu Tartour located near the plant site and operated by Misr Phosphate Company (MPCO).

WAPHCO has completed all pilot plant testing on the ore to produce merchant grade phosphoric acid using the direct acidulation method and as well all the FEED and Basic Engineering required for the plant facilities. These works were completed using the technology licenses provided by Prayon Technologies (PRT) out of Belgium for the acid generation, K-Technologies out of USA for the acid treatment and Outotec out of Germany for the sulphuric acid production. The FEED for the offsites and utilities were performed by ENPPI / FLUOR including the overall integration of the facilities.

EPC works for the plant facilities were tendered involving site establishment works (Package 1) covering site levelling, access road construction, perimeter fence works and additional site surveys while the EPC works covering all process facilities, offsites and utilities are also included under Package 2 works. Interface with other packages involving phosphate rock belt conveyors, railway and other works are also part of the current EPC scope of work.

The project will be financed through a limited recourse project financing under the guidance and leadership of the financial advisor Alex Bank (part of Intesa San Paolo Group) while all legal matters are reviewed by Baker Mackenzie.

The EPC tender for Packages 1 & 2 was launched during January 2018 and the bidding process was concluded on 5th April 2019 with the final technical and commercial proposals received from two internationally reputed tenderers which are SAIPEM / PETROJET consortium with subcontractor Ballestra, Italy and CHINA STATE CONSTRUCTION & ENGINEERING Co. (CSCEC) / WENGFU Joint Venture from China with subcontractors ECEC from China and Orascom Construction Industries from Egypt.

A full-fledged technical and commercial evaluation of both tenderers has been performed by a dedicated committee from WAPHCO and according to their evaluation, the committee recommends to start the final commercial and contractual negotiations with the JV of CHINA STATE CONSTRUCTION ENGINEERING Co. (CSCEC) / WENGFU from China with subcontractors ECEC from China and Orascom Construction Industries from Egypt for packages 1 & 2. WAPHCO Board of Directors (BOD) has approved on 14th May, 2019 the recommendation of the committee.



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"We are very pleased to reach that state in the plant EPC works and look forward for a successful completion of the final commercial and contractual negotiations leading to the start of the works and completing the Project on time.", said Mr. Khaled El Ghazaly, WAPHCO'S Chairman. "We will provide all the support to the negotiations team led by the Project Manager in order to complete the negotiations in the shortest possible time", said Eng. Medhat Yousry, WAPHCO's Managing Director and CEO.

It is worth mentioning that the plant EPC works is expected to be executed over a 32 months' schedule allowing commercial production from the plant Q1 2022.

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Project Manager