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SUEZ Energy International

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Bahrain - SUEZ Energy International, International Power and Sumitomo consortium signs Power and Water Purchase Agreement (PWPA) for Al Hidd project

SUEZ Energy International, together with International Power (UK) and Sumitomo Corporation (Japan), is pleased to announce the signing of a 20- year Power and Water Purchase Agreement (PWPA) with the Ministry of Electricity and Water (MEW) for the Al Hidd independent power and water project in Bahrain. The PWPA will cover the output from the existing 910 MW combined cycle gas turbine (CCGT) and 30 MIGD (million gallons/day) water desalination facility, together with a new-build 60 MIGD desalination expansion which is expected to be in operation by the end of 2007.

The total project cost is estimated to be USD1.25 billion which will be funded by a mix of debt and equity in the ratio 85:15. The total project cost includes the purchase price for the existing plant, the cost of the 60 MIGD extension, its integration into the existing assets, and the financing costs. The mandated lead arrangers for this financing are Royal Bank of Scotland, KfW, Sumitomo Mitsui Banking Corporation, Mizuho, Standard Chartered and Gulf International Bank.

Dirk Beeuwsaert, CEO of SUEZ Energy International said, *“With the signature for the acquisition of the existing Al Hidd assets, SUEZ Energy International further strengthens its position and long-term commitment to the region, contributing to its economical and industrial development. Moreover, Al Ezzel our greenfield 1000 MW Independent Power project, acquired in 2004 and on schedule with the firing of the first gas turbine in the second half of January, will already be covering the growing energy needs of Bahrain.*

This new success in the Middle East confirms SUEZ’s reputation as experienced developers and its positive relation with local authorities. We particularly appreciate the attractive investment climate, created by the Government of Bahrain, Mr. Beeuwsaert added”

The project has been awarded on a build, own and operate basis, - 40% to International Power, 30% to Suez Energy International, and 30% to Sumitomo Corporation.

Note to Editors

SUEZ Energy International activities and investments in the Gulf started in 1994 with the development of the first Independent Power Producer in the Gulf, the 240 MW Al Manah project in Oman. In Abu Dhabi SUEZ Energy International is one of the three founding shareholders in Taweelah A1, one of the largest power and water desalination plants in operation in the world. In 2004 the Group won the public tender for both the Sohar IWPP in Oman and the Al Ezzel IPP in Bahrain

For more information about SUEZ Energy International and SUEZ, visit:

www.suezenergyint.com and www.suez.com.

For more information about International Power and Sumitomo Corporation, visit:

www.ipplc.com and www.sumitocorp.com

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