

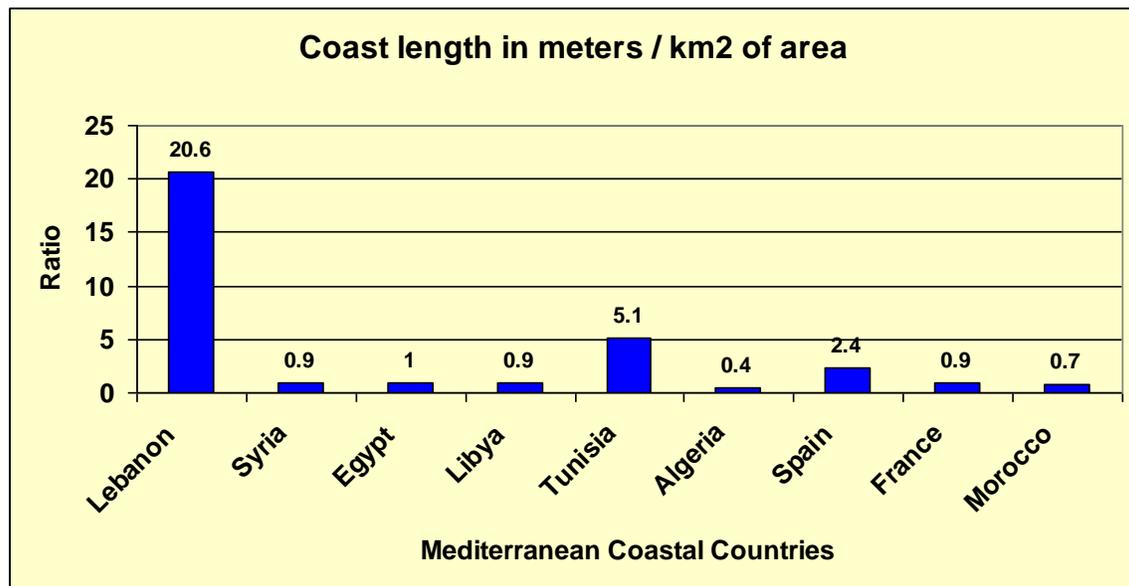
THE BLUE PROJECT

The Mediterranean extends 12,000 km along three continents, major marina resorts are expected to be developed starting from Tangier in Morocco along the Northern African continent to the east coast and European countries. Current cost of decent chalets normally exceeds 4000 Euro per square meter in most reputable resorts.

Lebanese coast had a long historic and geographic value; this 215 km has a unique nature governed by close mountain terrain all along from Nakoura in the south till Akkar in the North.

Authorities should seriously consider a **Blue Project** for the Lebanese National coast. This project should have a master plan and strategic development incentives coordinated by a special purpose vehicle (SPV) such as the Investment Developing Authority of Lebanon (IDAL) to assist all investors and property owners to develop mega projects which could attract tourists, Lebanese expatriates and local citizens.

A 80m² chalet in Cyprus (Paphos) might cost around 260,000 \$ in Tangier (Mediterrania-Saida) 418,000 \$, in Greece (Crete) 310,000 \$, while in Lebanon it should not exceed \$150,000.



All economic features relevant to marina projects are highly favorable in countries along the Mediterranean; a smart step would involve purchasing of

large properties along the Lebanese shore at current market prices which is quite affordable and expected to be developed within 2 years period.

The **Blue Project** along the Lebanese coast might attract investment up to U.S. Dollars 10 billions and provide at least 7000 permanent jobs and more than 11,000 seasonal employment opportunities and also attract 40% increase to the modest 1.6 million tourists per year.

God has granted Lebanon such a beautiful and magnificent nature; more than 35% of the Lebanese coastal properties are under study or classified as agriculture zones especially in the South. The **Blue Project** could preserve the coast and help the Lebanese to promote their shores to the best of their interests. It is a project to be handed to our new government.

There is no excuse not to have a national master plan to our shores away from bureaucracy and political interests, especially when we have Lebanese engineers and financial professional who are highly qualified to handle the study and the analysis of such a project – after resolving the sewage disposal thru wastewater treatment plants all along the sea shore.

As we have predicted, the current rise in prices in Beirut and suburbs after July war in 2006; we extend our trust in the real estate investment in the near future; the second wave will be the development of pre-purchased plots when land prices are more stable.

Lebanon have succeeded in preventing the acceleration of local and regional political dispute also reducing the security tension after May 7 events, The election of a new president Michel Sleiman, and the nomination of PM Seniora who is expected to announce the formation of the new government, all these events and more to come will add up to the confidence of investors in the real estate market and other sectors.

Let us share the good faith of a coming relief.

Abdallah Hayek P.E
CEO
Hayek Group s.a.r.l
Beirut – May 2008