

Featured Investment: Waterleau Group N.V. – Wastewater Treatment Plant, Marrakech, Morocco

In April 2010, Aqua Resources Fund Limited (“Aqua”) subscribed for five-year convertible bonds of Waterleau Group N.V. (“Waterleau”) for a total cash consideration of €20m.

Waterleau, based in Herent (Leuven), Belgium, is one of the world’s leaders in the anaerobic wastewater treatment sector via its subsidiary Biotim®, which it acquired in 2004. Waterleau is a one-stop-shop wastewater solution provider with over 1,500 references around the world with a complete portfolio of water, air and waste treatment as well as energy recovery applications.

Waterleau’s track record is well established in the wastewater sector, and it has built a global reputation with many industrial and municipal clients based on its experience with multinational companies worldwide.

Waterleau is building the largest municipal Wastewater Treatment Plant (“WWTP”) in the Maghreb to date in Marrakech, Morocco

Waterleau is heading a consortium comprised of three partners to expand Marrakech’s existing municipal WWTP. Waterleau is in charge of technical design and execution of the capacity extension, while its consortium partners, including SOTRADEMA, are responsible for the civil work.

The project is a phase 2 extension of an existing plant (primary treatment) with secondary and tertiary treatment.

To date, this is the first project of this size in the whole of Maghreb. Waterleau brings to the region a complete chain of technologies which have not yet been used there.



Consortium partners



Settlement tanks



Marrakech (Morocco) – Biotim® WWTP with energy production and water reuse

The €60m project is being financed by the Moroccan government, the RADEEMA (Régie Autonome de Distribution d'Eau et d'Electricité de Marrakech) and some private golf course owners.

The WWTP serves 1.1 million people and has a capacity of 100,000 m³/day. The process achieves sufficient nutrient removal through filtration and disinfection to allow efficient water reuse, with approximately 90% of the water suitable for reuse. The treated water is used for the irrigation of the municipality's public green spaces as well as several golf courses located in Marrakech's Palmeraie.



Royal golf club



Clarifier



Rake arm

Electricity production from the WWTP itself is expected to be 1.6 MWe, which represents approximately 50 percent of the plant's electricity needs. The biogas produced from the anaerobic digestion process of the sludge generates electricity (there is an average 150 tons of sludge treated daily). Furthermore, Waterleau provides an air treatment solution to reduce the odour nuisance for the inhabitants of the plant's neighbouring surroundings.

Waterleau has also recently secured additional revenues from the WWTP via a 10-year, €30m, operation and maintenance ("O&M") contract.

The extended plant is scheduled to start operations in the first half of 2011.

In parallel, Waterleau has signed a €60m contract for a WWTP in Fes, Morocco. RADEEF (Régie Autonome de Distribution d'Eau et d'Electricité de la ville de Fès) is commissioning a plant to serve 1.3 million people, with a capacity of 160.000 m³/day. The plant itself is expected to produce 2.75 MWe or 50 percent of its electricity needs. Alongside this contract, Waterleau has won a €35m 10-year O&M contract for the Fes plant.

<p>About FourWinds Capital Management (Aqua's investment manager)</p> <p>FourWinds is a specialist in global commodities and natural resources with products investing across energy, metals, agriculture, timber, water, waste, and alternative energy.</p> <p>FourWinds Capital Management (UK) Ltd. 105 Wigmore Street, London W1U 1QY United Kingdom Tel: + 44 20 7518 7970</p> <p>FourWinds Capital Management (HK) Ltd. Level 8, Two Exchange Square 8 Connaught Place, Central, Hong Kong Tel: + 852 2297 2475</p> <p>Website: www.FourWindsCM.com Email: info@fourwindscm.com</p>	<p>Fundamentals of Aqua Resources Fund</p> <p>Listing date: 24th July 2008</p> <p>Ordinary shares outstanding: 72,464,340</p> <p>Latest audited NAV (31/12/2009): EUR 1.0219</p> <p>Latest unaudited NAV (30/09/2010): EUR 0.9010</p> <p>YoY audited NAV performance (2008 - 2009): + 6.9%</p> <p>Number of investments/continents: 5 / 3</p> <p>Total invested/committed: EUR 55.8 million (86% of portfolio)</p>
<p>About the Fund</p> <p>Aqua Resources Fund Limited is an LSE-listed investment fund (H2O) managed by FourWinds Capital Management, investing in the full value chain of global water. The strategy combines direct investments in projects, companies, and infrastructure across water-related business areas. www.AquaResourcesFund.com</p>	

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