

Dangote Cement Limited CNG Station Construction Progress Report

January 17, 2023



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Project Introduction

- Dangote Cement Limited was issued a Certificate of Incentives on the 5th of October 2018 by the Tanzanian Investment Center. In an effort to reduce our operational costs, we have recently acquired land in Mkuranga to establish a Compressed Natural Gas (“CNG”) station to service our cement haulage trucks on transit to Dar Es Salaam and upcountry regions.
- Our drive to establish a new CNG station at Mkuranga in addition to the one we have at Mtwara is to promote the use of cleaner and more efficient fuel for transportation and support the utilization of the natural gas available in the country for sustainable energy development. It is worth noting that the CNG station will serve as a crucial refueling point for our fleet of trucks hauling cement from Mtwara to Dar es Salaam and upcountry, thus reducing emissions and promoting sustainable transportation in the logistics industry.
- We have conducted extensive research and planning and are confident that the project will have a significant impact in reducing our consumption of imported diesel and our carbon footprint; thus, promoting utilization of cleaner local fuel. The project will also create new job opportunities, stimulate economic growth, and support the community in the area; in addition to serving as a blueprint for other manufacturers to adopt.

Company Information

| S/No. | Information | Description | Current Project Status |
|-------|-----------------------------------|---|--|
| 1 | Shareholder's Information | Current Shareholders names, nationality and percentage of ownership | Alhaji Aliko Dangote (Nigerian) - 0.3% Dangote Cement PLC - 99% Dangote Industries Limited - 0.05% |
| 2 | Company Communication Information | Email address | N/A |
| | | Mobile Number | +255-754-299-494 |
| | | Land Line Telephone Number | +25523234513/14 |
| | | Physical Address (Plot No., Block No, Street, District and Region) | KM 23, Mtwara - Lindi Road Mbuo , Hiyari and Mnyundo Villages P.O. Box 1241 Mtwara, Tanzania |
| 3 | Contact Person | Name | Dr. Adelhelm Meru |
| | | Position | Investment Consultant |
| | | Communication Details (Email, Mobile and telephone) | admeru2003@yahoo.com +255-754-299-494 |
| 4 | Incorporation | Certificate of Incorporation No. | 62749 |
| 5 | TIN Information | TIN Certificate No. | 106-820-805 |
| 6 | Project Objective | Project Core Activity | Construction of CNG Station to support local transport operations. |

Project Actual Performance

| S/No. | Information | Description | Current Project Status | |
|-------|-------------------------------------|-----------------------------------|---------------------------------|----------------|
| 1 | Investment Financing Amounts in USD | Financing Type | Amount (USD) | Source Country |
| | | Local Equity | | Tanzania |
| | | Local Loans | 2.5 Million | Tanzania |
| | | Foreign Equity | | |
| | | Foreign Loans | | |
| | | Total Investment | | |
| 2 | Capacity | Project Capacity per Year | 1,314,000 Standard Cubic Meters | |
| 3 | Direct Employment | Foreign-Men | 0 | |
| | | Foreign-Women | 0 | |
| | | Local-Men | 15 | |
| | | Local-Women | 3 | |
| 4 | Inderect Employment | Estimated Total No. | 18 | |
| | | Type/areas of Indirect Employment | Services | |

Issues of Concern

- The Mwanambaya CNG Mother Station comprises Phase 2 of our CNG Project, Phase 1 being our Mtwara CNG Mother Station and Phase 3 the completion of our CNG Station network with CNG Daughter stations.
- The Dangote CNG Station is solely for its own use, filling our Cement trucks that have been converted to drive on Dual Fuel CNG/Diesel in the ratio of approximately 50/50%. As such there is no requirement for a Business Plan. It is not a commercial activity and internal approvals for the total project were obtained several years ago.
- The project is fully financed by internal means and using local banks for the issuance of letters of credit to foreign suppliers.
- The gas supply to the station will be covered by the existing GSPA between DCTL and TPDC. All necessary approvals are being obtained including EWURA construction approval and Local Building approvals.
- Dangote Cement Tanzania Limited (DCTL) is committed to fulfil as much as is feasible the local content requirements for this project through deliberate utilization of Tanzanian human and material resources and services.

Recommendations & Conclusion

- As a foreign owned entity, we require Tanzania Investment Centre to facilitate the grant of a derivative title in our favour in respect of the land for the CNG station and to also amend our extant certificate of incentives to include the said Mkuranga CNG station Project. Thank you.

Project Photos



Project Photos



Project Photos (Continued)

