

## MIOMBO HEWANI WIND FARM PROGRESS REPORT

### **1 Planned Activities for the period of 2022:**

As we are waiting for the ongoing TANESCO Bid process, Windlab is working on Land conversion as well as securing required secondary permit and approval for project construction. Upon finalization of the Bid, if successful, Windlab shall work on finalizing the Power Purchase Agreement, Implementation Agreement and raise financing required to construct the project.

### **2 Achievements made on the project implementation to date:**

#### **2.1 Securing of Project Development approval and financing**

Windlab Tanzania SPV1 Limited has secured multiple development approvals from various institutions as required by Tanzania laws and regulations. These include but not limited to EIA certificate from NEMC, Turbine approval from TCAA and TIC certificate of incentive. Windlab has also conducted a bankable feasibility study and installed monitoring devices including tall met masts and SODAR devices.

The debt and equity financing for the construction of the project has been committed from multiple sources, including local Tanzania banks and international finance institutions.

#### **2.2 TANESCO Tender No. PA/001/2018-19/HQ/N/g034/ For Large Wind Power Generating Projects**

Windlab Tanzania SPV1 Limited participated in the above TANESCO tender that was submitted in February 2020. TANESCO has recently conducted due diligence on preferred bidders (including Windlab) in line with the tender requirements and have indicated that they intend to complete the process as soon as possible.

#### **2.3 Social Economic Contribution to the community**

Windlab puts community engagement at the forefront of everything it does when developing wind projects. Community engagement is also a core emphasis in Windlab business philosophy.

Since 2015, when Windlab started its development activities for the proposed Miombo Hewani Wind farm project, various community socio-economic development activities have been supported and positively impacted the socio-economic status of the community as tabulated in *Table 1 below*.

<b>Date/Year</b>	<b>Windlab Contribution to Local Community</b>
2015 to date	Access and Option land payments to each village, contributing more than 84,000,000/=TShs through January 2022. Sensitization of community on project
2015 to date	Monthly contribution for Local security (Sungusungu)
2018 to Date	Fuel contribution to Wanging'ombe District Council to run National Torch
2019	In December 2019, Windlab donated a total of 90 school desks worth TZs 6,985,600/= to the villages of Igomba, Isimike, and Itengelo as part of our community engagement efforts.



Date/Year	Windlab Contribution to Local Community
2020	We contributed TZs 4,920,000/= to support construction of the Saja Ward Health Care center
2020	Provided COVID-19 supplies (washing stations, soap, sanitizer, and masks) to support the local villages, Ward office and District.

*Table 1- Table of Windlab Contribution to the Community*

### 3 Provide updated information on the following aspects.

S/NO.	Information	Description	Current Project Status
1.	Shareholders Information	Current Shareholders names, nationality, and percentage of ownership	Windlab Developments Tanzania Limited 99% - Tanzania  Windlab East Africa (PTY) Limited 1% - South Africa
2.	Company Communication Information	Email address	frank.tarimo@windlab.com
		Mobile Number	+255755161071
		Land line Telephone Number	+255 222 296 000
		Physical Address (Plot No. Block No, Street, District and region	2 <sup>nd</sup> Floor, ESBC Office Suites, 369 Kilwa House, Toure Drive Oyster Bay – Kinondoni Dar Es Salaam, Tanzania
3.	Contact Person	Name	Frank Tarimo
		Position	Project Manager
		Communication Details (Email, Mobile and telephone)	<a href="mailto:frank.tarimo@windlab.com">frank.tarimo@windlab.com</a> +255755161071
4.	Incorporation	Certificate of Incorporation No.	119747
5.	TIN Information	TIN Certificate No.	136-334-212
6.	Project Objective	Project core activities	Renewable Energy Projects Development – wind power
7	Capacity	Project capacity per year	100MW plate capacity
8	Direct Employment (During Construction)	Foreign - Men	2
		Foreign - Women	1
		Local - Men	35
		Local – Women	15
9	Indirect employment (During Construction)	Estimated total number	300
		Types/areas of indirect employment	Temporary workers during construction, Hotel industry, transport, security and other small businesses



#### 4 Project Financial Expenditure to date (USD):

	<b>Foreign (USD)</b>	<b>Local (USD)</b>	<b>Total (USD)</b>
Land and Buildings	NIL		
Plant and machinery	NIL		
Vehicles/Aircrafts	NIL		
Furniture	NIL		
Office equipment	NIL		
Insurance Cover	NIL		
Pre-operational expenses	NIL		
Working sub-total capital	NIL		
<b>GRAND TOTAL</b>			

Table 2 Project Financial Expenditure to Date

#### 5 Project Financing

The debt and equity financing for the construction of the project has been committed from multiple sources, including local Tanzania banks and international finance institutions. See table 4 bellow

	<b>Amount (USD)</b>	<b>Source Country</b>
Local equity		
Local Loans	14 094 784	Tanzania
Foreign equity	12 584 629	
Foreign Loans	141 115 635	
<b>Total Investment</b>	<b>167 795 048</b>	

Table 3 Project Financing

#### 6 Risks and Mitigation

Windlab normally conducts a high-level risk assessment before project implementation to ensure viability of the project, no or only minimal risk which can be mitigated are accepted as well as looking for a solution. The Table 4 below details the problem/risk and planned solution.

<b>SN</b>	<b>Problem/risks</b>	<b>Mitigation</b>
1.	Failure to secure offtake on time	Working closely with TIC and TANESCO to finalize the bid aiming award so Power Purchase Agreement and Implementation Agreement negotiations can commence
2.	Failure to Secure necessary project approvals	Working closely with TIC and other Tanzania authorities to ensure all licenses and approval relevant are obtained

Table 5 Risks and Mitigation



## **7 Future Plans**

Once TANESCO announces Windlab Tanzania SPV 1 Limited as a winner and award letter issued, the following tasks will be implemented.

- i. Bid award Announcement from TANESCO
- i. Negotiating and signing of PPA and IA
- ii. Raising of Debt and Equity
- iii. Procuring an EPC contractor
- iv. Meeting Conditions Precedent to Financial Close
- v. Finalization of land discussion at District level
- vi. Land conversion to General land and securement through TIC
- vii. Complete Extension and split of ESIA Certification
- viii. Stakeholder engagement

The above activities will cost approximately USD 500,000/=

## **8 Recommendations and any other Comments**

TIC assistance will be required to progress the project forward upon finalization of the TANESCO tender process. The areas of assistance include Land Conversion, Support in obtaining permits and authorization and investment incentives.

