



## **Abengoa Creates a US Solar Energy Subsidiary and Engages Dr. Fred Morse to Lead its CSP Efforts**

Washington, 8<sup>th</sup> January, 2007.- Abengoa S.A., a diversified technology company headquartered and quoted in Spain with \$3 billion in annual sales, announces that it has created a new U.S. subsidiary that will be responsible for its market development efforts in solar energy. This new subsidiary will be named Solucar Power, Inc.

Solucar Power is also pleased to announce that it has engaged Dr. Frederick H. Morse, an experienced leader in the solar energy field, to serve as Senior Advisor for Abengoa's U.S. activities in Concentrating Solar Power (CSP).

Solucar Power plans to respond to utility requests for electricity using CSP technologies which will deliver tailored solutions that can meet the specific needs of each utility and region. CSP technologies use reflectors to concentrate the sun's energy to temperatures high enough to produce steam which is then used in conventional power units to generate electricity. The company will initially propose solutions based on parabolic troughs as the principle component of the CSP plant. Future plants may offer other CSP technologies as justified by their cost, performance and risk profiles. Solucar Power will leverage the parent company's resources and expertise in conventional and solar power plant engineering, construction and operation, as well as in control systems and biofuels. Moreover, the company expects that its R&D investments in CSP will result in technology improvements and cost reductions in the coming years.

Abengoa is a technology company that applies innovative solutions for sustainable development in the fields of infrastructures, environment and energy. Since its founding in 1941, Abengoa has significantly expanded its business from its core industrial engineering and construction operations to include four additional businesses: Solar Energy, Bioenergy, Environmental Services, and Information Technology. Now operating in more than 70 countries, more than half of its sales are from outside of Spain.

Abengoa has extensive experience in the solar energy field, including over 20 years of CSP experience. The company recently completed construction of an 11 MW central receiver plant in Spain and has started construction of a 20 MW plant. In addition, it has five 50 MW trough plants under development, using a combination of natural gas and thermal energy storage to allow operation into the evening hours. It has also won a contract to build the world's first hybrid gas-CSP plant in Algeria, a 155 MW combined cycle natural gas plant of which 25 MW will be generated from a CSP trough system.

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Abengoa is no stranger to the U.S. market where it employs nearly 1,000 people. It is one of the major producers of biofuels, with three ethanol plants in the US and several under development and construction and through its IT services business, Telvent, it owns several companies in the U.S. that develop systems that help control a large portion of the energy in North America.

Additionally, Solucar Power purchased Industrial Solar Technology Corporation's assets and technology in solar troughs. IST is based in Denver, Colorado and has 20 years experience in CSP with trough systems for industrial and commercial steam applications. Kenneth May, CEO of IST and a team of experts in the trough technology have recently joined Solucar Power.

"Abengoa is pleased to open its newest operation in the United States, this one in the field of solar energy. We believe that the U.S. CSP market has great potential and Abengoa hopes to become a major player in this field," said Santiago Seage, Chairman and CEO of Abengoa's Solar Energy business. "Abengoa is deeply committed to sustainable development and believes that solar energy technology can offer a carbon-free option to utility companies. Because CSP can provide reliable, dispatchable power to meet peak electricity demand, it should be able to provide a significant portion of the growing need for peak power in the southwest U.S."

"We are delighted that Fred Morse is joining us in this venture. He is viewed with great respect in the solar energy community and we are confident that he will be instrumental in helping Abengoa achieve its goals in CSP. Our acquisition of IST will also reinforce our technical capabilities in the U.S."

A true solar energy pioneer, Dr. Morse first became involved in renewable energy issues in the late 1960s when he served as Executive Director of the White House Assessment of Solar Energy as a National Energy Resource. Since then, he has become a widely respected international leader in promoting the development and implementation of renewable energy technologies. As a senior executive at the U.S. Department of Energy, he played a significant role in defining and managing major solar energy R&D and market development programs.

Dr. Morse has been instrumental in developing the U.S. market for concentrating solar power systems in the U.S. and creating greater confidence in this technology in the political and financial communities. He was a member of the New Mexico CSP Task Force and is currently co-Chairman of the Western Governors' Association Solar Task Force and Chairman of the CSP Division of the U.S. Solar Energy Industries Association.

Dr. Morse is President of Morse Associates, Inc., a Washington, DC renewable energy consulting firm and holds engineering degrees from Rensselaer Polytechnic Institute, MIT and Stanford University.

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“I am very pleased to be part of Abengoa’s operations in the US. I am impressed with this company’s capabilities and dedication to sustainable solutions” said Fred Morse. “It seems clear that CSP is now poised to grow rapidly in the southwestern states due to the growing need for power from clean energy source. I am excited to be working with a company which is committed to becoming a major player in the CSP space.”

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