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One of Oman's most prestigious projects is one step closer to getting off the drawing board and becoming reality, with the government set to ink the development agreement for the Omagine Project, an estimated \$1.6bn waterfront real estate complex.

To be located on a site near the Seeb international airport to the west of Muscat, Omagine will cover 1.2m sq metres of prime land, including some reclaimed from the sea, looking out over the Gulf of Oman.

As planned, Omagine will have it all, being a blend of cultural, heritage, educational, entertainment and residential components. Among the features of the project, Omagine will have two luxury hotels, seven pearl-shaped buildings forming a cultural theme park, an open air theatre, an exhibition centre, park land, a boat harbour and restaurants. For long stay residents, there will also be almost 3900 villas, apartments and town houses, along with commercial and office space and shopping facilities.

While the present site, some 20km from Muscat, currently has just 1km of water frontage, this will be extended to 7km through land reclamation and the constructing of canals.

Omagine LLC, a project company currently being established, will own, lease or directly operate all of the commercial properties that are to make up the development, with the culture and exhibition facilities to be jointly owned by Omagine LLC and the state.

The project is the brainchild of Omagine Inc, formerly Alfa International Holdings Corp. In keeping with the brand name, Alfa changed its name to Omagine Inc. in late June, having taken the decision to boost its presence and image in the Middle East's top end real estate development market.

According to Frank Drohan, Omagine Inc's president, the change of name would allow the company to build its brand equity as an innovative developer.

"These strategic efforts will enhance our ability to create and realise value for our shareholders and other stakeholders by developing, building, owning and operating creative and distinctive tourism and residential real-estate projects," he said when announcing the name change on June 21.

As the project currently stands, Omagine Inc. will have an 80% stake in the development. It is overseeing the project through its local subsidiary, Journey of Light (JOL), which will partner up with Athens-based firm **Joannou & Paraskevaides (J & P)** for the construction, ownership and operation of the Omagine Project. J&P, which is already involved in a number of developments in the region, the latest being the construction of a \$300m hospital in Qatar, will also receive a minority stake in Omagine LLC, making its role more than one of a contractor.

As is often the case in such major developments, there has been a long lead time in getting the project off the ground. It was back in August 2005 that JOL and the **ministry of tourism** signed a memorandum of understanding (MoU) setting out the basic legal and commercial terms for Omagine.

In March 2006, Oman's **ministry of tourism** announced Omagine had been granted project approval and, after two months of negotiations and meetings with potential investors, the final draft agreement for the development was lodged on July 5, with the document currently being considered by various ministries as part of the final review and comment process, with the state expected to sign off on the project soon, Drohan said.

"The highly unusual occurrence in June of a cyclone and holiday closings in July caused some delays but we now fully expect to sign the development agreement in August," he said on July 25. "Both we and the government are pleased with the final draft."

Quite apart from providing approval for the development, and having a role in the cultural aspects of the project, the Omani government has also come to the party by supplying the land for Omagine, currently valued at \$270m. The state's support is part of its campaign to ramp up the sultanate's tourism industry and encourage investment while at the same promoting the country's culture.

With final approval for the development expected in August, preliminary work on the site is scheduled to begin soon after and completion of the project is expected to take between four to five years.

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