

Abengoa plans to invest \$120 million in Adana and Izmir, Turkey

Istanbul, 17 July 2012 – Abengoa (MCE: ABG), the international company that applies innovative technology solutions for sustainable development in the energy and environment sectors, by its Industrial Residue Recycling Division, Befesa, jointly with the Prime Ministry Investment Support and Promotion Agency of Turkey (ISPAT), today announced two significant investment projects in Turkey.

The projects announced by Mr. Zafer Çağlayan, Turkish Economy Minister, Mr. İlker Ayci and Mr. Javier Molina, CEO of Befesa, consist of the construction of two plants for steel dust recycling based in Izmir and Adana.

Befesa operates in Turkey through a JV with the Canadian listed company Silvermet Inc. This JV plans to invest around 120 million dollars in total in the construction of the two plants with a capacity for the treatment of 110,000 tons of steel dust of each of them, creating around 130 direct and over 200 indirect jobs. The facilities will produce over 80,000 tons of Washed Waelz Oxide, a zinc rich final product that will be fully exported.

The investment of Spanish Befesa will also bring significant environmental benefits. The facilities will be designed and operated using the safest and most environmentally-friendly technologies in order to recycle steel dust, a hazardous waste generated in production of steel from electric arc furnaces, and therefore minimizing landfilling. Today the production of this waste in Turkey is approximately 500,000 tons per year.

This significant investment will be financed using a combination of equity from the JV and bank debt from local Turkish banks.

The facilities will be located in Tire OIZ with a surface of 68.000 m² and in Adana OIZ with 50.000 m², two areas that presently enjoy a high concentration of steel producers. These facilities will add to the existing Befesa's one in Iskenderun with a treatment capacity of 60,000 tons per year.

Mr. M. İlker Ayci, President of ISPAT, who pointed out that Befesa and the Agency have been working together for the last 20 months, said; "This investment is very important not only for bringing technology, creating employment and contribution to Turkey's export, but also contribution to the environment. Befesa has added Turkey to its existing operations in Germany, France, UK, Spain and Sweden. We are proud to win this investment for our country."

Befesa CEO Mr. Javier Molina commented that "We are very glad to contribute to Turkey's sustainable development in the field of recycling and recovery of industrial waste with this investment. I would like to thank to Mr. İlker Ayci and his team for their efforts and contributions to this project since the very beginning, in 2011.

Regarding our plans, we are now at the stage of obtaining all the necessary environmental and construction permits which would hopefully be obtained by early 2013. We have also started to contact local Turkish banks to discuss financing options. At the same time we are developing the detailed engineering and procurement of works and equipment, so we should be able to start operations on site on schedule. The execution time of the works is planned to be around 18 months and we estimate the second half of 2014 for the plants to be in operation."

About Abengoa

Abengoa (MCE: ABG) is an international company that applies innovative technology solutions for sustainable development in the energy and environment sectors, generating electricity from the sun, producing biofuels, desalinating sea water and recycling industrial waste. (www.abengoa.com)

About ISPAT

The Investment Support and Promotion Agency of Turkey (ISPAT) is the government organization that mainly provides all relevant services to overseas businesses that want to locate in Turkey. Its range of expert services is tailored to the needs of individual businesses to maximize their international success. ISPAT provides the international investors with all the updated information needed for setting up or expanding a business in Turkey. By optimizing conditions for the business projects of international investors, ISPAT offers services which add value in a number of key areas. (www.invest.gov.tr)

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