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29 October 2012

Tecnica

25 de Setembro Avenue n.2526, 1st floor
Maputo, Mozambique

Dear Pedro

Scope of Work – Water Supply and Retention Environmental Impact Assessment for the Proposed Ncondezi Power Station

Background

Ncondezi (NCML) is seeking environmental authorisation to develop an 1800MW coal fired power plant located within the areas covered by the current Prospecting and Exploration Licence Blocks 804L and 805L.

In response to the submission of registration of an EIA for the proposed Power Plant with NCML's Licence Blocks, at Moatize, MICOA have requested that a separate EIA, dealing with related water supply and storage matters, is to be submitted for consideration by the Mozambican Authorities.

A technical water study has recently been undertaken by a specialist contractor to identify and assess a number of water supply and retention alternative options. The final report is due to be presented to NCML on Wednesday 26 October 2012. Details of this report will be made available for consideration in the preparation of your proposal for an EIA and supporting documentation. In the meantime, the preferred option indicated in the report is considered to be:

Option 2: Abstraction from the Ncondezi River near the plant and supply via an off-channel storage dam (Figures 3.2A): Water will be abstracted from a weir across the Ncondezi River near the power plant and pumped to an Off-Channel Storage Dam during times of high river flows. During times of high river flows, the water demands will also be supplied directly to the power plant from run-of-river. The water will be stored into the OCS dam and pumped to supply the plant, when the river flows are low and insufficient to meet the demand. The total length of the conveyance system is about 11 km and the maximum static head is about 65 m. See Location Plan Figure 1. Further technical details relevant to the Scope of Work will be supplied as soon as these are made available to NCML.

Other options may be used in the EIA for comparative purposes.

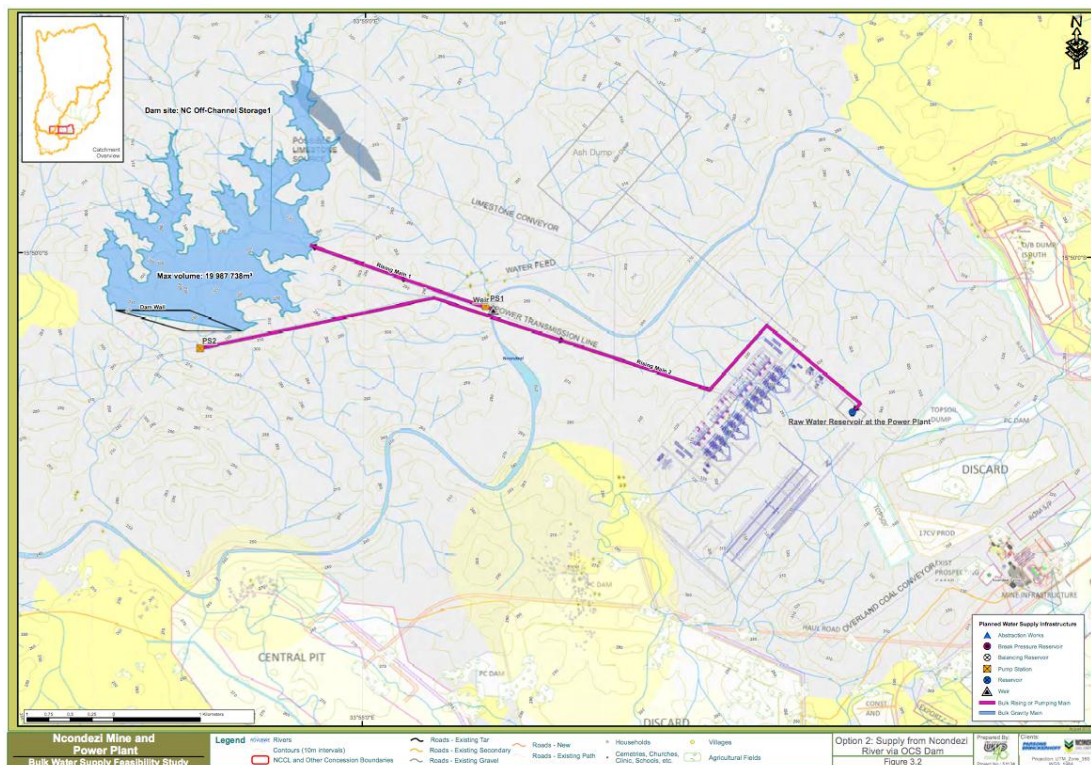


Figure 1: Supply from Ncondezi River via OCS Dam

Request for Proposal

You are requested to set our your company's

experience in undertaking ESIA's to meet international and Mozambican requirements, including but not limited to meeting IFC and Equator Principle standards.

The study approach or methodology intended to be followed, together with a detailed timeline/schedule to meet the earliest possible date for submission to the Mozambican authorities, should be presented in the proposal. Indicative dates for the delivery of any sub-stages required in meeting the EIA should be clearly identified. Details of the personnel to be assigned to the project and their roles must be provided in addition to a detailed cost estimate including all fees, disbursements expenses and translations.

Any assumptions, exclusions or limitations should clearly stated and set out in your proposal. Any project risks and uncertainties should also be identified and stated in the proposal.

An indication of the anticipated Environmental Screening Category should be provided in the proposal together with details of the permitting route to be followed.

Contact and liaison with ARA Zambezi and Ministry of Public Works is to be anticipated and NCML will help to facilitate this process.

A substantial amount of existing environmental and social baseline information is already available as part of the mine and power station studies. This information would be made available to the successful bidder and it is anticipated that this information would substantially reduce the time normally required for completion of the EIA. NCML would anticipate the completion of the EIA to be achievable within three calendar months of commencement.

The identification and assessment of environmental and social impacts associated with the water supply and retention arrangements will be necessary. The appropriate mitigation measures and the preparation of an Environmental Management Plan is required. The presentation of supporting plans and programmes that may be required should be specified.

The provision for stakeholder consultation and public participation should be allowed for

All deliverables for the project which can be classed as project milestones must be stated.

The commencement of the project is anticipated to begin in early November 2012.

Costed proposals (in English) should be returned via e-mail by 29 October 2012 to:

John Eyre, Environmental and Social Manager E-mail: je@ncondewizcoal.com and

David Eshmade, Country Manager E-mail: de@ncondewizcoal.com

We look forward to receiving your speedy response

Yours faithfully

A handwritten signature in black ink, appearing to read 'J M Eyre', with a stylized flourish extending from the end.

J M EYRE