كنوز عمان القابضة
Kunooz Oman Holding

Investors Perspective in Limestone and Lime Industry in Oman

MAJAN MINING

كارميوز مجان
CARMEUSE MAJAN

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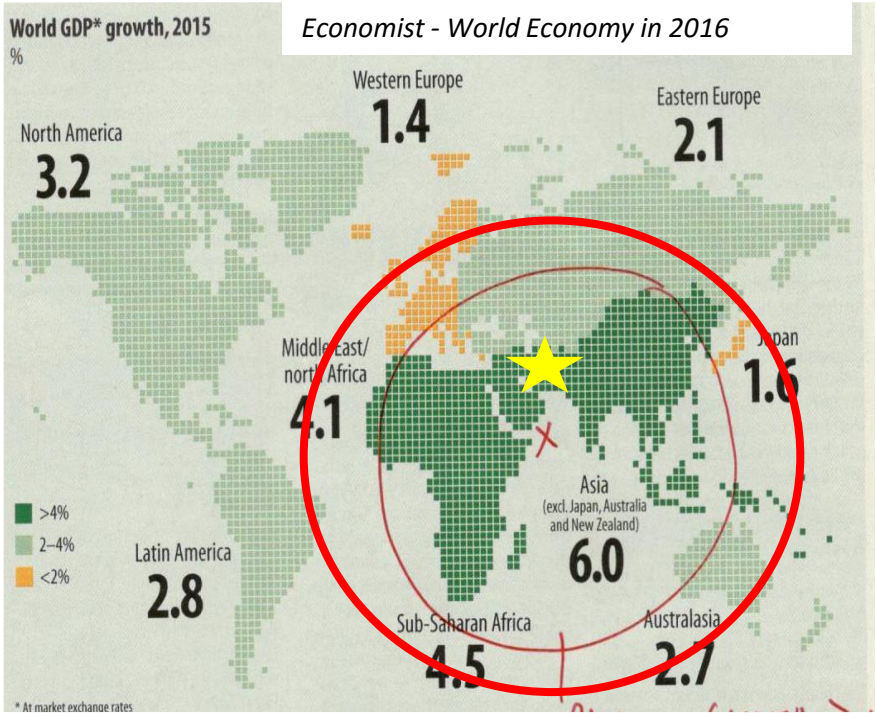
Kunooz Oman area of Investment

- Oman (★) epicenter to GCC and areas of significant GDP growth.
- India, Pakistan, Iran
- Africa (East Coast)

  and interior thru Maputo,

  Dar as Salam and Richards

  Bay.
- Other Asian economies.
- Infrastructure and Urbanisation key growth areas.



Oman has a ring side seat to the highest growth areas on the planet

Oman Limestone

- Oman limestone of Dammam geology has already been established as the best in the world owing to its excellent combination of both chemical and physical characteristics.

- Excellent decrepitation translates into:
  - High Yield after calcination, and
  - High Reactivity

Both converts into - “Best Value in Use as less is more”.

The Market for Limestone

- With India poised for a high growth rate requiring major consumption of steel and cement for infrastructure demands;
- high quality limestone therefore becomes a mineral of strategic importance;
- Limestone constitutes 10% of steel production capacity.
  - China produces : 700 million mtpa
  - Japan Produces : 110 mtpa
  - India produces : 82 million mtpa, Forecast to produce 300 mtpa by 2025

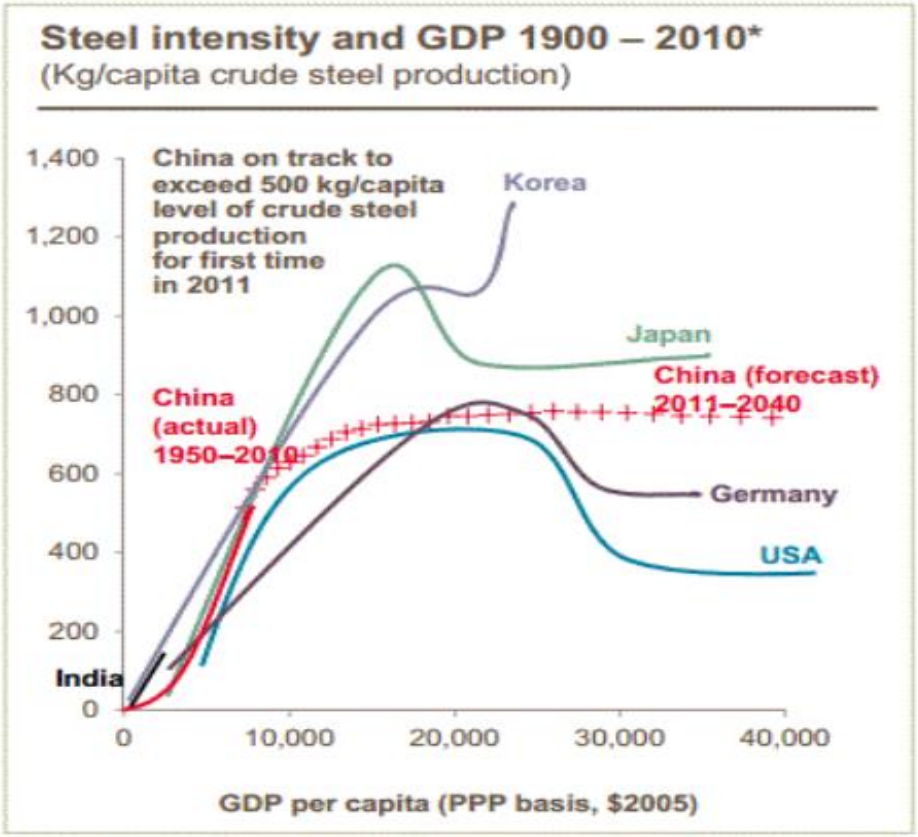
India needs 16 mtpa (2015) → 60 mtpa (2025) to feed its steel industry

Per capita increase in steel production India

NEW DELHI: India's per capita steel consumption last year stood at 57.8 kg, lower than the smaller economies such Venezuela and Egypt and nearly one-fourth of the global average. According to a World Steel Association (WSA) publication, average per capita steel consumption globally was 225.2 kg last year. Venezuela and Egypt had higher average at 93.3 kg and 88.9 kg respectively in 2013. Among the larger economies, China's per capita consumption last year was 515.1 kg compared to 487.6 kg a year earlier.

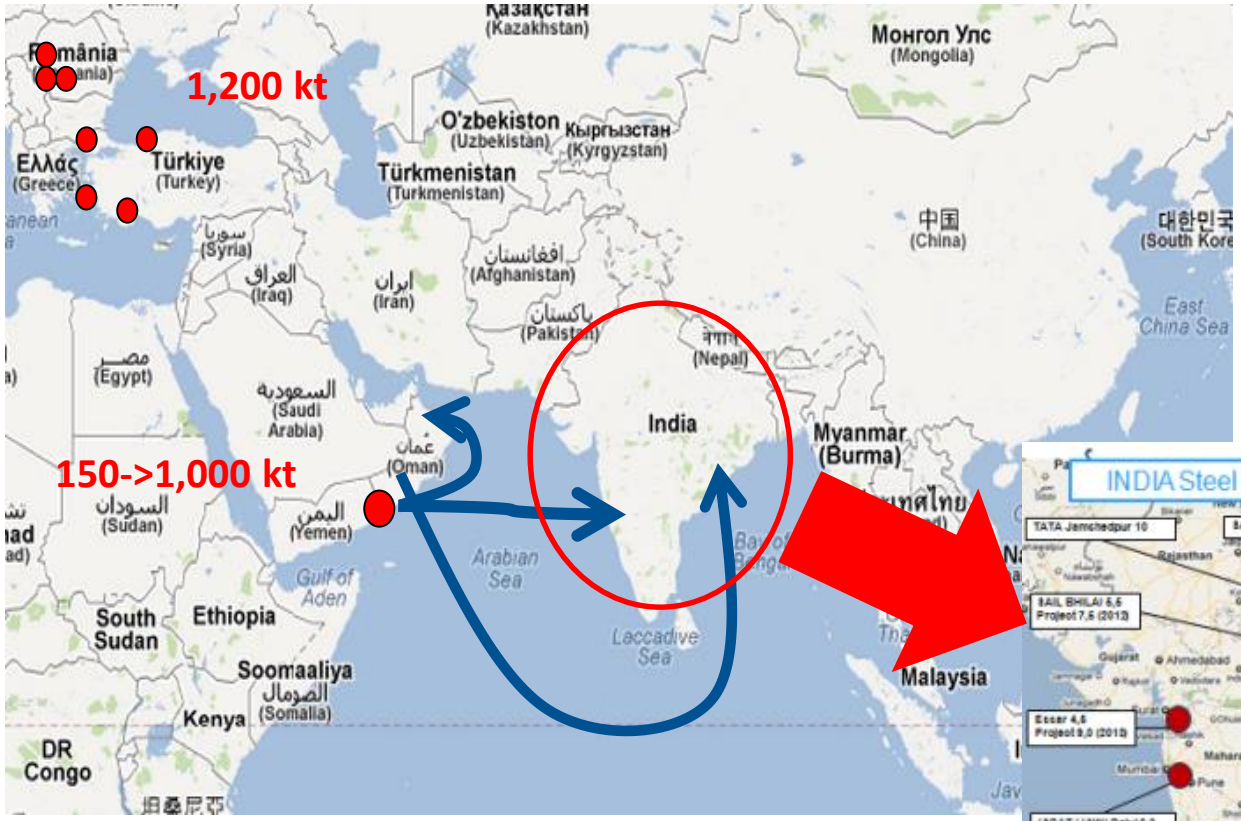
The Economic Times - Steel

China's consumption was based on urbanisation of 5 million people a year, road, rail and infrastructure, plus the improvement of disposable income (white goods) and private demand for cars (50million to 300million)



Oman is strategically position to service India

Project Markets

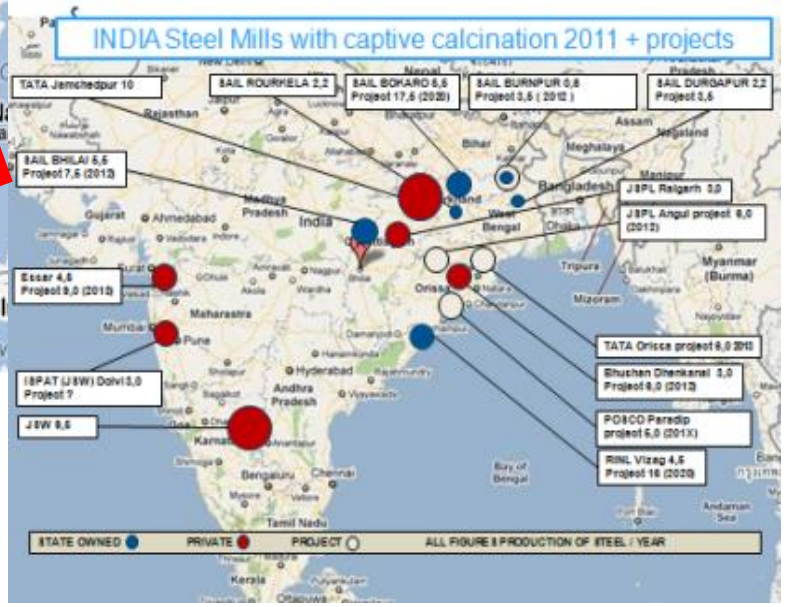


No good limestone in India

- Poor resources
- Badly located (Rajasthan)
- Poor transport infrastructure

New lime supply from Oman

- Quality limestone
- Lower total production costs (vs lime production in India)
- No land property issue



Limestone Usage

- Limestone (or calcium carbonate CaCO3) is a remarkable and versatile mineral with a long tradition of use in a wide variety of industries:
  - Farming and agriculture,
  - Cement;
  - Sugar manufacture,
  - Paper,
  - Glass production,
  - Chemicals, and
  - High quality steel.

Kunooz Oman Current Portfolio

Sector	Company	Subsidiary/ Associate	Main Activity
Mining and Quarrying Sector			
	Al Rawas Mining Co. LLC	Subsidiary	*Mining of gypsum*
	Mihwar Al Wifaq LLC	Subsidiary	*Quarrying of gabbro and operation of crusher plant*
	Majan Mining LLC (35%)	Associate	*Mining of limestone*
	Al Rawas Marble and Granite Co. LLC	Subsidiary	*Mining of marble*
Construction Materials Sector			
	Salalah Readymix Co. LLC	Subsidiary	*Manufacture of readymix concrete, cement products, aggregates and sand*
	Carmeuse Majan LLC (22%)	Associate	*Manufacture of Lime*
Transportation Sector			
	Al Rawas Transport, Machinery Hiring and Trading LLC	Subsidiary	*Transport and Hiring of vehicles and equipment*

JV Concluded in 2006

Eastern Energy
Star Advance Dev

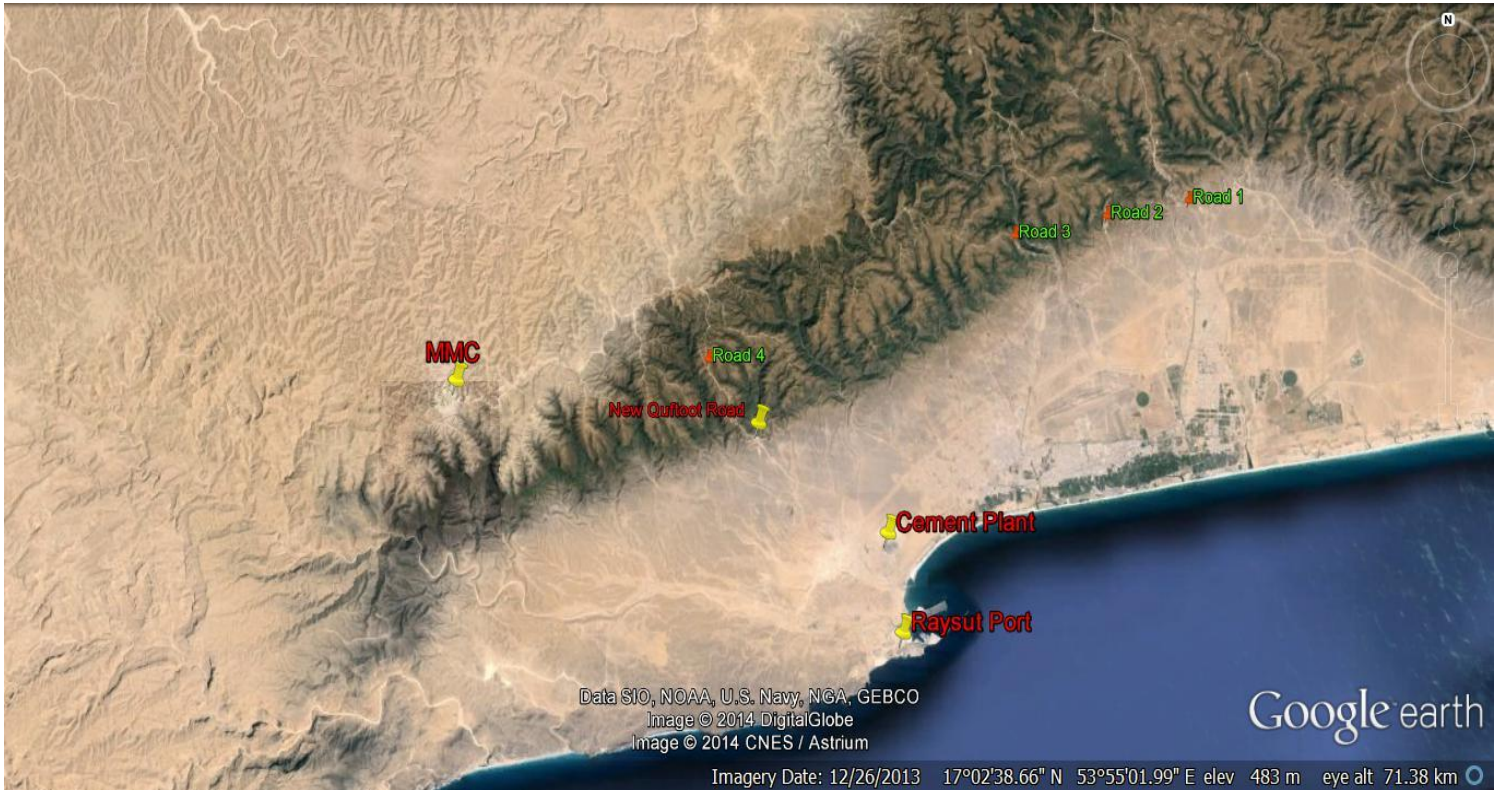
Kunooz Oman
Carmeuse SA (from Nov 2012)

Majan Mining Co LLC

Operations Cycle

1000 tph plant November 2015

New Quftoot Road No:4

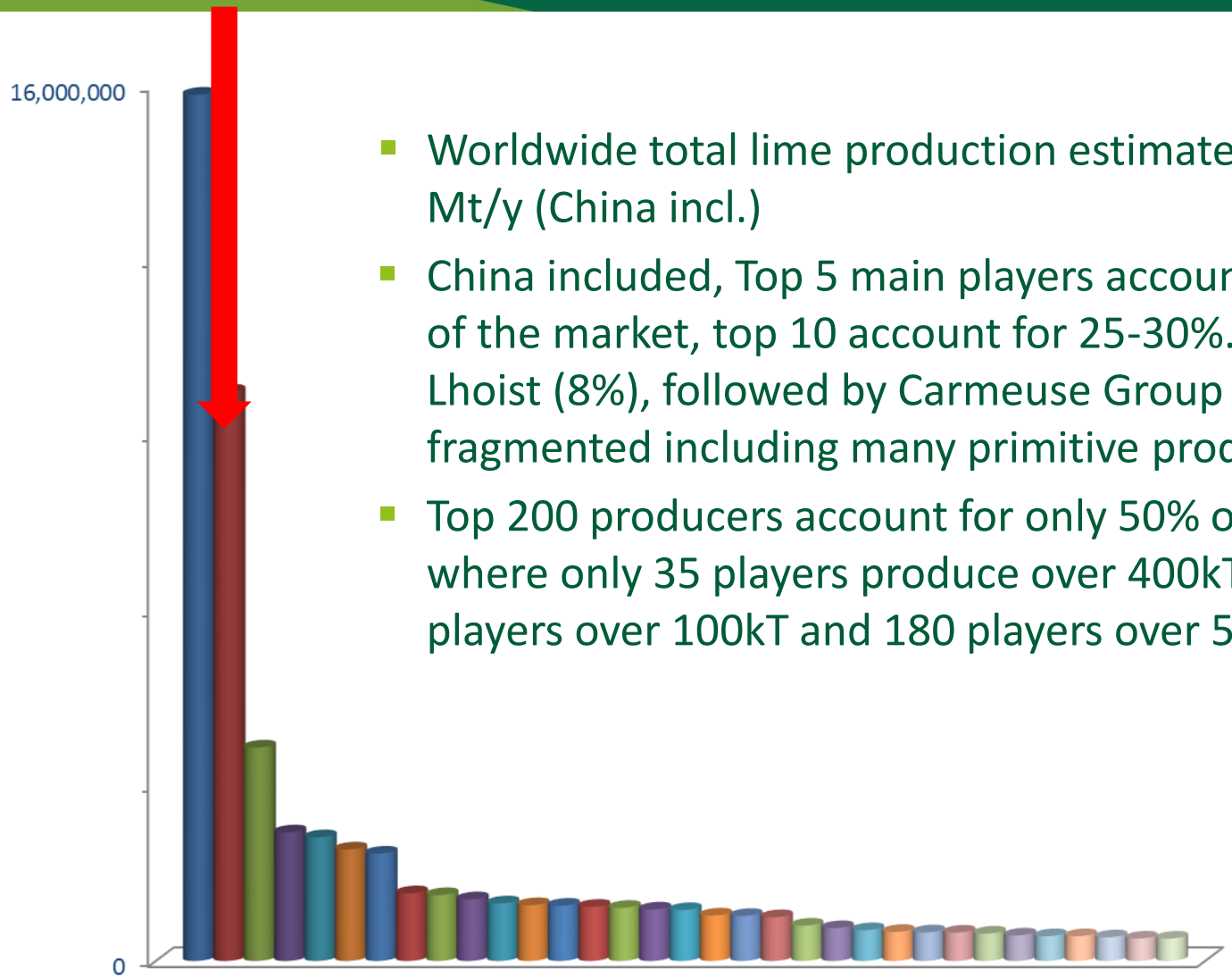


Reduces distance by half and doubles dispatch quantity to Port
Other options is conveyor belt mine to port

In House Fleet to Port

Loading at Port of Salalah

Carmeuse Group



- Worldwide total lime production estimated to be 195 Mt/y (China incl.)
- China included, Top 5 main players account for 15-20% of the market, top 10 account for 25-30%. The leader is Lhoist (8%), followed by Carmeuse Group (5%), rest very fragmented including many primitive producers
- Top 200 producers account for only 50% of total market, where only 35 players produce over 400kT (graph), 115 players over 100kT and 180 players over 50kT

Source : Carmeuse analysis

Process Limestone to Lime

For industrial usage:

1. limestone is first calcined inside large kilns which reduce limestone into LIME.
2. This is done by heating limestone to 900 Cº. The CO2 escapes and what remains is CaO (Calcium Oxide).
3. This CaO is highly reactive and has very little shelf life. It is hence consumed on-line immediately after production.

Location and Production Phase 1

- In the Salalah Free Zone, close to the Port of Salalah (Sub-Usufruct Agreement – SUA – signed with SFZ)
  - 250,000 M² land plot
  - 30-year lease, thereafter renewable up 2057
  - Started July 1st, 2012
  - Right of way and easements necessary for carrying out our activities
- Phase 1 = 1 PFR kiln (400+ tpd) on Natural Gas
  - First production 7 June 2015
  - Yearly production of 150 000 tpa of lump lime
  - Packaged in big bags in containers for shipping
  - Expected initial markets: 50% domestic, 50% export

Additional Phases

- At the end of the project (4 Phases), it is intended that the plant would have:
  - 8 PFR kilns of 400 t of lime/day each
  - 1 roller mill of 15 t/hr for milled lime
  - 1 hydrator of 15 t/hr for hydrated lime
  - 4 Big-Bag machines of 60 t/hr for lump lime
  - 1 Big-Bag machine of 15 t/hr for fines lime
  - 1 Big-Bag machine of 15 t/hr for milled lime and hydrated lime
- At the end of the project, the total production of the plant would be around 1 000 000 t/pa of products (lump, milled or hydrated lime)

Construction September 2013

20 months later

Commissioned 7 June 2015

…to firing-up

……and first sales Q3 2015

Advantages

- Quality partners in both mining of limestone and lime production.
- Marketing skills.
- Location relative to a significant market.
- Project size and relative ease of mining compared to its peers.
- Quality world class assets.
- Forms part of Oman’s diversification strategy with value add.
- Support from Public Authority of Mining

Disadvantages

- Transport volume from mine to port to be reduced.
- Insufficient gas for Lime production.
- Port Charges
- Iran lower cost – possible internal consumption

Oman needs to look at big mining and their long term benefits to the local economy

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Thank you
Question and Answers