

**SAUDI ARABIA'S ELECTRICITY MARKET AND
OPPORTUNITIES FOR SMART GRID EXPORTERS**

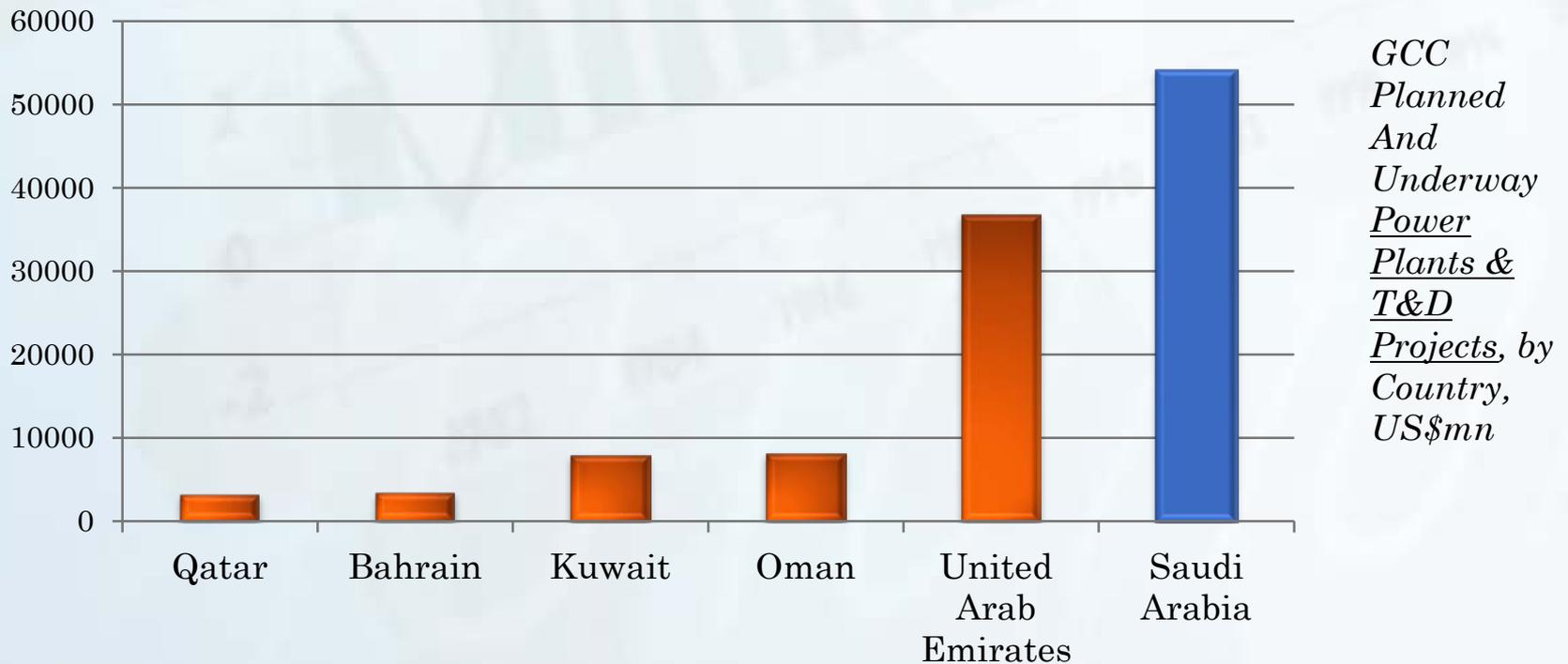
**SAUDI ARABIA'S ELECTRICITY MARKET:
LOOKING AT DIVERSIFICATION AND REGULATION?**

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PUTTING THE OPPORTUNITIES IN CONTEXT: WITHIN GCC

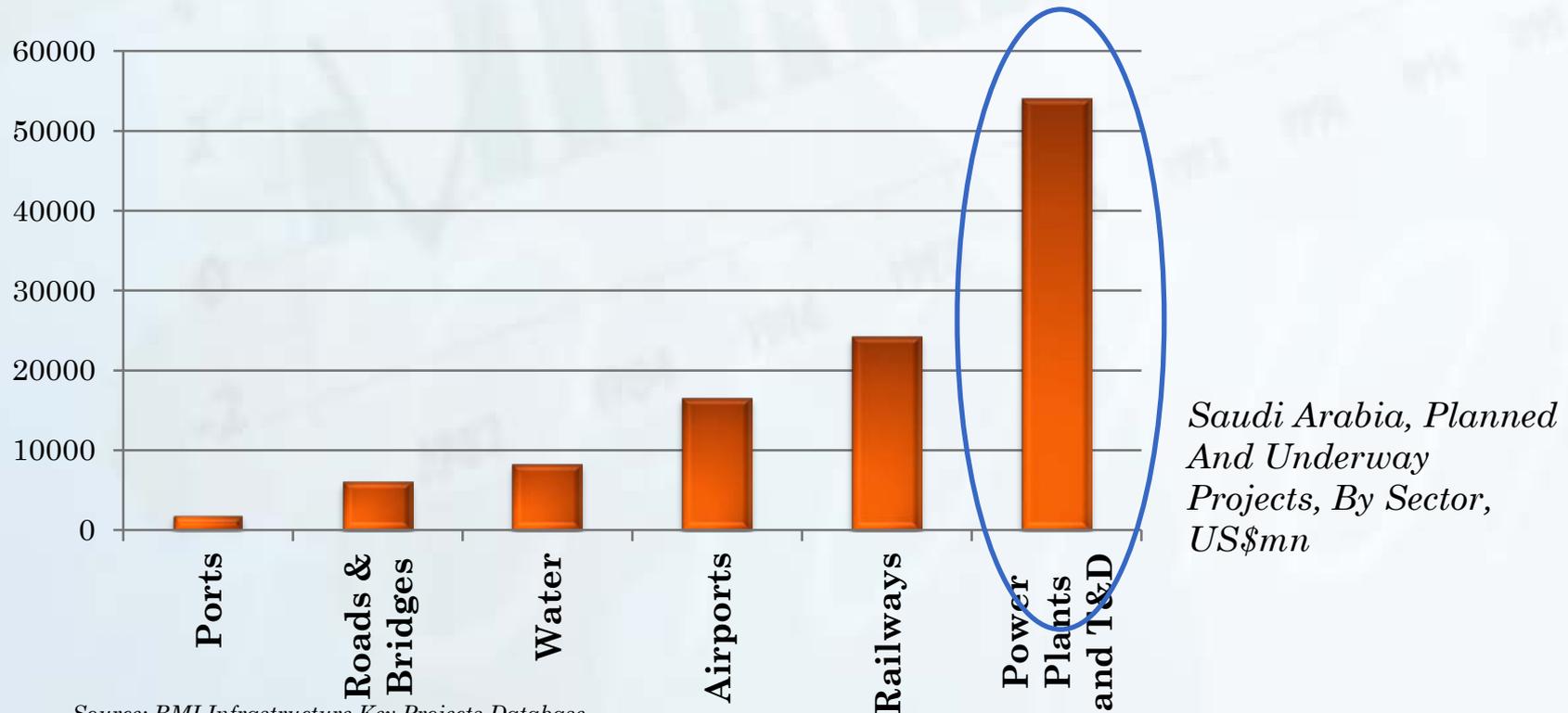
- GCC is seeing huge investment into expanding power and water capacity



Source: BMI Infrastructure Key Projects Database

PUTTING THE OPPORTUNITIES IN CONTEXT: WITHIN KSA

- Saudi Arabia is investing heavily in social and economic infrastructure across the board



Source: BMI Infrastructure Key Projects Database

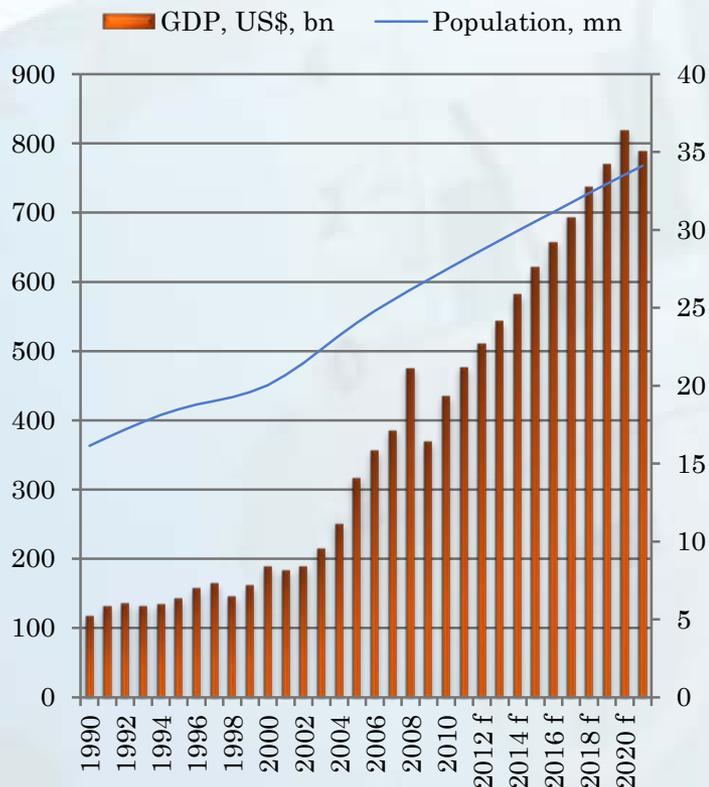
PLAYERS IN THE MARKET

EPC	Equipment	Lead Contractors/Other
Alfanar Construction	GE	ACWA International
Al-Arrab Contractors	Alstom	Samsung C&T
Arabian Bemco	Siemens	Doosan Heavy Industries
	Areva	Hyundai Heavy Industries
	Wartsila	Hanwha Engineering
	ABB	KEPCO
		Mitsubishi Heavy
		Hyundai E&C

Source: BMI Infrastructure Key Projects Database

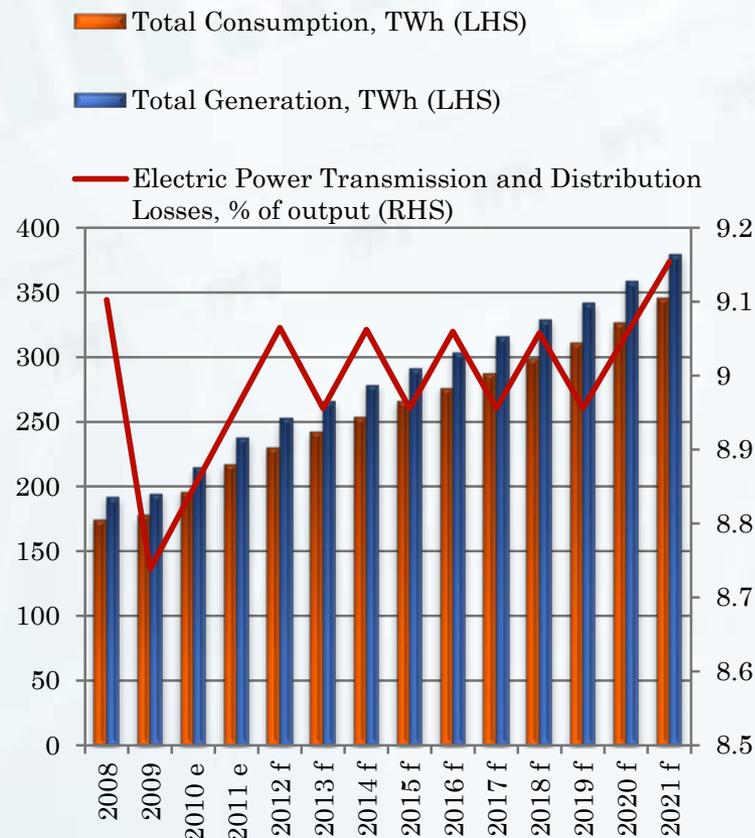
SAUDI ARABIA'S POWER MARKET: DETERMINANTS AND OUTLOOK

Strong Fundamentals



Sources: National Statistical Agency, BMI's Country Risk Service

Soaring Consumption



Sources: EIA, National Statistical Agency, SEC, BMI.



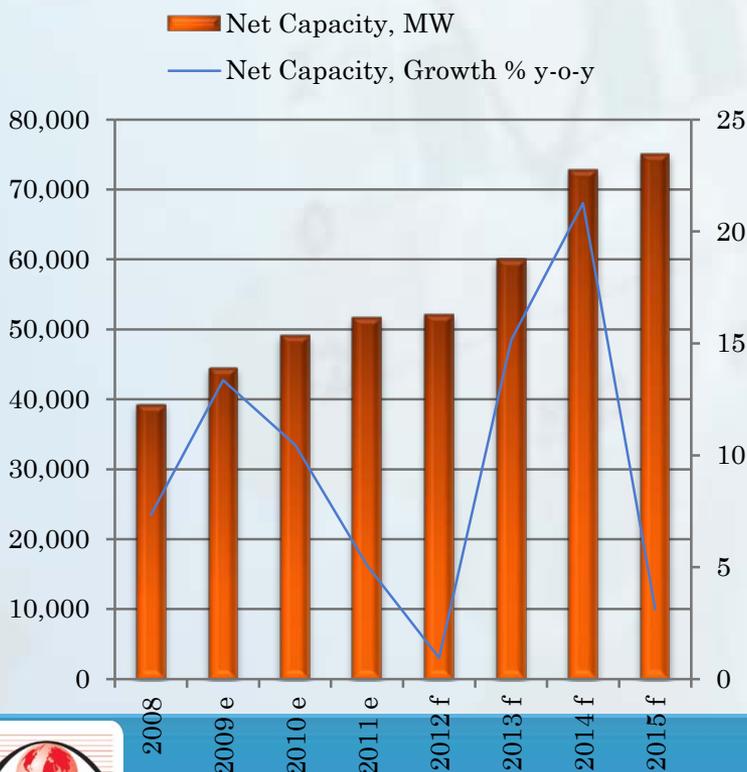
In Need of New Capacity And Diversification



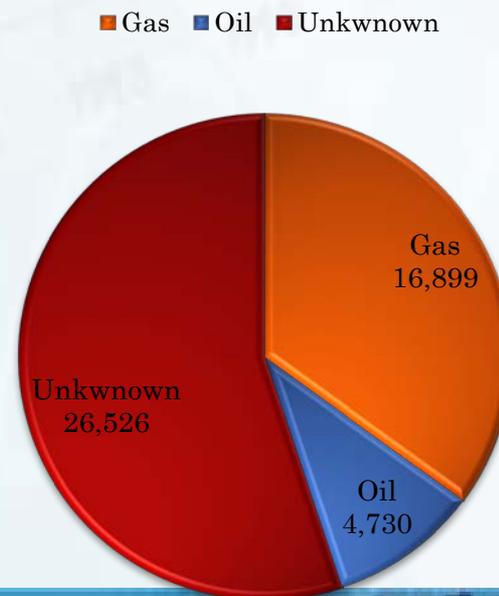
US\$100BN IN 10 YEARS TO EXPAND POWER INFRASTRUCTURE

Target: + 20.4GW By 2014

With Upside Potential for Gas



New Capacity Planned or In the Pipeline 2012-2021



Sources: UN Data, National Statistical Agency, SEC, BMI.

Sources: SEC, Al Zawya, BMI Key Projects Database

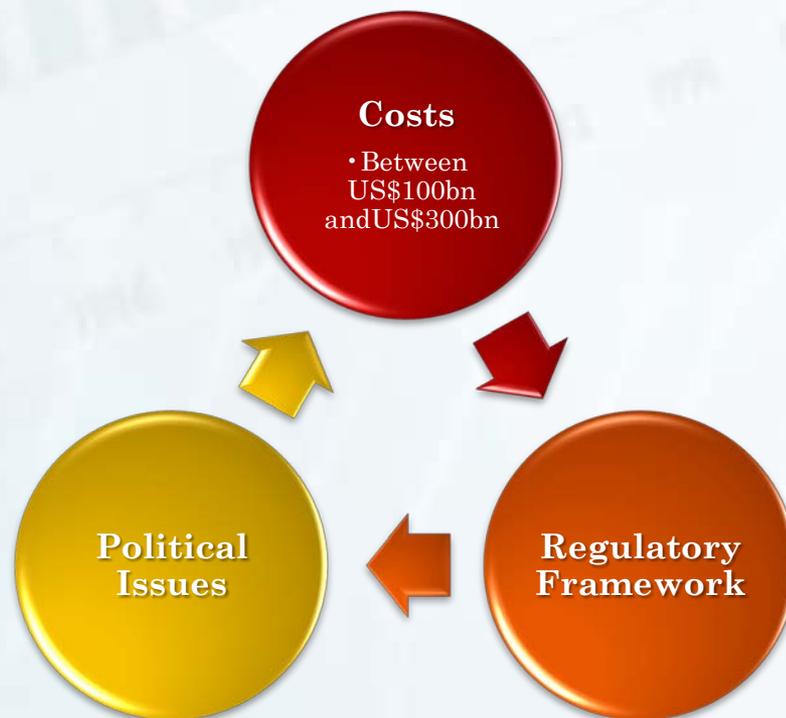
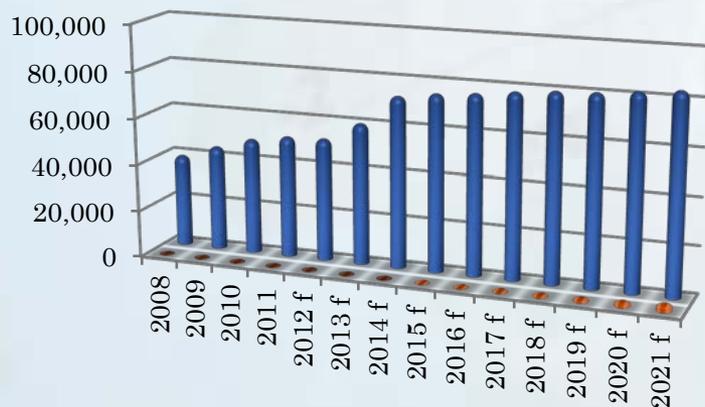
SUN TO SHINE ON RENEWABLES AND NUCLEAR?

20% from renewables
by 2030?

16 nuclear reactors by
2030?

Solar Mid Range Scenario

- Solar Capacity, MW (RHS)
- Net Capacity, MW (LHS)



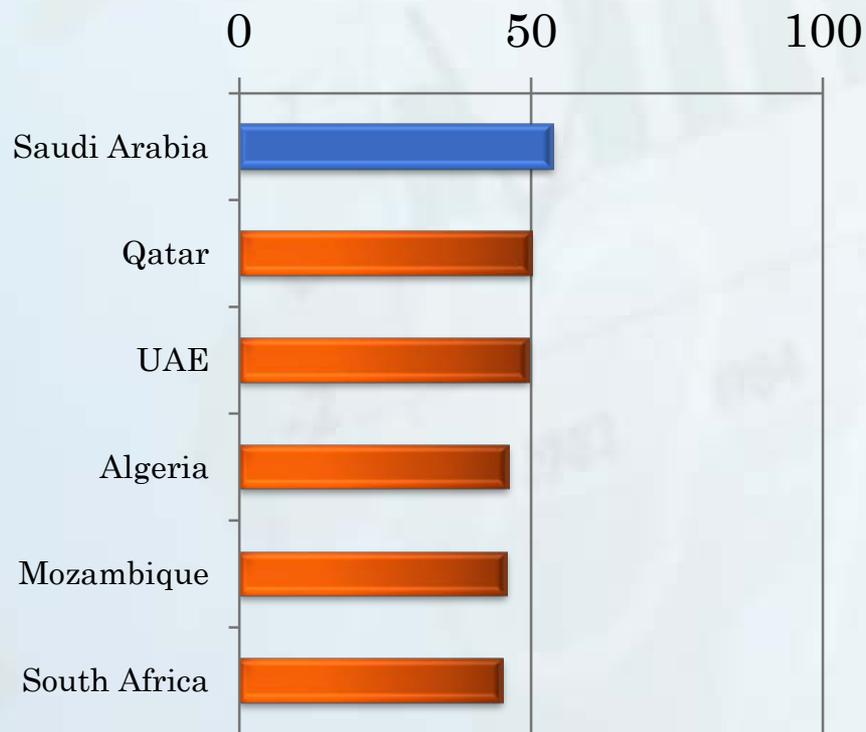
Source: BMI.

Highly Ambitious
Reforms necessary!

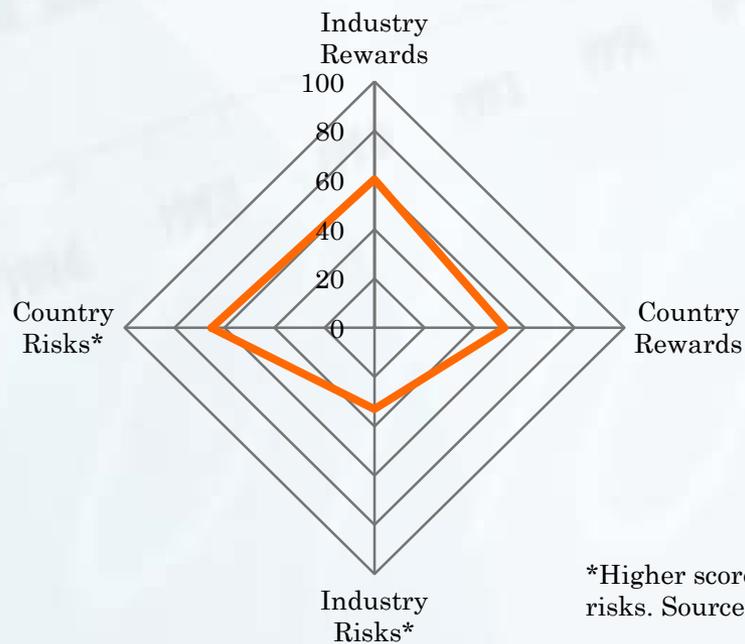


CHALLENGES AND REGULATORY OBSTACLES (1)

**Top Markets in
MEA Power R/R Ratings
Scores Out Of 100**



**Saudi Arabia
Power R/R Ratings**



*Higher score = Lower risks. Source: BMI..

CHALLENGES AND REGULATORY OBSTACLES (2)



But commitment to policy and tariff reforms key to support capacity expansion