

BUSINESS PLAN

FOR

MWANZA GAZ LIMITED

(TRANSPORTATION PROJECT)

PREPARED FOR

MWANZA GAZ LIMITED.

PLOT 3 & 4 / BLOCK "L", USAGARA TRADING CENTER – MISUNGWI

P O BOX 5142 MWANZA TANZANIA

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1.0. EXECUTIVE SUMMARY.

MWANZA GAZ LIMITED. is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No. 86750 issued on 26th October 2011.

The project promoters are well established business in Mwanza majoring in gas production and distribution and the like. Having been in the business over 5 years the directors are now well prepared for establishment and operating transportation and logistics project specializing in medical, domestic and industrial gas and they see a very bright future in the gas transportation sub sector using trucks.

This document has been prepared to serve as a business plan for guidance for **MWANZA GAZ LIMITED** for the gas transport and logistics project. The implementation of this project will comprise purchasing and installation of some of the followings: -

- The purchase of trucks and trailers within 5years to be implemented in phases from 2020- 2024,

- The purchase pickup for road patrol
- The purchase of communication sets radio
- The purchase of folk lift
- Purchase of crane
- Purchase and installation of storage facilities
- Purchase and installation of racks and gas supply manifolds
- Purchase and installation of cylinder purging, valves
- Fire and safety equipment
- Garage facilities security cameras
- Generator etc.
- Equipping the company with relevant facilities

The proposed project on completion is estimated to cost about US\$ 1,262,000. The US\$ 662,000. of this investment owner's equity and cash generated from business while the rest of US\$ 600,000. will be sought from local financial institutions.

MWANZA GAZ LIMITED COST STRUCTURE

PARTICULAR	US\$
Machinery & Equipment	200,000.00
Motor Vehicles	900,000.00
Furniture & Fixtures	2,000.00
Others	20,000.00
Working Capital	140,000.00
TOTAL	1,262,000.00

1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 3 shareholders, namely: -

Name	Shares %	Nationality	Date of birth
Mukhtar AHMED Avenue Du Commerce District Nysrugenge P O BOX 2012, Kigari , Rwanda Tel: +255 626451843 Email: mukhtar@mwanzagazlimited.co.tz	30	Rwandese	20 th June1979
Nasrin JAHAN - 01.10.1957 Avenue Du Commerce District Nysrugenge P O BOX 2012, Kigari , Rwanda Tel:00250 252 575768 Email: nasrinjahanshashim@gmail.com	20	Rwandese	1 st October 1957
Mansoor Hussain Mohamed	10	Tanzania	3 rd May 1956

P O BOX 5142 MWANZA TANZANIA Tel: +255768036551 Email: dmanzour@gmail.com			
Unallotted shares	40	Tanzania	

1.2 Location.

The project head office will be located at Plot No. 3, Block L, Usagara, Misungwi, Mwanza, Tanzania.

1.3 Targeted Markets.

The targeted markets of the project are companies who are producing, importing and distributing gas in lake regions such as Mwanza, Mara, Shinyanga, Geita, Simiyu and Kagera etc. the directors have already started to negotiate contracts with various companies and clients who are need of gas in large quantity.

Poor and limited availability of specialized gas transportation and bulky gas storage facilities are said to be the major causes of low levels of gas usage in lake regions. It is in view of this that, despite financial limitations facing the company, that **MWANZA GAZ LIMITED** has resolved to invest in the gas transport industry so as to provide a solution that would lead to stimulating the gas usage in the country. The project is

expected to offer a challenge to the business community to enhance the usage of gas in industrial, domestic and medical services.

2.0 PROJECT DETAILS

2.1 INTRODUCTION

Tanzania is the largest country in East Africa that is geographically strategically located in relation to her neighbors. Because of the above-mentioned factor, the country's transportation system is also used to serve landlocked neighbors, i.e. countries of Uganda, Rwanda, Burundi, Eastern D. R. of Congo, Northern parts of Zambia, Malawi and some northern parts of Mozambique.

The transport sector plays a critical role in the social and economic development of a country. Transport provides links between centers of production and those of consumption, markets, in the economic sectors such as agriculture, industry mining and tourism. It facilitates the flow of goods and people along the import/export corridors that link the coastal ports and landlocked countries. Transport equally provides access to employment, health,

education, recreation and other services. Therefore, one is rightly justified to conclude that "without a good transportation system the development of a country is impossible. What roads and railways are to a country's development is like what the blood system is to the human body

It is quite gratifying to note that the Government of Tanzania realizes the role of the transport sector for its economic and social development, and as a result has developed a Transport Sector Programme which will be very instrumental in improving the business and investment environment in the transport sector.

It is alleged that poor transport and communication infrastructure are the major causes of low levels of intraregional trade in Eastern Africa. It is in view of this that, despite this poor infrastructure, **MWANZA GAZ LIMITED** has resolved to assist to provide a solution to stimulate the said intraregional trade and domestic market in particular.

In summary, we can say that **MWANZA GAZ LIMITED**, has a major objective the following: -

- To promote gas usage in lake regions and neighboring regions
- To procure foreign currency for the country in the course of its business transactions for as to be exported in neighboring countries.
- To provide extra employment to more people in the sector.

2.2 PROJECT CAPACITY

The board of directors have planned to have 7 vehicles within 5 years of project operations, each vehicle will have the capacity of transporting 30 tons. Each vehicle estimated to conduct 120 trip per year. With 7 vehicle the board of directors' plan to have 840 trips carrying 25,200 tons per year.

2.3 MANPOWER AND ORGANIZATION STRUCTURE

The project will be managed by a Board of Directors of MWANZA GAZ LIMITED. The Board, like all other boards is responsible for the formulation and supervision of company policies and guidelines. The project's day to day operations will be under the supervision of Managing Director

The project's employee requirement is estimated to be 18 people in number, as shown below: -

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	2	3	2	7
Men	2	7	2	11
TOTAL	4	10	4	18

To ensure timely delivery of consignments, provision of goods service to customers, Management will provide on the job training in the field of motor vehicle maintenance and will provide bonus and other incentives as a means of instilling and boosting employee work morale.

NB assumption is that the project is fully implemented

3.0 TANZANIA OIL AND GAS OVER VIEW

3.1 OIL AND GAS PRODUCTION

Tanzania is estimated to have more than 55 trillion cubic feet of gas reserves. Large multinational oil companies are currently licensed to explore natural gas and oil in various parts of Tanzania, both offshore and onshore.

Oil and gas exploration in Tanzania has been underway since 1952, with the first natural gas discovery being made in 1974 at Songo Songo in the Kilwa district in the Lindi Region. In 1982 a second discovery was made in the Mtwara Region, bordering Lindi, at Mnazi Bay. The commercialization of these discoveries triggered onshore and offshore exploration. The exploration was conducted by multinational petroleum companies, including:

- Petrobras (Block 5, 2004);
- Ophir Energy (Block 1, 2005);
- Ophir Energy (Blocks 3 and 4, 2006);
- Statoil (Block 2, 2007);
- Dominion (Block 7, 2007); and
- Petrobras (Block 8, 2012).

Exploration followed the licensing and drilling of wells by the BG Group (Blocks 1, 2 and 3), Statoil (Block 2) and Petrobras (Block 5, 2001), which led to the significant discovery of gas in Blocks 1, 2, 3 and 4. Statoil/Exxon Mobil made the biggest offshore gas reserve discovery (the Zafarani field) off the Indian Ocean coast. There have been other significant discoveries in Mkuranga, Kiliwani North

and Ntorya, while Songo Songo and Mnazi Bay went into full commercial operation in 2004 and 2006, respectively.

It was hoped that the global oilfield services industry would generate \$290 billion by 2019 due to the growing demand for energy (with a greater number of investments in offshore and unconventional exploration and production activities).

Tanzania is currently constructing the Stigler's Gorge Hydroelectric Power Plant, a 2,100MW hydroelectric dam across the Rufiji River in the Selous Game Reserve. The total cost of the project is expected to be \$3.6 billion. The dam will have two main tanks with a capacity to produce 209,000 litres of water per day. The government has allocated \$307 million towards the project in the fiscal year 2018-2019 budget, which represents more than 40% of the proposed total federal budget.

3.2 CONSUMPTION

Tanzania's total primary energy supply in 2018 was divided as follows:

- 85.43% from biofuels and waste;

- 10.52% from primary and secondary oil;
- 2.63% from natural gas;
- 0.77% from hydro;
- 0.64% from coal;
- 0.01% from geothermal/solar; and
- 0% from nuclear.

Approximately 78% of Tanzanians depend on traditional biomass as their primary energy source and 84% of the country's urban population use wood fuel. Nearly 95% of Tanzanian wood products (derived mainly from natural forests) are used for energy purposes. An estimated 90% to 100% of total household energy in most poorer households in developing countries is used for cooking and heating. Tanzanian energy use is dominated by biomass-based fuels, particularly wood fuel (firewood and charcoal) which accounts for 90% of primary energy supply.

Petroleum energy accounts for 8%, electricity for 1.2% and solar and wind for 1% of energy use in Tanzania. Energy imports in 2014 made up 10.73% of energy use.

The access-to-electricity rate more than doubled between 2011 and 2016; before this period only 15% of Tanzanians

had access to electricity. This development was due to the expansion of the national grid and off-grid solar power solutions for rural areas. That said, the electrification of rural Tanzania remains a major challenge. Only 17% of rural households had access to electricity in 2016, up from 4% in 2014. The majority of Tanzanians rely on biofuels and waste such as firewood for heating and cooking.

3.3 TRENDS

By June 2018, the Tanzania Petroleum Development Corporation (TPDC) had awarded nine exploration licences to eight operating oil and gas companies. A decade ago, the number of explorations licences peaked at 26. By September 2018, a total of 89 deep exploration wells had been drilled. Besides the nine explorations licences, the TPDC awarded three development licences to:

- PanAfrican Energy (at Songo Songo);
- Maurel et Prom (at Mnazi Bay); and
- Ndovu Resources (at Kiliwani North).

The biggest discoveries of natural gas to date have been made in deep water offshore blocks where the BG Group, in

partnership with Ophir Energy and Statoil in cooperation with ExxonMobil, have discovered recoverable gas resources totalling 25 to 30 trillion cubic feet since 2010. Natural gas production has so far been confined to two gas fields in Songo Songo and Mnazi Bay. According to the Energy and Water Utilities Regulatory Authority's annual report of July 2017 to June 2018, 45,047.22 million standard cubic feet (MMscf) of natural gas was consumed by gas-fired thermal power generation plants during this period, which represents the equivalent of 1,402,368 million litres of oil imports, mainly Jet 1A fuel. Further, 9,119.47MMscf of natural gas was consumed by industry, which is equivalent to 287,574 million litres of heavy furnace oil. This translates into a total saving of \$693,462,721. During the period under review, the overall natural gas production from the Songo Songo and Mnazi Bay gas fields was 54,166MMscf compared with the gas production of 48,633MMscf in the previous year. The quantity of natural gas produced at the Songo Songo gas plant was 27,811MMscf compared with 30,066MMscf produced during the previous year, while the Mnazi Bay gas field increased its production to 831MMscf from

809MMscf during the same period. The average natural gas price for thermal power plants supplied with protected gas was \$4.2/Mcf, while the price for thermal power plants supplied additional gas remained at \$3.45/Mcf. Natural gas electricity to power generation is done at Kinyerezi in Dar es Salaam, which feeds the Songo Songo plant into the national grid at Ubungo and the Mtwara urban plant.

The Tanzanian and Ugandan governments had intended to sign a host government agreement for the East African Crude Oil Pipeline by the end of June 2019, together with the joint venture partners CNOOC, Total E&P and Tullow Oil. The 1,400km pipeline is projected to:

- take 36 months to construct;
- cost of \$3.5 billion; and
- create between 5,000 and 10,000 direct and indirect jobs.

The state-owned power utility firm TANESCO is currently undertaking the Kenya-Tanzania Power Interconnection Project, which is a 400kV transmission line and a 510km transmission line from Singida to Isinya in Kenya through Babati, Arusha and Namanga. This will increase Tanzania's

power supply and strengthen the institutional capacity of the East African power pool for regional power trade. The project is estimated to cost \$258 million. The feasibility study for the production of a 200MW gas-fired electricity at Mtwara has been completed, with the project expected to be finalised in 2020. Meanwhile, the government is analysing a tender for another 600MW coal to electricity project. There is also the 358MW Ruhudji hydroelectricity project, which is expected to be completed in 2023. Further, a 222MW hydropower project at Rumakali is expected to be completed in 2023, with its feasibility study review expected to be ready this year. TANESCO has formulated the power system master plan in Tanzania and considered six interconnection projects, including:

- a 400kV interconnection to Kenya;
- the Tanzania-Zambia interconnection project, expected to enter into operation in 2022;
- the 200MW Uganda (Masaka) to Tanzania (Mwanza) interconnection;
- the Tanzania-Mozambique interconnection;

- the Tanzania-Rwanda and Burundi interconnection through a 63MW hydropower plant project at the Rusumo border; and
- the Tanzania-Malawi interconnection through a 340MW hydropower plant project at the Songwe border, which would enable the national power grids of the two countries to be connected.

The government is preparing new terms for negotiations of the liquefied natural gas (LNG) plant in Lindi; the project is estimated to cost \$30 billion. The host government agreement (ie, the pact between the government and international oil companies, including Equinor, Shell, Ophir, Pavilion and Exxon Mobil) governs the rights and obligations of both parties with respect to the development, construction and operation of the \$30 billion natural gas project. The government will conduct individual negotiations with Equinor and its partners, as well as with Shell and its partners, before all of the companies come together collectively to put the gas in one LNG government facility.

3.4 REGULATION

The primary laws governing the oil and gas industry are:

- the Petroleum Act 2015;
- the Energy and Water Utilities Regulatory Authority Act 2006;
- the Tanzania Extractive Industries (Transparency and Accountability) Act 2015;
- the Oil and Gas Revenues Act 2015;
- the Environmental Management Act 2004;
- the Tanzania Investment Act 1997;
- the Income Tax Act RE 2008;
- the Petroleum (General) Regulations 2011;
- the National Natural Gas Policy 2013;
- the Petroleum (Natural Gas Pricing) Regulations 2016; and
- the Petroleum (Local Content) Regulations 2017.

The minister of energy has primary responsibility for the development of the petroleum sector and grants licenses for upstream exploration and development.

The Oil and Gas Advisory Bureau advises Cabinet on strategic matters relating to the oil and gas economy.

The Petroleum Upstream Regulatory Authority regulates and monitors the petroleum upstream sub-sector for mainland Tanzania.

The Energy and Water Utilities Regulatory Authority established under the Energy and Water Utilities Regulatory Authority Act 2006, exercises regulatory powers in respect of midstream and downstream petroleum and natural gas activities under the act.

The Tanzania Petroleum Development Corporation advises the government on:

- policy matters pertaining to petroleum industry;
- participating in petroleum reconnaissance, exploration and development projects;
- carrying out specialized operations in the petroleum value chain using subsidiary companies;
- handling the government's commercial participating interests in the petroleum sub-sector;
- managing the marketing of the country's share of petroleum received in kind;
- developing in depth expertise in the petroleum industry;
- investigating and proposing new upstream, midstream and downstream ventures local and international; and
- contracting, holding equity or participating in oil service and supply chain franchises and other licenses.

3.5 TRANSPORT AND STORAGE

The right to store gas is vested in the National Oil Company on behalf of the government. The Energy and Water Utilities Regulatory Authority (EWURA) grants a processing, transportation or storage licence if it is satisfied that the applicant has:

- taken into account the future development of the gas industry and its potential for competition;
- sufficiently demonstrated assessment and accommodation of potential future market developments; and
- declared that a gas processing facility will be located onshore.

A transportation licensee must:

- provide transportation services to third parties in order to allow gas to be supplied to a buyer or eligible end user whenever requested at such tariffs, rates, charges and terms and conditions as may be prescribed by EWURA; and

- provide interconnection services to any other regulated activity licensee or downstream operator as may be necessary to provide access to its transportation facilities.

Parties must only transport petroleum products using vehicles, vessels or facilities that comply with the standards set out by the Bureau of Standards.

3.5.1 TRANSPORTATION

A party that intends to import, export or transit natural gas must apply to EWURA in writing for approval. EWURA will, on consultation with other relevant authorities, issue approval for the import, export or transit of natural gas.

Any petroleum product intended for export or designated for a specific project must be directed or used for such purposes. The term 'export' means the taking of petroleum or petroleum products outside national boundaries and includes the taking of such petroleum or petroleum products from one point to another within Tanzania.

Under the Petroleum (Marine Loading and Off-Loading Operations) Rules 2018, 'marine loading and offloading

operations' entail activities relating to receiving or discharging petroleum or a petroleum product from a marine vessel to a shore tank and vice versa.

An applicant for a petroleum marine loading and offloading operation licence must apply to EWURA using the appropriate form.

A party will not be issued a licence unless its application meets the necessary technical requirements, including a facility constructed in accordance with the approved specifications and adequately skilled personnel (the quality of petroleum or a petroleum product must be maintained as per Bureau of Standards specifications).

A licensee must comply with the requirements of all applicable environmental laws and standards relating to a facility.

4.0 INVESTMENT AND FINANCING US\$1,262,000

For the project to be a reality a total investment amounting to US\$1,262,000 is needed to finance the project within 5 years in phases

4.1 FINANCING PATTERN

The financing pattern being considered is that involving the purchase of 7 trucks and their trailers, project facility and working capital, the project will be financed both by equity and loan. Loan contribution will constitute US\$662,000 owners' equity and cash generated from business and, while remaining. This loan amounting to US\$ 600,000

The loan will be negotiated and acquired from financial institutions. The project sponsors expect to procure this loan on the following terms and conditions: -

Loan Amount	:	US\$ 600,000,
Interest Rate	:	8. % annually
Years	:	four

6.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once TIC approval is received. Currently, the supplier of the trucks has already been identified and supply is awaiting word from the project promoters.

7.0 PROJECT OPERATING COSTS

In order to realize its intended objective, the project will have to meet operating costs estimated to be 65% of total revenue.

8.0 REVENUE ASSUMPTIONS

- The company expecting to have 7 trucks and trailers each makes 3trips per month. Each round trip generate revenue of **US\$ 1,500**.
- Trucks and trailers to be purchased in phases within 5
- Project calculation based on 6 years
- Bank interest is 8% per annum

The combined revenue and expenditure from all the planned routes, in the 1st year up to 6th year are indicated above.

The number of trips assumed here, is just a conservative estimate. With the expected improvement of the roads and in general operations coupled with the driver's gaining experience in long distance travels, the number of trips per truck will be raised. This will have a tremendous impact on the Company's expenditure and earnings.

9.0 FINANCIAL ASPECTS FOR THE PROJECT

(i) Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 11years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from **US\$128,744** in the 1st year to **US\$ 686,092** in the 6th year.

(ii) Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$385,824** in the first year to **US\$ 2,387,119** at the end of 6th years of the project's operations based on the 7 trucks and trailers obtained.

(iii) Projected Balance Sheet

The project's assets cash flows are shown in Appendix III. Owners' equity assets grow from **US\$662,000** in the first year to **US\$994,487** at the end of 6th years of the project's operations based

(iv) Payback Period

PAYBACK PERIOD: US\$

Total investment is **US\$US\$1,262,000**, cash accumulation in 4th year **US\$ 1,440,755** which is more than the initial

investment by **US\$17,655** The project payback Period is exactly 6 years.

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10.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

(i) Employment Opportunities

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that **MWANZA GAZ LIMITED**, is going to provide additional employment to 18 people all of whom 14 are nationals. This is a significant contribution coming from local investors.

(ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

11.0 CONCLUSION AND RECOMMENDATION

11.1 Conclusion

- (i) The project is profitable and contributes to government revenue by way of taxes.
- (ii) The project provides employment to 18 people all of whom 14 are national Tanzanians.

- (iii) The project support environment by encouraging people to use domestic gas for cooking and saves lives of people by making sure that medical gas is available in hospital

12.0 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the Tanzania Investment Centre - (TIC). The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

MWANZA GAZ LIMITED.
PROJECTED PROFIT AND LOSS STATEMENT

US\$

	1	2	3	4	5	6
Revenue	1,260,000.00	1,323,000.00	1,389,150.00	1,458,607.50	1,531,537.88	1,608,114.77
Cost of Sales	819,000.00	859,950.00	902,947.50	948,094.88	995,499.62	1,045,274.60
Profit before Depreciation &Interest	441,000.00	463,050.00	486,202.50	510,512.63	536,038.26	562,840.17
Interest	48000	36000	24000	12000	-	-
Depreciation	209,080	173,030	144,185	121,105	102,636	87,858
Gross Profit	183,920.00	254,020.00	318,017.50	377,407.63	433,402.26	474,982.17
Tax (30%)	55,176.00	76,206.00	95,405.25	113,222.29	130,020.68	142,494.65
Profit After Tax	128,744.00	177,814.00	222,612.25	264,185.34	303,381.58	332,487.52
Accumulated Profit	128,744.00	204,950.00	300,355.25	413,577.54	543,598.21	686,092.87

MWANZA GAZ LIMITED
PROJECTED CASH FLOWS

US\$

	0	1	2	3	4	5	6
SOURCES:							
Profit before interest and depreciation	0	441,000.00	463,050.00	486,202.50	510,512.63	536,038.26	562,840.17
Equity	662,000.00						
Loan	600,000.00						
Total Sources	1,262,000.00	441,000.00	463,050.00	486,202.50	510,512.63	536,038.26	562,840.17
Applications:							
Capital expenditure	1,105,000	-	-	-	-	-	
working Capital & Others	157,000.00	-	-	-	-	-	
Cash	0	385,824	386,844.00	390,797.00	397,290.00	406,018.00	420,346
Tax	-	55,176.00	76,206.00	95,405.25	113,222.29	130,020.68	142,494.65
Sub total	1,262,000.00	441,000.00	463,050.00	486,202.25	510,512.29	536,038.68	562,840.65
Total applications	1,262,000.00	441,000.00	463,050.00	486,202.25	510,512.29	536,038.68	562,840.65
Accumulated cash		385,824.00	772,668.00	1,163,465.00	1,560,755.00	1,966,773.00	2,387,119.00

**MWANZA GAZ LIMITED
PROJECTED BALANCE SHEET**

APPENDIX III

US\$

	0	1	2	3	4	5	6
Fixed Assets	-						
Opening balance	-	1,105,000	924,500	780,050	664,445	571,921	497,864
Additions	-						
Total Long-term Assets	-	1,105,000.00	924,500.00	780,050.00	664,445.00	571,921.00	497,864.00
Less depreciation	-	-	-	-	-	-	-
Closing balance	-	1,105,000.00	924,500.00	780,050.00	664,445.00	571,921.00	497,864.00
Working capital	157,000.00	157,000.00	157,000.00	157,000.00	157,000.00	157,000.00	157,000.00
Accumulated cash	-	127,365.00	256,383.00	387,563.00	521,403.00	658,356.00	800,214.00
Total assets	157,000.00	1,389,365.00	1,337,883.00	1,324,613.00	1,342,848.00	1,387,277.00	1,455,078.00
Financed by							
Equity	662,000	662,000	662,000.00	662,000.00	662,000.00	662,000.00	662,000.00
Net profit	-	128,744.00	177,814.00	222,612.25	264,185.34	303,381.58	332,487.52
Total equity	662,000.00	790,744.00	839,814.00	884,612.25	926,185.34	965,381.58	994,487.52
Loan	-	600,000	450,000	300,000	150,000	0	0
Bank overdraft	0	0	0	0	0	0	
Total debts	-	600,000.00	450,000.00	300,000.00	150,000.00	-	-
Total equity and debts	662,000.00	1,390,744.00	1,289,814.00	1,184,612.25	1,076,185.34	965,381.58	994,487.52

APPENDIX IV

MWANZA GAZ LIMITED
PROJECTED DEPRECIATION SCHEDULE
US\$

NAME OF ASSETS	1	2	3	4	5	6
Land and Buildings	0	0	0	0	0	0
Machinery, Tools & Equipment	200,000	200,000	200,000	200,000	200,000	200,000
Motor Vehicles	900,000	720,000	576,000	460,800	368,640	294,912
Furniture & Fixtures	5,000	4,500	4,050	3,645	3,281	2,952
Total	1,105,000	924,500	780,050	664,445	571,921	497,864
DEPRECIATION	1	2	3	4	5	6
Land and buildings	0	0	0	0	0	0
Machinery tools & Equipment	28,580	28,580	28,580	28,580	28,580	28,580
Motor Vehicles	180,000	144,000	115,200	92,160	73,728	58,982
Furniture & Fixtures	500	450	405	365	328	295
ANNUAL DEPRECIATION	209,080	173,030	144,185	121,105	102,636	87,858

APPENDIX V

MWANZA GAZ LIMITED INVESTMENT COST STRUCTURE

PARTICULAR	US\$
Machinery & Equipment	200,000.00
Motor Vehicles	900,000.00
Furniture & Fixtures	2,000.00
Others	20,000.00
Working Capital	140,000.00
TOTAL	1,262,000.00

APPENDIX VI

PROJECTED LONG TERM LOAN REPAYMENT

Year	principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
0				
1	150,000	48000	198,000	600,000
2	150,000	36000	186,000	450,000
3	150,000	24000	174,000	300,000
4	150,000	12000	162,000	150,000
5	0	0	0	0
6	0	0		0

APPENDIX VII

PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	128,744.00	209,080	337,824.00	337,824.00
2	177,814.00	173,030	350,844.00	688,668.00
3	222,612.25	144,185	366,797.25	1,055,465.25
4	264,185.34	121,105	385,290.34	1,440,755.59
5	127,141.86	102,636	229,777.86	1,670,533.45
6	303,381.58	87,858	391,239.58	2,061,773.03

