

Carbon Holdings launches USD 10.9 billion world-scale petrochemicals complex to be located in the heartland of Egypt's oil and gas industry

- Nearly 50 key project agreements and contracts for Tahrir Petrochemicals Corporation (TPC) signed in the presence of Egyptian Cabinet members and top financial backers
- TPC will help double the nation's exports and catalyze the creation of hundreds of thousands of direct and indirect jobs during and after the construction process



2 July 2018

(Cairo, Egypt) – Carbon Holdings, a mid-to-downstream petrochemical company and catalyst of industrial development in Egypt, signed on 30 June 2018 48 key project documents for its USD 10.9 billion Tahrir Petrochemicals Company (TPC), officially launching a world-scale petrochemicals complex that, once operational, will help double Egypt's total exports and create thousands of direct and indirect jobs.

Senior members of the Egyptian Council of Ministers' economic team were present for the ceremony, including HE Tarek El Molla, Minister of Petroleum; Admiral Mohab Mameesh, Chairman of the Suez Canal Economic Zone; and Admiral Hisham Abu Senna, Chairman of the Red Sea Ports Authority. Distinguished diplomats present included ambassadors from the United Kingdom, United Arab Emirates, and China, as well as chiefs of mission from the United States and Germany.

Participating in the event were senior officials from international finance institutions, including Societe Generale, debt financial adviser, represented by Richad Soundardjee, Group Chief Regional Officer, Corporate and Investment Banking, and Lazard, adviser to Carbon Holdings, represented by Xavier Atieh, Managing Director Head of Middle East and Africa. Joining them to witness the signing were Abdulla Mazrui, Youssef Al Nowais, Osama Kamal, and Tania Issa from Carbon Holdings' board of directors.

“The message today is clear: Egypt is emerging as an industrial and export powerhouse. We have just made crucial progress towards the establishment of TPC as the centerpiece of a new, global-calibre manufacturing hub,” said Carbon Holdings Chairman and Chief Executive Officer Basil El-Baz. “This vision is to attract investment from global development finance institutions, export finance agencies, and other sophisticated investors. Located in the Suez Canal Economic Zone, in the heartland of the nation’s oil and gas industry, TPC will both drive industrial development and lead export growth. Its USD 8 billion in projected annual exports will by themselves result in a dramatic increase in Egypt’s total exports, while its output will make it possible for Egyptian manufacturers to make and export a range of products including plastics and packaging, paints and solvents, adhesives, floor coverings, and more.

“By virtue of simply existing, TPC will prompt Egyptian and global makers of plastics, packaging, paints, solvents, adhesives, floor coverings, and components used in the automotive industry to set up shop in the Suez Canal Economic Zone. ‘If you build it, they will come.’”

TPC will be financed by equity and a USD 5.4 billion debt package. TPC and Carbon Holdings are at an advanced stage of securing financing from export credit agencies and other institutions, including UK Export Finance (UKEF), Germany’s Euler Hermes, and the Overseas Private Investment Corporation (OPIC), the development finance institution of the United States government.

William Pegues, Director of Structured Finance and Insurance at OPIC said: “We have been pleased to work with Carbon Holdings and our international co-lenders toward the realization of the TPC project. We recognize its central role in Egyptian economic development and the powerful contribution that it can make to employment, the manufacturing base, and the value chain.”

Edna Schoene, member of the board at Euler Hermes, added: “Being a long-term, reliable partner of the German industry for exports to Egypt, we are proud to further underpin our engagement, both in the region as well as in the petrochemicals segment.”

Among the project documents signed were:

- **Engineering, procurement, and construction contracts** with Linde, Bechtel, Archirodon, Maire Tecnimont, Hassan Allam Construction, and Consolidated Contractors Group
- **Commercial agreements** with Bayegan International and AOT
- **Land and port agreements** with the Red Sea Port Authority
- **Project management consultancy contracts** with Bechtel



- **Operations and maintenance agreements** with GE for power and Suez Water
- **Technology license agreements** with Linde, Univation Technologies, and Novolen Technology

Investors and lenders in Carbon Holdings, which El-Baz founded in 2008, include the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), the African Finance Corporation (AFC), and Gulf Capital, among others.

TPC's petrochemical complex is expected to create approximately 20,000 direct and 15,000 indirect jobs during the construction phase alone and will purchase some USD 1.5 billion worth of goods and services in Egypt. Once operational, it will employ more than 3,000 skilled workers, including both engineers and technicians, and as its products will be used as raw materials in the manufacture of other goods, TPC is expected to ultimately create more than 200,000 job opportunities in downstream sectors.

Carbon Holdings anticipates reaching financial close for TPC in the third quarter of 2018; principal construction at TPC is expected to take approximately four years from the initial drawdown of funds.

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About Carbon Holdings:

Carbon Holdings is a privately owned midstream and downstream petrochemical and process industrial plant company and is the principal shareholder and sponsor of several projects in the industrial zone in the Northwest Gulf of Suez, Egypt. Established in 2008 by Chairman and Chief Executive Officer Basil El-Baz, Carbon Holdings is a leader in the development and operation of petrochemical manufacturing projects in Egypt. Its portfolio includes Oriental Petrochemicals Company (OPC), a top producer of polypropylene, and Egypt Hydrocarbon Corporation (EHC), the only producer of nitric acid and low-grade ammonium nitrate in the Middle East and Africa. The company is also establishing the Tahrir Petrochemical Complex with an investment of USD 10.9 billion, which will be located in Suez Canal Free Economic Zone.

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