

APPENDIX F

**BEFORE THE INTERNATIONAL CENTRE
FOR SETTLEMENT OF INVESTMENT DISPUTES**

TANZANIA ELECTRIC SUPPLY COMPANY LTD.)	
)	
)	
Claimant,)	
)	
v.)	ICSID Case No. ARB/98/8
)	
INDEPENDENT POWER TANZANIA LTD.)	
)	
)	
Respondent.)	
)	

STIPULATION AND AGREEMENT

Tanzania Electric Supply Company Limited ("TANESCO") and Independent Power Tanzania Limited ("IPTL") have agreed to settle certain disputed matters in this arbitration concerning the financial model to be used to calculate the tariff. The parties request that the terms of their settlement be incorporated in the Award of the Tribunal as follows:

1. TANESCO and IPTL agree that the tariff which is to be calculated pursuant to the Power Purchase Agreement ("PPA") dated 26 May 1995, as amended, shall be calculated based on the Decisions of the Arbitrators herein dated 9 February 2001 and 24 May 2001, the applicable terms of the PPA, and the financial model entitled "Tegeta July 2001.123" which is annexed hereto, in both electronic and paper format (the "Financial Model"). The tariff shall be calculated initially at commencement of commercial operation of the Tegeta power plant and during the term of the PPA in accordance with the PPA and the Financial Model.
2. The Financial Model contains notes and comments which form part of the parties' agreement as to the calculation of the tariff. The parties recognize that there are instances where the formulae, mechanisms, notes, or comments contained in the Financial Model differ from or

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supplement the terms of the PPA. Where such differences exist, the parties agree that the Financial Model shall govern and supersede the terms of the PPA.

3. The parties recognize that certain further mechanical steps need to be undertaken in order to make the Financial Model fully useful and operational for purposes of billing and tariff adjustment. The parties agree to cooperate together to take whatever steps are required to effectuate that end. However, the parties agree that the Financial Model sets forth the agreement of the parties as to the calculation of the tariff, and that any further steps which are taken must be consistent with the Financial Model.

4. The parties further agree that the Financial Model is to be included in the Final Award in this arbitration.

**TANZANIA ELECTRIC
SUPPLY COMPANY**

By: _____


BEAT Luhanga'
Managing Director

**INDEPENDENT POWER
TANZANIA LTD.**

By: _____

**Datuk Baharuden Bin
Abdul Majid
Chairman**

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**TANZANIA ELECTRIC
SUPPLY COMPANY**

**INDEPENDENT POWER
TANZANIA LTD.**

By: _____
BEAT Luhanga
Managing Director

By: 
Datuk Baharudin Bin
Abdul Majid
Chairman

TANZANIA 100MW IPP
CAPITAL COST ASSUMPTIONS
 US Dollars in Thousands

Sources of Funds			
Senior Debt	70.0%	89,041	
Equity	30.0%	38,160	
Total Senior Debt & Equity		127,201	
Uses of Funds			
EPC Contract		98,189	
Construction Contingency		4,909	
Land		1,000	
Insurance		4,118	
Lenders Advisors		467	
Project Advisors		2,640	
Development		3,036	
Mobilisation		1,394	
Financing & Agency Fees		1,858	
Working Capital		1,704	
Fuel Oil Reserve		3,249	
Interest During Construction		4,636	
Commitment Fees		1	
Total Uses of Funds		127,201	
Reference Tariff Capital Cost Adjustment *			
Projected Total Project Cost		163,531	
Actual Total Project Cost		127,201	
(%) Increase / Decrease(-) in Capacity Ref. Tariff		-22.2157%	
Interest Rate & Senior Debt Assumptions			
Senior Debt:			
Base Rate During Construction :		6.00%	
Interest Rate		2.50%	
Aggregate Interest Rate During Construction		8.50%	
Base Rate During Operation :		6.00%	
Interest Rate		2.50%	
Aggregate Interest Rate During Operation		8.50%	
Interest Rate after factoring withholding tax		10.00%	
Amortization Period (years)		8.0	
Commitment Fees (% of senior debt)		1.000%	
Senior Debt Reserve (months of debt service)		6	
Reserve & Cash Balance Earning Rate		3.000%	
Tax Assumptions			
Years of Tax Holiday Beginning at C.O.D		5	
Income Tax Rate (Years 6 to 20)		35.00%	
Withholding Tax Rate (Years 6 to 20) On:			
i) Dividends		10.00%	
ii) Interest payable on foreign loan		15.00%	
Import Duties		0.00%	
Sales Tax		0.00%	
Tax Rate On Interest Income		15.00%	
Capital Allowance / Depreciation Assumptions			
Capital Allowance Rates:			
Equipment: Initial		20.00%	
Industrial Building: Initial		20.00%	
Equipment: Annual		12.50%	
Industrial Building: Annual		4.00%	
Depreciation & Amortisation Lives (years) :			
Equipment		8	
Industrial Building		25	
Amortisables		20	
Depreciable Costs:			
EPC Contract		98,189	
Construction Contingency		4,909	
Non-Depreciable Costs:			
Land		1,000	
Working Capital		1,704	
Fuel Oil Reserve		3,249	
Owners Initial Spares		4,257	
Total		10,210	
Amortised Costs :			
Total Project Cost		127,201	
Less: Depreciable Costs		103,098	
Less: Non-Depreciable Costs		10,210	
Amortised Costs		13,893	

Cap Cost Ass:K14: mcs 03/07/01 04:12:41 PM
This value is to be updated based on the lenders' agent's advice concerning the interest rate applicable at COD.

07/10/2001

PRIVATE AND CONFIDENTIAL

**TANZANIA 100MW IPP
OPERATING ASSUMPTIONS I**
US Dollars in Thousands

Facility Operation Assumptions (@ 35 degrees C air temp.)

Facility Capacity (MW)	97.64
Auxiliary Usage and Transformer Loss (MW)	11.0000
Annual Output Degradation before gas conversion	0.00%
Capacity Factor	85.00%

Heat Rate and Fuel Assumptions

Nett Heat Rate (Btu/kWh HHV)	8,913
Fuel Gross Calorific Value (Btu/lb)	18,100
FO Price (US\$/MTon)	100.00
GasOil Price (US\$/MTon)	2,506
Gas Price (US\$/MMBtu)	249
	0.50

Lube Oil Assumptions

Lube Oil Consumption (g/kWh)	1.00
Lube Oil Density (kg/litre)	0.91
Lube Oil Price (US\$/litre)	1.14

PPA Tariff

Capacity Purch. Price (USD/kWh/month) (Pre-adjustment & indexation)	41.88
Energy Fuel (US Cents/kWh) (1)	2.23
Energy Variable O&M (US Cents/kWh)	0.74

Operating & Maintenance Expense Assumptions

Fixed Expenses:	
Salary & Fixed O&M Fees	2,140
General & Administrative	941
Operating Insurance	562
Financing Fees	60
Lenders' Hedging Requirement	2,349
Contingency	303
Total Fixed Expenses	6,355
Variable Expenses:	
Variable O&M	(US\$/kWh)
Lube Oil	0.0058
Contingency	0.0013
	5.00%
Total	0.0074

Escalation Assumptions

Annual Escalations:	
Capacity	(Assumed) 0.38%
O&M	(Assumed) 0.38%
Fuel	(Assumed) 0.00%
Pre-Operation Annual Escalation	(Assumed) 0.00%
Aggregate Pre-Operation Escalation	(Assumed) 8.05%

Phase II Gas-Firing Conversion Assumption

Cost-Of-Gas-Firing Conversion-Equipment	0
Year-Of-Conversion-To-Gas-Firing	2001
(The base case assumes that FO is used throughout)	

Phase I Commercial Operation Date Assumptions

C.O.D of first 30MW block (mths from start of Cons.)	12
C.O.D of second 40MW block (mths from start of Cons.)	12
C.O.D of third 30MW block (mths from start of Cons.)	12
Target Commercial Operation Date (Full Capacity)	late 2001

Maintenance Reserve Target Balance 5,000

Note:

(1) Adjusted for price variation from PPA reference fuel price of 2.23 US cts/kWh

Op Ass:E7: mcs 03/07/01 03:54:23 PM

This value to be determined at the interconnection point based on the Facility acceptance tests to be completed prior to Commercial Operations Date.

Op Ass:E8: This value will become zero once the Facility Capacity has been determined.

BASE HEAT RATE: mcs 03/07/01 04:00:36 PM

The heat rate at ambient conditions of 33 degrees Celsius shall be determined at the interconnection point as the net plant heat rate established during the acceptance tests prior to COD. The value shall be multiplied by a factor of 1.0263.

Op Ass:E17: To be updated in accordance with the PPA provisions as set out in Appendix B.

Op Ass:E25: mcs 03/07/01 04:08:25 PM

This value is to be determined at COD as the commercial price available to the Tegeta plant operator. The value will be subject to normal escalation applied to all other O&M costs thereafter.

Op Ass:J24: mcs 03/07/01 04:09:58 PM

This value is assumed to be at prices of May 1998 and will be escalated to COD based on the US CPI.

Op Ass:K14: mcs 03/07/01 04:15:17 PM

This value is assumed to be at prices of May 1998 and will be escalated to COD based on the US CPI.

Op Ass:K15: mcs 03/07/01 04:15:23 PM

This value is assumed to be at prices of May 1998 and will be escalated to COD based on the US CPI.

Op Ass:K16: mcs 03/07/01 04:15:27 PM

This value is assumed to be at prices of May 1998 and will be escalated to COD based on the US CPI.

Op Ass:M15: This data has been superseded by the Parties agreement on the financing of gas conversion of May 24 2001.

Op Ass:Q12: mcs 03/07/01 04:17:23 PM

This value is will be set to zero once the costs and revenues are updated to COD prices.

**TANZANIA 100MW IPP
SOURCES & USES OF FUNDS - CONSTRUCTION**
US Dollars in Thousands

	Fin. Close	1	2	3	4	5	6	7	8	9	10	11	12
USES OF FUNDS	Total												
EPC Contract	98,189	9,453	27,082	639	13,860	639	13,860	639	639	639	639	643	19,054
Construction Contingency	4,909	473	1,354	32	693	32	693	32	32	32	32	32	953
Land	1,000	0	0	0	0	0	0	0	0	0	0	0	0
Insurance	4,118	0	0	0	0	797	0	0	0	0	0	0	0
Lenders Advisors	467	10	10	10	10	10	10	10	10	10	10	10	10
Project Advisors	2,640	110	55	55	55	55	55	55	55	55	55	55	55
Development	3,036	0	0	0	0	0	0	0	0	0	0	0	0
Mobilisation	1,394	0	0	0	0	0	0	0	279	279	279	279	279
Financing & Agency Fees	1,858	0	0	0	0	0	0	0	0	0	0	0	0
Working Capital	1,704	0	0	0	0	0	0	0	0	0	349	349	1,006
Fuel Oil Reserve	3,249	0	0	0	0	0	0	0	975	1,300	975	0	0
Interest During Construction	4,636	113	163	305	312	386	393	468	475	485	499	514	524
Commitment Fees	1	0	0	0	0	0	0	0	0	0	0	0	1
Total Uses of Funds	127,201	10,159	28,664	1,040	14,930	1,919	15,012	1,203	2,464	2,799	2,838	1,881	21,882

	Fin. Close	1	2	3	4	5	6	7	8	9	10	11	12
SOURCES OF FUNDS	Total												
Equity	38,160	3,048	8,599	312	4,479	576	4,503	361	739	840	851	564	6,565
Senior Debt	89,041	7,111	20,065	728	10,451	1,343	10,508	842	1,725	1,960	1,986	1,317	15,318
Total Equity & Senior Debt	127,201	10,159	28,664	1,040	14,930	1,919	15,012	1,203	2,464	2,799	2,838	1,881	21,882
Cumulative Equity	38,160	9,771	18,370	18,682	23,161	23,737	28,240	28,601	29,340	30,180	31,031	31,596	38,160
Cumulative Senior Debt	89,041	22,798	42,863	43,591	54,042	55,385	65,893	66,736	68,460	70,420	72,406	73,723	89,041
Cumulative Equity & Senior Debt	127,201	32,569	61,233	62,273	77,203	79,122	94,133	95,337	97,801	100,600	103,438	105,319	127,201

**TANZANIA 100MW IPP
SOURCES & USES OF FUNDS - CONSTRUCTION
US Dollars in Thousands**

Fin. Close 1 2 3 4 5 6 7 8 9 10 11 12 13 14

DRAWDOWN SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Total
Monthly Budgeted Expense	22,409	10,159	1,040	14,930	1,919	15,012	1,203	2,464	2,799	2,838	1,881	21,882			0
Cumulative Budgeted Expense	22,409	32,569	62,273	77,203	79,122	94,133	95,337	97,801	100,600	103,438	105,319	127,201			127,201
Estimated Senior Debt Portion Drawdown in Multiples of 500,000	15,687	7,111	728	10,451	1,343	10,508	842	1,725	1,960	1,986	1,317	15,318			0
	16,000	7,000	1,000	10,500	1,000	10,500	1,000	1,500	2,000	2,000	1,500	15,041			89,041
Equity Contribution To Match Drawdown	6,857	3,000	429	4,500	429	4,500	429	643	857	857	643	6,446			38,160
Total Debt and Equity	22,857	10,000	1,429	15,000	1,429	15,000	1,429	2,143	2,857	2,857	2,143	21,487			127,201
% Debt to Cumulative Drawdown	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%	70%			70%
% Equity to Cumulative Drawdown	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%			30%
Cumulative Debt	16,000	23,000	44,000	54,500	55,500	66,000	67,000	68,500	70,500	72,500	74,000	89,041			89,041
Cumulative Equity	6,857	9,857	18,857	23,357	23,786	28,286	28,714	29,357	30,214	31,071	31,714	38,160			38,160
Total	22,857	32,857	62,857	77,857	79,286	94,286	95,714	97,857	100,714	103,571	105,714	127,201			127,201
Excess Drawdown over Actual	448	289	196	654	164	152	378	57	114	134	395	0			0

TANZANIA 100NWI PP
EPC CONTRACT DRAWS
US Dollars in Thousands

Fin. Close 1 2 3 4 5 6 7 8 9 10 11 12 13 14 Total

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	Total
EPC Contract	8,814	26,443	0	13,222	0	13,222	0	0	0	0	0	17,629	0	0	88,144
Civil Works	1,004	639	639	639	639	639	639	639	639	639	643	2,009	0	0	10,045
Others	583											(583)			0
Total	10,402	27,082	639	13,860	639	13,860	639	639	639	639	643	19,054	0	0	98,189
Equipment Payment Schedule (%)	10.00%	30.00%	0.00%	15.00%	0.00%	15.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%	0.00%	100.00%
Civil Works Payment Schedule (%)	10.00%	6.36%	6.36%	6.36%	6.36%	6.36%	6.36%	6.36%	6.36%	6.36%	6.40%	20.00%	0.00%	0.00%	100.00%
Equipment Payment Schedule (Cumulative %)	10.00%	50.00%	50.00%	65.00%	65.00%	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%	100.00%	100.00%	100.00%	100.00%

TANZANIA 100MW IPP
OPERATING ASSUMPTIONS II / Tariff
US Dollars in Thousands

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Escalation Factors										
Capacity	1.0805	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
O&M	1.0805	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
Fuel	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805

	Esc.	See Note
Capacity	0.38%	
O&M	0.38%	
Fuel	0.00%	

Facility Output for Electricity Sales

Facility Capacity (MW)	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64
Output Degradation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Degraded Facility Capacity (MW)	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64

Facility Output for Electricity Sales

Auxiliary Usage & Transformer Loss (MW)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Facility Capacity (MW)	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64
Hours in Year	8,760	8,760	8,760	8,760	8,760	8,760	8,760	8,760	8,760	8,760
Capacity Factor	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Net Electricity Sold (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045

Capacity Tariff (USD/kW/mth)

Adjusted Capital Component	12.33	12.75	13.19	13.72	14.31	17.39	25.77	29.72	29.72	29.72
Adjusted Debt Component (& after Interest Adj.)	17.59	17.46	17.28	16.99	16.48	13.17	4.08	-0.14	0.00	0.00
Adjusted Capacity Purchase Price	29.92	30.21	30.47	30.71	30.80	30.56	29.85	29.59	29.72	29.72

Electricity Tariff in US cents/kWh

Capacity (US cents/kWh) (1)	4.82	4.87	4.91	4.95	4.96	4.93	4.81	4.77	4.79	4.79
Energy Fuel (US cents/kWh)(2)	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41
Energy O&M (US cents/kWh)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Aggregate Tariff (US cents/kWh)	8.03	8.08	8.12	8.16	8.18	8.14	8.02	7.98	8.00	8.00

Note:
(1) After including interest payment/reimbursement
(2) Energy fuel tariff will vary with fuel price (input in operating assumptions page)

**TANZANIA 100MW IPP
OPERATING ASSUMPTIONS II / Tariff
US Dollars in Thousands**

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Escalation Factors										
Capacity	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
O&M	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
Fuel	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805	1.0805

Esc.										
See Note										
0.38%										
0.38%										
0.00%										

Facility Output for Electricity Sales										
Facility Capacity (MW)	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64
Output Degradation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Degraded Facility Capacity (MW)	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64

Auxiliary Usage & Transformer Loss (MW)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Facility Capacity (MW)	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64
Hours in Year	8,760	8,760	8,760	8,760	8,760	8,760	8,760	8,760	8,760	8,760
Capacity Factor	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Net Electricity Sold (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045

Capacity Tariff (USD/kW/mth)										
Adjusted Capital Component	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72
Adjusted Debt Component (& after Interest Adj.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Adjusted Capacity Purchase Price	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72

Electricity Tariff in US cents/kWh										
Capacity (US cents/kWh) (1)	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79	4.79
Energy Fuel (US cents/kWh)(2)	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41	2.41
Energy O&M (US cents/kWh)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Aggregate Tariff (US cents/kWh)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

20 Yr. Avg. 8.04

Note:
 (1) After including interest payment/reimbursement
 (2) Energy fuel tariff will vary with fuel price (input in o)

**TANZANIA 100MW IPP
OPERATING REVENUES**
US Dollars in Thousands

1 2 3 4 5 6 7 8 9 10
2001 2002 2003 2004 2005 2006 2007 2008 2009 2010

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Capacity Revenues										
Adjusted Capacity Capital (US\$/kW/mth)	12.33	12.75	13.19	13.72	14.31	17.39	25.77	29.72	29.72	29.72
PPA Capacity Debt Ref. Tariff (US\$/kW/mth)	24.43	23.91	23.28	22.55	21.71	17.37	5.57	0.00	0.00	0.00
Proportionate Adjustment as per Addendum I	19.00	18.60	18.11	17.54	16.89	13.51	4.33	0.00	0.00	0.00
Dependable Capacity (MW)	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64
Capacity Revenues	36,712	36,726	36,676	36,626	36,559	36,204	35,270	34,825	34,825	34,825
Energy Revenues										
Tariff Rate - Energy Fuel (US cents/kWh)	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410	2,410
Net Electricity Sold (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
Energy Fuel Revenues	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518
Tariff Rate - Energy O&M (US cents/kWh)	0.8003	0.8003	0.8003	0.8003	0.8003	0.8003	0.8003	0.8003	0.8003	0.8003
Net Electricity Sold (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
Energy O&M Revenues	5,817	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840
Capacity Capital Component Indexation										
PPA Capacity Capital Reference Tariff	17.44	17.96	18.59	19.33	20.17	24.50	36.31	41.88	41.88	41.88
(A) Proportionate Adjustment as per Addendum I	13.57	13.97	14.46	15.04	15.69	19.06	28.24	32.58	32.58	32.58
(B) Capacity Capital Inflation Indexation Factor	1.0805	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
Adjusted Capacity Capital Ref. Tariff: (A) x (B)	14.66	15.15	15.68	16.31	17.02	20.67	30.63	35.33	35.33	35.33
After "22.31%" Equity IRR Equalisation Factor Adj.	12.33	12.75	13.19	13.72	14.31	17.39	25.77	29.72	29.72	29.72

**TANZANIA 100MW IPP
OPERATING REVENUES**
US Dollars in Thousands

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Capacity Revenues										
Adjusted Capacity Capital (US\$/kW/mth)	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72
PPA Capacity Debt Ref. Tariff (US\$/kW/mth)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Proportionate Adjustment as per Addendum 1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dependable Capacity (MW)	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64	97.64
Capacity Revenues	34,825	34,825	34,825	34,825	34,825	34,825	34,825	34,825	34,825	34,825
Energy Revenues										
Tariff Rate - Energy Fuel (US cents/kWh)	2.410	2.410	2.410	2.410	2.410	2.410	2.410	2.410	2.410	2.410
Net Electricity Sold (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
Energy Fuel Revenues	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518
Tariff Rate - Energy O&M (US cents/kWh)	0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803	0.803
Net Electricity Sold (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
Energy O&M Revenues	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840
Capacity Capital Component Indexation										
PPA Capacity Capital Reference Tariff	41.88	41.88	41.88	41.88	41.88	41.88	41.88	41.88	41.88	41.88
(A) Proportionate Adjustment as per Addendum 1	32.58	32.58	32.58	32.58	32.58	32.58	32.58	32.58	32.58	32.58
(B) Capacity Capital Inflation Indexation Factor	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
Adjusted Capacity Capital Ref. Tariff: (A) x (B)	35.33	35.33	35.33	35.33	35.33	35.33	35.33	35.33	35.33	35.33
After "22.31%" Equity IRR Equalisation Factor Adj.	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72	29.72
	0.84118									

TANZANIA 100MW IPP
OPERATING EXPENSES
US Dollars in Thousands

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

Labour and Fixed O&M Fees

Salary and Fees Cost	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140
O&M Escalation Factor	1,0805	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846
Salary and Fees Expense	2,312	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321

Operating Insurance

Insurance Cost	562	562	562	562	562	562	562	562	562	562
O&M Escalation Factor	1,0805	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846
Insurance Expense	608	610	610	610	610	610	610	610	610	610

General & Administrative

General & Administrative Expense	941	941	941	941	941	941	941	941	941	941
O&M Escalation Factor	1,0805	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846
General & Administrative Expense	1,017	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021

Financing Fees

Lender Agency Fees	60	60	60	60	60	60	60	60	60	60
O&M Escalation Factor	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000
Financing Fees Expense	60	60	60	60	60	60	60	60	60	60

Sovereign Risk Hedge Fees

O&M Escalation Factor	2,349	2,250	2,151	2,053	1,954	1,855	1,757	1,658	1,559	1,461
O&M Escalation Factor	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000
Sovereign Risk Hedge Expense	2,349	2,250	2,151	2,053	1,954	1,855	1,757	1,658	1,559	1,461

**TANZANIA 100MW IPP
OPERATING EXPENSES**
US Dollars in Thousands

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020

Labour and Fixed O&M Fees

Salary and Fees Cost	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140	2,140
O&M Escalation Factor	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846
Salary and Fees Expense	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321

Operating Insurance

Insurance Cost	562	562	562	562	562	562	562	562	562	562
O&M Escalation Factor	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846
Insurance Expense	610	610	610	610	610	610	610	610	610	610

General & Administrative

General & Administrative Expense	941	941	941	941	941	941	941	941	941	941
O&M Escalation Factor	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846	1,0846
General & Administrative Expense	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021

Financing Fees

Lender Agency Fees	0	0	0	0	0	0	0	0	0	0
O&M Escalation Factor	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000
Financing Fees Expense	0	0	0	0	0	0	0	0	0	0

Sovereign Risk Hedge

Fees	1,362	1,263	1,165	1,066	967	868	770	671	572	474
O&M Escalation Factor	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000	1,0000
Sovereign Risk Hedge Expense	1,362	1,263	1,165	1,066	967	868	770	671	572	474

**TANZANIA 100MW IPP
OPERATING EXPENSES
US Dollars in Thousands**

	1 2001	2 2002	3 2003	4 2004	5 2005	6 2006	7 2007	8 2008	9 2009	10 2010
Heat Rate										
Nett Heat Rate (BTU/kWh HHV)	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913
Fuel Usage & Expense										
Net Electricity Sold (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
Nett Heat Rate (Btu/kWh HHV)	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913
Total Heat Consumption (MMBtu)	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148
Fuel Price (US\$/MMBtu)	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078
Total Heat Consumption (MMBtu)	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148
Fuel Expense	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547
Lube Oil										
Lube Oil Consumption (g/kWh)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lube Oil Density (kg/litre)	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Lube Oil Consumption (litre/kWh)	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
Lube Oil Price (US\$/litre)	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Lube Oil Consumption (litre/kWh)	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
Lube Oil Expense (US\$/kWh)	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013
Lube Oil Expense (US\$/kWh)	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013
Net Facility Output (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
Lube Oil Expense	911	911	911	911	911	911	911	911	911	911
O&M Escalation Factor	1.0805	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
Escalated Lube Oil Expense	984	988	988	988	988	988	988	988	988	988
Variable Operating & Maintenance										
Variable Operating Cost (US\$/kWh)	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058
Net Facility Output (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
O&M Escalation Factor	1.0805	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
Variable O & M Expense	4,556	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574

**TANZANIA 100MW IPP
OPERATING EXPENSES
US Dollars in Thousands**

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020

Heat Rate

Nett Heat Rate (BTU/kWh HHV)	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913
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Fuel Usage & Expense

Net Electricity Sold (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
Nett Heat Rate (Btu/kWh HHV)	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913	8,913
Total Heat Consumption (MMBtu)	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148
Fuel Price (US\$/MMBtu)	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078	2,7078
Total Heat Consumption (MMBtu)	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148	6,480,148
Fuel Expense	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547

Lube Oil

Lube Oil Consumption (g/kWh)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lube Oil Density (kg/litre)	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91	0.91
Lube Oil Consumption (litre/kWh)	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
Lube Oil Price (US\$/litre)	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Lube Oil Consumption (litre/kWh)	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
Lube Oil Expense (US\$/kWh)	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013
Lube Oil Expense (US\$/kWh)	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013	0.0013
Net Facility Output (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
Lube Oil Expense	911	911	911	911	911	911	911	911	911	911
O&M Escalation Factor	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
Escalated Lube Oil Expense	988	988	988	988	988	988	988	988	988	988

Variable Operating & Maintenance

Variable Operating Cost (US\$/kWh)	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058	0.0058
Net Facility Output (MWh)	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045	727,045
O&M Escalation Factor	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846	1.0846
Variable O & M Expense	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574

07/10/2001

PRIVATE AND CONFIDENTIAL

**TANZANIA 100MW IPP
DEBT & DEBT RESERVE**

US Dollars in Thousands	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Senior Debt										
Amortization %	18.00%	20.00%	22.00%	10.00%	10.00%	5.00%	5.00%	10.00%	0.00%	0.00%
Interest Rate (grossed up for tax yr 6+)	8.500%	8.500%	8.500%	8.500%	8.500%	10.000%	10.000%	10.000%	0.00%	0.00%
Beginning Balance	89,041	73,014	55,205	35,616	26,712	17,808	13,356	8,904	0	0
Principal (-)	16,027	17,808	19,589	8,904	8,904	4,452	4,452	8,904	0	0
Ending Balance	73,014	55,205	35,616	26,712	17,808	13,356	8,904	0	0	0
Interest Due	7,228	5,828	4,276	2,838	2,081	1,670	1,224	668	0	0
Total Senior Debt Service	23,255	23,636	23,865	11,742	10,985	6,122	5,676	9,572	0	0
Senior Debt Coverage Ratio	1.22	1.44	1.67	3.03	3.22	4.44	4.63	2.92	n.a	n.a
Debt Service Reserve										
Cash Available for Reserve	5,116	5,287	5,600	17,989	18,946	17,969	17,781	13,605	19,182	19,405
Target Balance	11,818	11,933	5,871	5,493	3,061	2,838	4,786	0	0	0
Beginning Balance	0	5,116	10,403	5,871	5,493	3,061	2,838	4,786	0	0
Additions (Releases)	5,116	5,287	(4,532)	(378)	(2,432)	(223)	1,948	(1,780)	0	0
Ending Balance	5,116	10,403	5,871	5,493	3,061	2,838	4,786	0	0	0
Interest Earnings on Reserve	0	153	312	176	165	92	85	144	0	0
Working Capital										
Beginning Balance	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704
Additions (Releases)										
Ending Balance	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704
Maintenance Reserve										
Cash Available for Reserve	0	0	10,132	18,368	21,378	18,192	15,834	18,391	19,182	19,405
Target Balance	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	0	0
Beginning Balance	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	0
Additions (Releases)	0	0	5,000	0	0	0	0	0	(5,000)	0
Ending Balance	0	0	5,000	5,000	5,000	5,000	5,000	5,000	0	0
Conversion Equipment Reserve										
Cash Available for Reserve	0	0	5,132	18,368	21,378	18,192	15,834	18,391	24,182	19,405
Target Balance	0	0	0	0	0	0	0	0	0	0
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Additions (Releases)	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
Interest Earnings on Reserve	0	0	0	0	0	0	0	0	0	0

**TANZANIA 100MW IPP
DEBT & DEBT RESERVE
US Dollars in Thousands**

	11 2011	12 2012	13 2013	14 2014	15 2015	16 2016	17 2017	18 2018	19 2019	20 2020
Senior Debt										
Amortization %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest Rate (grossed up for tax yr 6+)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Principal (-)	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
Interest Due										
Total Senior Debt Service										
Senior Debt Coverage Ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Debt Service Reserve										
Cash Available for Reserve	19,501	19,597	19,692	19,788	19,884	19,980	20,076	20,172	20,267	20,363
Target Balance	0	0	0	0	0	0	0	0	0	0
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Additions (Releases)	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
Interest Earnings on Reserve	3.00%									
Working Capital										
Beginning Balance	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704
Additions (Releases)										(1,704)
Ending Balance	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	0
Maintenance Reserve										
Cash Available for Reserve	19,501	19,597	19,692	19,788	19,884	19,980	20,076	20,172	20,267	20,363
Target Balance	0	0	0	0	0	0	0	0	0	0
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Additions (Releases)	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
Conversion Equipment Reserve										
Cash Available for Reserve	19,501	19,597	19,692	19,788	19,884	19,980	20,076	20,172	20,267	22,067
Target Balance	0	0	0	0	0	0	0	0	0	0
Beginning Balance	0	0	0	0	0	0	0	0	0	0
Additions (Releases)	0	0	0	0	0	0	0	0	0	0
Ending Balance	0	0	0	0	0	0	0	0	0	0
Interest Earnings on Reserve	3.00%									

TANZANIA 100MW IPP
 Monthly Cash Flow Operating Year 1
 USD '000

	1	2	3	4	5	6	7	8	9	10	11	12
Sources of Funds												
Working Capital	2,942.474	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Balance in Project Bank Account	0.000	0.000	3,069.128	6,063.257	9,132.385	12,201.514	3,116.521	6,185.649	9,254.778	12,248.906	15,318.035	18,387.163
Capacity Payment	0.000	2,921.899	2,921.899	2,921.899	2,921.899	2,921.899	2,921.899	2,921.899	2,921.899	2,921.899	2,921.899	2,921.899
Energy Fuel Payment	0.000	1,459.854	1,459.854	1,459.854	1,459.854	1,459.854	1,459.854	1,459.854	1,459.854	1,459.854	1,459.854	1,459.854
Energy O&M Payment	0.000	484.788	484.788	484.788	484.788	484.788	484.788	484.788	484.788	484.788	484.788	484.788
Total Sources of Funds	2,942.474	4,866.541	7,935.670	10,929.798	13,998.927	17,068.055	7,983.062	11,052.190	14,121.319	17,115.447	20,184.576	23,253.704
Uses of Funds												
Fuel	0.000	1,462.229	1,462.229	1,462.229	1,462.229	1,462.229	1,462.229	1,462.229	1,462.229	1,462.229	1,462.229	1,462.229
Lube Oil	0.000	82.010	82.010	82.010	82.010	82.010	82.010	82.010	82.010	82.010	82.010	82.010
Salary	167.689	168.427	168.427	168.427	168.427	168.427	168.427	168.427	168.427	168.427	168.427	168.427
Fixed O&M Management Fee	0.000	0.000	75.000	0.000	0.000	75.000	0.000	0.000	75.000	0.000	0.000	75.000
General & Admin	84.747	84.747	84.747	84.747	84.747	84.747	84.747	84.747	84.747	84.747	84.747	84.747
Operating Insurance	281.190	0.000	0.000	0.000	0.000	281.190	0.000	0.000	0.000	0.000	0.000	0.000
Lender Agency Fee	60.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Political Risk Insurance	2,348.848	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Before Loan Repayment	2,942.474	1,797.413	1,872.413	1,797.413	1,797.413	2,153.602	1,797.413	1,797.413	1,872.413	1,797.413	1,797.413	1,872.413
Interest on Loan	0.000	0.000	0.000	0.000	0.000	3,784.242	0.000	0.000	0.000	0.000	0.000	3,443.661
Principal Repayment	0.000	0.000	0.000	0.000	0.000	8,013.690	0.000	0.000	0.000	0.000	0.000	8,013.690
Total Uses of Funds	2,942.474	1,797.413	1,872.413	1,797.413	1,797.413	13,951.535	1,797.413	1,797.413	1,872.413	1,797.413	1,797.413	13,329.763
Sources of funds less Uses of funds	0.000	3,069.128	6,063.257	9,132.385	12,201.514	3,116.521	6,185.649	9,254.778	12,248.906	15,318.035	18,387.163	9,923.941
Cash Balance Carried Fwd to PBA	0.000	3,069.128	6,063.257	9,132.385	12,201.514	3,116.521	6,185.649	9,254.778	12,248.906	15,318.035	18,387.163	9,923.941
DSCR	1.447											
LLCR	1.743											
												2.030

TANZANIA 100MW IPP
 INTEREST RATE ADJUSTMENTS
 US Dollars in Thousands

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Interest charges under PPA assumptions	8,878	7,158	5,252	3,486	2,556	2,065	1,515	826	0	0
Interest payment under financing document	7,228	5,828	4,276	2,838	2,081	1,670	1,224	668	0	0
Reimbursement From(+)/ Payment To TAN(-)	(1,650)	(1,330)	(976)	(648)	(475)	(396)	(290)	(158)	0	0

PPA Assumptions:
 Reference Rate 10.94%
 Withholding Tax 15.00%
 Grossed Up Interest Rate 12.87%

**TANZANIA 100MW IPP
DEPRECIATION FOR INSURANCE
US Dollars in Thousands**

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

Remaining Value of Plant Str. Line : 5% 100.00% 95.00% 90.00% 85.00% 80.00% 75.00% 70.00% 65.00% 60.00% 55.00%

CEND

Insured Value as % of Project Cost 100.00%
Project Cost 127,201

CEND Insurance Rate 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368%

Insured Value (USD '000)
CEND Premium

127,201 120,841 114,481 108,121 101,761 95,401 89,041 82,681 76,321 69,961
1,740 1,653 1,566 1,479 1,392 1,305 1,218 1,131 1,044 957

War

Insured Value as % of Project Cost 70.00%
Project Cost 127,201

War Insurance Rate 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625%

Insured Value (USD '000)
War Premium

89,041 84,589 80,137 75,685 71,233 66,781 62,329 57,877 53,425 48,973
234 222 210 199 187 175 164 152 140 129

CI

Insured Value (USD '000)
CI Rate

30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000
1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250%

CI Premium

375 375 375 375 375 375 375 375 375 375

**TANZANIA 100MW IPP
DEPRECIATION FOR INSURANCE
US Dollars in Thousands**

	11 2011	12 2012	13 2013	14 2014	15 2015	16 2016	17 2017	18 2018	19 2019	20 2020
Remaining Value of Plant	50.00%	45.00%	40.00%	35.00%	30.00%	25.00%	20.00%	15.00%	10.00%	5.00%
Str. Line :	5%									

CEND

Insured Value as % of Project Cost 100.00%
Project Cost 127,201

CEND Insurance Rate

1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368% 1.368%

Insured Value (USD '000)
CEND Premium

63,601 57,241 50,881 44,520 38,160 31,800 25,440 19,080 12,720 6,360
870 783 696 609 522 435 348 261 174 87

War

Insured Value as % of Project Cost 70.00%
Project Cost 127,201

War Insurance Rate

0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625% 0.2625%

Insured Value (USD '000)
War Premium

44,520 40,068 35,616 31,164 26,712 22,260 17,808 13,356 8,904 4,452
117 105 93 82 70 58 47 35 23 12

CI

Insured Value (USD '000)
CI Rate

30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000 30,000
1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250% 1.250%

CI Premium

375 375 375 375 375 375 375 375 375 375 375

TANZANIA 100MW IPP
AFTER-TAX CASH FLOW
 US Dollars in Thousands

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
OPERATING REVENUES										
Capacity Capital Charge	14,447	14,935	15,458	16,074	16,772	20,373	30,193	34,825	34,825	34,825
Capacity Debt Charge	22,266	21,792	21,217	20,552	19,787	15,831	5,077	0	0	0
Capacity Debt Adjustment	(1,650)	(1,330)	(976)	(648)	(475)	(396)	(290)	(158)	0	0
Energy Fuel Charge	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518
Energy O&M Charge	5,817	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840
Total Operating Revenues	58,398	58,754	59,058	59,336	59,442	59,166	58,338	58,025	58,183	58,183
OPERATING EXPENSES										
Fuel	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547
Lube Oil	984	988	988	988	988	988	988	988	988	988
Variable O&M	4,556	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
Salary & Fixed O&M Fees	2,312	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321
General & Administrative	1,017	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021
Operating Insurance	608	610	610	610	610	610	610	610	610	610
Financing Fees	60	60	60	60	60	60	60	60	60	60
Risk Hedging: 1	1,740	1,653	1,566	1,479	1,392	1,305	1,218	1,131	1,044	957
Risk Hedging: 2	234	222	210	199	187	175	164	152	140	129
Risk Hedging: 3	375	375	375	375	375	375	375	375	375	375
Contingency (% of fixed & variable)	594	591	586	581	576	571	567	562	554	549
Total Operating Expenses	30,027	29,962	29,858	29,754	29,651	29,547	29,444	29,340	29,173	29,070
OPERATING MARGIN	28,371	28,792	29,200	29,582	29,791	29,619	28,894	28,685	29,010	29,113
Interest Earnings on Reserves (+)	0	153	312	176	165	92	85	144	209	392
Tax Payments (5 Yr. Tax Holiday) (-)	0	23	47	26	25	5,620	5,521	5,652	10,037	10,101
CASH AVAILABLE FOR SENIOR DEBT	28,371	28,923	29,465	29,731	29,931	24,090	23,458	23,177	19,182	19,405
Senior Debt Interest Expense (-)	7,228	5,828	4,276	2,838	2,081	1,670	1,224	668	0	0
Senior Debt Principal Repayment (-)	16,027	17,808	19,589	8,904	8,904	4,452	4,452	8,904	0	0
CASH AVAILABLE FOR RESERVES	5,116	5,287	5,600	17,989	18,946	17,969	17,781	13,605	19,182	19,405
Addition (Release) : Debt Service Reserve (-)	5,116	5,287	(4,532)	(378)	(2,432)	(223)	1,948	(4,786)	0	0
Addition (Release) : Maintenance Reserve (-)	0	0	5,000	0	0	0	0	0	(5,000)	0
Addition (Release) : Gas Equipment Reserve (-)	0	0	0	0	0	0	0	0	0	0
AFTER-TAX CASH FLOW FOR DIVIDENDS	0	0	5,132	18,368	21,378	18,192	15,834	18,391	24,182	19,405
Avg										
DSCR	1.22	1.44	1.67	3.03	3.22	4.44	4.63	2.92		
LLCR	1.74	1.92	2.23	2.92	3.11	3.30	3.03	2.37		
Min										
DSCR	1.22	1.44	1.67	3.03	3.22	4.44	4.63	2.92		
LLCR	1.74	1.92	2.23	2.92	3.11	3.30	3.03	2.37		

**TANZANIA 100MW IPP
AFTER-TAX CASH FLOW
US Dollars in Thousands**

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OPERATING REVENUES										
Capacity Capital Charge	34,825	34,825	34,825	34,825	34,825	34,825	34,825	34,825	34,825	34,825
Capacity Debt Charge	0	0	0	0	0	0	0	0	0	0
Capacity Debt Adjustment	0	0	0	0	0	0	0	0	0	0
Energy Fuel Charge	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518	17,518
Energy O&M Charge	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840
Total Operating Revenues	58,183	58,183	58,183	58,183	58,183	58,183	58,183	58,183	58,183	58,183
OPERATING EXPENSES										
Fuel	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547	17,547
Lube Oil	988	988	988	988	988	988	988	988	988	988
Variable O&M	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574	4,574
Salary & Fixed O&M Fees	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321
General & Administrative	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021	1,021
Operating Insurance	610	610	610	610	610	610	610	610	610	610
Financing Fees	0	0	0	0	0	0	0	0	0	0
Risk Hedging: 1	870	783	696	609	522	435	348	261	174	87
Risk Hedging: 2	117	105	93	82	70	58	47	35	23	12
Risk Hedging: 3	375	375	375	375	375	375	375	375	375	375
Contingency (% of fixed & variable)	544	539	534	529	524	519	514	509	504	499
Total Operating Expenses	28,966	28,862	28,759	28,655	28,552	28,448	28,344	28,241	28,137	28,033
OPERATING MARGIN	29,217	29,321	29,424	29,528	29,632	29,735	29,839	29,942	30,046	30,150
Interest Earnings on Reserves (+)	426	459	493	526	560	593	627	660	694	727
Tax Payments (5 Yr. Tax Holiday) (-)	10,142	10,183	10,225	10,266	10,307	10,349	10,390	10,431	10,473	10,514
CASH AVAILABLE FOR SENIOR DEBT	19,501	19,597	19,692	19,788	19,884	19,980	20,076	20,172	20,267	20,363
Senior Debt Interest Expense (-)	0	0	0	0	0	0	0	0	0	0
Senior Debt Principal Repayment (-)	0	0	0	0	0	0	0	0	0	0
CASH AVAILABLE FOR RESERVES	19,501	19,597	19,692	19,788	19,884	19,980	20,076	20,172	20,267	20,363
Addition (Release) : Debt Service Reserve (-)	0	0	0	0	0	0	0	0	0	0
Addition (Release) : Maintenance Reserve (-)	0	0	0	0	0	0	0	0	0	0
Addition (Release) : Gas Equipment Reserve (-)	0	0	0	0	0	0	0	0	0	0
AFTER-TAX CASH FLOW FOR DIVIDENDS	19,501	19,597	19,692	19,788	19,884	19,980	20,076	20,172	20,267	20,363
Avg	2.06									
Min	1.22									
LLCR	1.74									

Min
1.22
1.74

Avg
2.06

DSCR
LLCR

07/10/2001

PRIVATE AND CONFIDENTIAL

**TANZANIA 100MW IPP
INCOME & TAXATION
US Dollars in Thousands**

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

Taxable Operating Income

Operating Margin	28,371	28,792	29,200	29,582	29,791	29,619	28,894	28,685	29,010	29,113
Add: Financing Fee	60	60	60	60	60	60	60	60	0	0
Less: Interest Expense	7,228	5,828	4,276	2,838	2,081	1,670	1,224	668	0	0
Income Before Capital Allowances	21,203	23,025	24,984	26,804	27,770	28,009	27,730	28,077	29,010	29,113
Less: Pre-Trading Expenditure	8,754									
Less: Utilized Capital Allowances	11,991	11,991	11,991	11,991	11,991	11,991	11,991	11,991	422	422
Taxable income	458	11,034	12,993	14,813	15,779	16,019	15,739	16,086	28,588	28,692

Tax Rate
35.0%

Tax Payable on Operating Income

	0	0	0	0	0	5,607	5,509	5,630	10,006	10,042
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Taxable Interest Income

Debt Service Reserve	0	153	312	176	165	92	85	144	0	0
Cash Balance	0	0	0	0	0	0	0	0	209	392
Total Interest Income	0	153	312	176	165	92	85	144	209	392

Tax Payable on Interest Income

	0	23	47	26	25	14	13	22	31	59
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Taxes Payable

Tax Payable on Operating Income	0	0	0	0	0	5,607	5,509	5,630	10,006	10,042
Tax Payable on Interest Income	0	23	47	26	25	14	13	22	31	59
Total Tax Liability	0	23	47	26	25	5,620	5,521	5,652	10,037	10,101

**TANZANIA 100MW IPP
INCOME & TAXATION**
US Dollars in Thousands

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020

Taxable Operating Income

Operating Margin	29,217	29,321	29,424	29,528	29,632	29,735	29,839	29,942	30,046	30,150
Add: Financing Fee	0	0	0	0	0	0	0	0	0	0
Less: Interest Expense	0	0	0	0	0	0	0	0	0	0
Income Before Capital Allowances	29,217	29,321	29,424	29,528	29,632	29,735	29,839	29,942	30,046	30,150
Less: Pre-Trading Expenditure										
Less: Utilized Capital Allowances	422	422	422	422	422	422	422	422	422	422
Taxable income	28,795	28,899	29,002	29,106	29,210	29,313	29,417	29,521	29,624	29,728

Tax Rate

35.0%

Tax Payable on Operating Income

	10,078	10,115	10,151	10,187	10,223	10,260	10,296	10,332	10,368	10,405
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Taxable Interest Income

Debt Service Reserve	0	0	0	0	0	0	0	0	0	0
Cash Balance	426	459	493	526	560	593	627	660	694	727
Total Interest Income	426	459	493	526	560	593	627	660	694	727

Tax Payable on Interest Income

	64	69	74	79	84	89	94	99	104	109
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Taxes Payable

Tax Payable on Operating Income	10,078	10,115	10,151	10,187	10,223	10,260	10,296	10,332	10,368	10,405
Tax Payable on Interest Income	64	69	74	79	84	89	94	99	104	109
Total Tax Liability	10,142	10,183	10,225	10,266	10,307	10,349	10,390	10,431	10,473	10,514

07/10/2001

PRIVATE AND CONFIDENTIAL

**TANZANIA 100MW IPP
CAPITAL ALLOWANCES & DEPRECIATION
US Dollars in Thousands**

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

Capital Allowance Schedule		Total								
Utility Generating Equipment	12.50%	11,569	11,569	11,569	11,569	11,569	11,569	11,569	11,569	11,569
Building	4.00%	422	422	422	422	422	422	422	422	422
		11,991	11,991	11,991	11,991	11,991	11,991	11,991	11,991	11,991

New Capital Allowances										
Utility Generating Equipment	12.50%	11,569	11,569	11,569	11,569	11,569	11,569	11,569	11,569	11,569
Building	4.00%	422	422	422	422	422	422	422	422	422
Total New Capital Allowances		11,991	11,991	11,991	11,991	11,991	11,991	11,991	11,991	11,991

Book Depreciation & Amortization Rates										
Utility Equipment	8.0	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%	12.50%
Building	25.0	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Amortisables	20.0	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

New Book Depreciation										
Utility Equipment	92,551	11,569	11,569	11,569	11,569	11,569	11,569	11,569	11,569	11,569
Building	10,547	422	422	422	422	422	422	422	422	422
Total Depreciable	103,098	11,991	11,991	11,991	11,991	11,991	11,991	11,991	11,991	11,991

Remaining Depreciable Basis	91,107	79,116	67,126	55,135	43,144	31,154	19,163	7,172	6,750	6,328
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New Book Amortization										
Amortization	13,893	695	695	695	695	695	695	695	695	695
Remaining Amortizables	13,199	12,504	11,809	11,115	10,420	9,725	9,031	8,336	7,641	6,947

TANZANIA 100MW IPP
CAPITAL ALLOWANCES & DEPRECIATION
 US Dollars in Thousands

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020

Capital Allowance Schedule											
	<u>Total</u>										
Utility Generating Equipment	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Building	80.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

New Capital Allowances											
Utility Generating Equipment	92,551	0	0	0	0	0	0	0	0	0	0
Building	10,547	422	422	422	422	422	422	422	422	422	422
Total New Capital Allowances		422	422	422	422	422	422	422	422	422	422

Book Depreciation & Amortization Rates											
Utility Equipment	8.0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Building	25.0	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Amortisables	20.0	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

New Book Depreciation											
Utility Equipment	92,551	0	0	0	0	0	0	0	0	0	0
Building	10,547	422	422	422	422	422	422	422	422	422	422
Total Depreciable	103,098	422	422	422	422	422	422	422	422	422	422

Remaining Depreciable Basis	5,906	5,485	5,063	4,641	4,219	3,797	3,375	2,953	2,531	2,109
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New Book Amortization											
Amortization	13,893	695	695	695	695	695	695	695	695	695	695
Remaining Amortizables		6,252	5,557	4,863	4,168	3,473	2,779	2,084	1,389	695	0

TANZANIA 100MW IPP

BOOK INCOME (PROFIT & LOSS A/C)

US Dollars in Thousands

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

Book Income

Taxable Operating Income Bfr Capital Allows	21,203	23,025	24,984	26,804	27,770	28,009	27,730	28,077	29,010	29,113
Plus: Interest Income	0	153	312	176	165	92	85	144	209	392
Less: Depreciation	11,991	11,991	11,991	11,991	11,991	11,991	11,991	11,991	422	422
Less: Amortization	695	695	695	695	695	695	695	695	695	695
Book Income Before Tax	8,518	10,493	12,610	14,294	15,249	15,416	15,130	15,535	28,102	28,389
Less: Tax Payable	0	23	47	26	25	5,620	5,521	5,652	10,037	10,101
Less: Deferred Tax	0	0	0	0	0	0	0	0	0	0
Net After-Tax Profit/Book Income	8,518	10,470	12,564	14,268	15,224	9,796	9,608	9,884	18,065	18,288

TANZANIA 100MW IPP

BOOK INCOME (PROFIT & LOSS A/C)

US Dollars in Thousands

11 12 13 14 15 16 17 18 19 20
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

Book Income

Taxable Operating Income Bfr Capital Allows	29,217	29,321	29,424	29,528	29,632	29,735	29,839	29,942	30,046	30,150
Plus: Interest Income	426	459	493	526	560	593	627	660	694	727
Less: Depreciation	422	422	422	422	422	422	422	422	422	422
Less: Amortization	695	695	695	695	695	695	695	695	695	695
Book Income Before Tax	28,526	28,664	28,801	28,938	29,075	29,212	29,349	29,486	29,623	29,761
Less: Tax Payable	10,142	10,183	10,225	10,266	10,307	10,349	10,390	10,431	10,473	10,514
Less: Deferred Tax	0	0	0	0	0	0	0	0	0	0
Net After-Tax Profit/Book Income	18,384	18,480	18,576	18,672	18,768	18,863	18,959	19,055	19,151	19,247

**TANZANIA 100MW IPP
DIVIDENDS & ACCOUNTS
US Dollars in Thousands**

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

Dividend Constraints

After-Tax Book Income	8,518	10,470	12,564	14,268	15,224	9,796	9,608	9,884	18,065	18,288
After-Tax Cash Available to Pay Dividends	0	0	5,132	18,368	21,378	18,192	15,834	18,391	24,182	19,405
Available Dividends	0	0	5,132	14,268	15,224	9,796	9,608	9,884	18,065	18,288

Accumulated Income Account

Beginning Balance	0	8,518	18,988	26,420	22,320	16,167	7,771	1,545	0	0
Net Income (Book) (+)	8,518	10,470	12,564	14,268	15,224	9,796	9,608	9,884	18,065	18,288
Dividends Paid (-)	0	0	5,132	18,368	21,378	18,192	15,834	11,429	18,065	18,288
Ending Balance	8,518	18,988	26,420	22,320	16,167	7,771	1,545	0	0	0

Accumulated Cash Account For Divids

Beginning Balance	0	0	0	0	0	0	0	0	6,962	13,079
After-Tax Cash (+)	0	0	5,132	18,368	21,378	18,192	15,834	18,391	24,182	19,405
Dividends Paid (-)	0	0	5,132	18,368	21,378	18,192	15,834	11,429	18,065	18,288
Ending Balance	0	0	0	0	0	0	0	6,962	13,079	14,195

Earn. Rate
3.00%

Interest Earnings on Cash Balance

	0	0	0	0	0	0	0	0	209	392
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Cumulative Income

	8,518	18,988	31,551	40,687	37,544	25,962	17,379	11,429	18,065	18,288
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Cumulative Cash

	0	0	5,132	18,368	21,378	18,192	15,834	18,391	31,144	32,484
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Dividends Attributable to Shareholders

	0	0	5,132	18,368	21,378	18,192	15,834	11,429	18,065	18,288
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07/10/2001

PRIVATE AND CONFIDENTIAL

**TANZANIA 100MW IPP
DIVIDENDS & ACCOUNTS**
US Dollars in Thousands

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020

Dividend Constraints

After-Tax Book Income	18,384	18,480	18,576	18,672	18,768	18,863	18,959	19,055	19,151	19,247
After-Tax Cash Available to Pay Dividends Available Dividends	19,501 18,384	19,597 18,480	19,692 18,576	19,788 18,672	19,884 18,768	19,980 18,863	20,076 18,959	20,172 19,055	20,267 19,151	20,363 19,247

Accumulated Income Account

Beginning Balance	0	0	0	0	0	0	0	0	0	0
Net Income (Book) (+)	18,384	18,480	18,576	18,672	18,768	18,863	18,959	19,055	19,151	19,247
Dividends Paid (-)	18,384	18,480	18,576	18,672	18,768	18,863	18,959	19,055	19,151	19,247
Ending Balance	0	0	0	0	0	0	0	0	0	0

Accumulated Cash Account For Divids

Beginning Balance	14,195	15,312	16,428	17,545	18,662	19,778	20,895	22,011	23,128	24,244
After-Tax Cash (+)	19,501	19,597	19,692	19,788	19,884	19,980	20,076	20,172	20,267	20,363
Dividends Paid (-)	18,384	18,480	18,576	18,672	18,768	18,863	18,959	19,055	19,151	19,247
Ending Balance	15,312	16,428	17,545	18,662	19,778	20,895	22,011	23,128	24,244	25,361

Earn. Rate

3.00%

Interest Earnings on Cash Balance	426	459	493	526	560	593	627	660	694	727
Cumulative Income	18,384	18,480	18,576	18,672	18,768	18,863	18,959	19,055	19,151	19,247
Cumulative Cash	33,696	34,909	36,121	37,333	38,546	39,758	40,970	42,183	43,395	44,608

Dividends Attributable to Shareholders

Dividends Attributable to Shareholders	18,384	18,480	18,576	18,672	18,768	18,863	18,959	19,055	19,151	19,247
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**TANZANIA 100MW IPP
SHAREHOLDER CASH FLOWS & RETURN
US Dollars in Thousands**

SUMMARY OF TARIFF & RETURNS

20 Year Average Tariff : 8.04 US cents/kWh

20 Year After-Tax IRR : 22.31%

DEBT STATISTICS

Senior DSCR :
Senior LLCR :

Avg
2.06

Min
1.22
1.74

	1	2	3	4	5	6	7	8	9	10
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

Summary of Shareholder Cash Flows

Distributions & Additional Tax:

Dividends Paid *

less: Withholding Tax (5 Yr Hol.) 10.00%

Total After- With. Tax Distributions

Inv. Amt at Fin. Close **

Divds. for IRR Calc.

Cumulative->

	0	0	5,132	18,368	21,378	18,192	15,834	11,429	18,065	18,288
	0	0	0	0	0	(1,819)	(1,583)	(1,143)	(1,807)	(1,829)
	0	0	5,132	18,368	21,378	16,372	14,250	10,286	16,259	16,460
	0	0	5,132	18,368	21,378	16,372	14,250	10,286	16,259	16,460
			-50.86%	-14.85%	0.85%	7.57%	11.45%	13.47%	15.77%	17.43%

* Assumes that local portion of equity is funded offshore and therefore subject to withholding tax

** Prior to adjustment for variations in total capital cost

**TANZANIA 100MW IPP
SHAREHOLDER CASH FLOWS & RETURN
US Dollars in Thousands**

	11	12	13	14	15	16	17	18	19	20
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Summary of Shareholder Cash Flows										
Distributions & Additional Tax:										
Dividends Paid *	18,384	18,480	18,576	18,672	18,768	18,863	18,959	19,055	19,151	19,247
less: Withholding Tax (5 Yr Hol.)	(1,838)	(1,848)	(1,858)	(1,867)	(1,877)	(1,886)	(1,896)	(1,906)	(1,915)	(1,925)
Total After- With. Tax Distributions	16,546	16,632	16,718	16,805	16,891	16,977	17,063	17,150	17,236	17,322
Inv. Amt at Fin. Close **										25,361
Divds. for IRR Calc.	(43,258)	16,632	16,718	16,805	16,891	16,977	17,063	17,150	17,236	42,683
Cumulative->	18.63%	19.52%	20.20%	20.72%	21.11%	21.43%	21.67%	21.86%	22.02%	22.31%

* Assumes that local portion of equity is funded offshore and therefore subject to withholding tax

** Prior to adjustment for variations in total capital cost

Tegeta 100MW IPP
Sample Calculations for Adjustments in the Reference Tariff
(Adjustments are made at COD and every 6 months thereafter)

Assumptions of Values at Reference Date (COD) 1st September 2001
 US Consumer Price Index: 117.50
 USD/Tanzanian Shillings ("TS") Exchange Rate: 886.00

Assumed Values

Month End	US CPI	USD/TS
Jul 2001	117.20	875.00
Aug 2001	117.50	880.00
Sept 2001	117.80	890.00
Oct 2001	118.10	885.00
Nov 2001	118.40	890.00
Dec 2001	118.70	900.00
Average	117.95	886.67

Calculation of Inflation and Exchange Rate Factors

IE at COD =	117.95	X	886.67
	117.50		880.00
=	1.0038	X	1.0076

Adjustments to The Components of The Reference Tariff

Variable O&M Component

O&M Component at COD =	0.8002	X	1.0038
	0.80	US cents/kWh	
=	0.0080322	USD/kWh	
O&M Payment =	0.008032	X	886.67
	7.12	TS/kWh	

Capital Component

Capital Component After Adjustment for 22.31 % IR	12.33	USD/kWh/Mth
Capital Payment =	10,932.36	TS/kWh/Mth
	12.33	X
	886.67	

Debt Component : Exchange Rate

Debt Component at COD =	19.00
Debt Payment =	16,849.06
	19.00
	X
	886.67
	TS/kWh/Mth