

Abengoa and Shikun & Binui Renewable Energy close project financing for Ashalim, a 110 MW solar power plant in Israel

- Ashalim will be the largest solar thermal electricity power plant in Israel.

July 20, 2015 - Abengoa (MCE: ABG.B/P SM /NASDAQ: ABGB), the international company that applies innovative technology solutions for sustainability in the energy and environmental sectors, announced today that it has closed, together with its partner the Israeli global infrastructure group Shikun & Binui, the non-recourse project financing for Ashalim. The total investment of the project will be approximately USD 1 billion.

The non-recourse project financing agreement combines financing from development financial institutions such as the Overseas Private Investment Corporation (OPIC) and the European Investment Bank (EIB); in addition to local commercial banks such as Bank Leumi and Bank Hapoalim. Ashalim will supply clean electricity to the Israel Electricity Corporation under a 25-year power purchase agreement (PPA) signed in late 2013.

The 110 MW Solar Thermal Electricity (STE) plant Ashalim will be able to store energy in order to produce electricity whenever required after sunset. It will be the largest solar plant in Israel and it will feature parabolic trough technology with a 4.5 hour thermal energy storage system using molten salts. This plant will produce clean and dispatchable energy to serve more than 69,000 households, while preventing the emission of 463,000 tons of CO₂ annually.

Construction of Ashalim is expected to start before the end of July 2015 in Western Negev Desert in Israel, 35 km south of the city of Beer Sheva, close to the village of Ashalim, on an area designated by the Israeli authorities. The project is expected to create an average workforce of 633 jobs during construction, and about 60 people for plant operation and maintenance.

According to Santiago Seage, CEO of Abengoa, "Ashalim power plant forms part of Abengoa's efforts towards constant innovation in the solar sector. It marks an important milestone for the internationalization of our activity".

Moshe Lahmani, Chairperson of the Board of Directors of Shikun Binui Group, stated that "this is another significant step in promoting a national project that encompasses the story of Shikun Binui: a mix of professionalism, financial and engineering capabilities, long-distance running and strategy. Ashalim is a leading

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mega project which contributes clean electricity to all the citizens of Israel and also provides significant technological and economic development to the Negev".

Ofer Kotler, CEO of Shikun Binui Group, added that "financial closing of such a national project of the state of Israel reinforces the status of Shikun Binui Renewable Energy as a leading company in construction of mega-projects. Shikun Binui Renewable Energy will continue to initiate mega projects both in Israel and abroad. Ashalim is a breakthrough project in Israel, such as other groundbreaking projects we have built in the past like Highway 6 and Carmel Tunnels. I congratulate our partners in the Spanish Abengoa group for their significant achievement".

About Abengoa

Abengoa (MCE: ABG.B/P SM /NASDAQ: ABGB) applies innovative technology solutions for sustainability in the energy and environment sectors, generating electricity from renewable resources, converting biomass into biofuels and producing drinking water from sea water. (www.abengoa.com)

About Shikun & Binui Renewable Energy

Shikun & Binui Renewable Energy is the energy division of the Shikun & Binui Group. Shikun & Binui Renewable Energy, working both in Israel and abroad, initiates, finances, builds and operates projects (including "Mega Projects") in the renewable energy field and solar energy in particular, either by independently initiating or by collaboration with the public sector (PPP projects), combining technological innovation and engineering.

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