



PRESS RELEASE

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ERC Signs Long-Term Land Lease Contract with KarmSolar to Develop a c. 50,000 m² Solar Farm in Sahl Hasheesh

ERC will provide KarmSolar with c. 50,000 m² to build a USD 2.5 million solar energy installation with a minimum generation capacity of 2 MW; move is an outgrowth of ERC's commitment to environmental sustainability in Sahl Hasheesh.

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's leading master developer of mega communities, has signed a contract that will see the company provide land to KarmSolar for a cutting-edge solar power installation, with a minimum generation capacity of 2 MW, under the Government of Egypt's feed-in tariff program (FIT).

The facility will cost c. USD 2.5 million to bring online and could be operational as early as the second half of 2016.

ERC will provide KarmSolar with c. 50,000 sqm of land located far from existing residential neighborhoods in Sahl Hasheesh, the leading holiday and second-home community on the mainland Red Sea Coast. The agreement gives KarmSolar the right to use the land, for a period of 27 years, during which time ERC will be entitled to a 2% share of revenues earned through the feed-in tariff, as mandated by the FIT regulations.

The FIT governs the conditions under which private-sector actors can sell independently generated power into the national electricity grid. The Government of Egypt has a target of building-out 12 GW of renewable energy capacity by 2020 — the most ambitious goal of its kind in North Africa and second in the Arab world only to Saudi Arabia.

"This contract isn't about our income statement, but about sending two messages about our future legacy," said ERC Chief Executive Officer Mohamed Kamel. "First, it underscores our commitment to being part of the solution to some of the most pressing challenges our nation faces today, chief among them being the ongoing energy crisis. We believe Egypt is, by virtue of its geography, ideally suited to add renewables to its national energy mix.

"Second, we have aimed since inception to be as sustainable a community as possible. This begins with how we respect our pristine bay and extends to the building code, design guidelines and world-class infrastructure and community standards throughout Sahl Hasheesh," Kamel noted. "We are delighted that renewables will become part of that mix, effectively lowering our environmental footprint. I would particularly like to thank my inspirational friend and co-founder of KarmSolar, Yumna Madi, who brought this opportunity to Sahl Hasheesh."

KarmSolar is a private Egyptian company dedicated to providing innovative off-grid solar energy solutions, with an eye towards utilizing the sun to replace diesel-powered processes and producing energy that is affordable, reliable and environmentally friendly.

"ERC's faith in our vision is allowing KarmSolar and our architectural arm KarmBuild the opportunity to design and construct an innovative and groundbreaking project that will serve as a model for solar energy-integration and

sustainability in the region,” said KarmSolar CEO and Co-founder Ahmed Zahran. “Not only will we integrate the latest solar technology into our designs, we will also pay special attention to how the project fits into its surrounding environment.

“Our aim is for both the station and its operational building to blend in seamlessly with their coastal backdrop from an architectural standpoint, becoming landmarks of the bay,” Zahran added. “The operational building will be a masterpiece – off-grid and run entirely by solar cells that are integrated into its design, a specialty of KarmBuild’s.”

Located on the sunbelt, Egypt is ideal for solar power generation projects — particularly on the Red Sea coast, which enjoys ample sunlight year-round.

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About ERC

Egyptian Resorts Company S.A.E. (EGX: EGTS.CA) is a master developer of international standard resort communities on a fully-integrated management basis. The company is incorporated in Egypt and headquartered in Cairo. Egyptian Resorts Company acquires broad acre land holdings suitable for premium mega resort development at nominal value. The company then creates a master plan in partnership with global architectural and urban planning firms, builds state-of-the-art infrastructure, implements design guidelines and community management rules and regulations, then on-sells individual pre-designated plots to sub-developers and investors whose primary businesses are hotel ownership, operation and management, as well as luxury resort and residential real estate development. ERC is developing multiple recurring revenue streams that include the supply of utilities (water, electricity, communications) through its project partners, as well as community management and maintenance fees and revenues generated by Sahl Hasheesh Company.

Capital Structure

Authorized Capital EGP 2,000,000,000
Issued and Paid-In Capital EGP 1,050,000,000 (1,050,000,000 shares @ EGP 1.00 / share)
Shareholder Structure

KATO Investment	11.96%
First Arabian Company	10.00%
Rowad Tourism Company	9.05%
Al Ahly Capital Holding	9.00%
Misr Insurance	8.05%
Misr for Life Insurance	6.96%
Orascom Development Holding	4.50%
Others	40.48%

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