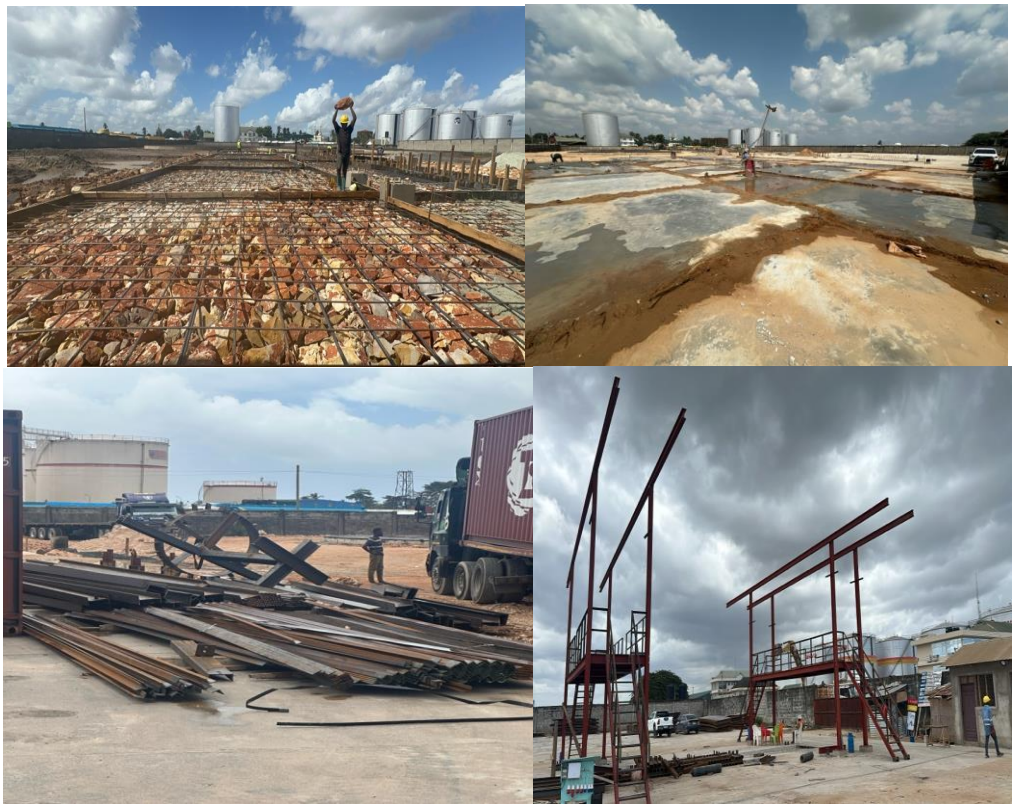
ATN ENERGY COMPANY LIMITED

PROPOSED BUSINESS PLAN

FOR

THE ESTABLISHMENT OF ECONOMIC INFRASTRUCTURE FOR THE PRODUCTION OF PETROLEUM AND LIQIFIED PETROLEUM GAS KIGAMBONI DISTRICT – DAR ES SALAAM AND TANGA CITY – TANGA REGIONS, TANZANIA.



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List of Abbreviations

4WD – Four Wheel Driver
CAPEX – Capital Expenditure
CIF- Central in Flight
EU – European Union
GDP – Growth Domestic Products
IRR – Internal rate of return
Kg – kilo gram
LTD - Limited
MIS - Management Information System
MT – Metric Ton
MW – Mega Watts
NBS – National Bureau of standard
NEMC – National Environment Management Council
OPEX – Operating Expenditure
SIDO- Small Development Organization
SWOC – Strength Weakness Opportunity Challenge
TANESCO – Tanzania Electric Supply Company
TIC- Tanzania Investment Centre
TZS – Tanzania Shilling
UK – United Kingdom
US$ - United State Dollar
USA - United state of America
VAT – Value Added tax
VETA - Vocation Education Training Authority

1.0. BUSINESS OVERVIEW AND BACK GROUND INFORMATION.

1.1. Overview – Oil and Gas sector in Tanzania.

Tanzania has been exploring for oil and gas for the past 60 years since 1952. The first natural gas discovery was made in 1974 on the Songo Songo Island (Lindi Region) followed by a second discovery at the Mnazi Bay (Mtwara Region) in 1982. The Songo Songo natural gas was commercialized in 2004 and that of the Mnazi Bay in 2006.

The commercialization of the two discoveries propelled further exploration both on- and off-shore. In 1999 petroleum exploration in the deep sea commenced with the shooting of speculative seismic survey along the entire East African coastal area after which the deep-sea Tanzania was divided into blocks.

In 2005, the first exploration license in the deep-sea was awarded. In 2010, these exploration endeavors culminated in large quantities of natural gas discoveries. Exploration continues and more gas discoveries are anticipated. Natural gas has become an increasingly important energy source around the world, and its importance is expected to increase in the coming decades as demand continues to rise and new sources of supply are exploited.[1]

With rising global interest in natural gas has come an enormous expansion in exploration and discovery including, in the last decade, in the Indian Ocean off the East African coast, yielding significant finds. While exploration activity around these finds has been dominated by international oil and gas firms – both 'majors' and independents – the development of the fields will draw the Government of Tanzania directly into the sector and will also start to generate potentially large flows of revenue to government.

The natural gas sector therefore represents a hugely beneficial opportunity for Tanzania. If used efficiently, a natural resource windfall can contribute to poverty reduction and help place the country on a successful and inclusive economic growth path. But as is widely appreciated, the transition to substantially increased natural resource dependence is far from straightforward and places considerable demands on government and key stakeholders to develop a coherent medium- term economic and political strategy for the management of the resource windfall. Close attention is required across a range of areas, including: fiscal and monetary policy formulation; industrial and trade policy; skills, training and employment; and the development of robust and transparent institutional foundations for effective inclusive growth. This note provides some brief background to the natural gas sector in Tanzania and then outlines the main opportunities and challenges facing the country.

1.2. The opportunity of harnessing gas resources for investing in growth.

The opportunity of harnessing gas resources for investing in growth The newly-discovered natural gas reserves offers gains in four areas: (i) taking advantage of rising global demand for natural gas; (ii) improving the domestic fuel mix to more efficiently meet domestic energy demands; (iii) exploiting new sources of comparative advantage in production for the domestic and regional markets and, as a consequence, supporting sectorial diversification and employment generation; and (iv) using public tax revenues in the development of physical and human infrastructure capital.

Exporting to the global market International trade in gas has been bolstered by the development of Liquefied Natural Gas (LNG) transportation and the construction of an intercontinental network of pipelines. Given their strategic location, West African countries, like Nigeria and Angola, have the possibility to develop exports towards Europe and North America. East African producers, including Tanzania and Mozambique may export to the neighboring countries, to the Middle East and the fastest growing region of the world, East and South Asia. By 2040, Asia is expected to become the leading consumer of natural gas in the world, accounting for almost 40% of global demand

Meeting local energy demands Thanks to its versatility, gas can be used extensively in the industrial sector and by enabling a reliable and affordable access to energy, gas can help reduce energy costs and contribute to a sectorial diversification of the economy.

[1] https://www.tanzania.go.tz/egov_uploads/documents/Natural_Gas_Policy_-_Approved_sw.pdf

Power Generation:

In recent years the Tanzanian economy has been constrained by a combination of high cost and intermittent supply of reliable power. Tanzania's national electric supply company TANESCO has been forced to substitute towards high-cost oil-fired generation while firms and households have had to rely on high-cost stand-by generators.
Between 2009 and 2011 the sharp decline in electricity supply has been a critical factor in the slow-down of growth. Even for gas-importing countries, producing electricity from gas-fired power plants is an attractive option: in fact, the transformation of natural gas into power is the largest component of usage of natural gas worldwide, amounting to 40% of total gas usage. Economies of scale in general raise the possibility that exporting power rather than gas itself to neighboring countries may be a high-return activity.

Sectorial diversification:

Petroleum and Gas can also be used in the production processes of a wide range of industries as a chemical feedstock and as a fuel source for industrial heating. Its low carbon intensity and the need for limited processing before end-use make it a choice fuel and feed stock for the production of fertilizers, petrochemicals and for high energy-consuming industries. Production of ammonia and fertilizer: Ammonia produced from natural gas is the chief ingredient of the nitrogenous fertilizer, representing 60-70% of the cost of nitrogenous fertilizer production, which translates into a reduction of fertilizer prices by up to US$155-US$175 per ton. Conversion to Liquid fuels: natural gas can be converted to a variety of liquid fuels, such as methanol, diesel, ethanol and gasoline. Though ethanol and diesel can be produced from natural gas, the chemical conversion process involved is more capital intensive and less efficient than the one for methanol. Also, methanol can be easily exported, as the global demand for it is huge. Alternatively, methanol can be used to produce formaldehyde, which can be further processed to produce plastics, paints and explosives.

Industrial Heating:

Process heating is a crucial manufacturing process in the production of metals, coal products, rubber, plastic, concrete, cement, glass and ceramic. Natural gas provides an efficient alternative for industrial process heating with a much reduced environmental impact. CNG: Natural gas in its compressed form, CNG, is an efficient source of cooking fuel for households, restaurants and for centralized cooling facilities of large-scale retail customers like hotels and office buildings. But, the cost of constructing CNG pipelines to households is huge. CNG can also be used to fuel light duty cars, substituting gasoline in ordinary gasoline engines with minor transformation. Although the investments required to establish adequate infrastructures across cities is colossal, it could help reduce importations of oil and environmental impacts of the transport sector.

1.3. Domestic versus Export Market

Domestic versus Export Market The allocation of a finite supply of gas production between domestic and export markets is a delicate balancing act. The value of increased supply to the domestic market – for energy and to support downstream development, particularly given projections on population growth, industrial development and urbanization – needs to be traded off against the requirement of a guaranteed minimum throughput of natural gas to the LNG/export sector in order to justify the extremely high capital costs of constructing LNG trains. Striking this balance between competing legitimate concerns will require a transparent and coherent policy framework for the sector combined with careful and flexible management capable of responding to changing market conditions and developmental concerns.
Currently in Tanzania there is a dichotomy between the large multinational mining companies and the artisanal Gas production. ATN ENERGY COMPANY LIMITED will seek to exploit this dichotomy in gas opportunities; it will operate in a way that will add value to artisanal gas and oil while not troubling the larger oil

companies. The company provides the following services: distributes, and markets premium-quality petroleum products across East and Central Africa[2]

1.4. The company overview

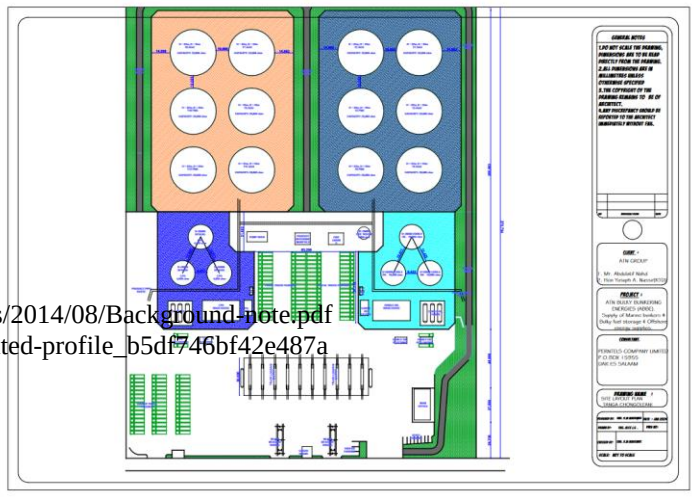
ATN ENERGY COMPANY LIMITED Tanzania Limited imports, distributes, and markets premium-quality petroleum products across East and Central Africa. ATN ENERGY COMPANY LIMITED was incorporated on the 08th February, 2006 with certificate No. 55466, as a company limited by shares under the Companies Ordinance. In the past years

ATN ENERGY COMPANY LIMITED has expanded rapidly in the sub regional petroleum business. The headquarters of ATN ENERGY COMPANY LIMITED is in Dar es Salaam and Tanga, main port and commercial capital of Tanzania, and from there the wings of investment spread out to the neighboring countries of Malawi, Rwanda, Zambia, Kenya, and the Democratic Republic of Congo. The main goal of ATN ENERGY COMPANY LIMITED is focused on commitment, efficiency and customer satisfaction.
ATN ENERGY COMPANY LIMITED is one of the Major Company in On-Shore Bunkering to various Military Vessels, Offshore Drilling Rigs, Commercial Shipping Lines, Tug Boats, Marine Vessels, Speed Boats, Chase Boats, Seismic Survey Vessels, etc. the company has recently set up economic infrastructure its own Petroleum and LPG Storage at Dar es Salaam and Tanga Regions with capacity of 100Milion MT of petroleum and 200,000MT of LPG in a single entry and become one of the major players in the Tanzanian market in a very short time. ATN ENERGY COMPANY LIMITED in transportation of Petroleum Products through East & Central Africa with fleet of more than 200 Trucks. ATN ENERGY COMPANY LIMITED Petro Card helps its customers to fuel their vehicles from the nearest ATN ENERGY COMPANY LIMITED Petrol Station within Dar es Salaam and presently at few strategic locations within up-country areas 24x7.[3]

1.5. Project concept in Kurasini industrial area

The proposed aimed to expand her economic infrastructure of petroleum and LPG production by purchasing major equipment's for installation of the Mounded Bullets, these includes the following, Mounded bullets and accessories, Bullet corrussion Safety fittings, pumps and LPG piping; Firefighting system; Electrical system and cubbing; Other utilities and accessories; Jetty Piping and Filling shed equipment's. All these machines and equipment will be imported from different countries in the world such as India/EUA, China, France and USA.

However, the company is already involve in purchasing of said Oil and Gas production equipment's as will result of the significant investment in Tanzanian operations, the company is looking to register at the Tanzania investment Center. For that purpose, this business plan is prepared to outline the required information about the company, the operations conducted for the loan applications, and Tanzania Investment Centre is considered private and confidential.
The company will be established a layout of the project which is prepared to comply to NFPA 56 and SANS 10067-3, 2015 standard.
All plants will be located at Kigamboni and Tanga city Industrial areas and all plots are close to seashore. Whereas all yards are, still processing the construction of with necessary amenities and petroleum & gas production facilities. Other major capital expenditure will



[2] https://www.theigc.org/wp-content/uploads/2014/08/Background-note.pdf
[3] https://rocketreach.co/oilcom-tanzania-limited-profile_b5df746bf42e487a

involve procurement of workshop tools and equipment, modern processing machines and equipment; purchase of utility motor vehicles, furniture and fittings, and fencing of the project sites:

1.4. The company objectives include the followings;

i. To carry on the business of producer, refinery, stores, supplies, and distributors of petroleum and its products and explore for, produce, refine, treat, distil, manufacture, smelt, store, transport, use, experiment with, market, distribute, exchange, purchase, sell and otherwise dispose of any kind of petroleum products, oil, gas and other volatile substance,
ii. To construct, erect, equip and carry on the business of petrol station with all usual or convenient building, petrol an oil pumps, plant of the said business, to carry on the business of garage proprietor's, service proprietor's, mechanical engineering, manufactures, etc
iii. To tender for and enter contracts of manufacturing, procurement, and supply of equipment and machinery in the industry.
iv. To carry on the business of importers and exporters of heavy plant and equipment.

1.5. Project setup at Kigamboni and Tanga Lagoon beach park industrial area – Dar es salaam, Tanzania.

The second phase of this project proposal entails setting up yard for Petroleum and Gas facilities, so that customers may equipped of all petroleum and gas laboratories facilities from using modern technology. The project will be created in the said site above. The proposed project will therefore involve the following activities:

- Additional Acquisition of mentioned machineries and equipment's to ensure maximum production of final mining products
- Development of processing camps and infrastructure
- Construction of laboratories building, storage warehouses, workshops and offices
- Importation and installation of petroleum and Gas processing plants, laboratory for noble metal testing
- Procurement and installation of environmental protection plant equipment
- Importation and installation of equipment, machinery and plants for gas processing
- Procurement of heavy duty trucks fleet for transportation of petroleum and gas and tailings. Other utility vehicles will be procured for the project. This will include pickups, 4-WD station wagons to facilitate movement. Armored vehicles will also be procured for transportation.

Purchase of furniture, equipment, fittings and administration motor vehicles, fencing of the factory compound and storage yard.

2.0. PROJECT OVERVIEW.

2.1. The Industry.

ATN ENERGY COMPANY LIMITED is a Tanzanian company registered in Tanzania with certificate of incorporation number 55466 of 08th of June 2006 the Company with Taxpayer Identification Number 105-097-727. ATN ENERGY COMPANY LIMITED has expanded rapidly in the sub regional petroleum business. The headquarters of ATN ENERGY COMPANY LIMITED is in Dar es Salaam, the main port and commercial capital of Tanzania, and from there the wings of investment spread out to the neighboring countries of Malawi, Rwanda, Zambia, Kenya, and the Democratic Republic of Congo. The main goal of ATN ENERGY COMPANY LIMITED is focused commitment, efficiency and customer satisfaction.
The main office of the company is located at Msamvu areas, Iringa road, Morogoro, CBD, Morogoro region. In Tanzania. The anticipated project site will be located at Kurasini industrial area, Ilala District, Dare es salaam Region.
The initial Authorized Share Capital of the company is TZS 30,000,000/= divided into 300 ordinary shares of TZS 100,000/= each and the company have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights privileges, restrictions or conditions. Unless the conditions of issues shall otherwise expressly declare, every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the registered Articles or Association. The liability of the members is limited and the following names compromise the company ownership and principal shareholding as illustrated on Table 1 below.

Table 2.1. Company Ownership and Principal Shareholders

S/No.	*Shareholder's Name*	*Address*	*Occupation of Subscriber*	*Number of Shares*
1.	ABDULATIF TAALIB MOHAMED **(TANZANIAN)**	P O BOX 683, MOROGORO, TANZANIA	Private Company By Share, Domicile In Tanzania- Incorporate Number 55466	250
2.	ABLA OMARY AWADH **(TANZANIAN)**	P O BOX 683, MOROGORO, TANZANIA	Private Company By Share, Domicile In Tanzania- Incorporate Number 55466	50

2.2. Business Plan Objectives

The objectives of this study are three-fold. First is to determine the viability of the proposed project and serve as a business plan for the company's development program. Secondly, the business plan will act as a supporting document in the company's application for loan facility to local banks, thirdly the business plan as supporting documents for amendment of Tanzania Investment Centre (TIC) Certificate of Incentives to access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997).
The project promoters have commissioned a reputable engineering and project planning consulting firm to advice on detailed technical and economic evaluation of the project and in determining its viability. As the report will be used to raise debt financing for the project, it is tailored to meet standard requirements of financial institutions in the region.

2.3. Project description.

ATN ENERGY COMPANY LIMITED aimed at expanding her petroleum production process by establish petroleum and LPG production industries at Kigamboni and Tanga City in Tanzania. The company will purchase the following set complete set of steel structure and plates for tank shell, roof and bottom as

construction materials (moulded bullet structure) with a capacity of 100Milions for petroleum and 200,000MT for LPG per sing entry, Machinery and equipment for both petroleum and LPG, 200 heavy petroleum trucks with a capacity 32-50MT, 200 Heavy trucks for LPG capacity 32-50MT, 50 Light trucks tanker, 20Managerial vehicles, 10 heavy Folk lift and other facilities..

2.4.2. Pricing analysis and sales volume

The basis for pricing has been from observations and data collected from various parts of Tanzania, market value for exploration is estimated to 3000TZS per Litres as sales price equivalent to 1.111USD for Petroleum while the sailing price for LPG is 2,700TZS, which is equivalent to 1USD. From these assumption, the anticipated price of Petroleum per MT is 1,111USD whereas the price of LPG per MT 1,000USD. and total revenue gain for both is 511,977,600 USD.

Type of fuel	Daily sales MT	days	Price in USD/MT	No. of Months	Annual sales
Petroleum (trucks 200)	3200	7	1,111	9	223,977,600
LPG (Trucks 200)	3200	10	1000	9	288,000,000
Total					511,977,600

2.5. Technical Characteristic of the project.

2.5.1. Project Location and site analysis

Based on physical inspection of the proposed site in Tanga and Dar es Salaam industrial areas, the availability of basic and essential industrial infrastructure such transport, water supply, effluent disposal, electric power supply, telecommunication system and security were all checked out and are ok for factory establishment. The realization of the project development requires successful completion of a number of necessary activities and facilities to enable a successful development of the project. The project location is already installed necessary utilities such as reliable supplies of energy, water, transportation, telecommunications services, waste disposal and other services are in place.

2.5.2. Buildings and related fixed cost

The floor plan and elevation of buildings and other related structures will be rehabilitating to ATN ENERGY COMPANY LIMITED as rented at Kigamboni and Tanga city New industrial area by the shareholders. However, the total major rehabilitation of the yard and buildings, Storage of raw materials and finished processing a structure, the estimated cost of buildings 86,349,656.97US$, the cost includes Renting, rehabilitation of administration building and offices, Laboratories, storages of chemicals and spare parts, workshop, and camp. The industry also set budget as working capital which involves purchase of raw materials and factory overhead cost of 117,000.00 US$ The minor rehabilitations costs are inclusive of contingency and reflect prevailing cost of building materials and other cost.

2.5.3. Machinery and Equipment.

Proper machinery selection is one of the key problems in the development of an industry. The machinery must suit the two-fold requirements of the developing countries, i.e. it should be up-to-date to allow for competitive production. In view of the foregoing, an effort has been made to choose from modern technological alternatives, a level that strikes a balance between fixed costs based on depreciation and variable costs based essentially on wages.

The requirements of various items of equipment have been worked out taking into consideration the production programs, average equipment utilization and normal productivity level of an average worker etc. While working out details of equipment required, it has been assumed that the plant will be working in a double shift of 16 hours a day, 25 days a month or a total of 300 days a year.

The projects machinery and equipment will be sourced from Europe and Asia are estimated to cost 3,853,979.20US$, this includes, Mounded bullets and accessories, Bullet corrussion Safety fittings, pumps and LPG piping; Firefighting system; Electrical system and cubbing; Other utilities and accessories; Jetty Piping and Filling shed equipment's. All these machines and equipment's will be imported from different countries in the world such as India/EUA, China, France and USA. All these will be able to produce 100milion MT of petroleum products per single entry, and the plant capacity is to produce 200,000MT of LPG per single entry.

The total cost of machineries and equipment's is estimated to **22,944,494.40** US$, these cost assumptions are C.I.F Dar es Salaam and include installation, commissioning, consultancy, port charges and transport to the project site. Calculated depreciation of machines and other working facilities is estimated to cost 4,064MilionUS$ and increases tremendously.

2.5.4.. Motor Vehicles

200 heavy LPG Trucks worth18,518,518.52US$, 200 petroleum truck worth 19,259.259.26, 10 folk lift woth 277,777.78 USD, 50 light trucks worth 2,777,777.78USD 20 supporting vehicles (S/wagon and 5 double cabin) worth 1,111,111.11USD Totaling to 41,944,444.44USD.

2.5.5. Furniture & Fittings and computers

This cost item includes the purchase of various office furniture: tables, chairs cabinets, safes, telecommunication gadgets, firefighting equipment, air conditioners etc. A budget of 721,346.26US$ will be allocated from general administration budget for furniture fittings and computer accessories. The total budget for furniture and fittings is small due to nature of industry as few or minor requirement of furniture and fittings.

2.5.6. Pre-Operational Expenses

Under pre-operational expenses are considered costs like company formation, preliminary project studies, business plan preparation costs, licenses, permits and authorization, including amendment of TIC Certificate of Incentives, and legal fees, travelling expenses, initial recruitment and training expenses, and interest accrued during project construction period. Budget allocated for this is 444,444.44US$

2.5.7. Initial Working Capital

This item will mainly cover initial imports of raw materials estimated to last for the first three months of operations. Otherwise, raw materials will generally be maintained at one month's stock and debtors at one month's sales volume constitute the biggest portion of current assets. Trade credits will be 15 days for the items listed. The initial working capital allocated budget is 222,222,222.22 US$.

2.5.8. Project Financing

The project costs, including fixed costs (machinery, equipment, building renovations, motor vehicles, office furniture and equipment and pre-operation expenses will be financed by a combination of bank term loan and shareholders own resources. Working capital requirements will be financed by short-term bank financing in form of overdraft facility. The project promoters are planning to finance project cost in the following pattern:

2.5.9. Project Implementation

Full implementation of the project is planned to take place by end of year 2024. Machineries and motor vehicles will be imported immediately while construction / renovation works are in process.

2.5.10. Auxiliary Materials/ services

Falling under this category is packing bags, paper for bags for bran, lubricants, grease and other miscellaneous items.

Utilities and service facilities that will need to be provided in this plant are as follows:

(i) Workshop
(ii) Electric power
(iii) Water supply
(iv) Miscellaneous facilities {Canteen; First Aid Kit, Storage and transport and Office Facilities}

(i) Workshop

It is necessary to make provision for a small workshop in the plant premises so that certain maintenance operations could be carried out following sudden breakdowns and major routine matters. The facility will comprise of necessary machines like small centre lathe, drilling machine, welding set, soldering and gas-cutting equipment including complete electrical kit to take care of necessary electrical maintenance as well as to replace worn-out parts and periodic oil and greases needs for the plant. Equipment provision has been restricted to the minimum.

(ii) Electric Power and Generator

The proposed site will be supplied with industrial production 3-phase standard power supply from Tanzania Electric Supply Company (TANESCO), the electricity is available through the National Grid Line from Kinyerezi, Dar es Salaam the main power station distributor and electric transformer 2000KVA substation nearby the project site. There also a diesel generator is already installed.

(iii) Water Supply

Apart from the needs of electric power, water is also required for the actual process and other social needs. The proposed site has close to DAWASCO - Dar es Salaam Uban water supply Authority water network, the agency is major supplier of water to urban and peri urban area in the region. The main line from this source will be tapped and let to the land site and water collected in an overhead reservoir provided at the top of the building of the plant. Adequate provision has been made in the project cost for the overhead tank and supply and laying of pipelines etc.

(iv) Miscellaneous Facilities e.g. First Aid Kit, Storage and Transport, Office Facilities etc

- Provision has been made in the project costs for necessary facilities for external telephones and fire alarm system;
- Sickness and ill health are recognized to be among the cause of absenteeism and low morale leading to decreased production, increased waste and bad employee-management relations. Therefore, necessary provision has been made for the canteen and first aid facilities in case of accidents, sudden sickness etc.
- Necessary provision for furniture and office equipment has been made in the Capital Cost estimates.
- Provision has also been made for the various types of weighing equipment in various sections for material-handling equipment etc.

2.5.12. Warehousing and distribution

The ATN ENERGY COMPANY LIMITED's warehousing service is ready to meet 24/7/365 in provision of drilling services and necessary material and chemicals imported. The efficiency of on-site combined with focal lift is already accommodated all needs and reduce supply chain costs. The industry uses electronics inventory management system means will ready for the efficiently movements of goods to next level.

The industry will use quick dispatch for fast distribution of final products and packed by manual means or by semi-automatic machines. The industry will take Extra care is therefore taken to make it hygienic so that the products do not get spoiled during storage.

2.5.13. Waste management for industry

In order to create a sustainable society, it is necessary to develop effective utilization of all sorts of wastes. One of the major wastes from our living is fiber wastes. Fiber wastes are generally divided to nonindustrial (organic chemicals) and industrial wastes (inorganic Chemicals)
In his strategic management for ATN ENERGY COMPANY LIMITED's; the industry has to move from an understanding of improvement at all costs to an understanding of continuous and balanced improvement once established. In modern times, environmental protection is being implemented not because it is enforced law, but as an administrative philosophy.
Rapid degradation in environmental conditions has changed at attitude of industrial managers toward ecological environment and had them consider ecology a significant factor while taking decisions related to industrial management. Parameters responsible for environmental pollution include chemicals discharged into air, water and soil as well as energy pollution all these will be taken into consideration of the proposed project.
Noise pollution caused by poorly planned settlement programs is also included in this plan. Furthermore, safety and health of those working in production will be also taken into account by installing modern machines free from noise pollution.

3.0. MANPOWER AND SALARY BUDGET

3.1. Employment

The whole process of production lines is looking at providing direct employment to at least 85 permanent jobs on full implementation and operation of the project. The industry is divided into 5 Departments; Administration and finance (4), Management (4), Maintenance (9), Operation (60) and store and logistic (8)

3.2. Recruitment

Recruitment of the operation department personnel's will be carried out by giving first preference to ex-technician from our local technical institutes such as Vocation Education Training Authority "VETA" and employees of ATN ENERGY COMPANY LIMITED in Tanzania, based on demonstration of skills and aptitude basis and their willingness to work for the company. A competent management consultant who will set the job descriptions is working out careful methodology. To ensure that the right calibre is recruited. Recruitment of expatriate personnel will be carried out in consultation with the relevant authorities in Government and the collaborating agencies.

3.3. Training and the use of Consultants

The Company plans to initially carry out on the job training for most of the technical staff to be dispatched to the project site by the suppliers of the plant which will be specified under sales agreement. In general the company will ensure that employees acquire new skills and procedures to increase their productivity fourfold. Educational materials will be subsidized or paid for to motivate the workers to develop themselves.
Whereas the company will endeavor to obtain the best talents to fill the permanent posts in the organization, it is intended where necessary, to continue with the policy of hiring out some specialized skills by way of consultants. Alternatively, those skills not required throughout the year will be left to consultants. These include legal counsels, systems and management consultants. To ensure efficient and scientific management, operational manuals will be prepared for the core functions of the company.

3.4. Organization and Management

The project will be managed by qualified professionals given the vast experience that the promoters have acquired over years in running and managing similar businesses. The Board of Directors formulates policy and offer strategic business guidance to management and regularly monitor and evaluate performance of the company.

All the production line will be under the administrator under which the day to day leader/management of production line will be vested in the management team headed by Administrator. The Administrator is to be assisted by qualified and experienced personnel.

Table 3.1. Proposed organization and manpower requirement for the plant is as follows:

S/No.	DEPARTMENT	STRENGTH /NUMBERS	MONTHLY SALARY US$	ANNUAL BUDGET US$
A	**ADMINISTRATION AND FINANCE**			
	HR Coordinator (based in Dar es salaam)	1	782.61	9,391.32
	Office Administrator	1	382.61	4,591.32
	Marketing officer	2	291.30	6,991.20
	SUB TOTAL	**4**	**1,591.30**	**20,973.84**
B	**MANAGEMENT**			
	Chief Financial Officer (based in DAR)	1	617.00	7,404.00
	Project manager	1	573.91	6,886.92
	Accountant	2	652.17	15,652.08
	SUB TOTAL	**4**	**2,364.82**	**29,943.00**
C	**MAINTAINANCE**			
	Mechanics	5	913.00	54,780.00
	Electro Mechanics	1	913.00	10,956.00
	Technician	2	783.00	18,792.00
	Senior ICT	1	348.00	4,176.00
D	**SUB TOTAL**	**9**	**4,044.09**	**88,704.00**
	OPERATION			
	Supervisors	2	243.00	5,832.00
	Project coordinators	1	609.00	7,308.00
	Drivers	400	326.00	1,564,800.00
	Tank filling personals	2	274.00	6,576.00
	Utility worker	5	122.00	7,320.00
	SUB TOTAL	**410**	**1,848.00**	**1,591,836.00**
E	**STORE AND LOGISTIC**			
	Logistic Liaison	2	957.00	22,968.00

	Store supervisor	3	252.00	9,072.00
	Store person	3	152.00	5,472.00
	SUB TOTAL	**8**	**1,361.00**	**37,512.00**
	GRAND TOTAL	**435**	**11209.21**	**1,768,968.84**

4.0. PROJECT FINANCING AND CAPITAL INVESTMENT SUMMARY

4.1. Project Cost & Financing Pattern

The proposed integrated project is estimated to cost a total of US$ 374,624,609.74 this including, own equity of 40% US$ as proceeds from capital contribution of the project. The Current asset of US$ 153,586,099 during the first year of operation and it increase as the project will be in full operation (see income statement), fixed assets 151,959,942US$ and total liquidity of 319,545,791US$. The project will be implemented within 5 years.

4.2. Project Capital Investment Summary

Investment Summary	
land and Buildings	
Land	769,230.77
Buildings	
Pump house structure	13,624,885.75
LPG cylinder storage	47,437,500.00
Steel rebars & concrete civil works	3,979,500.00
Bulk petroleum and LPG Import	1,327,329.95
Operation & Management office	120,000.00
LPG and petroleum Maintenance	15,378,187.50
Cylinder filling shed and fitting equipment's	1,009,125.00
Mounded bullets structure	2,703,898.00
Sub total Fixed Assets	**86,349,656.97**
Machineries and Equipment's	
Pump equipment set	5,577,500.00
Jetty piping	8,912,500.00
Electrical & cabbing system	4,026,674.40
firefighting system	2,869,940.00
Tanker loading facilities	1,557,880.00
Sub total Fixed Assets	**22,944,494.40**
Motor vehicles	
Folk lift 10	277,777.78
200 LPG Trucks 32MT	18,518,518.52
200 Petroleum trucks 32MT	19,259,259.26
20 Management & Operational vehicles 5 S/wagon and 5Double cabin	1,111,111.11
50 Light Vehicle trucks	2,777,777.78
Sub total Fixed Assets	**41,944,444.44**
Other Facilities	
Feniture and fittings	345,087.00
Office Equipments	259,259.26
Other cost	117,000.00
Sub total Fixed Assets	721,346.26
Sub total Fixed Assets	**151,959,942.07**
Curent Asset	
Pre operational expenses	444,444.44
Working capital	222,222,222.22

Sub total current Assets	222,666,666.67
Total Investment	**374,626,608.74**
Equity + Loan	
Loan (60%)	**224,775,965.24**
equity (40%)	**149,850,643.50**
Total Equity	**374,626,608.74**

5.0. RISK ANALYSIS

5.1. Risk Analysis

Risk is the probability that an event or action will adversely affect the organization. Risk assessment is the identification and analysis of risks associated with the achievement of operations, financial reporting and compliance goals and objectives. Risk management is a central part of the ATN ENERGY COMPANY LIMITED. The Industry's management will determine the level of operations, financial and compliance risk they are willing to assume. Risk assessment is one of the Company's management responsibilities.

5.2. Macroeconomic risk analysis

Since early 1986, the government of Tanzania has launched a comprehensive economic policy and stabilization plan with the aim to enhance the amount of infrastructure construction and improve the lives of the poor. During this time, the main economic indicators significantly improved. However, uneven development of various region in the country, lack of relevant infrastructure in transportation, telecommunications, networking, health facilities, electricity and water supplies have proven to be investment barriers. Overall, Tanzania has a weak economic foundation but the project can achieve a greater impact in attaining social and economic goals for the country.

5.3. Finance risk analysis

a) **Supply Risk:** The risk in Primary production relates to supply of raw material, transportation and price fluctuations. There is no assurance of enough supply of raw materials in the local market instead mostly of raw materials are imported.

b) **Processing Risks:** The technology, machines and equipment used in petroleum and Gas processing are in rudimentary stages all of which contribute to reducing production efficiency. Also quality/food safety and standards consideration in the production environment is limited. In gold processing facilities, operation expertise is very low as there are notarized labourers.

c) **Sales/market risk:** Placing value added products on the consumer markets bears risk of demand fluctuations and rejections through retailers. Furthermore, distributor are not aware of the selling price mostly are controlled by world market.

5.4. Other potential external risk

a) **Lack of Governance**: the governance mechanism in the value chain is underdeveloped, actors operate in an uncoordinated and unorganized fashion, and if rules exist they are often ignored;

b) **Lack of market coordination:** No lead organization has a coordinating role in relation to markets, technology and information such that producers and processors have no incentives for improving neither their product nor the chain process to promote sustainable income earning opportunities;

c) **Unclear and conflicting roles regulatory authorities:** Regulatory Agencies are responsible for quality control as well as enforcing TBS, NEMC etc, are regulatory role in issuing licensing in Tanzania

d) **Industry associations:** Associations are weak at all levels of the chain;

e) **Operating procedures:** Standard procedures are inadequately enforced, or not enforced at all, because of relaxed production and trade regulations; and

f) **Integration:** there is little vertical integration of importers, mid chain actors and processors.

5.4. Mitigating potential risk

The development of a large and complex project such as ATN ENERGY COMPANY LIMITED LIMITED is necessarily accompanied by multiple risks during all the phases of the project development, construction, operation and maintenance. The right approach to manage the project in a manner, which is fairly, and adequately address the multiple risks in a comprehensive as well as systematic manner is to use the risk analysis and management methodology which identifies the risk issues and their instrumental cause. In this regard, the risk is eliminated or effectively managed by the party best suited with capacity to handle or deal with the risk factors.

6.0. ECONOMIC AND SOCIAL ASPECTS

The project is also likely to have a positive impact on the economy of Tanzania as a whole by creating employment, and contributing to Government revenues through various taxes, which will be paid. It also has potential for substantial exporting to foreign markets especially to neighboring countries in the Great Lakes Region. In summary the following table will show impact investment index framework

6.1. Impact Investment Index Framework

Impact Investment Index		
Frame Work for ATN ENERGY COMPANY LIMITED		
Performance Area	**Quantitative Indicator**	**Remarks**
Investment Capital	Total investment capital, CAPEX and OPEX US$ 5374Milion US$	Substantial amount of capital invested into the domestic economy.
Export Earnings	Indicative Annual sales of earnings of 512Milion US$ out of annual average collection	Increased foreign earnings.
Job requirements	Job creation after plant in operation 2022-2027. DIRECT TANZANIAN JOBS 435 local employed workers	• Reasonable number of direct job created to local Tanzanians with direct impact on poverty reduction through enhanced income generation; and • Improving skills development for Industrial production
Technology applied	High Tech Environmentally friendly machinery	• Enhancing technological transfer; and • Applied technology which is free from environmental pollution,
Other Implied Project Benefits		
▪ Increased sales to the Utility Companies providing services of electricity, water and sewerage, telecommunications; ▪ Increased business transacted by local banks and institutions providing financial services; ▪ Business opportunities for local entrepreneurs in market distribution channels, ▪ Business opportunities to contractors and sub-contractors during the minor construction phase; ▪ Increased regional intra-trade and international trade due to better infrastructure facility and links to markets; ▪ Increase of technology transfer & expertise to local employed staff, ▪ Capital spends in local economy over 51.2Milion US$ and ▪ Contribution to GDP growth through increased economic activities		

Based on the Impact Investment Index analysis, the company can develop projections that the project can deliver both value for money in the context of broad socioeconomic impact and return on investment while complying with governance requirements. In this regard therefore, The Company will promote the industrialization process in the country, create employment, attract new technologies, expand foreign

exchange earnings and ultimately contribute substantially to the country’s economic growth.

7.0. FINANCIAL MODELLING AND ANALYSIS

The Financial Modelling and analysis, is the main source of information for assessing the potential financial viability of the ATN ENERGY COMPANY LIMITED. The analysis is based on the assumptions that have been taken for the implementation of the site development, demand and the associated potential investment requirements for a 5 year time period. The purpose of establishing this project is to speed up the country´s economic development by being a catalyst for restructuring the existing local industrial set up and attracting new, both foreign and domestic entrepreneurs to a liberalized legal business framework.

7.1. Project investment inputs and revenue projects

Type of fuel	Daily sales MT	days	Price in USD/MT	No. of Months	Annual sales
Petroleum (trucks 200) filling sales	3200	7	1,111	9	223,977,600
LPG (Trucks 200) filling sales	3200	10	1000	9	288,000,000
Total					511,977,600

7.2. Production, Revenue and project viability

- The estimated revenue gain in provision of gas annually 511,977,600US$ in the first year of production per 6,400MT for petroleum and Gas produced in the first year and increases positively.
- Net profit before tax is 319,5435,781US$, second year earning is ten times to 339,371,705US$, which show the profit is increasing, (see Income statement)
- Net profit after tax for the first years in production is 153,586,746US$ and second year is increasing to 172,988,746US$ for remaining year increasing positively, (see Income statement). But this first year of production the company had negative provision to shareholders (see balance sheet)
- Gross sales contribution in the first year of service is quietly promising (see Income statement)
- The expected sales increase in a second year over 5%, this is due to the company will utilize all necessary machine and equipment during the operation of the project after imposed
- Total investment cost of the project is 374,624,609US$ whereas the own equity is 40% and loan-able amount 60% (see investment summary)
- The end balance of project in cash flow statement is positive and increases tremendous.(see cash flow statement)
- Testing the project viability is positive whereas IRR is positive 19.31% which is above bank assumed loan interest of 8%, and payback period of project is within 3years. Which is project economic life
- Return on investment is posit positive and increases tremendously (see balance sheet)
- Breakeven point is positive from the first year of operation.

7.3. Objective and Scope of Financial Model

7.3.1. Objective

The main objective of the financial modelling and analysis is to setup a financial model framework for potential generated revenues and operational & maintenance costs for the full operation of ATN ENERGY COMPANY LIMITED based on the assumptions taken for the Market Analysis, the plan for the facility development, unit production costs and other overhead and operational charges.

7.3.2. Scope

The scope consists of a financial model that will be used to analyse the potential financial viability of the project based on the assumptions taken for the concept and scope of the project on the Market Analysis. The financial model has been developed in excel spread sheet and include information on costs, expenses and the subsequent sales revenue based on the average market prices and linked to the financial cash flow.

7.3.3. Project financial plan.

The project financial plan primarily consists of income statement, cash flow projection and balance sheet. From these 3 financial statements the project will derive Break even points, internal rate of returns, loan payment schedules, payback period and other financial ratios. These reports constitute reasonable estimate of company financial future. More importantly, the process of thinking through the financial plan improves insight into inner financial working of company.

ANNEX I – INCOME STATEMENT

Income Statement Projections

all number in US$

Revenue

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5		TOTAL
Petroleum (trucks 200) filling sales	-	223,977,600	235,176,480	246,935,304	259,282,069	259,282,069		1,224,653,522
LPG (Trucks 200) filling sales		288,000,000	302,400,000	317,520,000	333,396,000	333,396,000		1,574,712,000
			-	-	-	-		-
Total Operating Revenue	-	**511,977,600**	**537,576,480**	**564,455,304**	**592,678,069**	**592,678,069**		**2,799,365,522**

Expenses

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5		Total
Salaries		1,768,969	1,822,038	1,876,699	1,933,000	1,933,000		9,333,706
Social Charges & Pension Payments		353,794	364,408	375,340	386,600	386,600		1,866,741
Raw Materials ie, chemical, petroleum products etc		185,185,185	190,740,741	196,462,963	202,356,852	202,356,852		977,102,593
Fuel		932,567	960,544	989,360	1,019,041	1,019,041		4,920,554
Lubricants		521,739	537,391	564,261	592,474	592,474		2,808,339
Tires and tubes		626,087	644,870	664,216	684,142	684,142		3,303,456
Repair and Maintenance		1,173,913	1,209,130	1,245,404	1,282,766	1,282,766		6,193,981
Insurance/licensing/other charges		130,435	134,348	138,378	142,530	142,530		688,220
Other Costs		1,739,130	1,791,304	1,845,043	1,900,395	1,900,395		9,176,268
Other Costs		-	-	-	-	-		-
Total Operating Costs		**192,431,819**	**198,204,774**	**204,161,665**	**210,297,800**	**210,297,800**		**1,015,393,857**
Operational Net Earnings before Depreciation, Interest & Tax		**319,545,781**	**339,371,706**	**360,293,639**	**382,380,269**	**382,380,269**		**1,783,971,665**
%age Gross Contribution		*62*	*63*	*64*	*65*	*65*		*1*

Depreciation at 5% (mostly civil works)		**30,356,849**	**29,695,024**	**31,525,693**	**33,458,274**	**33,458,274**	**160,557,450**
Net Earnings before Tax & Interest		**289,188,932**	**309,676,682**	**328,767,946**	**348,921,996**	**348,921,996**	**1,623,414,215**
Interest Paid (Bank Loan)		**40,459,674**	**34,804,308**	**28,130,976**	**20,256,445**	**10,964,498**	**134,615,900**
Tax (30%)		**95,143,159**	**101,883,628**	**108,164,654**	**114,795,337**	**114,795,337**	**534,782,114**
Net Earnings		**153,586,099**	**172,988,746**	**192,472,316**	**213,870,214**	**223,162,162**	**956,079,537**

ANNEX II – CASH FLOW

Cash Flow statement from Investing Activities forfive years					
(all numbers in USD)	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
CASH FLOW FROM OPERATING ACTIVITIES					
Cash receipts from Sales	511,977,600	537,576,480	564,455,304	592,678,069	592,678,069
Cash paid to suppliers and employees	(192,431,819)	(198,204,774)	(204,161,665)	(210,297,800)	(210,297,800)
Cash generated from operations	319,545,781	339,371,706	360,293,639	382,380,269	382,380,269
Dividends received*	0	0	0	0	0
Interest received	0	0	0	0	0
Interest paid	(40,459,674)	(34,804,308)	(28,130,976)	(20,256,445)	(10,964,498)
Tax paid	(95,143,159)	(101,883,628)	(108,164,654)	(114,795,337)	(114,795,337)
Net cash flow from operating activities	**183,942,949**	**202,683,770**	**223,998,009**	**247,328,488**	**256,620,435**
CASH FLOW FROM INVESTING ACTIVITIES					
Replacement of equipment	0	0	*0*	0	*0*
Proceeds** from sale of equipment	0	0	*0*	0	0
Net cash flow from investing activities	**0**	**0**	**0**	**0**	**0**
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from capital contributed	149,850,643	0	0	0	0
Proceeds from loan	224,775,965	0	0	0	0
Payment of loan	(31,418,699)	(37,074,065)	(43,747,397)	(51,621,928)	(60,913,875)
Net cash flow from financing activities	**343,207,909**	**(37,074,065)**	**(43,747,397)**	**(51,621,928)**	**(60,913,875)**
NET INCREASE/ DECREASE IN CASH	**527,150,858**	**165,609,705**	**180,250,612**	**195,706,560**	**195,706,560**
Cash at the beginning of the period	153,586,099	172,988,746	192,472,316	213,870,214	223,162,162
Cash at the end of the period	**680,736,957**	**338,598,451**	**372,722,928**	**409,576,774**	**418,868,721**

ANNEX III – BALANCE SHEET

Pro forma balance sheet					
(all numbers in USD	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
ASSET					
Current asset	153,586,099	172,988,746	192,472,316	213,870,214	223,162,162
Fixed asset	151,959,942	154,999,141	158,099,124	161,261,106	164,486,328
Liquidity	319,545,781	339,371,706	360,293,639	382,380,269	382,380,269
TOTAL ASSET	625,091,822	667,359,593	710,865,078	757,511,590	770,028,759
NET ASSET MINUS DEPRECIATION	**594,734,973**	**637,664,569**	**679,339,385**	**724,053,316**	**736,570,486**
EQUITY & LIABILITIES					
Equity	344,771,793	376,462,597	405,294,868	436,347,432	447,171,524
Reserves					
Total Own Equity	**344,771,793**	**376,462,597**	**405,294,868**	**436,347,432**	**447,171,524**
Provisions	52,584,799	57,744,946	62,475,796	67,573,901	69,266,978
Long term loan	71,878,373	71,878,373	71,878,373	71,878,373	71,878,373
Short term Liabilities	125,500,008	131,578,653	139,690,348	148,253,610	148,253,610
Total Equity & Liabilities	**594,734,973**	**637,664,569**	**679,339,385**	**724,053,316**	**736,570,486**
NET FA/CL	2.11	2.16	2.20	2.24	2.29
CL/CA	0.82	0.76	0.73	0.69	0.66
DEBIT/CAPITAL RATIOS	0.42	0.41	0.40	0.40	0.39
ROI	44.5	46.0	47.5	49.0	49.9
BREAK EVEN POINT	0.48	0.46	0.44	0.42	0.43
BREAK EVEN RATIO	1.22	1.18	1.15	1.13	1.13
EQUITY/TOTAL LIABILITIES	58	59	60	60	61

ANNEX IV – LOAN PAYMENT SCHEDULE

Loan Information and Payment Schedule					
Loan Data	**All number in USD**		**Loan Summary**		
Original Principal	224,775,965.24		Scheduled Payments		71,878,373.05
Loan Term (Years)	5.00		Scheduled number of payment		5.00
Annual Interest Rate	0.18		Actual number of payment		5.00
Payments per Year	1.00		Total Early Payment		-
Payment	71,878,373.05		Total Interest		134,615,900.02
Year	**Payment**	**Interest**	**Cumulative Interest**	**Principal**	**Balance**
-					224,775,965.24
1.00	71,878,373.05	40,459,673.74	40,459,673.74	31,418,699.31	193,357,265.93
2.00	71,878,373.05	34,804,307.87	75,263,981.61	37,074,065.18	156,283,200.75
3.00	71,878,373.05	28,130,976.13	103,394,957.75	43,747,396.92	112,535,803.83
4.00	71,878,373.05	20,256,444.69	123,651,402.44	51,621,928.36	60,913,875.47
5.00	71,878,373.05	10,964,497.58	134,615,900.02	60,913,875.47	-
		134,615,900.02			

ANNEX V- IRR

IRR for the Project		
	(all numbers inUSD)	
	Initial Investment	-374,626,609
Year 1	Additional Annual Net Profit	153,586,099
Year 2	Additional Annual Net Profit	172,988,746
Year 3	Additional Annual Net Profit	192,472,316
Year 4	Additional Annual Net Profit	213,870,214
Year 5	Additional Annual Net Profit	223,162,162
	IRR (in 5years)	**19.31%**

The IRR above indicates that the expected return on the US$ 374,626,609,000 initial investment after 5 years is 19.31%.

ANNEX VI PAY BACK PERIOD

Payback Period Analysis				
	Year	Beginning Balance	Net Cash Flows	Ending Balance
Cost of investment	0.00	374,626,608.74	0.00	374,626,608.74
	1.00	374,626,608.74	153,586,099.41	221,040,509.33
	2.00	221,040,509.33	172,988,745.74	48,051,763.58
	3.00	48,051,763.58	192,472,315.51	144,420,551.92
	4.00	144,420,551.92	213,870,214.44	358,290,766.36
	5.00	358,290,766.36	223,162,161.55	581,452,927.91
Payback Period =		**3.00**	**Years**	

8.0. CONCLUDING REMARKS AND WAY FORWARD

8.1. Evidence of project viability based on financial model and policy Framework support

On the basis of all the analysis done on this Business Plan on all aspects of assessment on both SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the project as prescribed on this business plan have shown that the project is commercially viable. Nonetheless, ATN PETROLEUM COMPANY through professional consultative manner, will continue to find ways of implementing cost effective options given time and financial resources that will be made available. Financial analysis results show that when the construction of plant facility is financed using a combination of equity debt ratio (40:60), it gives an IRR of about 19.31%. The computed IRR is well above Dollar market of the annual loan interest rate of (8.00%) which is technically interpreted that the project is financially viable. The payback period for the project is estimated at 3 years, which is within the range for this type of investment. Sensitivity analysis results also favor the project. Financial analysis for the project has shown feasible returns. Based on the investment scope and the assumptions taken in this Business Plan, the project will not face any difficulties during establishment, according to the projected cash flow be in a position to accomplish repayment of the loan and start generating profit.

8.2. Policy Framework Support

The development of the ATN ENERGY COMPANY LIMITED is designed to tape advantages of the current Tanzanian market-oriented reforms. The Project will be developed and established to accelerate the industrialization process. The vision 2025 emphasizes the importance of the allocation of public funds for strategic investments and private sector financing for development investments.

The 15 years Perspective Plan (2020-2025); Priotize private investment in the context of Public Private Partnership. The First Five Years Development Plan (2020-2025) recognizes the fundamental role of the private sector in enabling the government to allocate its fund to strategic projects to facilitate a higher level of development. MKUKUTA III (2020-2025) identifies Public Private Partnership as a means of increasing the level of stakeholder participation and of easing the financial burden on the government. It should be noted that existing public resources are clearly insufficient to meet Tanzanian's huge development needs. The increased use of private enterprises participation in development projects can help alleviate the financing gap. This approach is now applied by company to ensure development of one among the ultra-modern plant in Tanga and Dar es Salaam Region. Private sector and investment have been recognized as the most significant potential source of additional funding required to facilitate development projects.

8.3. Conclusive Remarks and Way Forward

Private finances will fund the development of this project. The company acting through its various shareholders and structures will provide the initial risk capital amounting to 374.6MilionUS$. The company will fund the development of the project minor rehabilitations of factory building, business offices, bulk storage facilities and purchasing machines as stated on this business plan. Before the Company engages into the development of this project as a private enterprise, it needs to accomplish the pre development activities to make way for the development of the designated project. The company has to accomplish the following;

a) Conduct Environmental Impact Assessment.

The company has to engage a consultant to conduct EIA in order to ensure that environmental and possibly other sustainability aspects are considered effectively in policy, plan and project development. The EIA Directive aims at introducing systematic assessment of the environmental effects of strategic land use related plans and programs. It typically applies to regional and local, development, waste and transport plans, within the country. EIA ensures that plans and programs take into consideration the environmental effects they cause.

b) Minor rehabilitation to suit project Industrial requirement

The company should engage a firm to make minor rehabilitation of existing structure that will suit project manufacturing requirements. The structure should include all vital service facilities described in this business plan. When possible, the process of design of the facility should be consultative insomuch that it should allow and incorporate ideas from experienced professionals from the industry.

c) Mobilizing Funds

As previously discussed on the Financial Analysis of this business plan, financing mechanism for plant should be scrutinized well before commencing the project implementation. There may be several options of financing the project development but the company will find the best option. The investment team should do consultation with relevant financial institutions (Banks and non-bank Financial Institutions), both within and outside the country. This exercise should be more effective if the team works closely with central government agencies, particularly TIC and the Ministry of Industry & Trade and Ministry of Investment.