

## *Local news*

### **\$1.5 bn Omanage tourism project Agreement to be signed soon**

**By A Staff Reporter**

**MUSCAT** — A Development Agreement leading to the implementation of a \$1.5 billion tourism project in Muscat, dubbed Omanage, is due to be signed with the Omani government shortly, the promoters announced at the weekend. The Omanage Project will be located on over 245 acres of prime beach front property just minutes from Muscat International Airport. It is an elegant and sophisticated blending of entertainment, hospitality, cultural, retail and residential components. Omanage's jewel-like architecture will mark the place and set new standards. The project is set in an incomparable location and includes retail, hotel, commercial offices and several million square feet of distinctive residences for sale.

The company's majority owned Omani subsidiary, Omanage SAOC will design, develop, build, own and operate the planned \$1.5 billion plus Omanage tourism project in Muscat. Omanage SAOC will own 50.5 per cent of the project company. It has also arranged — for an aggregate of \$110 million — several minority equity interest sales totalling 49.5 per cent of the project Company to Consolidated Contractors International Company, SA, a \$5 billion international company and the general contractor for the Omanage Project (CCC), and to several prominent Omani citizens and entities including the office of Royal Court Affairs.

Omanage's chief, Frank Drohan remarked: "We are gratified by the continued strong support of the Royal Court, CCC and our local Omani partners. These strong strategic investor partners will serve the Project Company well in these unsettled financial and economic times. Of course, nothing bodes more favourably for the success of Omanage than the incomparable location of the project site. "This location combined with our solid base of capital, our highly experienced development partners and our sophisticated US-led project management team all tend to reduce risk.

Even in the oil-rich Gulf these days, banks providing project finance will be looking at such elements more carefully and we are extremely well positioned in all regards. "We expect the Development Agreement to be signed with the Government of Oman in the next few weeks and believe the timing is actually quite fortunate for the Omanage project since it is expected that it will take six or more months for the banking crisis to ease — which will be just around the time we and our proposed financial adviser, BankMuscat, will be looking to close the project financing for Omanage."

As presently planned, the company will be the majority shareholder (50.5 per cent) of the Project Company which is projected to generate in excess of \$600 million in positive cash flow over the five years after its inception. Drohan went on to say: "When completed in four or five years, Omanage will be the destination in Oman for tourists, business travellers and the local population, and will play a major role in the Sultanate's burgeoning tourism sector."