

OMANI BANK LIKELY TO BE FINANCIAL ADVISOR, LENDER FOR PHASE ONE OF OMAINE PROJECT

An artist's rendering of the Omaine project (Source: omaine.com)

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MUSCAT -

Omaine LLC, which plans to develop a US\$2.5bn beachfront tourism and real-estate project in Muscat, is likely to hire an Omani bank as its financial advisor, that would also provide debt financing for phase one of the project.

“During the period between July 19 to August 18 Omaine LLC shareholders met several times both separately and together with the senior management of the Omani bank and as of the date hereof, the Omani bank has agreed in principle to be Omaine LLC’s financial advisor and to provide the debt financing required for the Omaine project to design, develop and construct phase one valued at approximately US\$220mn,” US-based Omaine Inc – the majority shareholder in Omaine LLC - said in its quarterly report filed with the US Securities and Exchange Commission on Tuesday.

The company, however, did not disclose the name of the bank.

Omaine Inc said Omaine LLC's shareholders held two meetings on July 19 and August 18 and reviewed and discussed the present status of the project to take it forward. The meetings recommended that the company hire a local Omani bank as its financial advisor and lender.

The foregoing arrangement with the Omani bank is subject to its final due diligence and the execution of an agreement with Omaine LLC, the company said. But the Omani bank, Omaine Inc said, has indicated to the shareholders that, barring any unknown impediment (of which neither management nor the Omani bank are

aware), it will deliver a robust term sheet specifying the debt financing and advisory services to Oimage LLC on or before September 4, 2016.

Plans for phase one of the Oimage project - which is presently budgeted at approximately US\$220mn - comprise the design and development of one hotel, 250 residences, and one pearl building and associated enabling works and infrastructure within the site, Oimage Inc said.

It said debt financing for phase one is expected to be supplied by the Omani bank and not be syndicated. The Omani bank may, depending upon future circumstances, be Oimage LLC's financial advisor for follow-on phases or for the entire project, the company said. "As such the financial advisor will arrange the syndicated bank financing for the numbered sections to be constructed subsequent to phase one."

Oimage Inc further said that it is presently expected that a definitive agreement between Oimage LLC and the Omani bank with respect to phase one will be executed within the next three weeks, but added, "No assurance, however, can be given that any such agreement will be signed until it is actually signed by the parties."

Notwithstanding the foregoing likely solution, Oimage Inc added the management of Oimage LLC is continuing discussions with other interested investors and contractors in China, Europe and the US.

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