

Financial Closure for Maamba Collieries Ltd Integrated Coal Mine and Power Project in Zambia

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CRESCO Project Finance is delighted with the announcement of the financial closure of Maamba Collieries Limited's fully integrated coal and power project in Zambia. The project reached Financial Closure on 28 July 2015.

The project, which has already achieved 80 percent completion, consists of the redevelopment of the existing coal mine and the construction of a 300 MW coal fired thermal power station and related infrastructure near the town of Maamba. The 300-megawatt coal-fired power project, fully integrated with captive coal mining, is estimated to cost about USD 830 million.

Maamba Collieries Limited has signed a 20-year power purchase agreement to supply 100% of the power plant's output to Zambia Electricity Supply Corporation. The project is scheduled for commissioning by mid-2016 whereafter Nava Bharat will be responsible for the operation & maintenance.

Given the shortage of, and necessity for electricity in Zambia, as well as the wider region, the project is to provide a much needed dependable and sustainable base load power, which is crucial for the country's economic growth and its energy security. The power plant has the required infrastructure to scale up in line with the growing demand.

Nava Bharat (Singapore) Pte Ltd, a wholly-owned subsidiary of Nava Bharat Ventures Ltd, holds 65% of the equity stake in Maamba Collieries Limited and the balance is held by the ZCCM Investments Holdings.

Nava Bharat Ventures Ltd is an Indian listed business conglomerate with diversified interests in power generation, mining, ferro alloys and agriculture. ZCCM-IH is a public investment holding company which is quoted on the Lusaka, London, and Euronext Stock Exchanges, and has majority of its investments held in the copper mining sector of Zambia. The company's shareholders are the Government of the Republic Of Zambia with 87.6% shareholding and private equity holders with 12.4%.

The project is being funded on a debt equity ratio of 70:30. The long-term loans are being advanced by a consortium of lenders comprising large international commercial banks together with development financial institutions on a limited recourse project finance basis. Development financial institutions include the Development Bank of Southern Africa and the Industrial Development Corporation of South Africa while commercial banks include Bank of China, Industrial and Commercial Bank of China, Standard Chartered Bank and Barclays Africa Limited. This is the first private power project in the Sub-

Saharan region to receive export credit agency insurance cover from China Export and Credit Insurance Corporation (Sinasure). This combination makes it a unique collaborative project in Africa, incorporating sponsors from Singapore and Zambia, principal contractors from China and funding by financial institutions across the globe.

CRESCO Project Finance was appointed as joint financial advisor along with Barclays and was responsible for the transactional and project finance advisory services. These included a comprehensive analysis of risks and the identification of solutions to mitigate such risks, preparation of the project information memorandum, the development of an optimal commercial funding structure and the development of a robust financial model for the project.

About CRESCO Project Finance:

CRESCO is a boutique financial advisory firm having as its core service the rendering of assistance to project promoters in the development of projects to a bankable stage and marketing those projects to investors and financiers.

The project development continuum, from concept through feasibility analysis, finance structuring, funding and construction to operation, is a complex, intricate and multi-staged process where the promoter and other project participants require continuous specialist support.

CRESCO provides this specialist expertise and utilises its skilled resources to support the entire project development process. It provides a broad range of services to clients engaged in the acquisition, development or financing across all economic sectors.

CRESCO is an authorised agent for the Multilateral Investment Guarantee Agency (MIGA), which is a subsidiary of the World Bank Group and which provides political risk insurance to cross border investors and financiers.

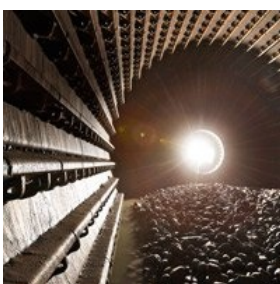
For more information about CRESCO please visit: www.crescopf.com

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