

The Largest Agro-Industrial Project for Sugar & Strategic Crops Production in Egypt

Canal Sugar Launches Phase I of the 181K Feddan Reclamation Scheme West of Minia in Collaboration with El Deiab for Land Reclamation

- Islam Salem: “We were keen on selecting the best contractors to carry out the project and reach the maximum production capacity by 2022.”
- Ahmed Deiab: “We are proud to partner with Canal Sugar, building on our capabilities and expertise, to ideally execute the contract clauses.”

Based on its accurately laid implementation plan to ensure the success of the largest agro-industrial project in Egypt (located West of Minia) for setting up the largest sugar production plant worldwide with a 900k tons/annum production capacity, Canal Sugar announced the conclusion of a contract for the reclamation of 100K Feddans in collaboration with El Deiab for Land Reclamation, which marks the first phase of its 181K Feddans reclamation scheme. The signing ceremony took place in presence of Minia's Governor Gen. Osama El-Kady, Canal Sugar CEO & Managing Director Mr. Islam Salem and El-Deiab for Land Reclamation's CEO and Managing Director Mr. Ahmed Deiab.

Several project milestones were set to be achieved during the 3-year contract term, based on which El-Deiab was selected by Canal Sugar, owing to the latter's keenness on appointing the best and most experienced contractors to ensure the effective implementation of the project, as El-Deiab is well known for its vast experience in the field of desert land reclamation and cultivation and the supply and maintenance of agricultural machinery and equipment.

The contract provides for deep ripping across 100K Feddans, the removal of rocks and pebbles across 17K Feddans, Land forming and soil leveling around 10 million m³ of soil from the area of 100K Feddans, and finally surface tillage in the same area, noting that the techniques used in land reclamation were deemed the first of their kind in that zone.

On his part, Mr. Salem stated "I am pleased to announce the signing of the 100K Feddan Land Reclamation Contract with El-Deiab for Land Reclamation, which is a main execution step in our mega project to set up the largest agro-industrial project in Egypt since 1952," adding that "this included the construction of the largest sugar production plant worldwide with a production capacity of 900K tons annually, alongside cultivating 181K Feddans of desert land"."

Mr. Salem reiterated that the Company was determined to move forward with its execution scheme to have the project completed according to the set timeframe, harnessing the potential and expertise of all partners in spite of the exceptional circumstances facing global economies, noting that this would have multiple fold returns on the local economy. The project, he pointed out, would help reduce the deficit in the balance of trade and consequently in the balance of

payments by the sum of USD 800 million/annually and would reduce the sugar gap,

Currently 1.1M tons/annum by 80%, besides creating thousands of direct and indirect job opportunities. The plant is expected to reach its maximum production capacity in 2022.

On his part, Mr. Deiab revealed that he was proud of the partnership/collaboration with Canal Sugar by which El-Deiab for Land Reclamation was given the opportunity to contribute to the implementation of the project located in West of Minia, ascertaining that the Company was committed to maximizing benefit from its full-fledged capabilities and accumulated experience, and its distinguished team of engineers, consultants, technicians and labor force, in order to carry out all works set out in the Contract on time and as per agreed KPIs.

It is worth noting that Canal Sugar is an Egyptian Joint Stock Company with key technical partner Jamal AlGhurair of UAE and AlAhly Capital Holding, the Investment Arm of National Bank of Egypt who also act as the exclusive financial advisor and Murban Energy of Abu Dhabi. The project's objective is to establish and operate the largest sugar production plant over 240 Feddans (1 Million SQM) and to reclaim and cultivate 181K Feddans of desert land at an estimated investment cost of USD 1B.

El-Deiab Group, on the other hand, enjoys over 20 years of accumulative experience in the field of land reclamation and cultivation, as well as the supply of agricultural machinery and equipment. El-Deiab for Land Reclamation was set up in 2019 under the Group to be fully responsible for carrying out the large contract signed



with Canal Sugar, while benefiting from El-Deiab Group's policies, experience and highly qualified human resources.

