

Shams Power Company secures \$600m for Middle East solar project

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Shams Power Company today announced the financial close of Shams 1, one of the world's largest concentrated solar power (CSP) projects and the first of its kind in the Middle East. The \$600m closing marks the largest solar project transaction to date and combines financing from 10 regional and international lenders.

Demonstrating strong interest from lenders, the financing - a non-recourse 22-year door-to-door fully amortizing structure - was oversubscribed with commitments totalling more than \$900m. Shams 1 lenders included BNP Paribas, KfW, Mizuho, National Bank of Abu Dhabi, Natixis, Société Générale, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi, Union National Bank and WestLB. BNP Paribas acted as financial advisor.

"The dynamic deal team was able to leverage knowledge across the sponsor group resulting in an innovative structuring and a ground-breaking financing for a landmark deal," said Derek Rozycki, Executive Director, Structured Finance and Capital Markets at Mubadala, the parent company of Masdar. "Going forward, we will continue to leverage our extensive expertise in international capital markets and our knowledge of the region to support these types of leading edge financing deals."

The joint venture between Masdar (60%), Total (20%) and Abengoa (20%) will develop, build, operate and maintain the plant which will be located in Madinat Zayed, approximately 120 kilometres southwest of Abu Dhabi in the United Arab Emirates (UAE). In addition to the strong solar irradiation in the area, the location was chosen to supplement ongoing efforts to develop the western region of Abu Dhabi by providing renewable power, as well as new jobs and a strengthened economy.

"With this financial close we are going one step forward toward the completion of the Middle East's largest solar power plant," said Philippe Boisseau, President, Total Gas & Power. "We are pleased to partner with Masdar and Abengoa in this ambitious project. We are on schedule and the work is going well in Madinat Zayed."

As one of Masdar's flagship projects, Shams 1 will directly contribute toward Abu Dhabi's target of achieving 7% renewable energy power generation capacity by the year 2020.

Dr. Sultan Al-Jaber, CEO of Masdar, added, "Shams 1 is a milestone project for the region and will be a core contributor to Abu Dhabi's long-term renewable energy objectives. As the first utility scale, commercial solar power project in the Middle East, Shams 1 represents the realization of the vision that the Abu Dhabi leadership has for renewable energy in the Emirate. We thank our partners for their support and continued collaboration."

Further validating the strength of the project, Shams 1 was recently awarded the "Middle East Renewables Deal of the Year 2010" by Project Finance.

Based on Abengoa's concentrated solar power (CSP) technology, the Shams 1 technology is unique - a result of a strong technical cooperation between Masdar, Total and Abengoa. Different from photovoltaic (PV) solar power, CSP technology generates solar thermal electricity by focusing sunlight, concentrated by mirrors, to heat a coolant which then generates high-pressure steam that drives a conventional steam turbine, resulting in an

efficient, reliable and clean solution. Conversely, PV solar technology generates power by converting solar radiation into direct current electricity when the energy of sunlight is absorbed by a solar panel and transferred to a semiconductor.

Masdar holds a strong portfolio of experience in solar power, both in the region and internationally. In Abu Dhabi, the Masdar Institute campus is currently powered by a 10MW PV field, while an array of innovative solar technologies are also being tested at Masdar. Internationally, Masdar is part owner of Torresol Energy, a joint venture commercial developer of CSP plants. Currently, Torresol is developing three solar power plants in Spain, all of which are expected to be running in 2011. Further, in Germany, Masdar PV is a leading manufacturer of innovative thin-film photovoltaic products and solutions, and a wholly-owned subsidiary of Masdar.

Shams 1 will be one of the largest concentrated solar power plants in the world, extending over an area of 2.5 km², with a capacity of approximately 100 MW and a solar field consisting of 768 parabolic trough collectors. Construction began during Q3 2010 and is expected to be completed in approximately two years.