

GEM Holdings Ltd.

Level 3, Portomaso Business Tower,
Portomaso,
St. Julians STJ 4013
Tel: 356 21375123
VAT Reg: MT 2145 0133

INVOICE

Electrogas Malta Limited	Number : 00042
Level 3	Date : 30 JUN 2015
Portomaso Business Tower	Time : 12:21
Portomaso	Reference: SUCC FEE
	Account : E001
VAT Reg: MT2135 2925	Page : 1

Description	Qty	Price	VAT	Total	VAT Value
SUCCESS FEE AS AGREED	1	4,166,666.67	E	4,166,666.67	750,000.00

Sub-total:	4,166,666.67
Total VAT:	750,000.00
Total due:	EUR 4,916,666.67

----- VAT SUMMARY ----- Sales ----- VAT --
F GOODS & SERVICES 4,166,666.67 750,000.00

Gasol lng Import Ltd

40 New Bond Street
London
W1S 2RK
T: +44 (0)20 7290 9300

To: **Electropas Malta Ltd.**
Level 3 Portomaso Business Tower
Portomaso
St Julian's
STJ 4011
Malta

Date: 11/12/2014
Invoice No. Ging 001

Euros

Pursuant to Project Services Agreement between Gem Holdings Ltd, Gasol Plc ,
Socar Trading Sn and Siemens Project Ventures GmbH dated 28th August 2013
and with reference to point 5.1 in accordance to Article 7.2 of the PDA please make
payment for the Development Fee of

2,000,000.00

Payable to:
Gasol Plc - parent company of Gasol lng Import Ltd
Direct transfer
Barclays Bank Plc
A/C No: 83301399
Sort Code: 206562
IBAN: GB67 BARC 2065 6263 3013 09
SWIFT CODE: BARCGB22

Level 3, Portomaso Business Tower,
Portomaso,
St. Julians STJ 4013
Tel: 356 21375123
VAT Reg: MT 2145 0133

INVOICE

Electrogas Malta Limited
Level 3
Portomaso Business Tower
Portomaso

VAT Reg: MT2135 2925

Number : 00025
Date : 15 DEC 2014
Time : 16:22
Reference: DEV FEE
Account : E001

Page : 1

Description	Quantity	Price	VAT	Total	VAT value
Development Fee	1	2,000,000.00	F	2,000,000.00	360,000.00
		Sub-total:	.	2,000,000.00	
		Total VAT:		360,000.00	
		Total due:	EUR	2,360,000.00	

VAT SUMMARY Sales VAT
F GOODS & SERVICES 2,000,000.00 360,000.00

BANK DETAILS : BANK OF VALLETTA - IBAN MT39VALL22013000000040021856028

528 11400000000

Siemens Project Ventures GmbH
 91052 Erlangen, Germany

Rechnung/Invoice/Factura/Facture

5089000600007

2015-07-20

zur Befreiung von Umsatzsteuer
 Exemption from VAT

2015-07-20

Electrogas Malta Limited
Level 3, Portomaso Business Tower
Portomaso
STJ 4013 St. Julian's
Malta

Importation/Importazione/Importation

Exportation/Exportazione/Exportation

Customer No./Número de cliente/Client No. **A0000487**

Siemens Project Ventures GmbH
 Identification No. of Siemens Project Ventures GmbH
 Número de identificación para el impuesto sobre la renta de Siemens Project Ventures GmbH
 Identification No. of Siemens Project Ventures GmbH
DE 181216209

Bestellnummer/Order No. No. pedido/No. de commande du Client	Bestell Datum/Order Date/Fecha de pedido/Date de la commande	Rechnungsaufsteller Nr./No. of issuer of invoice/No. de facturador/identification à l'émission
Anforderung/Order/Request/Service	UVA/IVA/Identification No. supplier/No. No. de proveedor/No. fournisseur	Antraggeber/No. of Supplier's Reference/Ref. de proveedor/Ref. du fournisseur
SFS/Gerhard Brenner/Tel. +49 9131 7-38189	AI 100002	ARE 5089

Vat No customer MT21352925

VAT exempt credit and banking services (§4 No. 8 German VAT act)

Pos./Item	Bezeichnung der Leistung/Description of Goods/Service/Description del suministro/Service/Designation de la fourniture/Services	Heckzahl/Origin/Origin	Menge/Quantity/Amount/Quantity/Unit/Quantité/Unité	Einzelpreis/Unit Price/Price unitaire/Preisbrutto	Währung/Currency/Moneda/Moneda	Gesamtpreis/Total price/Precio total/Preis total
01	Development Fee In accordance with Joint Development Agreement dated August 30, 2013 and Facility Agreement dated July 20, 2015 referring to financial close of the Enemalta Project	1	1		EUR	4,166,666.67

Stille/Street/Carretera, Nr./No., Ort/Location/Localización/Locuttó	☒	Fax	Bankverbindung/Banking Codes/Información De las Asociaciones bancarias/Relation Bancaire
Werner-von-Siemens-Strasse 90 91052 Erlangen Germany	+49 9131 7-38189	-20110	Deutsche Bank AG, München, Acc. No. 25120000000000000000 IBAN DE55 7007 0010 0203 7000 00, BIC: DEUTDE33HAN Reference: ARE 5089

Siemens Project Ventures GmbH
 Management: Steffen Grossa, Klaus Kolof, Hans-Joachim Schulz

Registered office (Sitz der Gesellschaft) Erlangen, Commercial register (Registergericht) Furtth, HRB 5812



INVOICE TO

ELECTROGAS MALTA LIMITED
Level 3
Portomaso Tower
St Julians
Malta
ElectroGas VAT number : MT21352925

SOCAR Trading SA

Rue de Villereuse 22
1207 Geneva
Switzerland

Phone +41 (0) 22 562 00 00

Fax +41 (0) 22 562 00 99

info@socartrading.com

www.socartrading.com

CHE-113.990.112 TVA

Date	Invoice #
31.07.2015	20150804

DESCRIPTION	AMOUNT
Developpement Fee Malta Project	EUR 4'166'666.67
Payment due in EUR (€uro) July 31st 2015	EUR 4'166'666.67

Bank instructions:

Bank of New York
Swift: IRVTUS3NXXX
Further credit : Credit Suisse - Zurich
Swift: CRESCHZZ80A
Iban: CH42 0483 5155 7809 2200 2

From: Yorgen Fenech <YFenech@tumas.com>
Sent: 31 July 2015 11:18
To: Catherine Halpin; Gerhard Brenner; Yorgen Fenech; tmusayev; Ray Sladden
Subject: RE: invoices for success fee

All,

Please call it "development fee" NOT 'success fee'.

Catherine it is important to refer to it that way even in electrogas records.

Thanks

Yorgen

From: Catherine Halpin [mailto:catherine.halpin@electrogas.com.mt]
Sent: 31 July 2015 11:17
To: Gerhard Brenner; Yorgen Fenech (Tumas); tmusayev; Ray Sladden
Subject: invoices for success fee

Dear All,

Please note that for our accounting records, each sponsor must invoice for their portion of the success fee. Please ensure the invoice is in euro. The payment will not be deferred – I need the invoice for records.

Kind regards,
Catherine.

SEPA Holdings Ltd	4,166,666.67
Socart Trading SA	4,166,666.67
Sicorsens PV	4,166,666.67

From: Vieri, Bela -bela.vieri@siemens.com
Sent: 12 April 2016 10:49
To: board
Cc: Catherine Halpin; Doreen Saliba; Franz Doerfler; Rustam Shomurodov; mholmes@socartrading.com
Subject: RE: Malta Energy Project financial model

Dear all,
I am planning to send out this email to Oxera and GoM today. Please review this especially point 1 with the development fee.

Can you please provide your inputs before 3 pm CET as I will be on the road afterwards.

Thanks

Béla

Dear Jostein,

please find attached answers to Oxera's questions.

1 Capital expenditure

A break down of the €62.58m:

Lenders' Advisers	0,82
Owners' engineer	10,97
Corporate costs	2,71
Owners' legal advisors	11,17
Other Engineering	1,25
Financial etc	0,28
Other GoM / Enemalta fees	6,24
Insurance DC	6,27
Insurance	
Advisory	0,19
Pre-construction / development costs	20,20
Site lease and utility services	2,49
General Owners' costs	62,58

In the €20.20m we have €16.86m development fee for the sponsors. What should we say about this to Oxera as this might be "overcompensation"?

The €0.619m Development Allowance in the Option Agreement is part of the negotiated incentive for the developers what they will lose in case of Company Default.

Development costs were born by EGM and by consortium members – and they are capitalized as they are costs of the project.

2 EPC1 and EPC2

We will show you variation orders and explain the technical rational and financial impact each of them.

3 FSU

The bidding phase was a very short period, with our advisors we only achieved to collect limited information on scope, technical parameters etc. Based on that information we only received high level proposal from firms and we prepared the bid based on that information. We included high contingencies to reflect the risk. After bid submission we talked to different companies about different vessels. The final and accepted offer came from Bumi Armada and the price is higher than the one in the original bid model.

The project has 3 financing phases: We had a pre-bridge period, we are right now in the bridge period and we will have a term loan period. For each period we have to pay fees, interest. It also includes a call for initial funding of the Debt Service Reserve Account and the cost of the revolving facility.

5 LNC:

The first cargo has to be financed by the bridge facility -- a portion of it (which is the "lost volume due to commissioning) will be capitalized

6 LDs

We will discuss timeline and LDs payable and receivable on the meeting.

7 FSU fixed costs

Please refer to point 3 above

8 Regas fixed costs

It is the same principle as point 3 and 7 above

9 O&M

It is the same principle as point 3, 7 and 8 above

10 Electricity connection

We will explain it on the meeting.

11 Residual value

Residual value is a bid parameter, part of the submitted and approved bid.

12 GSA forced outage

We will explain on the meeting where the forced outage is coming from and what is the base of our assumptions

13 PPA forced outage

Our team will explain on the meeting

14 Heat rate

We have a lot of discussion with Lender's engineers about assumed heat rate as well. Any values which are better than contracted and guaranteed values are estimations. Our technical people will give you explanation.

15 Brent price

I would suggest you should use your own forecast

16 GSA exit

The exit value was calculated based on agreed discount rate. Depending if IRR is below or above this agreed discount rate there will be an increase or decrease in that IRR.

With best regards,
Dr-Ing. Béla Viertl

Siemens Project Ventures GmbH
A Siemens Financial Services Business



Waldemarstraße 1
91052 Erlangen, Germany
Tel: +49 9131 7-3640
Fax: +49 9131 7-36410
Mobile: +49 152 57941566
mailto:bela.viertl@siemens.com

Siemens Project Ventures GmbH Managing Directors: Klaus Kolof, Christian Raske, Hans-Kochim Schulz, Registered office: Erlangen;
Commercial register, Fuarth, HRB 6912

From: Jostein Kristensen [mailto:Jostein.Kristensen@oxera.com]
Sent: Donnerstag, 7. April 2016 18:33
To: Viertel, Bela
Cc: 'Mizzi Ronald at MEH-Energy'; 'Lauri Sandro at MEH-Energy'; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; 'gcordina@ecubed-consultants.com'; 'Michel.Petite@cliffordchance.com'; 'Gauthier.Martin@CliffordChance.com'; Nicole Robins; 'catherine.halpin@electrogas.com.ni'; 'board'
Subject: Malta Energy Project financial model

Dear Bela,

Many thanks for your email yesterday, which I have also discussed with Ronald.

While we are in principle able to attend a workshop next week in Malta to go through all the assumptions, I am hopeful that EGM may be able to provide answers to the remaining queries that are in the attached document through a combination of email correspondence and possibly a conference call with yourself and Catherine Halpin.

As you will see, our concerns relate mainly to the revised CAPEX and OPEX assumptions. We are also keen to understand the basis for why these costs have been attributed to EGM as opposed related parties (ie, the investors and other contractors). In order to address these points, and so to provide a robust evidence base to support the assumptions included in the financial model of the rate of return, it would be important to have access the relevant documentation (eg, legal contracts or other technical information showing the basis for the revised assumptions and the prior agreement over cost allocations).

Therefore, I would greatly appreciate it if you could review the attached document and let me know whether you still think it is necessary for us to hold a workshop next week in Malta. Also, please confirm when you will be able to send the accompanying requested documents. In particular, if you are able to forward the contracts relevant to the attached questions this week this would be very helpful since even if we end up meeting you next week in Malta then us having reviewed the contracts ahead of time will help to make the workshop more productive.

In the meantime, we have checked flight availability and if the requirement for a workshop is confirmed, then myself and Nicole Robins are able to travel to Malta on Tuesday and return on Wednesday early evening.

I look forward to hearing from you again soon.

Kind regards,
Jostein

Jostein Kristensen
Partner
Direct: +44 (0) 20 7776 6611
Tel: +44 (0) 20 7776 6600
Mobile: +44 (0) 7725 240901
www.oxera.com

Lydia Howard
PA to Partner
Direct: +44 (0) 20 7776 6649
Email: lydia.howard@oxera.com

For cutting-edge economic insights, why not view Oxera's monthly publication, *Agenda*?
The latest issue looks at CAPEX regulation, water retail, and Italian WACC, with thoughts on economic regulation from Professor Martin Cave.

Oxera Consulting LLP is a limited liability partnership registered in England No. 11039249. Registered office: Park Lane 11, 1144 Park End Street, Oxford, OX1 1JY UK. The Brussels office, trading as Oxera Brussels, is registered in Belgium: 95117. Oxera Limited (0661 452 147)

Oxera office locations

From: Viertel, Bela [mailto:bela.viertl@siemens.com]
Sent: 06 April 2016 17:52

Cc: Lauri Sandro at MEH-Energy; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; Jostein Kristensen; 'gcordina@ecubed-consultants.com'; Michel.Petite@cliffordchance.com; 'Gauthier.Martin@CliffordChance.com'; Nicole Robins; catherine.halpin@electrogas.com.mt; board
Subject: RE: RE: Malta Energy Project financial model

Dear Ronald,
Dear Jostein.

In order to finish this exercise I would suggest to have a workshop next week with OXERA and our team in Malta. We will go through all required contracts and assumptions, we will provide the required evidences – where it is possible – to our assumptions which will help you to finish the financial model. This would be a kind of technical meeting to discuss numbers, assumptions – no legal discussion should be foreseen.

From our side Catherine Halpin, our commercial manager will be able to show you all signed and drafted contracts, our technical advisor, Aecom will help you to understand the technical assumptions and I can help you with financing and modeling issues.

If you agree we can have a full day next Wednesday and if necessary continue on Thursday (13 and 14 April). It would be very useful if you could send your queries in advance.

I would also suggest to have a follow-up meeting on the following week – when all board members of EGM will be present as well – to discuss your preliminary results, draft report and the follow-up steps.

Please let me know if you are in agreement with this suggestion and then we will make the necessary preparation for a good meeting next week.

Best regards
Béla

With best regards,
Dr.-Ing. Béla Viertl

Siemens Project Ventures GmbH
A Siemens Financial Services Business
SFS EF EQ EA
Werner-von-Siemens-Str. 50
91052 Erlangen, Germany
Tel.: +49 9131 7-23642
Fax: +49 9131 7-36110
Mobile: +49 152 57941566
<mailto:bela.viertl@siemens.com>

Siemens Project Ventures GmbH; Managing Directors: Klaus Kolof, Christian Saase, Hans-Joachim Schulz; Registered office: Erlangen; Commercial register: Fuerth, HRB 5812

From: Mizzi Ronald at MEH-Energy [<mailto:ronald.mizzi@gov.mt>]

Sent: Montag, 4. April 2016 09:55

To: Viertl, Bela

Cc: Lauri Sandro at MEH-Energy; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; Jostein Kristensen; 'gcordina@ecubed-consultants.com'; Michel.Petite@cliffordchance.com; 'Gauthier.Martin@CliffordChance.com'; Nicole Robins

Subject: RE: RE: Malta Energy Project financial model

Dear Bela,

Thanks for your input; however given the substantially lower projected IRR as a result of the increased O&M, it is imperative that we have in hand documentary evidence supporting these claims. How do you deem would be the most feasible way to get such documentation?

Your earliest reply would be appreciated as we would like to close this off by end this week.

Wendell Brown
Parliament Secretary

Ministry of Energy and Health
100 Water Street, Suite 1000, St. John's, NL A1B 4X6, Canada
Tel: (709) 576-2222, Fax: (709) 576-2223, Email: wendell.brown@gov.nl.ca

MINISTRY OF ENERGY AND HEALTH

From: Viertel, Bela [<mailto:bela.viertel@siemens.com>]
Sent: 26 March 2016 15:57
To: Nicole Robins <Nicole.Robins@oxera.com>
Cc: Mizzi Ronald at MEH-Energy <ronald.mizzi@gov.mt>; Lauri Sandro at MEH-Energy <sandro.lauri@gov.mt>; Vladimir Parail <Vladimir.Parail@oxera.com>; Tridevi Chakma <Tridevi.Chakma@oxera.com>; 'Yorgen Fenech' <YFenech@tumas.com>; Jostein Kristensen <Jostein.Kristensen@oxera.com>; 'gcordina@ecubed-consultants.com' <gcordina@ecubed-consultants.com>
Subject: RE: RE: Malta Energy Project financial model

Dear Nicole,
please find my answers bellow.
Regards
Béla

With best regards,
Dr-Ing. Béla Viertel

Siemens Project Ventures GmbH
A Siemens Financial Services Business
SFS EF EQ EA
Werner-von-Siemens-Str. 50
91052 Erlangen, Germany
Tel.: +49 9131 7-23642
Fax: +49 9131 7-36110
Mobile: +49 152 57941566
<mailto:bela.viertel@siemens.com>

Siemens Project Ventures GmbH Managing Directors: Klaus Kotof, Christian Sasse, Hans-Joachim Schulz, Registered office: Erlangen;
Commercial register: Fuorth, HRB 5812

From: Nicole Robins [<mailto:Nicole.Robins@oxera.com>]
Sent: Donnerstag, 24. März 2016 12:19
To: Viertel, Bela
Cc: 'Mizzi Ronald at MEH-Energy'; 'Lauri Sandro at MEH-Energy'; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; Jostein Kristensen; 'gcordina@ecubed-consultants.com'
Subject: RE: RE: Malta Energy Project financial model

Dear Béla

I hope this email finds you well.

As we are aiming to circulate the revised results from our financial analysis by the end of next week, it would be helpful if we could clarify these queries by mid next week. Please do let us know if you have any queries on any of our questions.

Kind regards
Nicole

Nicole Robins
Senior Consultant
Direct: +44 (0) 1865 253003

... adding energy storage insights, while not violating our membership obligations. Agreed?
The latest issue looks at MIT's regulation, water reform, and India's VVA's, with thoughts on economic responses
and Professor Michael O'Leary.

... The findings of the study are available on the website of the Energy Institute of Malta (EIM) at www.eim.org.mt.
... The findings of the study are available on the website of the Energy Institute of Malta (EIM) at www.eim.org.mt.

Other office locations:

From: Nicole Robins
Sent: 21 March 2016 12:00
To: 'Viertl, Bela'
Cc: 'Mizzi Ronald at MEH-Energy'; 'Lauri Sandro at MEH-Energy'; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech';
Jostein Kristensen; 'gcordina@ecubed-consultants.com'
Subject: RE: Malta Energy Project financial model

Dear Béla

I hope you had a good weekend.

Many thanks for the helpful call on Thursday last week. As discussed, please could we check the following queries with you. We have also outlined below a couple of additional queries that have arisen as we have worked on updating the financial analysis.

- Question 2. Please could we check whether type 3 maintenance includes type 2 maintenance, and whether the costs of type 2 maintenance are included in the costs of type 3 maintenance.

[Viertl, Bela] Yes it does include. The maintenance outage pattern looks like: 84, 84, 432, 84, 84, 552, 84, 84, 432, 84, 84, 552 etc

- Question 3. Please provide the actual capacity of Delimara 4 in the Open Cycle mode

[Viertl, Bela] We assume 133.70MW for open cycle

In the Combined Cycle mode, we understand that EGM is entitled to availability payments based on the 'tendered availability' of 205MW. However, we also understand from the PPA that EGM may declare higher availability, in line with its actual capacity (i.e. 215MW). In this case, EGM may receive delivery payments for the additional available 10 MW subject to Enemalta's dispatch instructions (Schedule C, clause 9, and p. 17 of the PPA). Please confirm whether our understanding is correct.

[Viertl, Bela] In our model we do not assume "extra" output

- Question 5. If available, please provide the latest available Brent price index forecast.

[Viertl, Bela] our assumption is the following:

2015	53,48	\$ / bbl
2016	40,00	\$ / bbl
2017	50,00	\$ / bbl
2018	69,92	\$ / bbl
2019	72,08	\$ / bbl
2020	73,57	\$ / bbl
2021	74,86	\$ / bbl
2022	75,00	\$ / bbl
2025	75,00	\$ / bbl
2040	75,00	\$ / bbl

- Question 14. We have noticed that the updated assumptions result in higher operating costs than assumed in EGM's model during the bid stage. We have attached a table which outlines the key assumptions underpinning the items included in our estimate of operating costs, and which sets out our understanding of the interpretation of the assumptions. Please could we confirm that we have not omitted or duplicated any cost items, and that our understanding of the cost items is correct. Additionally, please could we check

www.oxera.com

[Viertl, Bela] The costs assumptions are correct - for Re gas and FSU related costs used electricity should be included.

All fixed costs will incur every year except the GT related maintenance cycle.

- Question 14. If our understanding is correct that operating costs are significantly higher than assumed in EGM's model during the bid stage, please could you provide documentary evidence of the reasons justifying these higher assumptions for operating costs. In addition, please could you provide documentary evidence justifying the other assumptions: actual heat rates for Open Cycle and Combined Cycle Modes, forced outage rates for Delimara 4 and the gas facilities, assumptions underpinning the calculation of equivalent operating hours (EOH) (i.e. number of cold, warm, and hot starts, and EOH for starts and trips), as well as the assumptions for CAPEX.

[Viertl, Bela] If you think it is required an audit of the assumption with all the contracts, technical assumptions etc then I would suggest to have a one day session with our commercial and technical team in Malta where you will be able to review the contracts and talk to our technical consultants.

Please let us know if you have any queries on our email.

Kind regards

Nicole

Nicole Robins

Senior Consultant

Direct: +44 (0) 1865 253003

Tel: +44 (0) 1865 253000

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Oxera office locations

From: Viertel, Bela <bela.viertel@siemens.com>
Sent: 12 April 2016 15:29
To: Jostein Kristensen
Cc: 'Mizzi Ronald at MEH Energy'; 'Lauri Sandro at MEH-Energy'; Vladimir Parail; Tridevi Chakma; 'Yorgjen Fenech'; 'jgordina@ecubed-consultants.com'; 'Michel.Petite@cliffordchance.com'; 'Gauthier.Martin@CliffordChance.com'; Nicole Robins; Catherine Halpin; board; Doreen Saliba
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4 Financing costs

The project has 3 financing phase. We had a pre-bridge period, we are right now in the bridge period and we will have a term loan period. For each period we have to pay fees, interest. It also includes a €8m for initial funding of the Debt Service Reserve Account and the cost of the revolving facility.

5 LNG



its responsibility with the capital costs

6 LDs

We will discuss timeline and LDs payable and receivable on the meeting

7 FSU fixed costs

Please refer to point 3 above

8 Regas fixed costs

It is the same principle as point 3 and 7 above

9 O&M

It is the same principle as point 3, 7 and 8 above

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We will explain it on the meeting.

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Residual value is a bid parameter, part of the submitted and approved bid.

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16 GSA exit

The exit value was calculated based on agreed discount rate. Depending if IRR is below or above this agreed discount rate there will be an increase or decrease in that IRR.

See you tomorrow

Béla

With best regards,
Dr-Ing. Béla Viertel

Siemens Project Ventures GmbH
A Siemens Financial Services Business
SFS EF EQ EA
Werner-von-Siemens-Str. 50
91052 Erlangen, Germany
Tel.: +49 9131 7-23642
Fax: +49 9131 7-36110
Mobile: +49 152 57941566

From: Jostein Kristensen [mailto:Jostein.Kristensen@oxera.com]
Sent: Donnerstag, 7. April 2016 18:33
To: Viertel, Bela
Cc: 'Mizzi Ronald at MEH-Energy'; 'Lauri Sandro at MEH-Energy'; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; 'gcordina@ecubed-consultants.com'; 'Michel.Petite@cliffordchance.com'; 'Gauthier.Martin@CliffordChance.com'; Nicole Robins; 'catherine.halpin@electrogas.com.mt'; 'board'
Subject: Malta Energy Project financial model

Dear Bela,

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While we are in principle able to attend a workshop next week in Malta to go through all the assumptions, I am hopeful that EGM may be able to provide answers to the remaining queries that are in the attached document through a combination of email correspondence and possibly a conference call with yourself and Catherine Halpin.

As you will see, our concerns relate mainly to the revised CAPEX and OPEX assumptions. We are also keen to understand the basis for why these costs have been attributed to EGM as opposed related parties (ie, the investors and other contractors). In order to address these points, and so to provide a robust evidence base to support the assumptions included in the financial model of the rate of return, it would be important to have access the relevant documentation (eg, legal contracts or other technical information showing the basis for the revised assumptions and the prior agreement over cost allocations).

Therefore, I would greatly appreciate it if you could review the attached document and let me know whether you still think it is necessary for us to hold a workshop next week in Malta. Also, please confirm when you will be able to send the accompanying requested documents. In particular, if you are able to forward the contracts relevant to the attached questions this week this would be very helpful since even if we end up meeting you next week in Malta then us having reviewed the contracts ahead of time will help to make the workshop more productive.

In the meantime, we have checked flight availability and if the requirement for a workshop is confirmed, then myself and Nicole Robins are able to travel to Malta on Tuesday and return on Wednesday early evening.

I look forward to hearing from you again soon.

Kind regards,
Jostein

Jostein Kristensen
Partner
Direct: +44 (0) 20 7776 6611
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Lydia Howard
PA to Partner
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For cutting-edge economic insights, why not view Oxera's monthly publication, *Agenda?*
The latest issue looks at CAPEX regulation, water retail, and Italian WACC, with thoughts on economic regulation from Professor Martin Cave

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Oxera office locations

From: Viertel, Bela [mailto:bela.viertel@siemens.com]
Sent: 06 April 2016 17:52
To: Mizzi Ronald at MEH-Energy
Cc: Lauri Sandro at MEH-Energy; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; Jostein Kristensen; 'gcordina@ecubed-consultants.com'; 'Michel.Petite@cliffordchance.com'; 'Gauthier.Martin@CliffordChance.com'; Nicole Robins; catherine.halpin@electrogas.com.mt; board
Subject: RE: RE: Malta Energy Project financial model



Dani Ronaldi,
Dear Jostein,

In order to finish this exercise I would suggest to have a workshop next week with Oxera and our team in Malta. We will go through all required contracts and assumptions, we will provide the required evidences – where it is possible – to our assumptions which will help you to finish the financial model. This would be a kind of technical meeting to discuss numbers, assumptions – no legal discussion should be foreseen.

From our side Catherine Halpin, our commercial manager will be able to show you all signed and drafted contracts, our technical advisor, Accom will help you to understand the technical assumptions and I can help you with financing and modeling issues.

If you agree we can have a full day next Wednesday and if necessary continue on Thursday (13 and 14 April). It would be very useful if you could send your queries in advance.

I would also suggest to have a follow-up meeting on the following week – when all board members of EGM will be present as well – to discuss your preliminary results, draft report and the follow-up steps.

Please let me know if you are in agreement with this suggestion and then we will make the necessary preparation for a good meeting next week.

Best regards
Béla

With best regards,
Dr-Ing. Béla Viertl

Siemens Project Ventures GmbH
A Siemens Financial Services Business
SFS EF EQ EA
Werner-von-Siemens-Str. 50
91052 Erlangen, Germany
Tel.: +49 9131 7-23642
Fax: +49 9131 7-36110
Mobile: +49 152 57941566
<mailto:bela.viertl@siemens.com>

Siemens Project Ventures GmbH; Managing Directors: Klaus Kolof, Christian Sause, Hans-Joachim Schulz; Registered office: Erlangen;
Commercial register: Fuorth, HRB 5812

From: Mizzi Ronald at MEH-Energy [<mailto:ronald.mizzi@gov.mt>]
Sent: Montag, 4. April 2016 09:55
To: Viertl, Bela
Cc: Lauri Sandro at MEH-Energy; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; Jostein Kristensen; 'gcordina@ecubed-consultants.com'; Michel.Petite@cliffordchance.com; 'Gauthier.Martin@CliffordChance.com'; Nicole Robins
Subject: RE: RE: Malta Energy Project financial model

Dear Bela,

Thanks for your input; however given the substantially lower projected IRR as a result of the increased O&M, it is imperative that we have in hand documentary evidence supporting these claims. How do you deem would be the most feasible way to get such documentation?

Your earliest reply would be appreciated as we would like to close this off by end this week.

Thanks and regards.

From: Viertel, Bela [<mailto:bela.viertl@siemens.com>]
Sent: 26 March 2016 15:57
To: Nicole Robins <Nicole.Robins@oxera.com>
Cc: Mizzi Ronald at MEH-Energy <ronald.mizzi@gov.mt>; Lauri Sandro at MEH-Energy <sandro.lauri@gov.mt>; Vladimir Parail <Vladimir.Parail@oxera.com>; Tridevi Chakma <Tridevi.Chakma@oxera.com>; 'Yorgen Fenech' <YFenech@tumas.com>; Jostein Kristensen <Jostein.Kristensen@oxera.com>; 'gcordina@ecubed-consultants.com' <gcordina@ecubed-consultants.com>
Subject: RE: RE: Malta Energy Project financial model

Dear Nicole,
please find my answers bellow
Regards
Béla

With best regards,
Dr.-Ing. Béla Viertel

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<mailto:bela.viertl@siemens.com>

Siemens Project Ventures GmbH; Managing Directors: Klaus Kotof, Christian Sasse, Hans-Joachim Schulz; Registered office: Erlangen;
Commercial register: Fuerth, HRB 5812

From: Nicole Robins [<mailto:Nicole.Robins@oxera.com>]
Sent: Donnerstag, 24. März 2016 12:19
To: Viertel, Bela
Cc: 'Mizzi Ronald at MEH-Energy'; 'Lauri Sandro at MEH-Energy'; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; Jostein Kristensen; 'gcordina@ecubed-consultants.com'
Subject: RE: RE: Malta Energy Project financial model

Dear Béla

I hope this email finds you well.

As we are aiming to circulate the revised results from our financial analysis by the end of next week, it would be helpful if we could clarify these queries by mid next week. Please do let us know if you have any queries on any of our questions.

Kind regards
Nicole

Nicole Robins
Senior Consultant
Direct: +44 (0) 1865 253003
Tel: +44 (0) 1865 253000

www.oxera.com

From: Nicole Robins
 Sent: 21 March 2016 12:00
 To: 'Viertl, Bela'
 Cc: 'Mizzi Ronald at MEH-Energy'; 'Lauri Sandro at MEH-Energy'; Vladimir Parail; Tridevi Chakma; 'Yorgen Fenech'; Jostein Kristensen; 'gcordina@ecubed-consultants.com'
 Subject: RE: Malta Energy Project financial model

Dear Béla

I hope you had a good weekend.

Many thanks for the helpful call on Thursday last week. As discussed, please could we check the following queries with you. We have also outlined below a couple of additional queries that have arisen as we have worked on updating the financial analysis.

- Question 2. Please could we check whether type 3 maintenance includes type 2 maintenance, and whether the costs of type 2 maintenance are included in the costs of type 3 maintenance.

[Viertl, Bela] Yes it does include. The maintenance outage pattern looks like: 84, 84, 432, 84, 84, 552, 84, 84, 432, 84, 84, 552 etc

- Question 3. Please provide the actual capacity of Delimara 4 in the Open Cycle mode.

[Viertl, Bela] We assume 133.70MW for open cycle

In the Combined Cycle mode, we understand that EGM is entitled to availability payments based on the 'tendered availability' of 205MW. However, we also understand from the PPA that EGM may declare higher availability, in line with its actual capacity (i.e. 215MW). In this case, EGM may receive delivery payments for the additional available 10 MW subject to Enemalta's dispatch instructions (Schedule C, clause 9, and p. 17 of the PPA). Please confirm whether our understanding is correct.

[Viertl, Bela] In our model we do not assume "extra" output

- Question 5. If available, please provide the latest available Brent price index forecast.

[Viertl, Bela] our assumption is the following:

2015	53,48	\$ / bbl
2016	40,00	\$ / bbl
2017	50,00	\$ / bbl
2018	69,92	\$ / bbl
2019	72,08	\$ / bbl
2020	73,57	\$ / bbl
2021	74,86	\$ / bbl
2022	75,00	\$ / bbl
2025	75,00	\$ / bbl
2040	75,00	\$ / bbl

- Question 14. We have noticed that the updated assumptions result in higher operating costs than assumed in EGM's model during the bid stage. We have attached a table which outlines the key assumptions underpinning the items included in our estimate of operating costs, and which sets out our understanding of the interpretation of the assumptions. Please could we confirm that we have not omitted or duplicated any cost items, and that our understanding of the cost items is correct. Additionally, please could we check whether all operating costs are incurred in each year of operations - i.e. are there any operating costs that are incurred only over a part of the period of operations?

[Viertl, Bela] The costs assumptions are correct – for Re-gas and FSU related costs used electricity should be included.



- Question 11, if our understanding is correct that operating costs are significantly higher than assumed in EGM's model during the bid stage, please could you provide documentary evidence of the reasons justifying these higher assumptions for operating costs. In addition, please could you provide documentary evidence justifying the other assumptions: actual heat rates for Open Cycle and Combined Cycle Modes, forced outage rates for Delimara 4 and the gas facilities, assumptions underpinning the calculation of equivalent operating hours (EOH) (i.e. number of cold, warm, and hot starts, and EOH for starts and trips), as well as the assumptions for CAPEX.

[Viertl, Bela] If you think it is required an audit of the assumption with all the contracts, technical assumptions etc then I would suggest to have a one day session with our commercial and technical team in Malta where you will be able to review the contracts and talk to our technical consultants.

Please let us know if you have any queries on our email.

Kind regards

Nicole

Nicole Robins

Senior Consultant

Direct: +44 (0) 1865 253003

Tel: +44 (0) 1865 253000

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The latest issue looks at CAPEX regulation, water retail, and Italian WACC; with thoughts on economic regulation from Professor Martin Cave

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From: Yorgen Fenech <yfenech@tumasqm.com>
Sent: 13 July 2017 13:14
To: Gerhard Brenner
Cc: Franz Doerfler; Ray Sladden; Turab Musayev; Peter Koerner; Lucht, Ralf; I Sultana; Rustam Shomurodov; Markus Grooner
Subject: Re: LNG FINANCING

Thanks

On 13 Jul 2017, at 12:13, Brenner, Gerhard <gerhard.brenner@siemens.com> wrote:

Great. Good Job!!!!
Thank you.

From: Franz Doerfler [mailto:franz.doerfler@electrogas.com.mt]
Sent: Donnerstag, 13. Juli 2017 12:48
To: Ray Sladden
Cc: Yorgen Fenech; Brenner, Gerhard (SFS EF EQ EA); Turab Musayev; Peter Koerner; Lucht, Ralf (SFS EF EQ EA); I Sultana; Rustam Shomurodov; Grooner, Markus (LC M&A 2&E1)
Subject: Re: LNG FINANCING

short info: acknowledgment signed by enemalta. Billing was discussed, common understanding that Meeting with Lawyers have to take place.
br Franz

Von meinem Samsung Galaxy Smartphone gesendet.

----- Ursprüngliche Nachricht -----

Von: Ray Sladden <RSladden@tumas.com>
Datum: 13.07.17 07:08 (GMT+01:00)
An: Franz Doerfler <franz.doerfler@electrogas.com.mt>
Cc: Yorgen Fenech <yfenech@tumasqm.com>, Gerhard Brenner <gerhard.brenner@siemens.com>, Turab Musayev <tmusayev@socartrading.com>, Peter Koerner <peter.koerner@electrogas.com.mt>, "Lucht, Ralf" <ralf.lucht@siemens.com>, I Sultana <isultana@gasan.com>, Rustam Shomurodov <rshomurodov@socartrading.com>, Markus Grooner <markusgrooner@siemens.com>
Betreff: Re: LNG FINANCING

Franz/Peter, I also spoke to Ron about the same time and he indicated that Fredric was upset as we seem to have been postponing meetings with them, so presumably he was using the acknowledgement as a bargaining chip.

I also suggest you meet him, i think you will be able to get his signature but you need to hear him out on the issues they have and then revert to the board.

Please note Minister also fully aware of our need for the acknowledge and its immediate need.

Ray

Sent from my iPad

On 12 Jul 2017, at 17:33, Franz Doerfler <franz.doerfler@electrogas.com.mt> wrote:



Sent: 12 July 2017, 15:13

BR franz

From: Yorgen Fenech [mailto:yfenech@tumas.com]
Sent: 12 July 2017 15:57
To: Gerhard Brenner <gerhard.brenner@siemens.com>
Cc: Franz Doerfler <franz.doerfler@electrogas.com.mt>; Turab Musayev <tmusayev@socartrading.com>; Peter Koerner <peter.koerner@electrogas.com.mt>; Lucht, Ralf <ralf.lucht@siemens.com>; I Sultana <isultana@gasap.com>; Rustam Shomurodov <rshomurodov@socartrading.com>; Markus Grooner <markusgrooner@siemens.com>; Ray Sladden <ray.sladden@tumas.com>
Subject: Re: LNG FINANCING

I think I agree with Franz here. We are not conceding anything with this approach

On 12 Jul 2017, at 14:26, Brenner, Gerhard <gerhard.brenner@siemens.com> wrote:

Dear Franz

Frederic has to be instructed by Konrad Mizzi first. Don't concede anything on the billing issue if possible. Blame Frederic that in case we have to stop LNG supply this is also to the disadvantage of Enemalta. Not sure on whether he can risk to take the blame for that.

Regards
Gerhard

Am 12.07.2017 um 15:13 schrieb Franz Doerfler <franz.doerfler@electrogas.com.mt>:

Dear all,

I think we have to avoid a further escalation, and it will not help us to upset Frederic totally.

Therefore I propose that we (peter, Geoffrey, myself,) will meet Enemalta today, try to solve the billing issue (as discussed in our internal meetings),

keep the other issues open , and try to get the signature.

I am not sure, but I think it will be difficult for enemalta to refuse the signature with the argument that we have to agree to their requests first.

This would be pure blackmailing.

Pls advice.

Br franz

Sent: 12 July 2017 11:56
To: Yorgen Fenech <yfenech@tumasgm.com>; Ray Sladden
<rsladden@tumas.com>
Cc: Peter Koerner <peter.koerner@electrogas.com.mt>; Lucht, Ralf
<ralf.lucht@siemens.com>; Franz Doerfler
<franz.doerfler@electrogas.com.mt>; I Sultana
<isultana@gasam.com>; Rustam Shomurodov
<rshomurodov@socartrading.com>; EGM_Mail_Board
<board@electrogas.com.mt>
Subject: RE: LNG FINANCING

Frederic is not willing to give us his signature unless we come to an agreement on the billing. Someone has to instruct him.

If Peter goes to Enemalta without any backing, we will never get our document signed.

What options do we have?

Gerhard

From: Yorgen Fenech [mailto:yfenech@tumasgm.com]
Sent: Mittwoch, 12. Juli 2017 11:41
To: Ray Sladden
Cc: Brenner, Gerhard (SFS EF EQ EA); Peter Koerner; Lucht, Ralf (SFS EF EQ EA); Franz Doerfler; I Sultana; Rustam Shomurodov; EGM_Mail_Board
Subject: Re: LNG FINANCING

Ronald thinks we should discuss with Enemalta. I spoke to him now but this goes totally against what we were asked to do last week.

On 12 Jul 2017, at 10:37, Ray Sladden <RSladden@tumas.com> wrote:

Yorgen,
I may be seeing Ron at 2 shall I go through him, would that help.
ray

Ray Sladden
Group Finance Director & Company Secretary

Tumas Group Corporate Office
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Portomaso Business Tower
St Julians STJ 4011,
Malta

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From: Yorgen Fenech
[mailto:yfenech@tumasgn.com]
Sent: 12 July 2017 11:34
To: Brenner, Gerhard
<gerhard.brenner@siemens.com>
Cc: Peter Koerner
<peter.koerner@electrogas.com.mt>; Lucht, Ralf
<ralf.lucht@siemens.com>; Franz Doerfler
<franz.doerfler@electrogas.com.mt>; I Sultana
<isultana@gasan.com>; Rustam Shomurodov
<rshomurodov@socartrading.com>;
EGM_Mail_Board <board@electrogas.com.mt>
Subject: Re: LNG FINANCING

I am abroad. Trying to work on it with the Ministry.

On 12 Jul 2017, at 10:27, Brenner, Gerhard
<gerhard.brenner@siemens.com> wrote:

12:00

Peter talked to Frederic in the meantime. Frederic was very upset and shouted on Peter, that EGM wants to blackmail him. He told Peter that he will be available for talks the whole day. The acknowledgement will only be signed by Enemalta in case we reach agreement on the billing issue at the same time.

Would it be possible that you or Turab accompany Peter to Frederic and try to get the signature.

Can't Konrad instruct Frederic on this issue.

Best regards
Gerhard

From: Yorgen Fenech
[mailto:yfenech@tumasgn.com]
Sent: Mittwoch, 12. Juli 2017 11:22
To: Brenner, Gerhard (SFS EF EQ EA)
Cc: Peter Koerner; Lucht, Ralf (SFS EF EQ EA); Franz Doerfler; I Sultana; Rustam Shomurodov; EGM_Mail_Board
Subject: Re: LNG FINANCING

I am due to talk to GoM soon.

In the meantime go ahead. What time?



On 11 Jul 2017, at 07:45, Brenner,
Gerhard
<gerhard.brenner@siemens.com>
wrote:

Approved

From: Peter
Koerner
[mailto:peter.koerner@electrogas.com.mt]
Sent: Mittwoch, 12.
Juli 2017 08:18
To: Yorgen Fenech;
EGM_Mail_Board
Cc: Lucht, Ralf (SFS
EF EQ EA); Franz
Doerfler; I Sultana;
Rustam
Shomurodov
Subject: RE: LNG
FINANCING

Dear all

Ron Mizzi asked me
again this morning
to meet Enemalta. I
propose to go to
Enemalta this
morning together
with Geoffrey and
ask for the
signature of the
acknowledgment. I
won't negotiate
any other matter,
as requested by
Frederick.
Please approve.

Best regards

Peter
m: +356 7978 7077
t: +356 2540 1224

From: Peter
Koerner
Sent: 11 July 2017
18:59
To: 'Yorgen Fenech'
<vfenech@tumasg
m.com>



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Doerfler
<franz.doerfler@electrogas.com.mt>; I
Sultana
<isultana@gasan.com
>; Rustam
Shomurodov
(rshomurodov@socartrading.com)
<rshomurodov@socartrading.com>
Subject: RE: LNG
FINANCING

Ron just called me.
Ron suggested to
meet Frederick and
Henry tomorrow to
sort out this issue.
Ron quoted
Frederick as follows
" we have been
trying to meet EGM
for weeks, however
they postponed the
meeting again and
again". I am happy
to meet Enemalta,
however I am not
willing to trade the
signature on the
acknowledgment
against the billing
issue.

Best regards

Peter
m: +356 7078 7077
t: +356 2540 1224

From: Yorgen
Fenech
[<mailto:yfenech@umas.mt>]
Sent: 11 July 2017
17:31
To: Peter Koerner

From: Peter Koerner <peter.koerner@electrogas.com.mt>
Sent: 01 September 2017 14:26
To: Ray Sladden
Subject: FW: EGM Refinancing Timeline

Dear Ray,

Just want to reconfirm with you what content of the email below can be shared with the MLAs?
The all parties call suggested by Turab shall include the new lenders or is this limited to MLAs only?
The earlier this call takes place the better, I would suggest to ask Fiona to check availability on Monday PM.
What is the plan now for the waiver, the way it is drafted assumes FC on the 30th September 2017?

Best regards

Peter
m: +356 7978 7077
t: +356 2540 1224

From: Turab Musayev [mailto:tmusayev@socartrading.com]
Sent: 01 September 2017 11:46
To: Hussein Fahmi <hfahmi@socartrading.com>; Yorgen Fenech <yfenech@tumasgm.com>; Gerhard Brenner <gerhard.brenner@siemens.com>; Rustam Shomurodov <rshomurodov@socartrading.com>; Markus Grooner <markusgroner@siemens.com>; Lucht, Ralf (ralf.lucht@siemens.com) <ralf.lucht@siemens.com>; I Sultana <isultana@gasan.com>; Ray Sladden <rsladden@tumas.com>; Franz Doerfler <franz.doerfler@electrogas.com.mt>; Catherine Halpin <catherine.halpin@electrogas.com.mt>; Peter Koerner <peter.koerner@electrogas.com.mt>
Cc: Togrul Kocharli <tkocharli@socartrading.com>; Mark Gasan <mgasan@gasan.com>
Subject: Re: EGM Refinancing Timeline

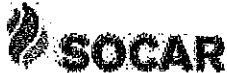
Dear All,

Yorgen and I spoke this morning to Konrad Mizzi and David:

- We clearly emphasised that current deadline of Sep 30 for FC is not attainable and as a base case we will slipping for refining to up to 2 months after. They agreed that we need a plan to agree with lenders, but extension of bridge at this stage is not on the table
 - We will be working until Sunday (4 people on the call) to close major ENEMALTA issues (GSA Exit, Termination Values, including wording on FM termination and LDs)
 - Minister is working on solving excise tax issue
 - From Monday Jonathan will be involved to close technical points in the conversion term
-
- We will have an all party call early next week (Wed latest) to discuss the banks way forward and want to at least state that ENEMALTA issues are solved. Following that meeting in Malta will be organised.

Hussein is currently running numbers for revised proposal on the GSA EXIT package... We will send this later on today. Tomorrow morning Yorgen and I will be speaking to Konrad and David again.

Regards
Turab



Turab Musayev

SOCAR Trading SA
Rue de Villereuse 22, 1207, Switzerland
Phone: , Mobile: +44 780 308 4749, Fax: +41 22 562 0099
tmusayev@socartrading.com

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On 1 Sep 2017, at 10:30, Hussein Fahmi <hfhahmi@socartrading.com> wrote:

Dear Board,

Please find attached a revised timetable. Absent from here is excise tax which also needs to be resolved. Proposed timeline suggests an end of September signing, and closing by end of November. At this point, it must be noted that the bridge lenders are extremely nervous and are already asking for an extension of the guarantee. While signing may be possible by end of September/start of October, fulfilling all the CPs will take more time and will require an extension of the guarantee until the end of November.

All work streams will continue to work in full force, and MLAs should be asked to go to credit again on the week of 11th of September without all documents being in place. However, the guarantee should be extended no later than Friday 22nd to allow MLAs time to extend the bridge (this only gives them 1 week which is already tight).

Key sets of items outstanding are:

- **Conversion Term Agreement/Enemalta direct agreement/GSA exit/Termination/Excise tax:** these are moving very slowly, with Enemalta not being very helpful with their mark ups. We keep talking to advisers and not directly with Enemalta which is not helpful at all. They also keep trying to negotiate the best deal possible, which they can do, but only if they extend the guarantee.
- **Bumi DA/FSU O&M DA/LQE:** they are slow, and are not sending mark-ups of documents when they should. They already cancelled scheduled calls due to a lack of preparedness. Concern here is that their lenders are leading the process and not being very cooperative.

close issues and move forward.

- CPs: While most are mechanical, a sizeable number of CPs require signed/agreed form documents in order to be fulfilled. In addition, the volume of CPs given the complexity of the project and number of project parties means that it is not possible to close them out so quickly after signing.

Please note that one item excluded from the timeline is excise tax which also needs to be resolved urgently.

Regards,
Hussein

•SOCAR 6015615-7a0-8d11-8210-51c91c1ec21.jpg

Hussein Fahmi
Senior Structured Finance Analyst

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Rue de Villereuse 22, 1207 Geneva, Switzerland
Phone: +41 22 562 0165, Mobile: +41 79 761 0217, Fax: +41 22 562 0005
hfahmi@socartrading.com

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<EGM Refinancing Timetable 01092017.xlsx>