

September 26, 2022

Kyuden International Corporation
Kyushu Electric Power Transmission and Distribution
Kyushu Electric Power Co., Inc.

Project Financing Agreement for Subsea DC Transmission Project in UAE
—Commencement of construction work and start of
commercial operation scheduled for 2025—

Kyuden International Corporation and Kyushu Electric Power Transmission and Distribution Company (hereinafter referred to as the Kyuden Group) are pleased to announce that they have entered into a project finance loan agreement which amounts more than USD 3 billion on September 22 regarding a project to develop and operate a high voltage, direct current subsea transmission system in Abu Dhabi, the United Arab Emirates (UAE) through the Special Purpose Vehicle (SPV) Abu Dhabi Offshore Power Transmission Limited LLC. This SPV is jointly owned by the Kyuden Group, Korea Electric Power Corporation (KEPCO), Électricité de France (EDF), Abu Dhabi National Oil Company (ADNOC), and Abu Dhabi National Energy Company (TAQA).

The loan agreement on the project financing*¹ was reached with the Japan Bank for International Cooperation, Export-Import Bank of Korea, Mizuho Bank, Sumitomo Mitsui Banking Corporation, BNP Paribas Fortis, and Standard Chartered Bank.

The project is to develop high voltage DC transmission facilities (subsea cables and converter stations), which will provide electricity from the mainland to two of ADNOC's offshore production facilities. It will ensure cleaner and more efficient energy supply, delivered through the power grid, owned and operated by TAQA. The project is scheduled to be operational in 2025 for a period of 35 years. The project will contribute to a significant reduction in CO₂ emissions from ADNOC's offshore production operations, as cleaner energy can be transmitted from more sustainable power sources available on the Abu Dhabi onshore power network. In addition, this project is in line with the UAE's "Net Zero by 2050 Strategic Initiative", the country's commitment to reduce CO₂ emissions to zero by 2050. *²

The Kyuden Group is determined to promote energy businesses that contribute to the reduction of carbon emissions globally as it has taken on the challenge of realizing a low-carbon and sustainable society as set out in the Kyuden Group's carbon neutrality/ Carbon Neutral Vision 2050. By leveraging its advanced technological capabilities and wealth of experience, the Kyuden Group will actively pursue overseas power transmission and distribution projects in addition to its existing overseas power generation projects.

*1 Project finance is a financing scheme in which the source of repayment is the project's future cash flow.

*2 December 2021 : Kyuden Group to participate in a HVDC subsea transmission project in the United Arab Emirates (announced on December 24, 2021)