



Solel Signs Frame Agreement with Sacyr to Build Three 50MW Solar Thermal Power Plants for US\$890 Million

Israeli-Spanish Partnership Enhances Supply of Clean Electricity in Europe; Solel's Involvement Estimated at US\$500 million

MADRID, SPAIN and BEIT SHEMESH, ISRAEL – November 7, 2006 - Solel Solar Systems, Ltd., a world leader in solar thermal technology for solar systems and central power plants for clean electricity, announced today that an agreement has been signed with Sacyr-Vallehermoso, the large Spanish infrastructure concern, to build three solar power plants in Spain with a total capacity of 150MW and at an estimated overall value of US\$890 million. Within the frame agreement, Solel's scope of supply for all three projects is estimated at around US\$500 million.

For Solel, based in Israel, this marks the first turnkey power project to be delivered in Spain on a Build, Own and Operate (**BOO**) basis. The project also enables Solel to act as provider of solar energy in Europe for the first time.

The current price per kilowatt/hour for produced solar thermal electricity in Spanish electricity projects stands at 30 cents. The rate is subsidized by the Spanish Government for a period of 25 years in order to support & encourage the innovation and implementation of alternative domestic energy sources, environmentally friendly clean electricity and to support local electricity production.

“Solel is delighted to be working with a highly reputable infrastructure company in Europe such as Sacyr,” said Avi Brenmiller, CEO of Solel Solar Systems. “We believe that the combination of cutting-edge solar technology, know-how and solutions from Solel, combined with the local knowledge and construction expertise of Sacyr will have a significant positive impact on the installation and delivery of highly efficient, clean energy projects of this type, both in Spain and other countries. We hope to successfully replicate this BOO model in other markets in the coming years.”

“Sacyr is excited about working with Solel to enter the field of solar thermal energy projects,” said Emilio López, CEO of Valoriza Energía, owned by Sacyr. “We believe that our extensive capabilities and successful infrastructure installations will enable Sacyr to implement the energy plants in Spain on time and inside budget, in order to begin generating clean energy for the Spanish people.”

Solel CEO Mr. Avi Brenmiller will be presenting and is also co-sponsoring the Prime Minister of Israel's Conference on Renewable and Alternative Energy, taking place at the David Intercontinental Tel Aviv Hotel, November 8, 2006.

About Solel Solar Systems Ltd.

Solel is the world leader in solar thermal technology for central power generation. Solel delivers clean power when it is needed most - during peak demand hours. Solel's unrivalled solutions have set the global standard for utility solar plants as well as high temperature collectors. The Solel parabolic



trough thermal technology has proven itself over the last twenty years with the continuous production of utility scale power in California's Mojave Desert.

These nine plants in California produce 350 MW of electricity for about 500,000 consumers, thereby directly reducing annual oil consumption by two million barrels.

Solel's longstanding, field-proven experience with parabolic trough solar thermal plants has brought the cost of kWh produced to competitive market levels. Led by a team of solar professionals, Solel's engineering staff combines extensive industry experience with field-tested know-how and draws on more than twenty years of solar thermal research and commercial implementations. Solel employs more than 220 people in their Beit Shemesh, Israel headquarters and operates in the U.S. through its subsidiary, Solel, Inc. For more information, please visit <http://www.solel.com>.

About Sacyr Vallehermoso

Valoriza Energía is Sacyr Vallehermoso channel for energy purposes, being centred on the promotion, construction and exploitation of projects concerning renewable energies and energetically efficient. Valoriza Energía and its subsidiary Iberese have carried out more than 80 cogeneration plants for private customers (800 MW installed). It has more than 20 developing projects in waste treatment and electric generation starting from biomass. Sacyr Vallehermoso is one of the European biggest construction and concessions groups, with sales of US\$ 5.346 million in 2005. For more information, <http://www.gruposyv.com> please visit