



Av. 24 de Julho, nº 1123, 4º Piso
Maputo - Moçambique
T +258 21 343600
F +258 21 320649

INTERNATIONAL COAL VENTURES LTD

NOTICE INVITING EXPRESSION OF INTEREST

BENGA POWER PLANT PROJECT

EOI No.01/2016 01/02/2016

Project name: Benga Power Plant

Country: Mozambique

Business Sector: Power and Energy

Project ID: BPP 2015

Funding source: Contractor

Type of Contract: BOO

Notice type: Invitation for Expression of Interest

Issue date: 03.02.2016

Closing date: 03.03.2016

1. EXPRESSION OF INTEREST DETAILS AND REQUIREMENTS

- 1.1 Expression of Interest (EOI) is invited for the construction and operation of an Electricity Generation Thermal Coal Power Plant including the interconnection to the local or national grid including use for a dedicated user, on a Build-Own-Operate (BOO) basis, located at Benga, Tete Province in Mozambique (**Power Plant Project**).
- 1.2 Interested parties are requested to submit their EOI in the prescribed format along with all supporting documents and credentials.
- 1.3 The award shall be made through a Two Part Bidding. From the EOIs received, a shortlist or pre-qualified bidders will be invited to a site visit and to submit bids.
- 1.4 The successful bidder will supply all necessary finance for the design, materials, equipment accessories, resources, services and construction works both of a temporary and permanent nature as well as the operation of the Power Plant. The successful bidder will be responsible for, inter alia, project management; detailed survey; detailed engineering for all technical disciplines; complete technical documentation of the project, procurement of all necessary equipment and services; all works, goods, licences and services related to the construction of the power plant, construction of power transmission line/interconnector, commissioning, start-up and operation including marketing and sale of electricity, as owner of the Benga Power Plant Project facilities and installations.
- 1.5 The successful bidder will be responsible for the structuring of Benga Energia, SA, a Mozambican company with Mauritius shareholding structure, and which is the existing project vehicle. The successful bidder will also be responsible for obtaining all applicable

operating licences and any investment project authorisation or other investment related authorisations as per the applicable Mozambican legal requirements.

- 1.6 The EOI should indicate the technology proposed to be used, such as pulverised coal-fired (PCF) power plants; fluidised bed combustion (FBC) plants; Integrated gasification combined cycle (IGCC) plants and any carbon capture/utilisation.

2. BACKGROUND:

2.1 The project promoter - International Coal Ventures Ltd acting through ICVL Moçambique - the managing partner operates through Minas de Benga, Lda (MBL), the Benga Opencast mine in Tete province of Mozambique with state of the art coal handling and preparation facility. The Benga Mine is currently designed to produce 5.2 MTPA Run-of-Mine (ROM) coal. The production is planned to be doubled in years to come with increase in the infrastructure capacity for coal transportation and Port facility. The ROM coal is processed in the Coal Handling and Preparation Plant (CHPP) to produce basically three products: coking coal at 13.5% ash; thermal coal at 27.5% to 28% ash; and low heat value coal at 50% to 60% ash. In addition there are tailings generated from the CHPP which also have potential heat value.

2.2 The products available for power generation are:

- **Thermal coal** with an ash content of 27.5% to 28% and an approximate 24.5 MJ/kg to 25.3 MJ/kg (5850 Kcal/kg to 6020 kcal/kg) Gross Calorific value constituting about 10% of ROM production;
- **Low heat value coal** with 50% to 60% ash and about 12.55 MJ/kg to 14.40 MJ/kg (3000 kcal/kg to 3440 kcal/kg) Gross Calorific value constituting about 50% of ROM coal; and
- **Tailings coal** with 21.21 MJ/kg to 26.92 MJ/kg (5065 kcal/kg to 6430 kcal/kg) Gross Calorific value constituting about 5% of ROM coal.

2.3 Approximately 2.2 Million Tonnes of thermal coal, 1.5 Million Tonnes of low heat value coal and about 1 Million Tonnes of tailings coal are presently available at the site for immediate utilization. Further production is continuing. The tonnage of each product may go up with the expansion of the Benga Mine operation as well as the development of other adjacent coal deposits held by ICVL Moçambique.

2.4 ICVL Moçambique also has a project to develop the methane gas potential of its coal deposits which could in the future also be used for power generation.

2.5 There is an existing environmental licence, heads of agreement with Government for the concession licence and the site location is secured by a land title. There is also an agreement in principle for access to transmission infrastructure and to a transmission servitude. The successful party will be responsible for all other regulatory compliance going forward.

3 PROJECT DESCRIPTION

3.1 The construction and operation of an electricity generation Power Plant using thermal coal/low heat value coal/tailings supplied from the Benga Coal Mine ("Power Plant Project") on BOO basis.

3.2 The Power Plant is currently projected to have an initial capacity of around 200 MW. The full project design as originally approved could have a capacity of up to 2000 MW.

- 3.3 The Power Plant will require the construction of an interconnection facility for the transmission of the power generated to users whether for domestic and/or export supply.
- 3.4 While there is an existing Environment License for the construction and operation of the Power Plant., depending on the actual design, construction and operation proposed by the successful proponent, Mozambican environmental regulations may require amendments to the licence.
- 3.5 ICVL may exercise an option of participating in the Power Plant Project in view of the facilities and rights to be provided to the project proponent.

4 MBL RESPONSABILITY

- 4.1 MBL (which may include MBL affiliates) will provide a long term coal supply agreement with an option for upside sharing in the power for its own mine operation.
- 4.2 The Power Plant will be built near the existing CHPP and coal stockpiles on land to be provided by MBL on a long term lease or equivalent legal framework in line with Mozambican law.

5 DISCLAIMER

- 5.1 This document is not an agreement and is not an offer or invitation to enter into an agreement of any kind with any party. Under no circumstances shall the information set out in this document be considered binding or giving rise to legal consequences in any form with respect to MBL or any of its employees or representatives.
- 5.2 IMBL reserves the right to accept / reject any or all Expression(s) of Interest (EOI) from parties without assigning any reasons whatsoever.
- 5.3 All information contained in this Expression of Interest (EOI) or information or any clarification subsequently provided is done so in good faith, but without any guarantee of accuracy, reliability and completeness.
- 5.4 Each bidder shall conduct at its own cost its own investigation and analysis and should check the accuracy, reliability and completeness of the information in this Expression of Interest as well as in relation to any additional information that may be obtained or required.
- 5.5 Bidders shall bear all expenses and costs incurred in relation to this EOI and the submission of any bid at either stage of the EOI. Neither MBL nor any of its employees or representatives shall reimburse or otherwise be responsible for any costs incurred during the EOI and bidding process. The information provided herein should not be considered as a promise or certification of the final decision of MBL on the schedule, Power Plant sizing or layouts. MBL reserves the right to modify any aspect of the Project.
- 5.6 MBL shall be entitled to publish depersonalized replies to the queries and requests for additional information or clarification (if any) received from the interested parties till the end of the business day of **22 February 2016.**

6 SUBMISSION AND CLARIFICATIONS

- 6.1 Applicants should have a proven track record in development of coal-fired power plants and electricity generation facilities or similar installations. In order to pre-qualify the interested bidder (and where the bidder is a consortium, each member of the consortium) shall:

- a) Submit all relevant documents required to prove legal status, including:
 - i) The identity and contact details set out in Annex 1
 - j) Certificate of incorporation (and any certificate of change of name or other amendment)
 - ii) Certified copies of its Memorandum / Articles of Association;
 - iii) Business certificate and copies of the current electricity generation licenses;
 - iv) Evidence of Tax Registration and Declaration of the Commencement of Activities;
 - v) Audited financial statements for the last 5 years
 - vi) A letter of recommendation from its bankers and from the energy regulator where it currently maintains operations;
 - vii) Copy of the Agreement between the Consortium members (in the case of a Consortium)
 - b) List of Power projects where the bidder has participated and the location in the last seven years and brief details of the project capacity, financing structure and duration of implementation
 - c) Demonstrate at-least five (5) years experience in developing and operating coal-fired power plants, including technical set up capabilities in planning, constructing and commissioning of coal-fired power projects of a similar size;
 - d) Demonstrate access to competent, construction, commissioning, operation and maintenance contractors
 - e) Demonstrate a strong balance sheet with a minimum capital funds of US\$ 500 million;
 - f) Demonstrate its ability to raise funds at competitive terms. ;
 - g) A commitment to construct and commission the power plant within thirty-six (36) months after contract award.
 - h) Confirmation from the Bidder or (where the Bidder is a consortium) each member of the consortium that there does not exist any conflict, which would prevent the Bidder or, as the case may be, the consortium member from contracting with MBL.
- 6.2 The interested parties shall submit their EOI in writing by electronic mail to: rakesh.bhargava@icvl.co.mz with a copy to nirmal.chandrajha@icvl.co.mz.
- 6.3 Clarification requests on the Expression of Interest shall be sent to the same address.

7. DATA ROOM

Coal quality data and the information available on the approvals and the environmental licence are uploaded in the Data Room created for the purpose on this website. Interested parties may access the Data Room by clicking the link [EOI Doc Download](#) .

Annex 1 - Identity and Contact Details to be provided

GENERAL INFORMATION OF THE BIDDER

1. Name, registered address & operational office address of the Bidder.
2. Name & designation of the concerned officer to whom all references shall be made.
3. Website:
4. Telephone:
5. E-Mail:
6. Chief Executive
7. E-mail:
8. Telephone:
9. Total number of Employees:
10. Type of the Organization (Public Sector /Limited/Private limited/Partnership/
Proprietary /Society/Any other.)
11. Locations and addresses of Offices, and operational locations (enclose the list):
12. Name & address of local representative, if any :