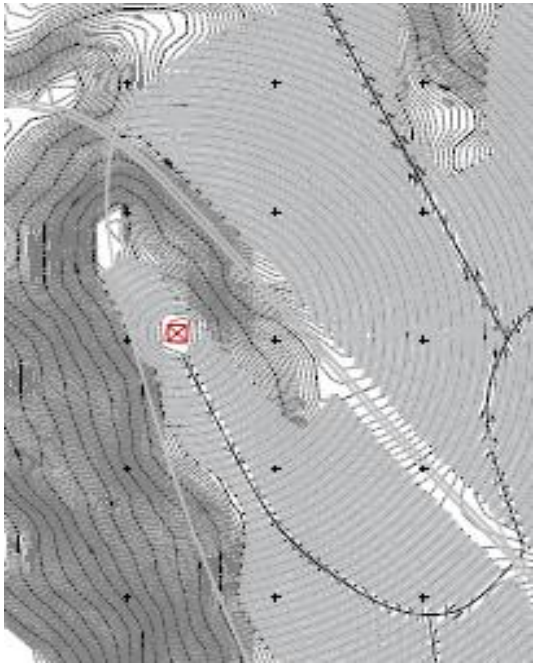
Dii
Renewable energy
bridging continents
ASSOCIATED PARTNER

Medgrid



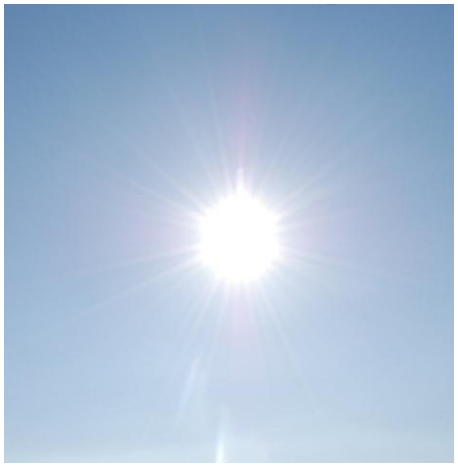
NUR ENERGIE

Nur Energie

TuNur Solar Export Project - Linking Tunisia with Europe

May 2011

Nur Energie in Tunisia



IN TUNISIA, Nur Energie has been **active for over two years** and has already carried out extensive development and feasibility work.

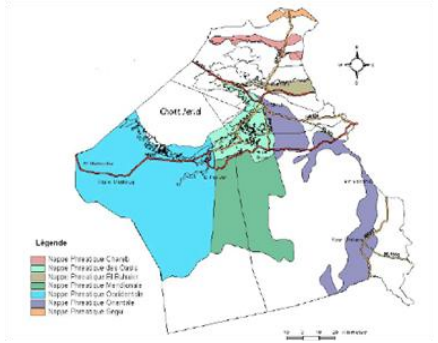
To date Nur Energie has identified a site for a 2000 MW solar power plant as well as a technically feasible HVDC cable route from Tunisia to Italy and is now conducting detailed site follow up analysis.

Nur Energie's development work on the ground has included:

- Site Evaluation together with Comete Engineering and DLR;
- Solar radiation measurement station installed since September 2010
- Site screening and evaluation together with local engineering bureau
- Specific site for utility-scale export project has been identified and geotechnical analysis completed.

Building local Support

- Water cooling for large solar thermal plants not feasible and not desirable in deserts – focus on dry cooling technologies
- Focus on high levels of local content to maximise Tunisian value-add in the project



Nur Energie's Export Opportunity

Sub-marine cable interconnector between North Africa and Europe

Tunisia has an excellent opportunity to be one of the first countries to connect sub-marine electricity cables to the European grid. Nur Energie has been investigating sub-marine electricity cable routes in the Mediterranean for more than two years.

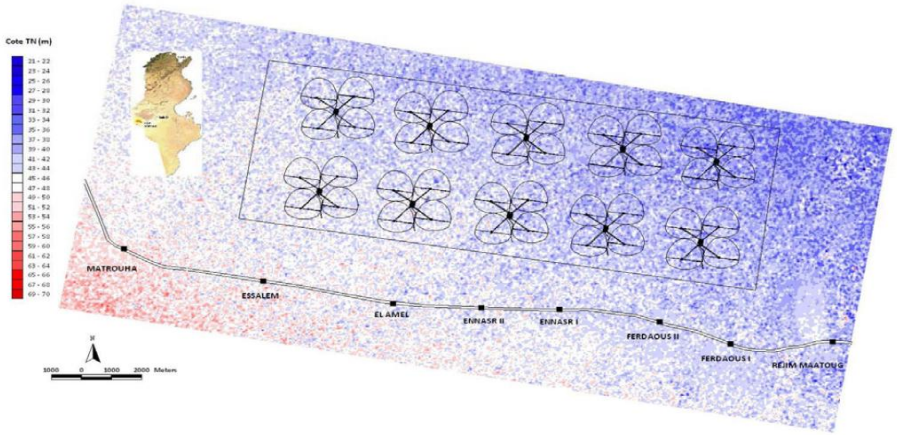
Nur Energie **has already identified a feasible cable route** through the Mediterranean. An interconnection request to the Italian electricity network has been filed in December 2010 and **an interconnection point for up to 2000MW of capacity has been offered by Terna**. Follow-up permitting work for the converter station is currently in preperation.

Nur Energie has developed an in-house proprietary techno-economic model for solar export plants from North Africa to Europe that includes:

Study on technical and economic feasibility of cable connection through the Mediterranean.
Work with Statnett Engineering, experienced sub-marine HVDC engineering consultancy, previous work included engineering for 560km/700MW sub-marine HVDC cable between Holland and Norway

Study on Grid integration into the Italian electricity network.
Work with CESI, Italian electricity research bureau part-owned by Terna, the Italian grid operator, that analysed 6 possible inter- connection points for 2000MW capacity. Terna has now offered one of these interconnection points to Nur Energie, thus confirming this technical work.

Nur Energie's Solar export project



Overview of project characteristics

CSP Field

- Solar Tower Technology
- Thermal storage capability with molten salt as back-up
- Unit size for each tower between 133-250MW
- Total size of the field: 2000MW

HVDC Cable to Italy

- Landing point in central Italy with good inter-connection to the Italian and European high-voltage network
- Cable capacity: 2000MW

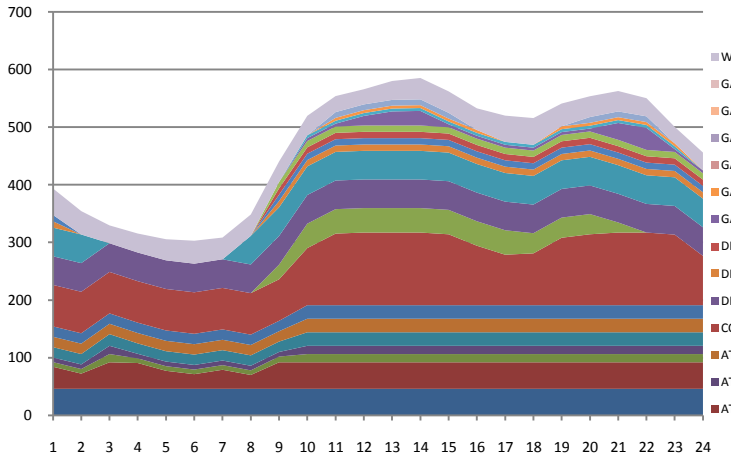
Timeline

- Ready-to-Build cable aim: 2013
- First electricity delivered aim: 2015/2016
- Phasing-in of CSP to 2000MW target capacity in incremental units of 133-250MW, depending on demand

Nur Energie timeline for Tunisia Solar Export project

	2010	2011	2012	2013
Tunisia 2,000 MW CSP	Installation of Solar measurement station Tunisia	EIA complete in Tunisia	Social-Economic Impact Study	Formation of Project Co Tunisia 2GW Land Lease Announcement Plant Engineering and Design EPC signed for Tunisia Financial close Tunisia
Sub-Marine cable		Filing of Interconnection request Formation of Cable Co	"STMG" offered by Terna	Confererenza di servizi Full Engineering and EIA Application for "STMD" Turnkey contract for EPC signed

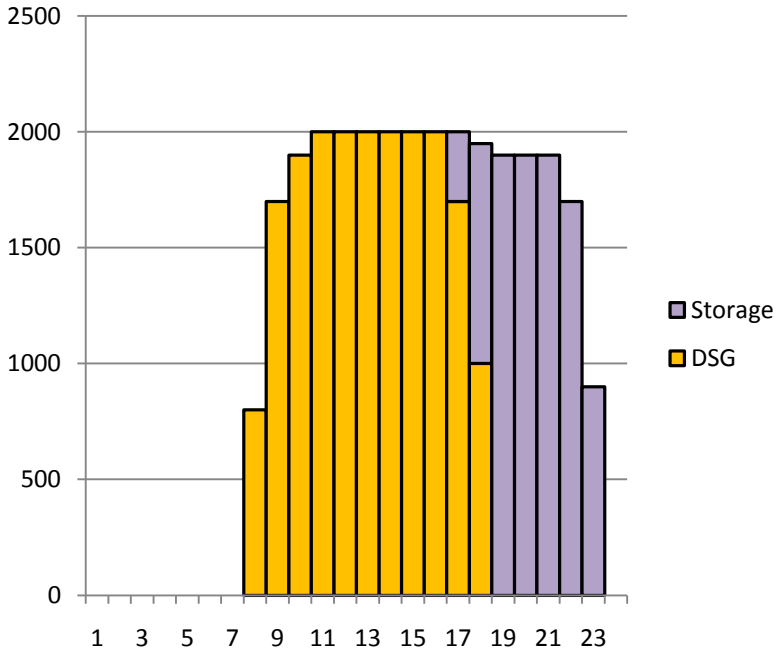
Predictable power production



CSP plants with thermal storage can deliver electricity according to demand

Production profile with thermal storage

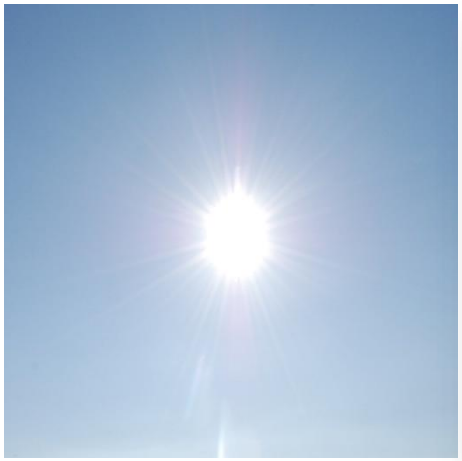
- Focus on the peak periods of demand and the “green” electricity market in Europe
- Solar-only electricity capacity factor of up to 60% with thermal storage
- Predictable production profile over the course of the day



CSP with thermal storage delivers 100% solar energy, firm and predictable

- “Hedge” against volatile fossil fuel prices
- No “intermittency” related grid-integration issues
- Contributing to the EU Renewable Energy targets and increased consumer demand for green power

Economic and Policy Drivers for TuNur



Legislation: Policy for solar exports into Europe is already implemented, and various mechanisms in operation

EU Policy/Article 9

EU Renewable Energy Directive 2009/28/EC sets mandatory target of 20% renewable energy by 2020. It allows EU member states to meet the target by importing renewable energy from non-EU member states and extend national support programs such as feed-in tariffs to them. Article 9 of Directive 2009/28/EC allows "virtual" accounting of renewable energy imports even before the operation of export cables, if cable projects are already implemented and foreseeable to be connected within defined time frame; this disconnects the construction schedule of CSP plants from the construction schedule of new HVDC electricity cables. Italy has now implemented the EU directive into national law, opening the market for imported renewable electricity.

Electricity Sales

Incremental build out of CSP units allows gradual development of solar export opportunity. PPAs can be signed based on individual plants (as in the US PPA model) and PPA offtaker can agree on contingent call option to buy into the project's equity.

Value of CSP electricity

Electricity production is predictable and firm over the course of the day based on solar storage and/or co-firing solutions; The value for an electric utility is in firm power production and stable electricity price (no fossil fuel price link); hence CSP exports from North Africa provide utility-scale hedge to fossil fuel price volatility, increasing the inherent value of the power

Electricity Offtake – PPA terms

Main terms proposed

Target Capacity	Individual units: 133-250MW
Interconnection in Italy	Centre-North Italy (North of Rome)
Target production	Ca. 15hours per day (60% capacity factor - i.e. 8AM-11PM)
Production Forecasting	Protocol to be established between Nur Energie and PPA offtaker; this will govern an initial commissioning period, as well as the main “steady-state” operating period
Obligations	Offtaker will purchase from Nur all power delivered according to the Production Forecasting Protocol, and Nur will deliver all such power produced
Contingent Option	At Offtaker’s request, a contingent call option on the project’s equity can be included in the PPA
Conditions Precent	The PPA is conditional on full financial close of the project

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