

OMAGINE PROJECT CONSTRUCTION CONTRACT EXPECTED BY JUNE-END

By Gulam Ali Khan
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MUSCAT -

The construction contract for the US\$2.5bn mixed-use tourism and real estate project known as Omarine Project is expected to be signed before the end of June.

Omarine LLC, a subsidiary of US-based Omarine Inc, will develop the project on 1mn sq m of beachfront land in Seeb.

In a report filed with the US Securities and Exchange Commission, Omarine Inc said the 'first draft construction contract' is targeted for completion in May 2015 which will be used by the parties as a basis for final negotiations and conclusion of the 'final draft construction contract'.

"Management presently estimates that the CCC-Oman contract will be signed by Omarine LLC and CCC-Oman before June 30, 2015," Omarine Inc said.

It said that the company management is continuing its extensive discussions regarding the CCC-Oman contract. "Over the past several months, the Omarine LLC management, its engineering and construction consultants and its attorneys held many meetings among themselves and with multiple CCC senior managers and executives in Muscat, Athens, Dubai, London, Pittsburgh and New York. The meetings resulted in an agreement that the CCC-Oman contract will be based on the internationally accepted contracting standards promulgated by the International Federation of Consulting Engineers (FIDIC) and it will contain a set of industry standard performance parameters, incentives and penalties to ensure Omarine LLC's interests are protected and that value is delivered."

Omarine Inc said that the parties also agreed that the "first draft construction contract" would be written by a law firm representing Omarine LLC and specialising in FIDIC contracts and that such 'first draft construction contract' would outline a two part 'framework agreement' specifying a 'pre-design period' and a 'post-design period'.

On October 2, 2014, Omarine LLC signed a development agreement (DA) with the Oman government with respect to the development of the Omarine Project - which is expected to take more than five years to complete. The DA was ratified by the Ministry of Finance on March 15.

Regarding the financing of the project, Omarine Inc said the management is now in the initial stages of the processes required to arrange the necessary financing to execute the Omarine Project.

"Omarine LLC management is meeting with, interviewing and requesting proposals from a number of banks and financial institutions seeking to act as Omarine LLC's financial adviser and it is presently expected that a

definitive and binding agreement between one such bank or financial institution will be signed sometime before June 30, 2015.”

Oagine LLC’s financial adviser will advise on capital structure and lead the syndication of the debt financing required to execute the Project.

The company said the Oagine Project will be developed in several phases and therefore several financing agreements will be executed during the course of the project’s development, each such financing agreement coinciding with the beginning of a new phase of the development.

The project is planned to be an integration of cultural, scientific, heritage, entertainment and residential components, including: A theme park containing seven pearl shaped (20m diameter) buildings located along an open air boardwalk with associated entertaining exhibitions; an amphitheatre and stage; open space green landscaped areas; a canal; an enclosed harbour and marina; boat slips and docking facilities; retail shops; a variety of restaurants and cafes; entertainment venues; a five-star resort hotel; a four-star hotel; and possibly an additional three or four-star hotel; shopping and retail establishments integrated with the hotels; commercial office buildings; and more than 2,000 residences to be developed for sale by Oagine LLC.

Read more: <http://www.muscatdaily.com/Archive/Business/Oagine-Project-construction-contract-expected-by-June-end-4198#ixzz3ZqDuN0nY>

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