



Press Release

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Qalhat LNG Inks US\$ 130 million Loan Pre-payment



Muscat - It is indeed a year of achievements for Qalhat LNG SAOC. Having won the renowned Petroleum Economist's award for "The Energy Company of The Year" in September this year, Qalhat LNG has today announced yet another laudable achievement.

The company in a show of its strong financial position has decided to go ahead with accelerated repayment of its

long-term loan facility and confirmed that it would prepay nearly \$130 million before its due time. This was sealed in a signing ceremony in Qalhat LNG head office at Al Qurum, Muscat between the company management and representatives of the loan facility bankers from Calyon, Paris. Qalhat LNG plant was financed through Project Financing by a syndicate of

international bankers who provided a total loan to the project of about US\$ 600 million.

According to the loan agreement, the proposed prepayment by the company would mean an advance repayment for five and half years to come. Though a sizeable cash flow to repay, Qalhat LNG decision reflects the cash-healthy situation of the company and yet another testimony of its commitment to excellence and creating stakeholders value.

Despite this large prepayment, the company affirms that it would meet all obligations including paying dividends to its shareholders during the prepayment period.

Since the start of operations in 2006, Qalhat LNG has got a string of achievements to its credit and the latest decision highlights the successful strides

it has made in such a short span of time. Following the company's vision of 'Your Partner in Excellence', Qalhat LNG has demonstrated its excellence in all fields.

Qalhat LNG Chairman His Excellency Sheikh Al Fadhel Al Harthy said: "This is a major decision and the fact that we would repay a sizeable amount of \$130 million highlights the success and the healthy state of the company finance. The determination to excel has been our hallmark and the company's vision envisages success in all spheres by setting up high standards.

Mr. Harib bin Abdullah Al Kitani, President and CEO of Qalhat LNG said on this occasion: "the success of Qalhat LNG is a proof of the high reputation and respect the Government of Oman and the shareholders have in the international arena".

He also added "The latest achievement emphasizes Qalhat LNG's world-class position, which includes completing one of the best international projects ahead of schedule much below the allocated budget during the period when international construction industry

was facing many difficulties. The value created through our marketing innovation and financial optimization efforts have been fundamental to this important milestone".



To appreciate the confidence of financial institutions which provided 90% of the project's funds requirement, Mr. Hafidh Al Harthy, Qalhat LNG Finance Manager added that "without the banks trust and cooperation, this could have been difficult to achieve. This step is geared to saving significant financing cost and thus creating further shareholders value to our business. The company will continue to look for more venues in the future with collaboration with all our partners"

Qalhat LNG was established in 2003 and owns the third train in the LNG complex in Qalhat in Wilayat of Sur. The Government of the Sultanate of Oman owns 46.84 per cent equity while Oman LNG has 36.8 per cent, Union Fenosa Gas 7.36 per cent and Itochu Corporation, Mitsubishi Corporation and Osaka Gas of Japan each own 3 per cent of the company,

making it a truly international venture.

LNG production started in December 2005 and LNG cargoes were supposed to sail to Japan and Spain. However, due to the innovative business solutions that have been created and cooperation with partners in the markets, Qalhat LNG has shipped its products to more than six countries inking deals with more than 13 international companies.