



IMOBI 746MW THERMAL POWER PLANT - PROJECT SUMMARY

PROJECT DESCRIPTION & TECHNOLOGY

The entire project is conceived as a combined cycle power plant and will consist of four (4) GE combustion turbines, four (4) heat recovery generators (HRSGs) connected to the combustion turbines and two (2) General Electric (GE) steam turbines for 2 blocks of 2×2×1 arrangements bringing it up to a total of 746MW at ISO conditions. However, the project will be actualized in 2 phases. Phase I will be the construction of the “Open Cycle” consisting of the 4 gas turbines rated 126.5MW at ISO condition, with power output for this phase to 506MW.

The project’s first phase involves the establishment of a 506MW Gas-Fired Open Cycle Power Plant generating electricity to the Nigerian national grid, to be located at Imobi in Ogun State at the proximity of the economic nerve centre of Nigeria, Lagos State. The project will structure and implement the engineering, procurement, construction, commissioning and operation of the gas-fired combined cycle power generating plant.

The project’s main goal is to produce and sell electricity power at negotiated prices to the Nigerian Bulk Electricity Trading Plc (NBET) thereby injecting power into the national grid for the enhancement of the underdeveloped and highly dependent energy market of the country, thus ensuring future energetic security of the Federal Republic of Nigeria. By investing in this project, positive externalities will be generated in the Nigerian economy with a significant contribution to the future economic development both in terms of direct employment and multiplier effect in terms of energy provided for the industries to be resuscitated and new industries to be created.

Additionally, the construction of the power plant will certainly create great value for the potential shareholders, simply due to the huge demand for power and the conducive environment created by the Power Sector Reforms, leading to huge concessions in prices of fuels, tax holidays and guaranteed off taking provided by a power purchase agreement (PPA) to be signed with the single buyer entity, NBET. Such PPA is backed by the Federal Government and a Partial Risk Guarantee (PRG) of the World Bank.

PROJECT JUSTIFICATION

Nigeria is the most populous country in Africa. Its population currently stands at 167 million people and is expected to grow to 230 million by 2030. Her per capital electricity consumption is amongst the lowest in the world and far lower than many other African countries. As at July 2012, the peak generation supplied by Nigeria’s PHCN was just 4,000MW!!!. Self-generation of electricity (from diesel and petrol generators) is conservatively estimated at a minimum of 6,000 MW.

This prevailing situation of erratic and inadequate power supply from the grid has prompted the Nigerian Government to embark on electricity market/industry reform by enacting the National Electric Power Policy and the Electric Power Sector Reform Act of 2005, (EPSRA). The Nigerian Electricity Regulatory Commission (NERC) was set up in 2005 to provide enabling environment for the reform program. Subsequently, other bodies and agencies that will guarantee successful reform were set up culminating in the eventual launching of the Road Map for Power Sector Reform in August, 2010 by the Nigerian President.

To this end, a new entity called Nigerian Bulk Electricity Trading Plc (NBET) was incorporated on 29th July 2010 and licensed in November 2011 with the specific purpose of carrying out, the bulk purchase and resale function expected by the EPSRA. This body guarantees payment of electricity generated and supplied to the national grid by the private generation companies through engagement in Power Purchase Agreement (PPA). Therefore, the reform program has thrown the power sector open for all serious private investors to participate in order to fast track and stabilize the power generation, transmission and distribution in the country.

This development has resulted in unquantifiable opportunities for the implementation of sustainable projects in power and energy sectors. Oats Global Energy Ltd has thus concluded arrangements to promote the development of a 746MW power plant.

PROJECT OWNERSHIP STRUCTURE

The project is being promoted by Oats-Global Energy Limited (OGEL). Incorporated in 2005 and located in the Federal Capital Territory, Abuja, Nigeria, OGEL has a combined team of professionals with over 100 years' experience in the design and construction of electricity generating plants; and has managed to position itself as a reliable partner and a leading player in the power generation and transmission sectors of the local market.

Broad experience, market expertise and technical competence allow OGEL to efficiently interact with foreign and local partners, as well as with governmental authorities, following the fact that it has successfully managed and accomplished various project implementations by creating great value for its shareholders and stakeholders. The participation of its CEO in the first indigenously constructed 150MW IPP and his leading role in four (4) of the Nigerian Integrated Power Projects (NIPP) ranging from 225MW to over 1074MW are regarded as one of OGEL greatest achievements, this being among other attained successes.

A Special Purpose Vehicle (SPV), **MOOG Power Limited** has been incorporated as a Limited Liability Company in Nigeria. This SPV will own and operate the power plant project.

PROJECT FEATURES

- ☑ Favorable financial basis, pioneer status enjoying tax holiday for minimum of 5 years;
- ☑ Friendly regulatory framework: cost reflective feed-in tariffs.
- ☑ Low gas fuel costs; fuel gas prices are pass-through costs.
- ☑ Friendly host community.
- ☑ Great support from the Federal Government authorities to provide safety of investment, regulated competition, tariffs that promote profitability of the project and guarantees that ensure payment for power generated with excellent cash-flows.
- ☑ One-off capital expenditures and a choice of cost-competitive technology.
- ☑ 25 years of operation.
- ☑ Promoter's proven track record: The Principal is an experienced professional who has amassed over 24 years of experience in the power sector.
- ☑ First-class strategic partnerships: OGEL has recently signed an agreement with General Electric (GE) USA as a strategic partner, provider of equipment and part-financier in the project. GE will be able to leverage its key relationships in supporting the power project with its technical expertise and by assisting in pulling in other international financiers.

PROJECT PRE-DEVELOPMENT STATUS

The following have been achieved to date:

1. A piece of land measuring about 94ha has been acquired and surveyed. It is located at Ebute-Imobi in Ijebu East LGA of Ogun State. The site is accessible from Lagos through a 2-hour drive on the Lagos-Ore Express way. It is also accessible through the Lagos lagoon.
2. Received the Transmission Company of Nigeria (TCN) provisional approval to evacuate 700MW through the 330kV Omotosho-Epe-Ajah transmission line.
3. Received Federal Ministry of Environment approval for two-seasonal Environmental and Social Impact Assessment (ESIA) study of the project. The two-seasonal studies executed and final ESIA report under preparation.
4. Application sent to Gas Aggregation Company of Nigeria (GACN) for Gas Sales and Aggregation Agreement (GSAA).
5. Signed collaboration agreement with General Electric (GE).
6. Received an Indicative Letter of Support relating to the Financing of the Imobi Power Project

PRELIMINARY PROJECT EXECUTION ROADMAP

Stage 1: Preparatory

Completed

Key Tasks: Assess project feasibility and viability: Technical, Environmental, Financial, Legal & Regulatory; Prepare Pre-feasibility study and Source early stage investment funds.

Stage 2: Development and Financing

Approx. 40% Complete

Key Tasks: Confirm project feasibility and viability: Technical, Environmental, Financial, Legal & Regulatory; Select Consultant/EPC contractor & others; Establish project financing structure; Secure debt and equity.

Stage 3: Construction of Phase I (Open Cycle)*

Not yet commenced

Key Tasks: Procure Equipment/ Material; Transportation to site; Commence build-out by a reputable EPC contractor with proven records.

**Once Phase I is complete, the plant will be operated for 2 years before Phase II construction commences*

Stage 4: Construction of Phase II (Combined Cycle)

Not yet commenced

Key Tasks: Procure Equipment/ Material; Transportation to site; Commence build-out by a reputable EPC contractor with proven records.

Stage 5: Operation and Maintenance

Not yet commenced

Key Task: Operate, maintain & monitor performance of facilities.

CONTACT INFORMATION

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