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Abengoa, IDC and Khi Community Trust commence commercial operation of Khi Solar One, the first solar tower plant in Africa

- Khi Solar One has an installed capacity of 50 MW, a storage capacity for two hours, incorporating cutting-edge technology developed by Abengoa.
- Abengoa owns 51% of the project together with partners IDC, holder of 29%; and Khi Community Trust, which controls the remaining 20%, and is funded by the IDC



Aerial view of Khi Solar One. Download images in high resolution in this link:

<http://we.tl/2KOcej2Weg>

February 5th, 2016 - Abengoa (MCE: ABG.B/P SM /NASDAQ: ABGB), the international company that applies innovative technology solutions for sustainability in the energy and environment sectors, has begun the commercial operation of Khi Solar One, the first solar thermal tower technology plant in operation in Africa.

Abengoa, which has built and now operates and maintains the plant, owns 51% of the project; the Industrial Development Corporation (IDC), one of South Africa's development finance institutions, holds 29%; and Khi Community Trust holds the remaining 20%. This project is a public-private partnership awarded by the Department of Energy of South Africa and it will serve clean and reliable electricity to Eskom, South Africa's power utility, under a 20-year power purchase agreement.

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Khi Solar One is a solar thermal super-heated tower technology, first of its kind, with installed capacity of 50 MW, capable of supplying 45,000 South African households with clean energy. The plant incorporates a storage system that enables production at maximum capacity for two hours without sun to bring stability to electric production. Furthermore, Khi Solar One has an innovative dry-cooling system, as well as other major improvements resulting from the important work done by Abengoa to develop solar thermal technology.

This project offers a myriad of socioeconomic and environmental benefits. Its operation prevents the emission of 183,000 tons of CO₂ annually, serving enough energy to meet the growing demand for electricity in South Africa in a sustainable manner. Additionally, the plant fosters socioeconomic development locally through the participation of a high number of local companies. Likewise, inclusion of local community members in the shareholding structure of the project, represented under the Khi Community Trust, serves as guarantee for long-term continuity of its positive impact.

In South Africa, Abengoa, IDC and Kaxu Community Trust have also completed the first year of operation of the parabolic trough plant Kaxu Solar One, the first solar thermal plant in the country. Adjacent to Kaxu Solar One, Abengoa, IDC, KaXu Community Trust and PIC are developing currently another 100 MW parabolic trough plant, Xina Solar One, which incorporates a five-hour storage system. These projects prove Abengoa and IDC's commitment to renewable energies in South Africa following the Government's strategy to bring 17,800 MW online from renewable sources by 2030, thus reducing the country's dependence -on oil and natural gas.

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 IDC

Established in 1940, Industrial Development Corporation (IDC) is a national development finance institution set up to promote economic growth and industrial development. IDC is owned by the South African government under the supervision of the Economic Development Department. IDC's primary objectives are to contribute to the creation of balanced, sustainable economic growth in South Africa and on the rest of the continent. IDC promotes entrepreneurship

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through the building of competitive industries and enterprises based on sound business principles. (www.idc.co.za)

Communications Department:

Cristina Cabrera Angulo.

Tel. +34 954 93 71 11

E-mail: comunicacion@abengoa.com

Investor Relations:

Ignacio García Alvear.

Tel. +34 954 93 71 11

E-mail: ir@abengoa.com

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