

Usufruct accord for Omaine Project to be signed on July 1

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Muscat -

The long-awaited usufruct agreement for the development of the US\$2.5bn mixed-use tourism and real-estate project, known as the Omaine Project, in Oman will be signed on July 1.

The entire project will be designed, developed and operated by Omaine LLC, a subsidiary of US-based Omaine Inc.

The Omaine Project is planned to be developed on 1mn sqm of beach-front land in Seeb. In a filing with the US Securities and Exchange Commission, Omaine Inc said, "On June 24, Omaine LLC was informed in writing by [Oman's] Ministry of Tourism (MoT) that the signing ceremony for the usufruct agreement will take place at the Ministry of Housing (MoH) in Muscat on July 1."

The company said that on July 1 Omaine LLC will also pay the usufruct agreement registration fee to MoH and within two to three days thereafter, the MoH will deliver a stamped and registered copy of the agreement to Omaine LLC evidencing the developer's ownership of the usufruct rights over the land constituting the project site.

Omaine LLC had signed a development agreement (DA) with the Oman government on October 2, 2014. The DA provides that the Oman government and Omaine LLC will enter into a usufruct agreement. The DA was ratified by the Ministry of Finance on March 11, 2015, as required under Omani law.

The DA and usufruct agreement grant Omaine LLC usufruct rights over land constituting the Omaine site (including the right to sell such land).

The term of the usufruct agreement is 50 years (with five years free rent) and the RO20,250 usufruct registration fee which Omaine LLC will pay MoH is based on the 45 years of the term of the usufruct agreement on which rent is payable.

The Omaine Project is planned to be an integration of cultural, heritage, entertainment and residential components including a high-culture theme park and associated buildings, shopping and retail establishments, restaurants and approximately 2,100 residences.

Earlier this year, Oimage Inc said the construction contract for the project was expected to be signed with CCC-Oman by the end of June. However, no further disclosure has been given regarding the expected date of signing of the construction contract.