

ABENGOA



Abengoa, ACS and Sacyr Vallehermoso increase the capacity of two desalination plants in Algeria

- **Geida has closed the financing agreement for the Beni Saf plant**
- **The consortium will bring in revenues exceeding €2,850 million dollars for the sale of water.**

Madrid, June 8th, 2006. - The Spanish Groups Abengoa, ACS and Sacyr Vallehermoso have successfully closed a financing agreement for the design, construction, financing and operation for 25 years of the seawater desalination plant in Beni-Saf, Algeria. The project had originally been awarded to the consortium in 2004 and was to have the capacity to produce 150,000 m³ per day. In April, negotiations were closed with the Government of Algeria for an expansion of the plant in order to increase its capacity to 200,000 m³ per day, and the project contracts and documents required to close the financing agreement were signed over the past few days.

The consortium also closed an agreement for the expansion of the Temclém-Hounaine plant, which will increase its capacity from 150,000 m³ of desalinated water per day to 200,000 m³ per day. Financing for this project is expected to be closed in September.

In 2004, the Geida Consortium formed by the companies Befesa and Codesa, which are both owned by Abengoa; Cobra-Tedagua, of ACS; and Sadyt, of Sacyr Vallehermoso, was awarded the construction and operation of another desalination plant in Skidda, Algeria, under a 25-year concession. This plant is currently under construction.

A total investment of 460 million dollars is required for these three plants, and once they begin operating, the Spanish consortium will have installed capacity in Algeria to produce 500,000 cubic metres of desalinated water and supply drinking water to a population of over 2,500,000 people.

It is projected that the three plants will record income of over 2,850 million dollars for the sale of water during their 25 years of operation. The Government of Algeria is currently implementing an ambitious desalination plan to alleviate the lack of water in the country. Its short-term objective is to reach one million cubic metres of desalinated water per day, of which Geida will produce half.

The company Expansión Exterior, in which ICEX y BBVA have an ownership interest, is acting as Geida's financial advisor for the three operations.