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Prior to the start of the World Economic Forum, Rasia FZE announced in a meeting with Armenian Prime Minister Tigran Sargsyan the achievement of a key milestone for the Southern Armenia Railway, including the release of a highly favorable feasibility study and the recommended railway design route from China Communications Construction Company ("CCCC").

Joseph Borkowski, Chairman of Dubai-based investment firm Rasia FZE which owns the 50-year concession for the Southern Armenia Railway, highlighted the strong economic viability and regional importance of the railway, as demonstrated by the feasibility study. Having reached this key milestone, Rasia will now move towards securing essential regional cooperation for the following financing, construction and operating stages of the project.

The feasibility study results indicate that the Southern Armenia Railway will cost approximately US \$3.5 billion to construct, have a length of 305 kilometers from Gagarin to Agarak, and provide a base operating capacity of 25 million tons per annum. The railway will have 84 bridges spanning 19.6 kilometers and 60 tunnels of 102.3 kilometers, comprising 40% of the total project length. The selected railway alignment is nearly 44 kilometers shorter than previously estimated from Gavar to Agarak and will include the Gagarin to Gavar connection to the existing railway network, operated by the JSC Russian Railways subsidiary South Caucasus Railway CJSC.

Mr. Borkowski expressed his sincere gratitude for the time invested by Prime Minister Tigran Sargsyan

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Dalian, China

and for the strong support of Minister Beglaryan and the staff of the Ministry of Transport and Communication over the past year. Mr. Borkowski also reiterated his great satisfaction with the exceptional work and dedication of the CCCC team, enabling completion of the feasibility study ahead of schedule, and the positive technical cooperation with General Director Mr.

Viktor Rebets

and his team at South Caucasus Railway CJSC.

As the key missing link in the International North-South Transport Corridor, the Southern Armenia Railway will create the shortest transportation route from the ports of the Black Sea to the ports of the Persian Gulf. The Southern Armenia Railway will establish a major commodities transit corridor between Europe and the Persian Gulf region, with conservative long-term traffic volume forecasts of 18.3 million tons per annum. Once the railway is completed, transport costs and times for the region are expected to improve substantially, fostering greater regional trade and economic growth while dramatically strengthening the Armenian economy. The feasibility study suggests a National Economic IRR for Armenia exceeding 11%. The implementation of the Southern Armenia Railway Project is a top strategic priority for Armenia and the region.

SOURCE Rasia FZE