

3 December 2013

###### Preliminaries for Organizing

**A Zimbabwe Power Bridge Project Plan**

In accord with our discussion earlier today, for our part we have previously engaged with a number of ‘middleman’ organizations regarding Zimbabwe energy situations. Let us commence with the assumption that all previous information is invalid.

1. Let’s draw up a list of ALL the ‘Heavy Power Users’ in Zimbabwe.
2. How much electricity does each of them use a month now?
3. How much additional electricity would they like to have? What would they do with it?
4. What do each of them pay per month for electricity today? Per kiloWATT hour?
5. How is this electricity now generated? That is, do they purchase it wholly from the utility, or do they generate it themselves? If so, by what means?
6. What is the status of the electrical grid and the facilities of each of the Heavy Power Users? Is there a lack of stability in existing grid infrastructure for large power transmission? Is there a significant distance between the existing grid infrastructure and the Heavy Power User’s operating site(s)? Let’s get a specific description of each problem case.
7. In order to finance an independent power plant, it is necessary to negotiate and execute a power purchase agreement with a creditworthy off-taker.
8. Are there any Independent Power Producers operating in Zim today that have executed such a power purchase agreement? If so, with whom and under what terms and conditions?
9. We have been told that the Zim power utility was informed that the price of electricity by 2016 sold from the Southern Africa Power Pool would be up to USD$ 0.28 per kiloWATT hour. Can you determine what are the electricity prices projected annually for the next three to five years? From the utility’s point of view? From the Heavy Power Users’ point of view?
10. What are the logistical alternatives by which we would bring in approximately 14,500 metric tons of natural gas or Liquid Petroleum Gas in 20-ft. portable tank containers to fuel a 200 MW Power Plant? How much would each alternative cost per metric ton under a long-term (e.g., more than 2 years) commitment? Who are the logistics companies that are viable candidates to undertake this supply chain on our behalf in Zim?
11. To proceed with a financing, we believe it is necessary to develop the following business case:
    1. Execute an application and obtain an Independent Power Producer’s license in conjunction with an indigenous Zim partner. What is the proposed structure of this Energy Giant – Zim partner alliance that provides adequate incentive for us, the off-shore investor and the Zim partner?
    2. Develop and execute a letter of intent with each Heavy Power User that specifies the terms and conditions of a power purchase agreement (PPA) and recites the milestones that we must achieve in order for the off-taking Heavy Power User to enter into the PPA.
    3. Present the letter of intent to our equity financier and obtain a Proof of Funds certificate, along with a formal expression of interest in providing financing subject to specific terms and conditions.
    4. Complete the required milestones and enter into a binding agreement with the Heavy Power User.
    5. Complete the financing agreement and bank the funds against constructing and commissioning the initial 200 MW Power Bridge generation plant.
12. What additional requirements or steps would local Zim authorities expect that are not covered above, for the successful independent power producing project we envision?