

Sultanate grants rights over land for \$2.5bn Omage Project

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Muscat -

The sultanate's government has granted Omage LLC certain rights over 1mn sqm of prime beachfront land in Seeb for the development of the US\$2.5bn mixed-use tourism and real-estate project known as Omage Project.

The entire project will be designed, developed and operated by Omage LLC, a 60 per cent-owned subsidiary of US-based Omage Inc.

Omage LLC signed a usufruct agreement with Oman on July 1, whereby the government granted Omage LLC certain rights over the beachfront land, which includes the right to sell the land on a freehold basis.

“On July 2, 2015, all of the necessary and required government formalities, stamps and registration procedures were completed by the Ministry of Housing of Oman and Omage LLC is now in possession of a signed, stamped and officially registered usufruct agreement which legally evidences Omage LLC's ownership of the usufruct rights over the land constituting the Omage Site,” Frank Drohan, chairman of Omage Inc, said in a filing to the US Securities and Exchange Commission (SEC).

Early this week, after consultation with its auditors, Drohan said the company expects to inform shareholders of the results of the recent land and usufruct rights valuations that Omage LLC had previously commissioned. The term of the usufruct agreement is 50 years (with five years free rent).

The Omage 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, Omage 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.

Oman has designated Omage Project as an integrated tourism project (ITC) and issued a licence to Omage LLC, thereby permitting the sale to any person, including any non-Omani person of the freehold title to the land within the Omage Project and to properties which will be developed within the project.

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