



Press Release

Alternative Energy Sources Present Unique Opportunities for the Jordanian Economy

*Al-Faris National Investments (Optimiza) and A.T. Kearney Discuss Alternatives to Develop
the Energy Sector and its Effect on Economic Growth*

Amman, December 2008 –Al-Faris National Investments ASE:CEBC (Optimiza) together with International management consulting company A.T. Kearney have been reviewing the development of the energy sector in Jordan. In line with the Jordanian Government's alternative energy vision, the different energy alternatives available to the country and the potential effects on the Kingdom's economic development have been discussed.

Recent studies show that Jordan's high dependency on energy imports, the lack of primary energy sources and electricity supply is threatening the country's wealth development, according to leading management consulting firm A.T. Kearney.

Similar to many other Middle Eastern countries the growing demographics and economic growth in Jordan lead to a constant increase of demand for energy and electricity. Already Jordan's total imported energy today amounts to more than 95 percent, with costs of such imports estimated at approximately 20 percent of Jordan's GDP.

During the last years, energy demand in Jordan has grown by more than 5 percent per annum and electricity demand by more than 7 percent, a development that needs urgent attention according to A.T. Kearney, who believes the additional generation capacity needed in the Middle East is potentially underestimated and could threaten economic growth of those countries.

Jordan's Energy Strategy released by the Royal Commission of Energy gives insights to considerations on how to meet those future demands and the aim is to expand the market share of renewable energy from 1 percent in 2007 to more than 10 percent in 2020. " In the field of electricity supply, the capacity expansion will be supported by the shift of the generation portfolio towards alternative energy sources such as Wind, Solar, Nuclear Energy" and Oil Shale says H.E. Mr. Karim Kwar as the Chairman of the EDAMA Energy Initiative.

Besides large wind and solar thermal energy farms, locally distributed installations – so called virtual power plants leveraging smart grid technology – can play a major role in Jordan's future renewable portfolio according to A.T. Kearney.

As the case of the European Union shows, ambitious renewable targets can be realistic says Dr. Dirk Buchta, Managing Director, A.T. Kearney Middle East. A.T. Kearney currently works for the European Photovoltaic Industry Association to facilitate the growth of this segment in Europe. "Jordan has already started a project on Nuclear Energy, and the country's decision makers know the potential of such energy", says Dr. Pascal Colombani, Associate Director of A.T. Kearney as well as former Chairman and CEO of the French Atomic Energy Commission. Jordan has already signed Nuclear Energy agreements with countries such as France and China.

"Key factors for the success of achieving its energy targets are a regulatory framework and funding. For example, the recently developed Renewable Energy Draft Law as well as the feed-in tariffs determined therein will have a major impact on the future role of this energy source in Jordan," comments Dr. Goetz Wehberg from the Global Utility Practice of A.T. Kearney.

The development of Jordan's energy portfolio is ambitious, but Jordan seems to be well prepared in terms of a clear guidance through the country's Energy Strategy as well as a high level of awareness for the energy needs by decision makers.

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