



Petredec
Onshore

Tanga International Energy Limited

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Raskazone, Tanga
United Republic of Tanzania
Company No: 156399248
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Executive Director
Tanzania Investment Centre
P. O. Box 938
Dar es Salaam
Tanzania

August 14, 2023

Dear Sir

RE: APPLICATION FOR REGISTRATION WITH TANZANIA INVESTMENT CENTRE AND CERTIFICATE OF INCENTIVES.

Reference is made to the above captioned matter.

We are “**TANGA INTERNATIONAL ENERGY LIMITED**” (**TIEL**) a private limited liability company incorporated in Tanzania with certificate of incorporation number 156399248 issued on 9 June 2022. We are making this application in accordance with section 19 of the Tanzania Investment Act, 2022 and regulation 20 of the Tanzania Investment Regulations, 2023 to be registered by your office and be issued with a certificate of incentives.

Background of the company

TIEL is a subsidiary of Petregaz Tanzania Pte Limited (999 shares) and Petredec Holdings Pte Ltd (formerly known as Petredec Holdings (Eastern) Pte Ltd (1 share), both companies are part of Petredec Group “Petredec”.

Petredec is the world’s leading Liquefied Petroleum Gas (LPG) shipping and trading company. At Petredec, we connect our clients around the world through logistics optimisation. Our visibility across the entire LPG ecosystem allows us to cultivate and maintain dependable, yet flexible, floating infrastructure networks everywhere that LPG is supplied and in demand. We have a growing footprint in downstream operations with 3 large storage terminals.

Petredec's mission is “bringing cleaner energy to power progress” and the vision is “to become the platform where any wholesale counterparty can buy LPG, through our experience and management of storage and importation of LPG, ensuring reliable and affordable supplies in the entire region”.

Description of the Project

Through TIEL, Petredec is aiming at building a 40,000 mT liquefied Petroleum gas (LPG) terminal in Tanga which will be the biggest in Tanzania and the second biggest in the entire East Africa region,

This project (also known as “Project Brooke”) will be implemented in three phases. The first phase will involve using a permanently moored handy-size vessel discharging into 4 large buffer tanks connected to a set of loading gantries which will pump the LPG into bulk trucks. Completion of this phase will allow TIEL to serve its clients and occupy the market without having to wait for the entire storage to be built. The second phase will be constructing a fully-fledged land terminal of 18,000 to 20,000 mT capacity, and the final stage will involve constructing an additional land-based storage capacity of approximately 20,000 mT. The total

capacity of the terminal will then reach 40,000 mT which will allow us to discharge full VLGCs and therefore benefit from even better pricing per metric ton.

The total investment cost is approximately US\$ 136 million (\$80 million capex in Phase 1 and Phase 2 expected commissioning 2026 + \$35m capex in Phase 3 expected commissioning in 2029 + \$21m to cover working capital and initial operating losses).

This project presents a unique opportunity for Tanzania and TIEL to build a strong trading position on the East Coast of Africa as the main LPG sourcing point of the region, particularly for its landlocked markets like Rwanda and Uganda which are desperate to get access to a reliable and competitive source of products. The timing of this project couldn't be better as the Tanzanian Government is now playing a crucial role in promoting growth of the LPG sector through various policy and regulatory measures.

Detailed information regarding the project, investors, financing of the project, financial projections, market analysis and strategy, project capacity, environmental impact assessment, expected employment generation, implementation schedule etc. have been well stipulated in our business plan.

Our Request

We request that your good office approve our application and issue a certificate of incentives to allow us to enjoy the benefits that come with this registration status. We also intend (upon successful registration) to apply for the strategic investor status in accordance with section 23 of the Tanzania Investment Act, 2022 and regulation 17 of the Tanzania Investment Regulations, 2023

We have enclosed with this application all required documentation and information as per section 19 of the Tanzania Investment Act, 2022 which include;

- Duly filled copies of TIC application forms and proof of payment of the application fee;
- A certified copy of TIEL's Memorandum and Articles of Association;
- A certified copy of TIEL's Certificate of company Incorporation;
- A certified copy of TIEL's TIN certificate;
- Funding letter from our parent company Petredec Pte Limited supported by letter of reference from their banker – Societe Generale confirming availability of funds;
- Company Board Resolution to register the company with TIC;
- Project's Business Plan/Feasibility;
- Copy of the lease agreement as evidence of project location; and
- An extract from the Registrar of Companies (BRELA).

We bank on your support as we intend to commence the project as soon as possible.
Yours sincerely,

For Tanga International Energy Limited

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Director



Cc

PricewaterhouseCoopers Limited,
P O Box 45,
Dar es Salaam
Tanzania

Attn: Joseph Lyimo