

**THE GOVERNMENT OF
THE UNITED REPUBLIC OF TANZANIA,**

SONGAS LIMITED,

PAE PANAFRICAN ENERGY CORPORATION

- AND -

CDC GROUP PLC

**AMENDED AND RESTATED
IMPLEMENTATION AGREEMENT**

**RELATING TO THE
SONGO SONGO GAS-TO-ELECTRICITY PROJECT
DAR ES SALAAM, TANZANIA**

Dated as of [30 April], 2003

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION

1.1.	<u>Definitions</u>	2
1.2.	<u>Rules of Interpretation</u>	12

ARTICLE II IMPLEMENTATION OF THE PROJECT BY SONGAS

2.1.	<u>Compliance with Laws of Tanzania and Agreements</u>	14
2.2.	<u>Contracting</u>	14
2.3.	<u>Required Arrangements</u>	14
2.4.	<u>Environmental Protection, Health and Safety</u>	15

ARTICLE III PERMITS AND APPROVALS

3.1.	<u>Applications by Songas for Consents</u>	16
3.2.	<u>Status of Consent Applications</u>	16
3.3.	<u>Support to Obtain Consents</u>	16
3.4.	<u>Conditions to Consents</u>	16
3.5.	<u>Liaison</u>	17

ARTICLE IV REPRESENTATIONS AND WARRANTIES

4.1.	<u>GOT Representations and Warranties</u>	18
4.2.	<u>PanAfrican Representations and Warranties</u>	18
4.3.	<u>CDCPLC Representations and Warranties</u>	20
4.4.	<u>Songas Representations and Warranties</u>	21

ARTICLE V EMPLOYMENT, TRAINING AND TANZANIAN RESOURCES

5.1.	<u>Employment of Tanzanians</u>	23
5.2.	<u>Training</u>	23
5.3.	<u>Tanzanian Resources</u>	23

ARTICLE VI INSURANCE

6.1.	<u>Maintenance of Specified Policies</u>	24
6.2.	<u>Insurance Proceeds</u>	24

ARTICLE VII PARENT COMPANY OBLIGATIONS

7.1.	<u>Organization of Subsidiaries</u>	25
7.2.	<u>Equity Guarantee</u>	26

3
AK
C

7.3.	<u>Performance Guarantee</u>	26
7.4.	<u>Emergency Maintenance Loan</u>	27
7.5.	<u>Terms of Guarantee</u>	28
7.6.	<u>Obligations Unconditional</u>	29

ARTICLE VIII GOT PROJECT ASSISTANCE

8.1.	<u>Right to Project</u>	30
8.2.	<u>Obligation to Lend</u>	30
8.3.	<u>Account Funding</u>	32
8.4.	<u>Return to Globeleq Somanga and Globeleq Tanzania</u>	32
8.5.	<u>Investment and Tax Incentives</u>	33
8.6.	<u>No Discrimination</u>	33
8.7.	<u>Existence of TANESCO and TPDC</u>	33
8.8.	<u>ICSID Effectiveness, Designation and Consent</u>	33
8.9.	<u>Obligations Unconditional</u>	34
8.10.	<u>Electricity Licence</u>	34
8.11.	<u>Obligation to Remedy Effects of an FTPA Order</u>	34

ARTICLE IX FOREIGN CURRENCY EXCHANGE AND TRANSFER OF FUNDS

9.1.	<u>Foreign Exchange Regulation</u>	35
9.2.	<u>Use of Tanzanian Bank Accounts; Exceptions</u>	35
9.3.	<u>Consent to Foreign Currency Accounts</u>	35
9.4.	<u>Availability of Foreign Exchange</u>	35
9.5.	<u>Free Transfer of Necessary Funds</u>	35
9.6.	<u>Expatriate Employees of Songas and its Contractors</u>	35

ARTICLE X EXPATRIATE EMPLOYEES OF SONGAS AND ITS CONTRACTORS

10.1.	<u>Right to Import</u>	37
10.2.	<u>Export and Reimport</u>	37
10.3.	<u>Immigration</u>	37
10.4.	<u>Expatriate Employees</u>	37

ARTICLE XI TAXATION

11.1.	<u>Taxation of Songas</u>	38
11.2.	<u>Expatriate Employee Income Tax Guarantee</u>	38

ARTICLE XII SONGAS FINANCIAL MATTERS

12.1.	<u>Subordination of GOT Indebtedness</u>	39
12.2.	<u>Additional Financing</u>	39
12.3.	<u>Liquidated Damages</u>	39

B

AK

C

ARTICLE XIII LIABILITY AND INDEMNIFICATION

13.1.	<u>Limitation of Liability</u>	40
13.2.	<u>Indemnification</u>	40
13.3.	<u>Assertion of Claims to Exceed Minimum Amount</u>	41
13.4.	<u>Indemnification for Fines and Penalties</u>	41
13.5.	<u>Notice of Proceedings</u>	41
13.6.	<u>Defence of Claims</u>	41
13.7.	<u>Subrogation</u>	42

ARTICLE XIV FORCE MAJEURE

14.1.	<u>Definition of Force Majeure</u>	43
14.2.	<u>Notification Obligations</u>	44
14.3.	<u>Duty to Mitigate</u>	44
14.4.	<u>Delay Caused by Force Majeure Events</u>	45
14.5.	<u>Political Events</u>	45

ARTICLE XV RESOLUTION OF DISPUTES

15.1.	<u>Notice of Dispute</u>	46
15.2.	<u>Resolution by Parties</u>	46
15.3.	<u>Technical Disputes</u>	46
15.4.	<u>Arbitration</u>	47

ARTICLE XVI EVENTS OF DEFAULT; TERMINATION

16.1.	<u>Songas Events of Default</u>	50
16.2.	<u>GOT Special Events</u>	51
16.3.	<u>Parent Company Event of Default</u>	51
16.4.	<u>Termination</u>	54
16.5.	<u>Notice to Interested Persons</u>	55
16.6.	<u>Notice to GOT of a TANESCO Event of Default or a TPDC Deficiency</u>	55
16.7.	<u>Obligations Upon Termination</u>	56
16.8.	<u>Other Remedies</u>	56

ARTICLE XVII TERM

17.1.	<u>Term</u>	57
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ARTICLE XVIII MISCELLANEOUS

18.1.	<u>Expenses of the Parties</u>	58
18.2.	<u>Right to Specific Performance; Waivers</u>	58
18.3.	<u>Commercial Acts; Sovereign Immunity</u>	58
18.4.	<u>Further Assurances</u>	59

18.5.	<u>Choice of Law</u>	59
18.6.	<u>Entire Agreement</u>	59
18.7.	<u>Amendments</u>	59
18.8.	<u>Waiver</u>	59
18.9.	<u>Confidentiality</u>	60
18.10.	<u>Counterparts</u>	60
18.11.	<u>Severability</u>	60
18.12.	<u>Assignment</u>	61
18.13.	<u>Relationship of the Parties</u>	61
18.14.	<u>No Third Parties</u>	61
18.15.	<u>Language</u>	61
18.16.	<u>Consents</u>	61
18.17.	<u>Notices</u>	62
18.18.	<u>Accounts and Reports</u>	64
18.19.	<u>Limitation of Recourse</u>	65

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ANNEXES

Annex A	Consents
Annex B	Form of EM Loan Promissory Note
Annex C	Investment and Tax Incentives
Annex D	Form of Electricity Licence

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THIS AMENDED AND RESTATED IMPLEMENTATION AGREEMENT is made as of this 30th day of April 2003 by and among **THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA ("GOT")**, **SONGAS LIMITED**, a limited liability company incorporated under the Laws of Tanzania, with its principal office located in Dar es Salaam, Tanzania ("Songas"), **PAE PANAFRICAN ENERGY CORPORATION**, a company incorporated in the Republic of Mauritius under company number 26053/6388 whose registered office is at Manor House, 1st Floor, Cnr St George/Chazal Streets, Port-Louis, Republic of Mauritius ("PanAfrican"), and **CDC GROUP PLC**, a public company incorporated in England and Wales with limited liability under company number 3877777 whose registered office is at One Bessborough Gardens London SW1V 2JQ, United Kingdom ("CDCPLC").

WHEREAS:

A. The Government of the United Republic of Tanzania, as a matter of policy, intends to involve the private sector in the development, construction and operation of a unified gas and electric infrastructure programme known as the Songo Songo Gas-to-Electricity Project.

B. Songas has been created as a limited liability company and TANESCO, TPDC, Globeleq Somanga, Globeleq Tanzania, Tanzania Development Finance Company Limited and CDC Financial Services (Mauritius) Ltd. have agreed to make investments therein.

C. Songas intends to develop, own and operate the Project pursuant to the provisions of the Basic Agreements and the Financing Agreements.

D. The Project will include the transfer to Songas of certain of TPDC's facilities on and around Songo Songo Island; the development, production and processing of natural gas on and around Songo Songo Island under a Development Licence, certain rights under which are assigned by TPDC to Songas; the construction of a gas processing facility and a gas transportation pipeline from Songo Songo Island to the Complex and the Wazo Hill Cement Plant; the conversion of the turbines at the Complex to natural gas operation; the transfer of the Complex from TANESCO to Songas; the operation of the Complex by Songas and the sale to TANESCO of the capacity and the electrical output of the Complex; and the sale of natural gas by Songas to the Wazo Hill Cement Plant.

E. In order to promote the implementation of the Project, and in exchange for the promises and agreements of the Parties hereto, GOT will provide certain incentives and undertake certain obligations as provided in this Agreement, which shall be an agreement made under Section 14 of the Act.

F. In connection with the sale of the shares of AES Tanzania and AES Somanga by affiliates of AES to affiliates of CDCPLC, the Parties are entering into this Amended and Restated Implementation Agreement.

NOW, THEREFORE, in consideration of the mutual benefits to be derived and the representations and warranties, conditions and promises herein contained, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

1.1. Definitions.

Unless the context otherwise requires, the following terms shall have the meanings set forth herein:

"Act" means the Petroleum (Exploration and Production) Act, 1980, of the United Republic of Tanzania.

"Actual Pass-Through Project Costs" has the meaning established in the Power Purchase Agreement.

"Actual Shared Project Costs" has the meaning established in the Power Purchase Agreement.

~~"AES" means The AES Corporation, a corporation incorporated under the laws of the State of Delaware, United States of America, with its principal office located in Arlington, Virginia, United States of America.~~

"AES Tanzania" means AES Tanzania Limited, a corporation organized under the laws of Bermuda, with its registered office in Hamilton, Bermuda, and any permitted transferee of its shares in accordance with the Shareholders' Agreement.

"Affiliate" means any Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another Person.

"Agreement" means this Amended and Restated Implementation Agreement, together with all Annexes attached hereto, as the same may be amended from time to time.

"Agreement Year" has the meaning established in the Power Purchase Agreement.

"Basic Agreements" means this Agreement, the Shareholders' Agreement, Power Purchase Agreement, Gas Agreement, Production Sharing Agreement, Gas Processing and Transportation Agreement, Ubungo Complex Transfer Agreement, Songo Songo Facilities Transfer Agreement, Operatorship Agreement, Wazo Hill Gas Sales Agreement and any other agreement, other than the Financing Agreements, that is required to be executed at the Financial Closing in connection with the design, construction, operation or maintenance of the Project, as the same may be amended from time to time.

"Budgeted Pass-Through Project Costs" has the meaning established in the Power Purchase Agreement.

"Budgeted Project Costs" has the meaning established in the Power Purchase Agreement.

"Budgeted Shared Project Costs" has the meaning established in the Power Purchase Agreement.

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"Business Day" means any day of the week other than a Saturday or Sunday that is not a Tanzanian national holiday or a day on which banks are authorized by law or executive order to be closed in Tanzania.

"Capacity Charge" has the meaning established in the Power Purchase Agreement.

"CDCPLC" means CDC Group plc, a public company incorporated in England and Wales with limited liability under company number 3877777 whose registered office is at One Bessborough Gardens London SW1V 2JQ.

"CDCPLC Event of Default" has the meaning established in Section 16.3(b).

"Change in Law" means

(a) the adoption, promulgation, bringing into effect, commencement, repeal, amendment, reinterpretation, change in application, change in interpretation or modification as provided in (d) below or after the date that is one day prior to the date of Financial Closing of any Law of Tanzania, by GOT, any court or tribunal or any Government Entity; or

(b) the requirement for any Consent not required as of the date that is one day prior to the date of Financial Closing, or the imposition of any material condition not required as of the date that is one day prior to the date of Financial Closing in connection with the issuance, renewal or modification of any Consent, in either case by GOT, any court or tribunal or any Government Entity; or

(c) the implementation of an FTPA Order, or

(d) the enactment, bringing into operation or commencement of the Energy and Water Utilities Regulatory Authority Act, 2001,

which in either (a), (b), (c) or (d) above (i) establishes requirements for the design, construction, financing, ownership, operation or maintenance of the Project that are materially more restrictive than the most restrictive requirements (A) in effect as of the date that is one day prior to the date of Financial Closing, (B) specified in any applications, or other documents filed in connection with such applications, for any Consent filed by Songas on or before the date of Financial Closing or (C) agreed to by Songas in any Basic Agreement or Financing Agreement or (ii) has a Material Songas Effect.

"Citibank Tanzania" means Citibank Tanzania Limited, a Tanzanian banking corporation with its principal place of business located in Dar es Salaam, Tanzania.

"Commercial Operations Date" has the meaning established in the Power Purchase Agreement.

"Commercial Rate" means the rate applicable to the conversion of Shillings into Dollars, which rate on any Business Day is equal to 101.25% of the Interbank Rate for such Business Day (as such percentage may be modified from time to time by written agreement of the Parties in order to better reflect the prevailing conditions in the foreign exchange markets in Tanzania). The Parties shall meet at least once every Agreement Year to determine if the percentage of the Interbank Rate established in the preceding sentence shall remain in effect or be modified. In the

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absence of the Interbank Rate on any Business Day, the Commercial Rate shall be determined in accordance with the following priority:

(a) first, if Citibank Tanzania (or in the event Citibank Tanzania is no longer the agent under the Liquidity Facility Agreement, then the successor agent thereunder) has converted any Shillings into Dollars on the preceding Business Day, the weighted average rate of exchange on such preceding Business Day for transactions larger than US\$100,000; and

(b) second, the exchange rate generally applied by the Bank of Tanzania on such preceding Business Day to convert Shillings into Dollars for the purpose of servicing private foreign debt.

"Common Shares" means the ordinary voting shares authorized to be issued by Songas.

"Complex" means the electric generating facilities at Ubungo in Dar es Salaam, Tanzania that are the subject of the transactions contemplated by the Power Purchase Agreement.

"Consents" means all consents, approvals, authorizations, notifications, concessions, acknowledgments, licences, permits or similar items ~~required to be obtained by Songas from~~ GOT or any Government Entity for the design, construction, financing, ownership, operation and maintenance of the Project.

"Contractor" means any Person with whom Songas contracts (or any Person to whom such Person subcontracts) to provide goods or services relating to the design, construction, operation or maintenance of the Project.

"Court Action" means a decision, preliminary injunction, permanent injunction or order by any court or tribunal in Tanzania which decision, injunction or order (i) is inconsistent with the rights and obligations of the parties pursuant to the Basic Agreements or Financing Agreements, (ii) has a Material Songas Effect and (iii) is not precipitated by the wrongful actions of Songas, its employees or agents.

"Customs Duties" means those duties, taxes, charges or import fees imposed by the Laws of Tanzania on goods imported into, or exported from, Tanzania.

"DFIs" means, together, CDC Financial Services (Mauritius) Ltd. and Tanzania Development Finance Company Limited, each as defined individually in the Shareholders' Agreement.

"Debenture" means the agreement of that name by and between Songas and the agent named therein, dated as of the date of Financial Closing, as the same may be amended from time to time.

"Deemed Commercial Operations Date" has the meaning established in the Power Purchase Agreement.

"Development Licence" has the meaning established in the Gas Agreement.

"Dollars" or "US\$" means the currency that is the legal tender of the United States of America.

"Downgrade Event" means (i) the reduction of the interest held in CDCPLC by the Government of the United Kingdom to less than 51% or the granting of a controlling interest in CDCPLC to investors; and (ii) CDCPLC does not have a ratio of (a) cash plus marketable securities on the balance sheet plus committed undrawn lines of credit to (b) debt due in the 12 months after the date on which such ratio is measured that is 1 or more, provided that, in the event that CDCPLC obtains and maintains a credit rating from either Standard & Poor's Corporation or Moody's Investors Services, Inc. of its senior debt equal to or greater than the credit rating of the senior debt of AES as of May 1, 2000, then CDCPLC shall be deemed to have a ratio of 1 or more for purposes of this clause (ii).

"Electricity Licence" means the Licence in the form of Annex D, issued, or to be issued, in accordance with Section 4(1) of the Electricity Ordinance and pursuant to Section 8.10.

"Electricity Ordinance" means the Electricity Ordinance, 1957, as amended, or any successor or analogous legislation.

"Emergency Maintenance Loan" means amounts that CDCPLC is obligated to lend to Songas, from time to time, pursuant to Section 7.4.

"Emergency Maintenance Loan Promissory Note" means a note in the form set out in Annex B evidencing the Emergency Maintenance Loan.

"Escrow Account" means the account established by GOT pursuant to the Escrow Agreement.

"Escrow Agent" means Citibank Tanzania appointed pursuant to the Escrow Agreement or any successor agent thereunder.

"Escrow Agreement" means the Amended and Restated Escrow Agreement by and among GOT, Ocelot Tanzania (now Globeleq Somanga), AES Tanzania (now Globeleq Tanzania) and Citibank Tanzania, dated on or before the date of Financial Closing, as the same may be amended from time to time.

"Estimated Shared Project Costs" has the meaning established in the Power Purchase Agreement.

"Expatriate Employee" means any employee of Songas or its Contractors not normally resident in Tanzania as more particularly defined in the Income Tax (Exemption) Expatriate Staff Engaged in the Petroleum and Mining Industry Order, Government Notice No. 411, published in the Government Gazette on August 15, 1986.

"Fair Trade Practices Act, 1994" or "FTPA" means the Fair Trade Practices Act, 1994, as amended, or any successor or analogous legislation.

"Financial Closing" has the meaning established in the Shareholders' Agreement.

"Financing Agreements" means the Escrow Agreement, Hard Currency Agreement, IDA Songo Songo Development Credit Agreement, EIB Finance Contract, Loan Assumption Agreement, Liquidity Facility Agreement, Sinking Fund Agreement, Subsidiary Loan Agreements, Debenture, Songas Project Agreement and any other agreement, other than the

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Basic Agreements, that is required to be executed at the Financial Closing in connection with the financing of the Project, as the same may be amended from time to time.

"Force Majeure Event" has the meaning established in Section 14.1.

"FTPA Order" means an order issued by the applicable Government Entity pursuant to Sections 42 or 43 of the FTPA or any analogous provision therein, that sets a ceiling on or otherwise limits the tariff and other amounts that Songas is permitted to charge TANESCO or TANESCO is permitted to pay to Songas under the Power Purchase Agreement, with the effect that TANESCO is prohibited from paying to Songas, in any given month, the full amount of the tariff and other amounts payable calculated in accordance with Article IX and Annex F of the Power Purchase Agreement.

"Gas Agreement" means the agreement of that name by and among GOT, TPDC, Songas and PanAfrican Tanzania, dated as of 11 October 2001, as the same may be amended from time to time.

"Gas Facilities" means the Gas Production Facilities, the Processing Plant, the Pipeline and the Wazo Hill Lateral.

"Gas Processing and Transportation Agreement" means the agreement of that name by and between Songas and PanAfrican Tanzania, dated as of 11 October 2001, as the same may be amended from time to time.

"Gas Production Facilities" means onshore and offshore production wells (including stepout wells, infill wells, delineation wells and exploratory wells), onshore and offshore flow lines and such other gas production facilities as may be necessary to supply the Protected Gas to the Processing Plant, all as more particularly described in Annex G to the Power Purchase Agreement.

"Globeleq O&M" means a limited liability company to be organised under the Laws of Tanzania to provide operations and maintenance services to Songas, which company shall be a Songas Contractor.

"Globeleq Somanga" means Globeleq Somanga Ltd., successor by change of name to Ocelot Tanzania, a corporation organized under the laws of Jersey, with its principal office located in St. Helier, Jersey, Channel Islands and any permitted transferee of its shares in accordance with the Shareholders' Agreement.

"Globeleq Tanzania" means Globeleq Tanzania Limited, successor by change of name to AES Tanzania, a corporation organized under the laws of Bermuda, with its registered office in Hamilton, Bermuda, and any permitted transferee of its shares in accordance with the Shareholders' Agreement.

"Good Oilfield Practices" means the oilfield practices (including gas field practices) generally followed by the petroleum industry in the United Kingdom, as such practices may be applicable in Tanzania having regard to geology, marine science, engineering, environmental, safety and operational considerations.

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"Good Pipeline Practices" means the pipeline practices normally followed by the pipeline industry in the United Kingdom, as such practices may be applicable in Tanzania, having regard to engineering, geology, topography, environmental, safety and operating considerations, including manufacturers' recommendations.

"GOT" means the Government of the United Republic of Tanzania.

"GOT Action or Inaction" means the action or inaction of GOT or any Government Entity, other than a Change in Law, which action or inaction is inconsistent with the Basic Agreements or the Financing Agreements and which action or inaction has a Material Songas Effect.

"GOT Special Event" has the meaning established in Section 16.2.

"Government Entity" means any central, local or other governmental authority (including regulatory authorities and administrative bodies) with jurisdiction over Songas, the Project or any part thereof, and any department, authority, ministry, commission, instrumentality or agency of GOT or any central, local, or other governmental authority and any subdivision of any such governmental authority.

"Hard Currency" means Dollars, or in the event that Shillings cannot be converted into Dollars at the Commercial Rate, any of Swedish Krona, Norwegian Krone, Euros, Japanese Yen or British Pounds Sterling.

"Hard Currency Agreement" means the Amended and Restated Hard Currency Agreement by and among GOT, Ocelot Tanzania (now Globeleq Somanga), AES Tanzania (now Globeleq Tanzania), Citibank Tanzania and Citibank, N.A., dated on or before the date of Financial Closing, as the same may be amended from time to time.

"Hard Currency Requirements" has the meaning established in the Shareholders' Agreement.

"Initial Shareholders" has the meaning established in the Shareholders' Agreement.

"Initial Term" has the meaning established in the Power Purchase Agreement.

"Insufficiency" means an insufficiency of the natural gas reserves available to supply Protected Gas pursuant to Section 13.2 of the Gas Agreement.

"Interbank Rate" means the rate designated as such by the Bank of Tanzania, which rate reflects on each Business Day the weighted average rate at which Dollars and Shillings were converted into one another in the interbank foreign exchange market in Tanzania on the preceding Business Day, or any replacement therefor.

"Lapse of Consent" means any Consent (i) ceasing to remain in full force and effect or (ii) not being issued or renewed upon application having been properly and timely made and diligently pursued or (iii) being made subject, subsequent to its grant, upon renewal or otherwise, to any terms or conditions that, in any case, have a Material Songas Effect, in each of the above instances through no fault of Songas.

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"Laws of Tanzania" means the laws of Tanzania, and all orders, rules, regulations and decrees thereunder, published written policies of any Government Entity, judgments and notifications made pursuant thereto, as such laws, orders, rules, regulations, decrees, policies, judgments and notifications may be modified, vacated or amended from time to time.

"LIBOR" means the London Interbank Offered Rate for six month deposits of Euro Dollars displayed on page "LIBOR01" of the Reuters Money Rates Service (or any other page that replaces page "LIBOR01" for the purposes of displaying the British Bankers Association (BBA) interest settlement rates for such deposits of Euro Dollars in the London Interbank market) on the date of determination, or in the event the Reuters Money Rates Service, or a successor thereto, no longer provides such information, such other service as may be agreed by the Parties that provides BBA interest settlement rates for such deposits of Euro Dollars in the London Interbank market and any other required information previously provided on the page "LIBOR01".

"Liquidity Facility" means the account that will be established by GOT pursuant to the Liquidity Facility Agreement.

"Liquidity Facility Agreement" means the agreement of that name by and among GOT, Songas and the Liquidity Facility agent named therein, dated as of 11 October 2001, as the same may be amended from time to time.

"Loan Agreements" means each of the Subsidiary Loan Agreements and the Loan Assumption Agreement.

"Loan Assumption Agreement" means the agreement of that name by and among GOT, TANESCO and Songas, dated as of 11 October 2001, as the same may be amended from time to time.

"Loss" means any and all loss, damage, liability, payment or obligation (excluding any indirect or consequential loss, damage, liability, payment or obligation), and all expenses (including reasonable legal fees).

"Major Contract" means any contract entered into by Songas for goods or services, under which contract Songas' obligations in any one calendar year exceed US\$5 million.

"Material Songas Effect" means a material and adverse effect on (i) Songas or its ability to perform its obligations or exercise its rights under any Basic Agreement or Financing Agreement, (ii) the design, construction, financing, ownership, operation or maintenance of the Project, or, in case of damage, the restoration of, the Complex, the Gas Facilities or any facilities needed for the operation of the Project or (iii) the interests of the Preferred Shareholders or the return (net of tax or other impositions) of or on their investment in the Project.

"Minister" means the minister of the Ministry.

"Ministry" means the Ministry of Energy and Minerals of GOT or, in the event the name or responsibility of such Ministry should be changed, whichever ministry (or regulatory body, as the context may require) of GOT is charged with the responsibility for petroleum resources or electricity, as the case may be.

"Notice of Contract Event" means the notice given by one Party to the other Parties pursuant to Section 16.4(a).

"Notice of Intent to Terminate" means the notice given by one Party to the other Parties pursuant to Section 16.4(b).

"Notice of Termination" means the notice given by one Party to the other Parties pursuant to Section 14.5 or 16.4(d).

"Ocelot Tanzania" means Ocelot International Tanzania Ltd., a corporation organized under the laws of Jersey, with its principal office located in St. Helier, Jersey, Channel Islands, and any permitted transferee of its shares in accordance with the Shareholders' Agreement.

"PanAfrican Tanzania" means PanAfrican Energy Tanzania Limited, a corporation organised under the laws of Jersey with its principal office located in St. Helier, Jersey, Channel Islands, and any permitted assignee of its rights under the Gas Agreement.

"PanAfrican" means PAE PanAfrican Energy Corporation, a corporation organised under the laws of Mauritius, with its principal office located in Port Louis, Mauritius.

"PanAfrican Event of Default" has the meaning established in Section 16.3(a).

"Parastatal Action or Inaction" means the action or inaction of any Parastatal Entity, which action or inaction is inconsistent with the Basic Agreements or the Financing Agreements and which action or inaction has a Material Songas Effect; provided, however, that no such action or inaction shall be considered a Parastatal Action or Inaction if such Parastatal Entity is acting within the scope of its rights and obligations under the Basic Agreements and Financing Agreements or any transaction with Songas where Songas has chosen to enter into such transaction with the Parastatal Entity notwithstanding the existence of commercially reasonable alternatives.

"Parastatal Entity" means any Person owned or controlled by GOT or any Government Entity.

"Parent Companies" means PanAfrican and CDCPLC.

"Party" or "Parties" means any of the signatories to this Agreement.

"Person" means an individual, corporation, partnership, joint venture, trust, unincorporated organization, Government Entity or any other legal entity.

"Pipeline" means the natural gas transportation pipeline to be constructed from the Processing Plant to the Complex, as more particularly described in Annex G to the Power Purchase Agreement.

"Political Event" has the meaning established in Section 14.5.

"Power Purchase Agreement" means the agreement of that name by and between TANESCO and Songas, dated as of 11 October 2001, as the same may be amended from time to time.

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"Preferred Shares" means the Series A Preferred Shares and Series B Preferred Shares authorized to be issued by Songas.

"Preferred Shareholders" means the holders of the Series A Preferred Shares and Series B Preferred Shares outstanding from time to time.

"Prescribed Fee" means, with respect to any Consent, the charge or fee, if any, prescribed by the Laws of Tanzania.

"Prescribed Form" means, with respect to any Consent, the form, if any, (including all information and details) prescribed by the Laws of Tanzania for the application for, or renewal of, such Consent.

"Processing Plant" means the natural gas processing plant to be constructed on Songo Songo Island, as more particularly described in Annex G to the Power Purchase Agreement, or any replacement facility.

"Project" means the development, design, construction, financing, ownership, operation and maintenance of a unified gas and electric infrastructure programme, known as the Songo Songo Gas-to-Electricity Project, including the transfer to Songas of certain of TPDC's facilities on and around Songo Songo Island; the development, production and processing of natural gas on and around Songo Songo Island under a Development Licence, certain rights under which are assigned by TPDC to Songas; the construction of a gas processing facility and a gas transportation pipeline from Songo Songo Island to the Complex and the Wazo Hill Cement Plant; the conversion of the turbines at the Complex to natural gas operation; the transfer of the Complex from TANESCO to Songas; the operation of the Complex by Songas and the sale to TANESCO of the capacity and the electrical output of the Complex; and the sale of natural gas by Songas to the Wazo Hill Cement Plant.

"Promissory Notes" has the meaning established in the Shareholders' Agreement.

"Protected Assets" means the Grid System (as such term is defined in the Power Purchase Agreement), electric distribution assets, any other assets necessary for TANESCO to fulfill its duties under the Electricity Ordinance, and assets protected by diplomatic and consular privileges under the 1978 Immunity Act of the United Kingdom and the 1976 Sovereign Immunities Act of the United States or any successor or analogous legislation.

"Protected Gas" has the meaning established in the Gas Agreement.

"Prudent Utility Practices" means the prudent utility practices followed from time to time by the electric utility industry in the United Kingdom, as such practices may be applicable in Tanzania, having regard to engineering, environmental, safety, reliability and operational considerations, including manufacturers' recommendations.

"Required Commercial Operations Date" means the date that is 31 months after the date of Financial Closing, as the same may be extended in accordance with the terms of the Power Purchase Agreement.

"Series A Preferred Shareholders" means the holders of the Series A Preferred Shares outstanding from time to time.

"Series A Preferred Shares" means the Series A Preferred Shares authorized to be issued by Songas.

"Series B Preferred Shareholders" means the holders of the Series B Preferred Shares outstanding from time to time.

"Series B Preferred Shares" means the Series B Preferred Shares authorized to be issued by Songas.

"Shareholders" means those Persons holding Preferred Shares or Common Shares in Songas from time to time.

"Shareholders' Agreement" means the agreement of that name by and among GOT, Songas and the Initial Shareholders, dated as of 11 October 2001, as the same may be amended from time to time.

"Shilling" or "TSh" means the currency that is the legal tender of the United Republic of Tanzania.

"Shortfall Amount" means for each month in which the FTPA Order is in effect, the difference between: (i) the tariff and other amounts due and payable pursuant to Article IX and Annex F of the Power Purchase Agreement, for such month, calculated as if the FTPA Order had not been made; and (ii) the amount that TANESCO is permitted to pay to Songas under the FTPA Order for such month.

"Sinking Fund Agreement" means the agreement of that name by and among GOT, Songas, TANESCO and the Sinking Fund Agent named therein, substantially in the form of Annex J to the Power Purchase Agreement.

"Songas" means Songas Limited, a limited liability company incorporated and organized under the Laws of Tanzania, with its principal office located in Dar es Salaam, Tanzania.

"Songas Event of Default" has the meaning established in Section 16.1.

"Songas Project Agreement" means the agreement of that name by and between the International Development Association and Songas, dated as of 11 October 2001, as the same may be amended from time to time.

"Songo Songo Facilities Transfer Agreement" means the agreement of that name by and between TPDC and Songas, dated as of 11 October 2001, as the same may be amended from time to time.

"Sovereign Event" means the inability of Songas to convert sufficient Shillings into Hard Currency using normal commercial mechanisms to meet its Hard Currency Requirements at a time when there is insufficient Hard Currency in the Liquidity Facility to meet Songas' Hard Currency Requirements; provided, however, that for purposes of this Agreement, Globeleq Somanga and Globeleq Tanzania shall not be required to use Hard Currency held in the Escrow Account to convert such unconverted Shillings.

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"Subsidiary Loan Agreements" means the On-Lending Agreement (EIB) and the Subsidiary Loan Agreement (IDA) by and between GOT and Songas, dated as of 11 October 2001, as the same may be amended from time to time.

"TANESCO" means the Tanzania Electric Supply Company Limited, a limited liability company incorporated under the Laws of Tanzania, with its principal office located in Dar es Salaam, Tanzania, and its permitted successors and assigns in accordance with Section 8.7 of this Agreement.

"Target Equity" has the meaning established in the Shareholders' Agreement.

"Tariff Project Costs" has the meaning established in the Power Purchase Agreement.

"Technical Dispute" means a dispute that relates to a technical, engineering, operational or accounting matter related to this Agreement, that in any case, is of the type susceptible to resolution by an expert in the relevant field.

"TPDC" means the Tanzania Petroleum Development Corporation, a statutory corporation established under the Laws of Tanzania, with its principal office located in Dar es Salaam, Tanzania, and its permitted successors and assigns in accordance with Section 8.7 of this Agreement.

"Transfer Date" means the last day of the month in which the Commercial Operations Date occurs.

"Ubungo Complex Transfer Agreement" means the agreement of that name by and between TANESCO and Songas, dated as of 11 October 2001, as the same may be amended from time to time.

"Uncured Political Event" means a Political Event that is not cured within the time periods specified in Section 14.5.

"Wazo Hill Cement Plant" has the meaning established in the Power Purchase Agreement.

"Wazo Hill Gas Sales Agreement" has the meaning established in the Power Purchase Agreement.

"Wazo Hill Lateral" means the natural gas transportation pipeline to be constructed from the Pipeline to the Wazo Hill Cement Plant, as described in Annex G to the Power Purchase Agreement.

1.2. Rules of Interpretation.

In this Agreement, unless the context requires otherwise:

(a) the headings are for convenience only and shall not be considered in construing this Agreement;

(b) the singular includes the plural and vice versa;

(c) references to Articles, Sections, Schedules and Annexes are references to Articles and Sections of, and Schedules and Annexes to, this Agreement;

(d) the terms "include" and "including" mean without limitation;

(e) the term "day" shall mean a 24-hour period starting and ending at 12:00 midnight Tanzania time; the term "week" shall mean a seven-day period beginning and ending on Sunday at 12:00 midnight Tanzania time; the term "month" shall mean a calendar month, and the term "year" shall mean a calendar year;

(f) in the event of any conflict between the provisions of this Agreement and any Annex, the provisions of this Agreement shall prevail; and

(g) the Parties acknowledge that all matters relating to the Implementation Agreement will be governed solely by the terms of this Amended and Restated Implementation Agreement.

ARTICLE II

IMPLEMENTATION OF THE PROJECT BY SONGAS

2.1. Compliance with Laws of Tanzania and Agreements.

Songas shall design, construct, own, operate and maintain the Project in accordance with all applicable Laws of Tanzania, all applicable Consents, and its obligations under the Power Purchase Agreement, the Gas Agreement, the Gas Processing and Transportation Agreement, the Songas Project Agreement, the Subsidiary Loan Agreements, the Loan Assumption Agreement and the Sinking Fund Agreement. In the event that an FTPA Order is issued, Songas shall: (i) notify GOT of the issuance of such order within 5 Business Days of Songas becoming aware of such FTPA Order; and (ii) take commercially reasonable actions to have such order annulled, revoked or suspended; provided, however, that no delay in providing such notice pursuant to the preceding clause (i) and nothing in the preceding clause (ii) (including any delay in or failure to have such order annulled, revoked or suspended) shall suspend or otherwise affect the GOT's obligations to compensate Songas for the monthly Shortfall Amount under Section 8.11 or limit or otherwise adversely affect the provisions of Section 14.5.

2.2. Contracting.

(a) Songas may delegate its responsibilities to design, construct, operate and maintain the Project to one or more Contractors as provided in the Basic Agreements.

(b) Songas shall submit to GOT its list of all pre-qualified or invited bidders selected by Songas for Major Contracts no later than 21 days prior to issuing an invitation to bid. GOT may advise Songas of its objections to any bidder within seven days thereafter. Songas shall consider such objections but will be under no obligation to disqualify any bidder based on such objections.

(c) Songas shall provide GOT with a copy of any Major Contract not later than 30 days following the execution thereof. Songas shall provide GOT with a copy of any amendment to any Major Contract that results in a material change or a change in a major piece of equipment as to either its company or country of manufacture not later than 30 days following the execution thereof.

(d) Songas shall at all times remain liable for the performance of its obligations under the Basic Agreements notwithstanding any delegation to any Contractor.

2.3. Required Arrangements.

Except to the extent that the Basic Agreements or Financing Agreements specifically assign responsibilities or obligations to other Persons, Songas shall make all necessary arrangements to enable it to carry out its obligations under the Basic Agreements and the Financing Agreements.

2.4. Environmental Protection, Health and Safety.

(a) Songas shall at all times comply with all applicable Laws of Tanzania and the applicable requirements of Annex G to the Power Purchase Agreement regarding environmental protection, health and safety.

(b) Songas shall promptly notify GOT of any environmental accidents or emergencies and shall report periodically, but in no event less frequently than annually, on remediation programmes and emergency response plans for environmental impact from the operations of the Project.

(c) In the event of an environmental accident or emergency, Songas shall issue a report to GOT, no less frequently than weekly, assessing the environmental damage and updating the status of the remediation programme until the completion of such remediation.



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ARTICLE III

PERMITS AND APPROVALS

3.1. Applications by Songas for Consents.

Songas shall make or cause to be made, in a timely fashion, all applications (whether initial or renewal applications) for all Consents listed on Annex A and for such Consents not listed on Annex A where, after the date of this Agreement, it is determined that such Consents are required. Such Consents shall be applied for as soon as reasonably practicable after learning of such requirement, and, in each case, shall be submitted in the Prescribed Form and with the Prescribed Fee, to GOT and any relevant Government Entities, as appropriate, and Songas shall diligently pursue all such applications. The information supplied in the applications shall be complete and accurate and shall satisfy the substantive and procedural requirements of the applicable Laws of Tanzania.

3.2. Status of Consent Applications.

Songas shall make or cause to be made to GOT, ~~at least monthly prior to the Transfer Date and at least quarterly thereafter,~~ reports listing its schedule for submitting Consent application forms or renewal application forms, the status of any Consent applications then outstanding, notifications of the grant, renewal or denial of any Consent and notifications of any violations of any Consent. Each report shall include copies of all applications and notifications discussed in the report. The first section of each report shall also summarize any problems regarding any material Consent or Consent application that may affect Songas' performance under any Basic Agreement or Financing Agreement. In the event of any Lapse of Consent, Songas shall submit a report pursuant to this Section 3.2 within 10 Business Days thereof unless such Lapse of Consent could not reasonably be known to Songas without notification from the issuing Government Entity, in which case Songas shall submit a report pursuant to this Section 3.2 within 10 Business Days of such notification.

3.3. Support to Obtain Consents.

Subject to Songas' timely submission of the reports required by Section 3.2, and upon request of Songas, GOT shall support and use all reasonable efforts to expedite and assist in resolving any difficulties with regard to the consideration of the applications for the Consents filed pursuant to Section 3.1 and the timely issuance thereof by GOT or other relevant Government Entity. Any request for support shall be accompanied by copies of the application for the Consent, any notice that the Consent was denied or deferred, and a statement of Songas' efforts to date to obtain the Consent.

3.4. Conditions to Consents.

Subject to the provisions of Section 8.6, GOT or relevant Government Entity may attach such terms and conditions to the issuance or renewal of any of the Consents as are in accordance with the Laws of Tanzania, and the attachment of such terms and conditions shall not in and of itself constitute a breach of this Agreement by GOT. Songas and the Contractors shall abide by all such terms and conditions. If Songas or any of the Contractors fails to abide by any term or condition of any Consent, then the exercise by GOT or relevant Government Entity of a power

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pursuant to the Laws of Tanzania in respect of such failure shall not of itself constitute a breach of this Agreement by GOT or a Force Majeure Event; provided, however, that if (i) within two years of the Transfer Date, Songas, GOT or any relevant Government Entity determines that a Consent not listed on Annex A is required to be obtained by Songas or its Contractors from GOT or such Government Entity or (ii) there is a default in the compliance with any term or condition of any Consent at the time such Consent is transferred to Songas or its Contractors or as a result of a condition in existence at the Transfer Date, then to the fullest extent permitted by the Laws of Tanzania, GOT shall not, and GOT shall ensure that no Government Entity shall, exercise any power pursuant to the Laws of Tanzania with respect to such failure (including the termination or revocation of any existing Consent or the imposition of fines and penalties) unless Songas or such Contractor(s), as the case may be, shall have first been given written notice of such requirement or failure (which notice shall specify, in reasonable detail, the nature of such requirement or failure) and Songas or such Contractor(s), as the case may be, are given the opportunity and fail within a reasonable period of time after receipt of such notice to so rectify, remedy, comply with or cure such requirement or failure; provided further, that nothing in this Section 3.4 shall limit GOT or any Government Entity from taking any action in relation to such failure in accordance with the Laws of Tanzania to require Songas or its Contractors to cease operating the Project in the case of an imminent threat to the environment or to the health and safety of the public or of Songas' employees.

3.5. Liaison.

(a) Songas shall appoint at least one member of its staff to be available to GOT and other Government Entities to consult on and expedite resolution of any problem or issue that may arise relating to GOT or any Government Entity.

(b) The Ministry shall appoint one senior employee and two alternate senior employees who shall act as liaison between Songas and each Government Entity that has obligations to Songas under any Basic Agreement or Financing Agreement or any of the Consents and who shall be charged with providing reasonable assistance to Songas in expediting resolution of any problem or issue that may arise relating to that Government Entity.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

4.1. GOT Representations and Warranties.

As of the date hereof, GOT hereby represents and warrants to the other Parties that:

(a) The Minister has the full power and authority to execute and deliver this Agreement on behalf of GOT. GOT has full power and authority to perform its obligations hereunder. The execution, delivery and performance of this Agreement by GOT (i) has been duly authorized by all requisite action on the part of GOT and any applicable Government Entity and (ii) will not (A) violate the Laws of Tanzania or any applicable order of GOT, any Government Entity or court or (B) violate, be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any indenture, agreement for borrowed money, bond, note, instrument or other agreement to which GOT is a party or by which GOT or its property is bound, excluding defaults or violations that would not, individually or in the aggregate, have a material adverse effect on the properties or financial condition of GOT or on its ability to perform its obligations hereunder. This Agreement has been duly executed and delivered by the Minister on behalf of GOT.

(b) Assuming it constitutes a legal, valid and binding obligation of each of the other Parties, this Agreement constitutes a legal, valid and binding obligation of GOT enforceable against it in accordance with its terms subject to general principles of equity.

(c) No filing or registration with, no notice to and no permit, authorization, consent or approval of any Person is required for the execution, delivery or performance of this Agreement by GOT except for such permits, authorizations, consents or approvals as have been obtained.

(d) GOT is not in default under any agreement or instrument of any nature whatsoever to which it is a party or by which it is bound in any manner that would have a material adverse effect on its ability to perform its obligations hereunder or the validity or enforceability of this Agreement.

(e) Except as otherwise disclosed in writing on or prior to the date hereof, there is no action, suit, proceeding or investigation pending, or to GOT's knowledge, threatened, against GOT which, if adversely determined, would have a material adverse effect on its ability to perform its obligations hereunder or the validity or enforceability of this Agreement.

4.2. PanAfrican Representations and Warranties.

As of the date hereof, PanAfrican hereby represents and warrants to the other Parties that:

(a) PanAfrican is a corporation duly organized, validly existing under the laws of Mauritius and has all requisite corporate power and authority to own or lease and operate its properties and carry on its business as now being conducted and as presently proposed to be conducted.

(b) PanAfrican has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance

of this Agreement by PanAfrican (i) has been duly authorized by all requisite corporate action on the part of PanAfrican, and no other proceedings on the part of PanAfrican or any other Person are necessary for such authorization and (ii) will not (A) violate (1) the Laws of Tanzania, any other applicable law, or any applicable order of any Government Entity or any other governmental agency, authority or court having jurisdiction over PanAfrican or its properties or (2) any provision of the Memorandum and Articles of Association of PanAfrican or (B) violate, be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any indenture, agreement for borrowed money, bond, note, instrument or other agreement to which it is a party or by which its properties are bound, excluding defaults or violations that would not, individually or in the aggregate, have a material adverse effect on the business, properties, financial condition or results of operation of PanAfrican or on its ability to perform its obligations under this Agreement. This Agreement has been duly executed and delivered by PanAfrican.

(c) Assuming it constitutes a legal, valid and binding obligation of each of the other Parties, this Agreement constitutes a legal, valid and binding obligation of PanAfrican, enforceable against it in accordance with its terms, subject to (i) bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect relating to creditors' rights and (ii) to general principles of equity.

(d) To the best of its knowledge, after reasonable inquiry, no filing or registration with, no notice to and no permit, authorization, consent or approval of any Person is required for the execution, delivery or performance of this Agreement by PanAfrican, except for (i) such permits, authorizations, consents or approvals that have been obtained and are in full force and effect; (ii) such permits, authorizations, consents or approvals as may be required in the future, which will be applied for in due course and diligently pursued; and (iii) such permits, authorizations, consents or approvals that after the date of this Agreement are determined to have been required, which permits, authorizations, consents or approvals PanAfrican shall apply for as soon as practicable after learning of such requirement and diligently pursue.

(e) PanAfrican is not in default under any agreement or instrument of any nature whatsoever to which it is a party or by which it is bound in any manner that would have a material adverse effect on its ability to perform its obligations hereunder or the validity or enforceability of this Agreement.

(f) Except as otherwise disclosed in writing on or prior to the date hereof, there is no action, suit, proceeding or investigation pending or, to the knowledge of PanAfrican, threatened (i) for its dissolution or (ii) against it, which, if adversely determined, would have a material adverse effect on its ability to perform its obligations hereunder or the validity or enforceability of this Agreement.

(g) PanAfrican represents that it has not paid or received, or undertaken to pay or receive, any bribe, pay-off, kick-back, or unlawful commission and has not in any other way or manner paid any sums, whether in Tanzanian Shillings or foreign currency and whether in Tanzania or abroad, given or offered to pay any gifts and presents in Tanzania or abroad, to any Person to procure this Agreement. PanAfrican undertakes not to engage in any of these or similar acts during the term of this Agreement.

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4.3. CDCPLC Representations and Warranties.

As of the date hereof, CDCPLC hereby represents and warrants to the other Parties that:

(a) CDCPLC is a corporation duly organized and validly existing under the laws of England and Wales and has all requisite corporate power and authority to own or lease and operate its properties and carry on its business as now being conducted and as presently proposed to be conducted.

(b) CDCPLC has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by CDCPLC (i) has been duly authorized by all requisite corporate action on the part of CDCPLC, and no other proceedings on the part of CDCPLC or any other Person are necessary for such authorization and (ii) will not (A) violate (1) the Laws of Tanzania, any other applicable law, or any applicable order of any Government Entity or any other governmental agency, authority or court having jurisdiction over CDCPLC or its properties or (2) any provision of the Memorandum of Association or Articles of Association of CDCPLC or (B) violate, be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any indenture, agreement for borrowed money, bond, note, instrument or other agreement to which it is a party or by which its properties are bound, excluding defaults or violations that would not, individually or in the aggregate, have a material adverse effect on the business, properties, financial condition or results of operation of CDCPLC or on its ability to perform its obligations under this Agreement. This Agreement has been duly executed and delivered by CDCPLC.

(c) Assuming it constitutes a legal, valid and binding obligation of each of the other Parties, this Agreement constitutes a legal, valid and binding obligation of CDCPLC, enforceable against it in accordance with its terms, subject to (i) bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect relating to creditors' rights and (ii) to general principles of equity.

(d) To the best of its knowledge, after reasonable inquiry, no filing or registration with, no notice to and no permit, authorization, consent or approval of any Person is required for the execution, delivery or performance of this Agreement by CDCPLC, except for (i) such permits, authorizations, consents or approvals that have been obtained and are in full force and effect; (ii) such permits, authorizations, consents or approvals as may be required in the future, which will be applied for in due course and diligently pursued; and (iii) such permits, authorizations, consents or approvals that after the date of this Agreement are determined to have been required, which permits, authorizations, consents or approvals CDCPLC shall apply for as soon as practicable after learning of such requirement and diligently pursue.

(e) CDCPLC is not in default under any agreement or instrument of any nature whatsoever to which it is a party or by which it is bound in any manner that would have a material adverse effect on its ability to perform its obligations hereunder or the validity or enforceability of this Agreement.

(f) Except as otherwise disclosed in writing on or prior to the date hereof, there is no action, suit, proceeding or investigation pending or, to the knowledge of CDCPLC, threatened (i) for its dissolution or (ii) against it, which, if adversely determined, would have a material adverse

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effect on its ability to perform its obligations hereunder or the validity or enforceability of this Agreement.

(g) CDCPLC represents that it has not paid or received, or undertaken to pay or receive, any bribe, pay-off, kick-back, or unlawful commission and has not in any other way or manner paid any sums, whether in Tanzanian Shillings or foreign currency and whether in Tanzania or abroad, given or offered to pay any gifts and presents in Tanzania or abroad, to any Person to procure this Agreement. CDCPLC undertakes not to engage in any of these or similar acts during the term of this Agreement.

4.4. Songas Representations and Warranties.

As of the date hereof, Songas hereby represents and warrants to the other Parties that:

(a) Songas is a company limited by shares, duly organized, validly existing under the Laws of Tanzania, and has all requisite corporate power and authority to own or lease and operate its properties and to carry on its business as now being conducted and presently proposed to be conducted.

(b) Songas has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by Songas (i) has been duly authorized by all requisite corporate action on the part of Songas, and no other proceedings on the part of Songas or any other Person are necessary for such authorization, and (ii) will not (A) violate (1) the Laws of Tanzania or any applicable order of GOT, any Government Entity or court or (2) any provision of the Memorandum and Articles of Association of Songas or (B) violate, be in conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any indenture, agreement for borrowed money, bond, note, instrument or other agreement to which Songas is a party or by which Songas or its property is bound, excluding defaults or violations that would not, individually or in the aggregate, have a material adverse effect on the business, properties, financial condition or results of operation of Songas, or on its ability to perform its obligations hereunder. This Agreement has been duly executed and delivered by Songas.

(c) Assuming it constitutes a legal, valid and binding obligation of each of the other Parties, this Agreement constitutes a legal, valid and binding obligation of Songas, enforceable against it in accordance with its terms, subject to (i) bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter in effect relating to creditors' rights and (ii) to general principles of equity.

(d) To the best of its knowledge, after reasonable inquiry, no filing or registration with, no notice to and no permit, authorization, consent or approval of any Person is required for the execution, delivery or performance of this Agreement by Songas, except for (i) the Consents that have been obtained and are in full force and effect; (ii) such Consents as may be required in the future, which will be applied for in due course and diligently pursued; and (iii) such Consents not listed on Annex A to this Agreement that after the date of this Agreement are determined to have been required, which Consents Songas shall apply for as soon as practicable after learning of such requirement and diligently pursue.

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(e) Songas is not in default under any agreement or instrument of any nature whatsoever to which it is a party or by which it is bound in any manner that would have a material adverse effect on its ability to perform its obligations hereunder or the validity or enforceability of this Agreement.

(f) Except as otherwise disclosed in writing on or prior to the date hereof, there is no action, suit, proceeding or investigation pending or, to Songas' knowledge, threatened (i) for the dissolution of Songas, or (ii) against Songas, which, if adversely determined, would have a material adverse effect on its ability to perform its obligations hereunder or the validity or enforceability of this Agreement.

ARTICLE V

EMPLOYMENT, TRAINING AND TANZANIAN RESOURCES

5.1. Employment of Tanzanians.

(a) The Parties recognize that training citizens of Tanzania in the design, construction, installation, operation, maintenance and management of the Project and maximizing technology transfer are central to the interests of GOT in the Project. Songas shall therefore employ, and shall procure that Globeleq O&M and PanAfrican Tanzania (to the extent it is a Songas Contractor) employs citizens of Tanzania for the construction, installation, operation, maintenance and management of the Project to the maximum extent reasonable, taking into consideration availability and the required skills.

(b) Songas shall submit reports annually to the Ministry and to the Songas Board of Directors detailing the progress made toward meeting the objectives set forth in Section 5.1(a).

5.2. Training.

(a) In accordance with the Power Purchase Agreement and the Gas Agreement, Songas and Globeleq O&M and PanAfrican Tanzania, as applicable, shall include employee training programmes as required in the normal conduct of its business, which training programmes shall from time to time include training in each of the skills used in the planning, design, construction, operation and maintenance of the Project and training in management for those employees qualified for management training. The training programmes shall from time to time focus both on technical and administrative matters, including contract administration. Consistent with the Fixed O&M expenses as defined in and established pursuant to Annex F to the Power Purchase Agreement, the cost of such employee training by Songas, Globeleq O&M or PanAfrican Tanzania, will be a normal cost of business included in such Fixed O&M expenses.

(b) Songas shall submit reports annually to the Ministry describing in detail its employee training programmes, the implementation of such training programmes and the amounts spent on such training programmes.

5.3. Tanzanian Resources.

(a) Subject to the procurement requirements of lending and funding institutions, Songas shall give preference to the purchase of Tanzanian goods and materials for use in the Project; provided, however, that such goods and materials are of an acceptable quality and are available on a timely basis in the quantity required, on competitive terms.

(b) Subject to the procurement requirements of lending and funding institutions, Songas shall also give preference to the employment of Tanzanian service contractors as far as they are financially and technically competent, possess the necessary skills to perform the work required by Songas and such contractors are available on a timely basis and on competitive terms.

(c) Songas shall establish appropriate tender procedures for Tanzanian goods, materials and services, taking into account Tanzanian local market conditions and enabling Tanzanian contractors to bid to supply such goods and materials and to provide such services.

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ARTICLE VI

INSURANCE

6.1. Maintenance of Specified Policies.

Songas shall obtain and maintain insurance from financially strong and nationally or internationally reputable insurance companies in accordance with Article XI of the Power Purchase Agreement and Article XI of the Gas Agreement. To the extent that GOT can be named as an additional insured on such insurance policies covering the Project, GOT shall be so named by Songas.

6.2. Insurance Proceeds.

All Insurance Proceeds (as defined in the Subsidiary Loan Agreements) shall be used to repair or restore the Project, except as otherwise provided in the Basic Agreements or the Subsidiary Loan Agreements.

ARTICLE VII

PARENT COMPANY OBLIGATIONS

7.1. Organization of Subsidiaries.

(a) PanAfrican has organized PanAfrican Tanzania, all the outstanding stock of which is held directly or indirectly by PanAfrican. PanAfrican agrees that without the prior approval of GOT, it will not transfer its shares in PanAfrican Tanzania or any subsidiary which directly or indirectly holds shares in PanAfrican Tanzania; provided, however, that the foregoing shall not prohibit PanAfrican from (i) transferring the shares in PanAfrican Tanzania, or any subsidiary which directly or indirectly holds shares in PanAfrican Tanzania, to another subsidiary that is directly or indirectly wholly owned by PanAfrican, or (ii) the pledge of shares of any subsidiary to the Multilateral Investment Guarantee Agency or otherwise if required in connection with obtaining political risk or currency convertibility risk insurance coverage.

(b) CDCPLC is the Parent Company of Globeleq Tanzania and Globeleq Somanga, all the outstanding stock of each being held directly or indirectly by CDCPLC. CDCPLC agrees that without the prior approval of GOT, it will not transfer its shares in Globeleq Tanzania, Globeleq Somanga or any subsidiary which directly or indirectly holds shares in Globeleq Tanzania or Globeleq Somanga; provided, however, that the foregoing shall not prohibit CDCPLC from (i) transferring the shares in Globeleq Tanzania, Globeleq Somanga or any subsidiary which directly or indirectly holds shares in Globeleq Tanzania or Globeleq Somanga, to another subsidiary that is directly or indirectly wholly owned by CDCPLC, or (ii) the pledge of shares of any subsidiary to the Multilateral Investment Guarantee Agency or otherwise if required in connection with obtaining political risk or currency convertibility risk insurance coverage.

(c) Except as provided pursuant to Sections 7.1(a) or 7.1(b), if either PanAfrican or CDCPLC desires to transfer its interests in PanAfrican Tanzania, or Globeleq Somanga, or Globeleq Tanzania, or any subsidiary which directly or indirectly holds shares in PanAfrican Tanzania, or Globeleq Somanga, or Globeleq Tanzania, as the case may be, it shall provide GOT with the following information about the proposed purchaser: its name, nationality, the names and nationalities of all natural Persons who directly or indirectly hold 10% or more of, or exercise influence or control over, the proposed purchaser, audited financial statements for the preceding five fiscal years, together with any more recent unaudited quarterly financial statements, a description of its business, specifically relating to its experience with oil and gas production and well operations and servicing (with respect to a proposed transfer by PanAfrican) and specifically relating to pipeline management and power plant operation (with respect to a proposed transfer by CDCPLC), together with such additional information as GOT may reasonably request. GOT shall use such information to evaluate the ability of the prospective transferee to fulfill its financial and managerial obligations, which shall be the basis for the approval or disapproval of the transfer and shall notify the proposed transferor of its approval or disapproval of the transfer within 90 days following its receipt of all the information requested pursuant to the preceding sentence. GOT may condition its consent to a transfer upon specified conditions, including a requirement that the proposed transferee execute an agreement with GOT whereby the transferee agrees to be bound by the substance of this Agreement.

For the purposes of this Section 7.1, "transfer" means to sell, assign, pledge or transfer.

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7.2. Equity Guarantee.

(a) CDCPLC agrees that it will cause Globeleq Somanga to provide equity capital, subject to Article VII of the Shareholders' Agreement, up to the full amount of Globeleq Somanga's equity obligations to Songas pursuant to Sections 2.3, 2.4, 2.6, and 2.7 of the Shareholders' Agreement.

(b) CDCPLC hereby agrees that it will cause Globeleq Tanzania to provide equity capital, subject to Article VII of the Shareholders' Agreement, up to the full amount of Globeleq Tanzania's equity obligations to Songas pursuant to Sections 2.3, 2.4, 2.6 and 2.7 of the Shareholders' Agreement.

7.3. Performance Guarantee.

(a) Under the Shareholders' Agreement, Globeleq Somanga and Globeleq Tanzania have agreed to cause Songas to operate the Project in accordance with Good Oilfield Practices, Good Pipeline Practices, Prudent Utility Practices and the Laws of Tanzania, subject to the terms and conditions of the Basic Agreements and Financing Agreements, and under the Gas Agreement, ~~PanAfrican Tanzania has agreed to operate the Songo Songo Gas Field and the Gas Production Facilities in accordance with Good Oilfield Practices and the Laws of Tanzania.~~ To the extent there is a Loss arising from Songas' failure to operate the Project in accordance with Good Oilfield Practices, Good Pipeline Practices, Prudent Utility Practices and the Laws of Tanzania, subject to the terms and conditions of the Basic Agreements and Financing Agreements, and the Loss is not fully compensated by Songas, PanAfrican Tanzania, Globeleq Somanga or Globeleq Tanzania, or the operation of any applicable insurance coverage, then:

(i) PanAfrican hereby provides, subject to the terms of this Section 7.3(a)(i), a performance and operations guarantee in the amount of US\$2,500,000 to cure any Loss where (A) the Loss is occasioned by the gross negligence or willful misconduct of PanAfrican, its subsidiaries or any employees of Songas who are or have been employees of PanAfrican or any of its subsidiaries other than Songas within three years of the Loss and (B) Songas has insufficient funds (including any available insurance proceeds) to both cure such Loss and operate the Project. Upon establishment of the amount of such Loss, PanAfrican shall pay, upon demand of GOT, an amount up to US\$2,500,000 for purposes of curing the Loss; provided, however, that in no event shall the amount payable by PanAfrican pursuant to this Section 7.3(a)(i) with respect to any Loss exceed the amount of such Loss, or with respect to all Losses, exceed in the aggregate US\$2,500,000.

(ii) CDCPLC hereby provides, subject to the terms of this Section 7.3(a)(ii), a performance and operations guarantee in the amount of US\$7,500,000 to cure any Loss where (A) the Loss is occasioned by the gross negligence or willful misconduct of CDCPLC, its subsidiaries or any employees of Songas who are or have been employees of CDCPLC or any of its subsidiaries other than Songas within three years of the Loss and (B) Songas has insufficient funds (including any available insurance proceeds) to both cure such Loss and operate the Project. Upon establishment of the amount of such Loss, CDCPLC shall pay, upon demand of GOT, an amount up to US\$7,500,000 for purposes of curing the Loss; provided, however, that in no event shall the amount payable by CDCPLC pursuant to this Section 7.3(a)(ii) with respect to any Loss exceed the

amount of such Loss, or with respect to all Losses, exceed in the aggregate US\$7,500,000.

(b) At such time as a Downgrade Event occurs, CDCPLC shall (i) provide written notice to GOT within 5 Business Days of such event, and (ii) unless otherwise waived in writing by GOT, within 30 days of such event, provide a letter of credit in favor of GOT, from a bank whose short-term and long-term unsecured debt obligations are rated in one of the two highest ratings categories by a nationally recognized rating agency in the United States, in an amount sufficient to meet CDCPLC's maximum obligations under this Section 7.3. For purposes of monitoring the ratio referred to in clause (ii) of the definition of "Downgrade Event" and upon the occurrence of the event described in clause (i) of the definition of Downgrade Event, CDCPLC shall provide to GOT, no later than 60 days after the end of the second and fourth quarter of each calendar year, CDCPLC group unaudited financial statements covering the previous two quarters as well as a certificate from CDCPLC's treasury setting forth and certifying CDCPLC's committed undrawn lines of credit at the time, provided, that, CDCPLC shall no longer provide such documents after it receives a credit rating from Standard & Poor's Corporation or Moody's Investors Services, Inc.

7.4. Emergency Maintenance Loan.

(a) CDCPLC agrees to loan to Songas on a revolving basis up to US\$4 million to fund emergency maintenance expenses during the Initial Term of the Power Purchase Agreement. Each request by Songas to draw such funds shall be subject only to the requirements that (i) the proceeds of such loan, in combination with other funds available to Songas, would be sufficient to undertake and complete the emergency maintenance, (ii) Songas has insufficient funds available or accessible to undertake and complete the emergency maintenance and (iii) there is at the time no occurrence and continuation of any (A) GOT Special Event under any of the Basic Agreements or Financing Agreements or (B) an Uncured Political Force Majeure Event under the Escrow Agreement or an Uncured Political Event.

(b) Any amounts so loaned shall be evidenced by an Emergency Maintenance Loan Promissory Note substantially in the form attached as Annex B. Songas shall repay in Dollars the principal amount of Emergency Maintenance Loans outstanding in 21 equal monthly installments commencing on the first Business Day of the fourth full calendar month following disbursement of any Emergency Maintenance Loan, and Songas shall, at the same time, pay interest in Dollars on the unpaid principal amount of each Emergency Maintenance Loan, until such principal amount is paid in full, at a rate per annum equal to the sum of (i) LIBOR on the day such Emergency Maintenance Loan is disbursed and (ii) the lesser of (A) 18% or (B) the commercial rate at which Songas is able to borrow funds on an unsecured basis on the day such Emergency Maintenance Loan is disbursed, with the sum divided by two. Songas may, without premium or penalty, prepay the outstanding amount of any Emergency Maintenance Loan, in whole or part, with accrued interest to the date of such prepayment on the amount prepaid and shall prepay such Emergency Maintenance Loan to the extent of any insurance proceeds it receives with respect to the event for which such Emergency Maintenance Loan was provided. In the event of any draw of an Emergency Maintenance Loan, the repayment of principal and payment of interest shall be a Non-Subordinated Obligation under the other Basic Agreements and Financing Agreements. CDCPLC shall be liable for any applicable withholding taxes on the payment of interest on the Emergency Maintenance Loan at the rate in effect on the date that is one day prior to the date of Financial Closing. An increase or decrease in the applicable

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withholding tax rate shall be treated as a Change in Law pursuant to Article IX of the Power Purchase Agreement, and payments of interest on any Emergency Maintenance Loan shall be net of such increase or decrease in the withholding tax rate.

(c) The Emergency Maintenance Loan will become immediately due and payable if there shall occur (i) a GOT Special Event under any of the Basic Agreements or Financing Agreements, (ii) an Uncured Political Force Majeure Event under the Escrow Agreement, or an Uncured Political Event, where in either case of (i) or (ii), for so long as the Escrow Account shall remain in effect, Globeleq Tanzania and Globeleq Somanga have delivered Certificates as defined in and pursuant to Section 4.3 or 4.4(a) or (b) of the Escrow Agreement or Certificates as defined in and pursuant to Section 4.2 or 4.3(a) or (b) of the Hard Currency Agreement (or any similar terminating draw under the Escrow Agreement or the Hard Currency Agreement under any successor provisions) or (iii) an acceleration of payment under the Subsidiary Loan Agreements, the Loan Assumption Agreement or any other loan agreement.

(d) If the repayment of the Emergency Maintenance Loan is accelerated pursuant to Section 7.4(c), then such repayment shall be made in accordance with Article V of the Shareholders' Agreement.

7.5. Terms of Guarantee.

(a) The obligations set forth in Sections 7.2 and 7.3 shall be continuing and absolute guarantees, and the obligations set forth in this Article shall remain in full force and effect unless and until a Notice of Termination has been issued pursuant to Section 14.5 or 16.4(d) or Globeleq Tanzania and Globeleq Somanga have delivered Certificates pursuant to Section 4.3 or 4.4(a) or (b) of the Escrow Agreement or pursuant to Section 4.2 or 4.3(a) or (b) of the Hard Currency Agreement, as such Certificates are defined therein; (or any similar terminating draw under the Escrow Agreement or the Hard Currency Agreement under any successor provisions) provided, however, that PanAfrican's and CDCPLC's obligations pursuant to Section 7.3 shall survive only with respect to such obligations that occurred or arose prior to such termination or delivery if, within six months from the earlier of any such termination or delivery of such Certificates, GOT shall have notified the Parent Companies in writing of such a Loss and that it is demanding or will be demanding payment pursuant to Section 7.3.

(b) The obligations set forth in Sections 7.2 and 7.3 are a guarantee of payment and not of collection, meaning that while such obligations are in full force and effect, GOT shall not be required to initiate, pursue or exhaust remedies against Globeleq Somanga or Globeleq Tanzania pursuant to the Shareholders' Agreement with respect to the guarantees provided pursuant to Section 7.2 or Songas for the obligations pursuant to Section 7.3 before proceeding against PanAfrican or CDCPLC as the case may be. Each of PanAfrican and CDCPLC expressly waives any right to require that any action be brought against their respective subsidiaries or to require that resort be had to any security. The terms of this Section 7.5(b) shall apply at such time as the conditions to each of the Parent Companies' respective obligations, as set forth in Sections 7.2 and 7.3, have been met.

(c) If Globeleq Somanga or Globeleq Tanzania shall fail to make any required payment guaranteed pursuant to Section 7.2 following demand therefor, CDCPLC shall, within 10 days following the giving of notice of such failure and the demand by Songas for payment, promptly and fully make such payment. If such payment is not made within 10 days of such demand,

CDCPLC shall pay all reasonable costs and expenses, including reasonable legal fees and expenses, paid or incurred by Songas in connection with the enforcement of the obligations under this Article. Each default in any obligation shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

7.6. Obligations Unconditional.

(a) The obligations of CDCPLC under Section 7.2 shall not be impaired, modified, released or limited by any occurrence or condition whatsoever, including any compromise, settlement, release, waiver, renewal, extension, indulgence, impairment, limitation of liability, change in or modification of any of the obligations and liabilities, either original or assumed, of its respective subsidiaries contained in the Basic Agreements or Financing Agreements. No invalidity, irregularity or unenforceability of any obligation of the respective subsidiaries shall affect, impair, or be a defence to the obligations of CDCPLC under this Article.

(b) CDCPLC unconditionally waives notice of any of the matters referred to in Section 7.6(a), and each of the Parent Companies unconditionally waives, except as specified in Sections 7.3 and 7.5, any demand or notice of default in the making of any payment hereunder or of any other default by its respective subsidiary under the Basic Agreements.

(c) No lawful act of commission or omission of any kind or at any time upon the part of Songas or GOT in respect of any matter whatsoever shall in any way affect or impair either Party's rights to enforce any right, power or benefit under this Article, and no set-off, claim, reduction or diminution of any obligation or any defence of any kind or nature which CDCPLC has or may have against Songas or GOT shall be available against Songas or GOT, respectively, in any suit or action brought by Songas or GOT, as the case may be, to enforce any right, power or benefit under Section 7.2.

(d) In the event that any payment pursuant to their obligations under Section 7.3 should give rise to a right of subrogation, PanAfrican and CDCPLC hereby waive any and all rights of subrogation with respect to Songas until such time as Songas' obligations for any indebtedness under any of the Financing Agreements have been satisfied in full.

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ARTICLE VIII

GOT PROJECT ASSISTANCE

8.1. Right to Project.

(a) Subject to the terms and conditions of the Basic Agreements and the Financing Agreements, GOT will assist in obtaining for Songas and PanAfrican Tanzania, or will itself grant to Songas and PanAfrican Tanzania, the exclusive rights to develop, own, operate and maintain the Project. Subject to the terms and conditions of the Basic Agreements, for so long as this Agreement is in effect, GOT shall not grant to any Person other than Songas and PanAfrican Tanzania the rights provided under the Basic Agreements.

(b) GOT shall cause TANESCO and TPDC to obtain all land or interests in land as necessary to fulfill their obligations under the Ubungo Complex Transfer Agreement and the Songo Songo Facilities Transfer Agreement.

(c) Songas may advise GOT from time to time of any difficulties encountered in the activities it is required to perform under Section 2.1 and Section 2.3. ~~If any such difficulties create a significant possibility that Songas will be prevented or materially impaired in meeting its obligations hereunder or under any other Basic Agreement or the Financing Agreements, then, upon the request of Songas, GOT shall take such actions as are reasonable and appropriate under the circumstances to enable Songas to secure the necessary property or services; provided, however, that if GOT reasonably determines that Songas has failed in any material respect to comply with its obligations under this Agreement and that such failure is the principal cause of Songas' difficulties in performing such activities, GOT may advise Songas of such determination and GOT shall not be obligated to take any actions to assist Songas pursuant to this Section 8.1 until such time as Songas has fully complied in all material respects with its obligations under this Agreement.~~

(d) Upon reasonable request by Songas, GOT shall use reasonable efforts to support Songas' performance of its obligations to design, construct, install, operate and maintain the Project. By agreeing to use reasonable efforts to support Songas' efforts, GOT has not relieved, and does not relieve in any way, Songas of its obligations or potential liability under the Basic Agreements.

8.2. Obligation to Lend.

(a) GOT hereby agrees that it will, through its Ministry of Finance, take all actions as are reasonably appropriate to enable it to borrow funds from the International Development Association in the approximate amount as set out in Table 2 of Schedule 1 to Annex F to the Power Purchase Agreement and from the European Investment Bank in the approximate amount as set out in Table 2 of Schedule 1 to Annex F to the Power Purchase Agreement. Such funds, in combination with funds assumed pursuant to the Loan Assumption Agreement, are intended to cover the debt-funded portion of the Tariff Project Costs in a nominal ratio of 75% of the Tariff Project Costs, and will be loaned to Songas on the terms and conditions set forth in the Subsidiary Loan Agreements.

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(b) If Actual Shared Project Costs are less than Estimated Shared Project Costs, GOT's obligation to lend pursuant to Section 8.2(a) shall be reduced by an amount equal to 75% of the difference between Estimated Shared Project Costs and Actual Shared Project Costs. If the Actual Pass-Through Project Costs are less than the Budgeted Pass-Through Project Costs, GOT's obligation to lend pursuant to Section 8.2(a) shall be reduced by an amount equal to 100% of the difference between the Budgeted Pass-Through Project Costs and Actual Pass-Through Project Costs. If Estimated Shared Project Costs are less than Budgeted Shared Project Costs, escalated as provided in Table 7 to Schedule 1 of Annex F to the Power Purchase Agreement, GOT's obligation to lend pursuant to Section 8.2(a) shall be reduced by an amount equal to 100% of the difference between the Budgeted Shared Project Costs, escalated as provided in Table 7 to Schedule 1 of Annex F to the Power Purchase Agreement, and the Estimated Shared Project Costs.

(c) If Actual Shared Project Costs exceed Estimated Shared Project Costs, GOT will, in addition to any other obligation to lend pursuant to this Section 8.2, lend to Songas from time to time as needed on the terms and conditions set forth in the Subsidiary Loan Agreements an amount equal to 37.5% of the amount by which Actual Shared Project Costs exceed Estimated Shared Project Costs until Actual Shared Project Costs equal 115% of Estimated Shared Project Costs.

(d) If Estimated Shared Project Costs exceed Budgeted Shared Project Costs, escalated as provided in Table 7 to Schedule 1 of Annex F to the Power Purchase Agreement, or Actual Pass-Through Project Costs exceed Budgeted Pass-Through Project Costs, GOT shall, in addition to any other obligation to lend pursuant to this Section 8.2, lend to Songas from time to time as needed, on the terms and conditions set forth in the Subsidiary Loan Agreements, an amount equal to 100% of such excess costs; provided, however, that GOT may determine, subject to Section 2.4(c) of the Shareholders' Agreement, at the time of funding not to fund 100% of such costs, in which event GOT shall lend to Songas an amount equal to 75% of such excess costs.

(e) GOT shall, in addition to fulfilling any other obligation to lend pursuant to this Section 8.2, lend to Songas from time to time as needed, on the terms and conditions set forth in the Subsidiary Loan Agreements, an amount equal to 75% of costs incurred with respect to the development or construction of the Project as described in Annex G to the Power Purchase Agreement that are attributable to a Force Majeure Event under any of the Basic Agreements until Globeleq Somanga, Globeleq Tanzania and the DFIs have reached their Target Equity (exclusive of the Project Management Fee), and 100% thereafter; provided, however, that the GOT may determine, subject to Section 2.4(c) of the Shareholders' Agreement, at the time of funding not to fund 100% of such costs, in which event GOT shall lend to Songas an amount equal to 75% of such costs.

(f) GOT will, in addition to fulfilling any other obligation to lend pursuant to this Section 8.2, loan to Songas from time to time as needed, on the terms and conditions set forth in the Subsidiary Loan Agreements, an amount equal to the entire amount of any increased costs attributable to a Political Event.

(g) In the case of any partial or total Insufficiency, GOT agrees that it will either:

(i) grant TANESCO a rate increase sufficient to enable TANESCO to meet its obligation to pay the Capacity Charge (as defined and established in the Power

Purchase Agreement) that TANESCO must continue to pay to Songas pursuant to Section 9.4(i) of the Power Purchase Agreement that is attributable to one minus that proportion of the Gas Facilities, the numerator of which is the actual total gas flow to the Complex and the denominator of which is the total gas flow that the Complex would have consumed had there been no Insufficiency, and assuming that the Weighted Average Complex Heat Rate was as specified in Section 5 of Annex F of the Power Purchase Agreement, that become unused by reason of the Insufficiency; or

(ii) forgive the amount of principal and interest otherwise due from Songas to GOT under the Subsidiary Loan Agreements and Loan Assumption Agreements attributable, based on the overall ratio of debt funding included in the Tariff Project Costs, to that proportion of the Gas Facilities, the numerator of which is the total gas flow to the Complex (as reduced by the Insufficiency) and the denominator of which is the total gas flow that the Complex would have consumed had there been no Insufficiency, and assuming that the Weighted Average Complex Heat Rate was as specified in Section 5 of Annex F of the Power Purchase Agreement, that become unused by reason of the Insufficiency.

8.3. Account Funding.

(a) GOT hereby acknowledges its obligations under the Escrow Agreement (i) to fund the Escrow Account initially and from time to time thereafter until the amount on deposit therein equals the then Required Amount (as such term is defined in the Escrow Agreement), including its obligation to restore the Escrow Account to such Required Amount upon the occurrence of any currency exchange loss, (ii) to direct the investment of the funds in the Escrow Account and (iii) to ensure that Shillings in the Escrow Account are converted to Hard Currency to the greatest extent feasible.

(b) GOT hereby acknowledges its obligations under the Liquidity Facility Agreement (i) to fund the Liquidity Facility initially and from time to time thereafter until the amount on deposit therein equals the then Required Amount (as such term is defined in the Liquidity Facility Agreement), including the requirements to restore the Liquidity Facility to such Required Amount upon the occurrence of any currency exchange loss and (ii) to direct the investment of the funds in the Liquidity Facility.

(c) GOT, Songas and TANESCO shall meet each Agreement Year to establish the amount of the Sinking Fund Surcharge (as defined in the Power Purchase Agreement) for the ensuing Agreement Year. GOT agrees to execute the Sinking Fund Agreement, substantially in the form of Annex J to the Power Purchase Agreement, at such time as the Sinking Fund Surcharge (as defined in the Power Purchase Agreement) is other than US\$0.00 per kWh.

8.4. Return to Globeleq Somanga and Globeleq Tanzania.

GOT acknowledges that Globeleq Somanga and Globeleq Tanzania are making their investment in Songas based upon the expectation of receiving dividends and stock redemption payments such that they will obtain an internal rate of return (after withholding taxes, before taking into account capital cost overruns or underruns and the effects of bonuses and penalties under the Power Purchase Agreement) consistent with the rates established in Section 2.10 of the Shareholders' Agreement.

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8.5. Investment and Tax Incentives.

Subject to Article XI, Songas, Globeleq Tanzania, Globeleq Somanga and PanAfrican Tanzania shall avail themselves of the incentives and assistance described in Annex C and granted by GOT or any Government Entity. Upon Songas' notification to GOT that Songas or another beneficiary is encountering difficulties in obtaining such incentives and assistance, GOT shall ensure the provision of such incentives; provided, however, that Songas, Globeleq Tanzania, Globeleq Somanga and PanAfrican Tanzania are in all respects in material compliance with the Basic Agreements, the Financing Agreements and the Laws of Tanzania.

8.6. No Discrimination.

(a) GOT shall not take any actions that would have any adverse impact on Songas or its ability to fulfill its obligations under this Agreement, the other Basic Agreements or the Financing Agreements based upon reasons of foreign ownership or control of Songas. GOT shall provide national treatment to Songas as a corporation organized under the Laws of Tanzania.

(b) Notwithstanding any other provision in this Agreement, neither GOT nor any Government Entity or Parastatal Entity shall take any discriminatory action that materially and adversely affects the Project or the performance by Songas of its obligations or the enjoyment of its rights or benefits or the interests of the Shareholders therein or of PanAfrican Tanzania. Neither GOT nor any Government Entity or Parastatal Entity shall expropriate, nationalize or, except as hereinafter provided, acquire the Project or Songas, whether in whole or in part; provided, however, that the foregoing shall not prohibit any actions taken by GOT, TANESCO, TPDC, any other Parastatal Entity or any Government Entity pursuant to their respective rights and obligations arising under the Basic Agreements or the Financing Agreements.

8.7. Existence of TANESCO and TPDC.

Songas acknowledges that GOT intends to restructure and/or privatise the energy and electric industries in Tanzania. The timing, nature and structure of the restructuring/privatisation have not been determined, but Songas acknowledges that an entity may assume TANESCO's and TPDC's obligations under the Basic Agreements and Financing Agreements, provided that (i) the successor in interest to TANESCO or TPDC has the ability and undertakes to perform TANESCO's or TPDC's obligations under the Power Purchase Agreement or Gas Agreement, respectively, and (ii) GOT, without interruption in each case, retains its obligations under this Agreement and the Financing Agreements or such other commercial security is provided for the obligations of the succeeding entity that in the reasonable commercial judgment of Songas provides an adequate alternative. Subject to the preceding proviso, Songas hereby consents to the assignment by TANESCO and/or TPDC of their obligations, and agrees to execute such documents and/or instruments as may be necessary or appropriate to acknowledge such assignment.

8.8. ICSID Effectiveness, Designation and Consent.

(a) GOT shall, as soon as practicable but in no event later than the Commercial Operations Date, undertake and complete any legislative or other measures as may be necessary to cause the ICSID Convention (as defined in Section 15.4) to have the force of law in Tanzania.

(b) As soon as practicable but in no event later than the Commercial Operations Date, GOT shall designate TANESCO and TPDC as agencies of GOT to the Centre in accordance with Article 25(1) of the ICSID Convention (as defined in Section 15.4). For the purpose of Article 25(3) of the ICSID Convention, GOT hereby approves each of TANESCO's and TPDC's consents to arbitration under the ICSID Convention in each of the Basic Agreements and Financing Agreements to which TANESCO or TPDC, as the case may be, is a party.

8.9. Obligations Unconditional.

(a) The obligations of GOT hereunder shall not be impaired, modified, released or limited by any occurrence or condition whatsoever, including any compromise, settlement, release, waiver, renewal, extension, indulgence, impairment, limitation of liability, change in or modification of any of the obligations and liabilities, either original or assumed, of GOT or any Government Entity or Parastatal Entity contained in the Basic Agreements or the Financing Agreements. No invalidity, irregularity or unenforceability of any obligation of any Government Entity or Parastatal Entity shall affect, impair, or be a defence to the obligations of GOT hereunder.

(b) No lawful act of commission or omission of any kind or at any time upon the part of Songas or the Parent Companies in respect of any matter whatsoever shall in any way affect or impair its or their rights to enforce any right, power or benefit under this Agreement.

8.10. Electricity Licence.

Upon application in accordance with the Electricity Ordinance by Songas for an Electricity Licence, and payment of the Prescribed Fee, GOT shall, on or prior to Financial Closing, issue the Electricity Licence. The Parties agree that during any period that TANESCO operates the Complex pursuant to Section 6.11 of the Power Purchase Agreement, Songas shall not be determined to be in default under Section 72(1) of the Electricity Ordinance.

8.11. Obligation to Remedy Effects of an FTPA Order.

In the event of the issuance of an FTPA Order:

(a) GOT shall, for each month during the period in which the FTPA Order is in effect, compensate Songas, as a direct contractual obligation under this Agreement, the monthly Shortfall Amount, by either, at GOT's election (i) forgiving an amount of principal and interest otherwise due from Songas to GOT in the next succeeding month under the Subsidiary Loan Agreements or the Loan Assumption Agreement equal to the monthly Shortfall Amount or (ii) paying to Songas the monthly Shortfall Amount; provided, however, that in the event that the Shortfall Amount in any month exceeds the amount of principal and interest otherwise due from Songas to GOT in the next succeeding month under the Subsidiary Loan Agreements and the Loan Assumption Agreement, the GOT may elect to forgive such amount of principal and interest and pay to Songas the balance of the monthly Shortfall Amount;

(b) satisfaction of the monthly Shortfall Amount under Section 8.11(a) shall be made within the time periods and on the terms set forth in the Power Purchase Agreement.

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ARTICLE IX

FOREIGN CURRENCY EXCHANGE AND TRANSFER OF FUNDS

9.1. Foreign Exchange Regulation.

The foreign currency exchange and transfer abroad of all funds related to the Project shall be governed by the Foreign Exchange Act, 1992 and regulations promulgated thereunder, as amended from time to time.

9.2. Use of Tanzanian Bank Accounts; Exceptions.

GOT shall cause the Bank of Tanzania to give Songas consent to (i) hold foreign exchange (A) provided by the Parent Companies or their Affiliates or any of the DFIs, the International Development Association, the European Investment Bank, or any other foreign sources provided for in the Basic Agreements or Financing Agreements and (B) used to pay foreign contractors or vendors in respect of services provided or equipment or materials purchased outside of Tanzania, in one or more accounts outside Tanzania (ii) pay such foreign exchange directly to such foreign contractors and vendors without initiating such payments through bank accounts in Tanzania and (iii) make loans to its Shareholders pursuant to Section 4.14 of the Shareholders' Agreement. Nothing in this Agreement shall prevent Songas from opening, operating and retaining moneys in additional foreign currency bank accounts outside Tanzania from time to time if and to the extent that it is or becomes otherwise permitted under the Laws of Tanzania.

9.3. Consent to Foreign Currency Accounts.

GOT shall cause the Bank of Tanzania to give Songas and its Contractors consent to open, operate and retain earnings from foreign currency bank accounts held in Tanzanian banks (including the payment of all foreign exchange that Songas receives under the Financing Agreements or otherwise into such accounts and withdrawals therefrom).

9.4. Availability of Foreign Exchange.

GOT agrees that it shall not impose foreign exchange controls on Songas, its Contractors, the Parent Companies, the Shareholders, the Escrow Agent, the agent under the Liquidity Facility Agreement or the agent under the Sinking Fund Agreement more restrictive than those in effect on the date that is one day prior to the date of Financial Closing.

9.5. Free Transfer of Necessary Funds.

Without prejudice to Section 9.1, GOT shall permit the free transfer of all funds and financial settlements necessary to implement and carry out the Project or the implementation of the Basic Agreements and the Financing Agreements and shall ensure full and unencumbered repatriation rights with respect to all foreign currency converted from Shillings.

9.6. Expatriate Employees of Songas and its Contractors.

Subject to Section 9.1, Expatriate Employees of Songas and its Contractors shall be entitled:

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(a) In respect of such portion of their salaries as may be paid in Tanzania, to export freely from Tanzania, during each year of their employment their savings on salaries paid in Tanzania and export freely from Tanzania upon termination of their contract in Tanzania any balance of such savings in Tanzania as well as any sums paid to them from any provident or like fund on termination of their employment in Tanzania; and

(b) To export freely from Tanzania, upon termination of their employment in Tanzania, their personal property previously imported into Tanzania or purchased with their savings on salaries in Tanzania.

ARTICLE X

EXPATRIATE EMPLOYEES OF SONGAS AND ITS CONTRACTORS

10.1. Right to Import.

GOT encourages Songas and its Contractors to incorporate as much locally produced material, equipment, and supplies as possible in the construction and operation of the Complex and the Gas Facilities. Nonetheless, Songas and its Contractors shall be entitled to import without restriction, and, prior to the date that is one year after the Transfer Date, without Customs Duties, all items required for the design, construction, installation, operation and maintenance of the Project, including spare parts and replacements to the spare parts inventory, subject to compliance with any other restrictions imposed by the Laws of Tanzania. All items not consumed or incorporated into the Project may be freely re-exported by Songas without incurring liability for Customs Duties in Tanzania. GOT may, as provided by the Laws of Tanzania, require Songas to re-export any items or equipment used in the construction of the Project that are not reasonably required for Songas to operate and maintain the Project, unless Songas agrees to pay promptly the normal Customs Duties for those items and equipment. Songas shall be afforded a reasonable time, but not less than nine months following the Transfer Date, to re-export any such items or equipment required by GOT to be re-exported.

10.2. Export and Reimport.

Songas shall be entitled to export without restriction all items of plant and machinery imported by it under Section 10.1 for permanent installation in the Complex or the Gas Facilities for the purpose of repair or refurbishment outside Tanzania and to re-import the same without payment of Customs Duties, and GOT shall, at the request of Songas, use reasonable measures to expedite the issuance of any Consent required for the export and re-import of such plant and machinery.

10.3. Immigration.

Subject to the applicable Laws of Tanzania relating to immigration, and provided Songas and the Contractors materially comply with all applicable Laws of Tanzania relating to immigration and submit timely applications in the Prescribed Form and with the Prescribed Fee, GOT will expeditiously grant applications of Songas and the Contractors for work permits, employment passes, visas and other permits, as necessary, for individuals involved in the Project. Notwithstanding the foregoing, however, GOT may, in any individual case, decline to grant an application, or expel a Person previously admitted, to protect the national security interests and public health and safety of Tanzania, as reasonably determined by GOT.

10.4. Expatriate Employees.

Each Expatriate Employee of Songas and its Contractors shall be permitted to import into Tanzania free of import duty and other taxes on first arrival their personal and household effects, including one automobile, subject to the limitations and conditions set out in the Customs Tariff Act, 1976; provided, however, that no property imported by such Expatriate Employee shall be resold by such person in Tanzania except in accordance with GOT regulations.

ARTICLE XI

TAXATION

11.1. Taxation of Songas.

Songas shall be subject to all taxation in Tanzania applicable to a Tanzanian company, but, in order to minimize the price charged to TANESCO for the capacity of the Complex, shall take all legally available measures to ensure the most preferential income tax treatment, including availing itself of tax incentives, exemptions and allowances to the extent that such incentives, exemptions and allowances result in a lower tax liability than would otherwise be applicable.

11.2. Expatriate Employee Income Tax Guarantee.

Where Songas by notice in writing to the Tanzania Revenue Authority has guaranteed the full and proper discharge by an Expatriate Employee of his liability for income tax under the Laws of Tanzania, including the provisions of the Income Tax (Exemption) Expatriate Staff Engaged in the Petroleum and Mining Industry Order, Government Notice No. 411, published in the Government Gazette on August 15, 1986, such Employee shall be entitled to receive freely the whole or any part of his remuneration in the country in which he is normally resident.

ARTICLE XII

SONGAS FINANCIAL MATTERS

12.1. Subordination of GOT Indebtedness.

GOT acknowledges that pursuant to the Loan Agreements and the Shareholders' Agreement, in the event of (i) a non-payment by TANESCO of amounts due pursuant to Article IX of the Power Purchase Agreement or (ii) certain specified events of default or special events under the Basic Agreements or Financing Agreements, Songas' obligations to GOT for borrowed money are subordinated to Songas' obligations to redeem Preferred Shares and pay dividends thereon, and to certain other obligations of Songas, including payment of the Stock Payments and Termination Price as defined in and pursuant to Article V of the Shareholders' Agreement and payments on any Emergency Maintenance Loan.

12.2. Additional Financing.

So long as any of the loans under either of the Subsidiary Loan Agreements or the Loan Assumption Agreement are outstanding, Songas shall not, without the prior approval of GOT, incur any debt other than as permitted pursuant to the Subsidiary Loan Agreements and other than any additional debt incurred in connection with the financing of UGT5 as defined in and pursuant to Section 3.9 of the Power Purchase Agreement.

12.3. Liquidated Damages.

(a) Songas agrees that GOT may be substantially damaged in amounts that may be difficult or impossible to determine in the event that Songas fails to achieve the Deemed Commercial Operations Date or the Commercial Operations Date by the Required Commercial Operations Date. Therefore, Songas and GOT have agreed that in such event, Songas shall pay GOT liquidated damages equal to the greater of (i) US\$10,000 for each day of delay beyond the Required Commercial Operations Date or (ii) the damages (whether liquidated or otherwise) that Songas recovers from its Contractors and suppliers for the delay. The Parties agree that payment of liquidated damages is in lieu of actual damages, and the collection of the liquidated damages, plus any interest that may be due thereon, is GOT's sole remedy in the event of a failure by Songas to achieve the Deemed Commercial Operations Date or the Commercial Operations Date by the Required Commercial Operations Date. Songas hereby waives, to the extent permitted by applicable law, any defence as to the validity of any liquidated damages in this Agreement on the ground that such liquidated damages are void as penalties or otherwise.

(b) Payment of liquidated damages shall continue until and cease upon the earlier of (i) the Deemed Commercial Operations Date or the Commercial Operations Date, (ii) six months after the Required Commercial Operations Date; provided, however, that such six-month period and payments of liquidated damages during such six-month period or any remainder thereof shall be suspended during any intervening Force Majeure Event under the Power Purchase Agreement that further delays the Deemed Commercial Operations Date or the Commercial Operations Date and shall resume upon the termination of such Force Majeure Event or (iii) the termination of the Power Purchase Agreement.

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ARTICLE XIII

LIABILITY AND INDEMNIFICATION

13.1. Limitation of Liability.

No Party shall be liable to any other Party in contract, tort, warranty, strict liability or any other legal theory for any indirect, consequential, incidental, punitive or exemplary damages. No Party shall have any liability to any other Party except pursuant to, or for breach of, this Agreement; provided, however, that this provision is not intended to constitute a waiver of any rights of any one Party against one or more of the others with regard to matters unrelated to this Agreement or any activity not contemplated by the Basic Agreements or Financing Agreements.

13.2. Indemnification.

(a) Except as specifically provided elsewhere in this Agreement, GOT shall indemnify each of the other Parties against, and hold each of the other Parties harmless from, at all times ~~after the date hereof, any and all Losses incurred, suffered, sustained or required to be paid,~~ directly or indirectly, by, or sought to be imposed upon, any such Party, for personal injury or death to persons or damage to property arising out of any negligent or intentional act or omission by GOT in connection with this Agreement. Notwithstanding anything to the contrary contained in the preceding sentence, nothing in this Section 13.2(a) shall apply to any Loss to the extent that the Party claiming indemnification (i) receives indemnification pursuant to the terms of any of the Basic Agreements or Financing Agreements or (ii) is reimbursed pursuant to any policy of insurance.

(b) Except as specifically provided elsewhere in this Agreement, Songas shall indemnify each of the other Parties against, and hold each of the other Parties harmless from, at all times after the date hereof, any and all Losses incurred, suffered, sustained or required to be paid, directly or indirectly, by, or sought to be imposed upon, any such Party, for personal injury or death to persons or damage to property arising out of any negligent or intentional act or omission by Songas in connection with this Agreement. Notwithstanding anything to the contrary contained in the preceding sentence, nothing in this Section 13.2(b) shall apply to any Loss to the extent that the Party claiming indemnification (i) receives indemnification pursuant to the terms of any of the Basic Agreements or Financing Agreements or (ii) is reimbursed pursuant to any policy of insurance.

(c) In the event injury or damage results from the joint or concurrent negligent or intentional acts or omissions of either Songas or GOT, each such Party shall be liable under this indemnification in proportion to its relative degree of fault.

(d) The provisions of this Section 13.2 shall survive for a period of five years following any termination of this Agreement with respect to any acts or omissions or claims for indemnification which occurred or arose prior to such termination; but in any case, with respect to Songas' liability, excluding acts or omissions occurring while Songas is not in control of the Complex or Gas Facilities as a result of any circumstances described in Section 6.11 of the Power Purchase Agreement or Section 14.1(a)(vi).

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13.3. Assertion of Claims to Exceed Minimum Amount.

Each Party shall be solely liable, and shall not be entitled to assert any claim for indemnification under this Agreement, for any Loss that would otherwise be the subject of indemnification under this Agreement until all Losses of such Party, in the aggregate, during the then-current year exceed an amount equal to US\$10,000, in which event such Party shall be able to recover for all its Losses for such year. For the purposes of this Section 13.3, a Loss (or claim for indemnification) shall be deemed to arise in the calendar year the event giving rise to such Loss (or claim for indemnification) occurred, or if the event is continuing in more than one calendar year, in the calendar year such event ends.

13.4. Indemnification for Fines and Penalties.

Any fines or other penalties incurred by a Party (other than fines or penalties due in whole or in part to the negligence or intentional acts or omissions of another Party) for non-compliance with Laws of Tanzania or any applicable consent, permit, licence or approval shall not be reimbursed by any or all of the other Parties but shall be the sole responsibility of the non-complying Party.

13.5. Notice of Proceedings.

Each Party shall promptly notify the other Party of any Loss or proceeding in respect of which such notifying Party is or may be entitled to indemnification pursuant to Section 13.2. Such notice shall be given as soon as reasonably practicable after the relevant Party becomes aware of the Loss or proceeding and that such Loss or proceeding may give rise to an indemnification, but in any event no later than 14 days after the receipt by the Party seeking indemnification of notice of the commencement of any action for which indemnity may be sought. The delay or failure of such indemnified Party to provide the notice required pursuant to this Section 13.5 to the other Party shall not release the other Party from any indemnification obligation which it may have to such indemnified Party except (i) to the extent that such failure or delay materially and adversely affected the indemnifying Party's ability to defend such action or increased the amount of the Loss, and (ii) that the indemnifying Party shall not be liable for any costs or expenses of the indemnified Party in the defence of the claim, suit, action or proceeding during such period of failure or delay.

13.6. Defence of Claims.

(a) Upon acknowledging in writing its obligation to indemnify an indemnified Party to the extent required pursuant to this Article XIII, the indemnifying Party shall be entitled, at its option (subject to Section 13.6(e)), to assume and control the defence of such claim, action, suit or proceeding at its expense with counsel of its selection, subject to the prior reasonable approval of the indemnified Party.

(b) Unless and until the indemnifying Party acknowledges in writing its obligation to indemnify the indemnified Party to the extent required pursuant to this Article XIII, and assumes control of the defence of a claim, suit, action or proceeding in accordance with Section 13.6(a), the indemnified Party or Parties shall have the right, but not the obligation, to contest, defend and litigate, with counsel of their own selection, any claim, action, suit or proceeding by any third party alleged or asserted against such Party in respect of, resulting from, related to or arising out

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of any matter for which it is entitled to be indemnified hereunder, and the reasonable costs and expenses thereof shall be subject to the indemnification obligations of the indemnifying Party hereunder.

(c) Upon assumption by the indemnifying Party of the control of the defence of a claim, suit, action or proceeding pursuant to Section 13.6(a), the indemnifying Party shall reimburse the indemnified Party or Parties for the reasonable costs and expenses of the indemnified Party or Parties in the defence of the claim, suit, action or proceeding prior to the indemnifying Party's acknowledgment of the indemnification and assumption of the defence.

(d) Neither the indemnifying Party nor the indemnified Party shall be entitled to settle or compromise any such claim, action, suit or proceeding without the prior written consent of the other; provided, however, that after agreeing in writing to indemnify the indemnified Party, the indemnifying Party may, subject to Section 13.6(e), settle or compromise any claim without the approval of the indemnified Party. Except where such consent is unreasonably withheld, if a Party settles or compromises any claim, action, suit or proceeding in respect of which it would otherwise be entitled to be indemnified by the other Party, without the prior written consent of the other Party, the other Party shall be excused from any obligation to indemnify the Party making such settlement or compromise in respect of such settlement or compromise.

(e) Following the acknowledgment of the indemnification and the assumption of the defence by the indemnifying Party pursuant to Section 13.6(a), the indemnified Party shall have the right to employ its own counsel and such counsel may participate in such action, but the fees and expenses of such counsel shall be at the expense of such indemnified Party, when and as incurred, unless: (i) the employment of counsel by such indemnified Party has been authorized in writing by the indemnifying Party; (ii) the indemnified Party shall have reasonably concluded and specifically notified the indemnifying Party that there may be a conflict of interest between the indemnifying Party and the indemnified Party in the conduct of the defence of such action; (iii) the indemnifying Party shall not in fact have employed independent counsel reasonably satisfactory to the indemnified Party to assume the defence of such action and shall have been so notified by the indemnified Party; or (iv) the indemnified Party shall have reasonably concluded and specifically notified the indemnifying Party that there may be specific defences available to it which are different from or additional to those available to the indemnifying Party or that such claim, action, suit or proceeding involves or could have a material adverse effect upon the indemnified Party beyond the scope of this Agreement. If clause (ii), (iii) or (iv) of the preceding sentence shall be applicable, then counsel for the indemnified Party shall have the right to direct the defence of such claim, action, suit or proceeding on behalf of the indemnified Party and the reasonable fees and disbursements of such counsel shall constitute reimbursable legal or other expenses hereunder.

13.7. Subrogation.

Upon payment of any indemnification by a Party pursuant to Section 13.2, the indemnifying Party, without any further action, shall be subrogated to any and all claims that the indemnified Party may have relating thereto, and such indemnified Party shall at the request and expense of the indemnifying Party cooperate with the indemnifying Party and give at the request and expense of the indemnifying Party such further assurances as are necessary or advisable to enable the indemnifying Party vigorously to pursue such claims.

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ARTICLE XIV

FORCE MAJEURE

14.1. Definition of Force Majeure.

(a) A "Force Majeure Event" shall mean any event or circumstance or combination of events or circumstances beyond the reasonable control of a Party occurring on or after Financial Closing that materially and adversely affects the performance by that Party of its obligations under or pursuant to this Agreement; provided, however, that such material and adverse effect could not have been prevented, overcome or remedied by the affected Party through the exercise of diligence and reasonable care. Subject to the exclusions in Section 14.1(b), "Force Majeure Events" shall include the following events and circumstances, but only to the extent that they satisfy the above requirements:

(i) GOT Action or Inaction that is the proximate cause of non-performance or delay in performance of any obligation or exercise of any right under this Agreement by any Party (other than GOT);

(ii) Parastatal Action or Inaction that is the proximate cause of non-performance or delay in performance of any obligation or exercise of any right under this Agreement by any Party (other than GOT);

(iii) Changes in Law or Lapses of Consent that are the proximate cause of non-performance or delay in performance of any obligation or exercise of any right under this Agreement by any Party (other than GOT);

(iv) Court Action that is the proximate cause of non-performance or delay in performance of any obligation or exercise of any right under this Agreement by any Party;

(v) a Sovereign Event;

(vi) any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, or act of terrorism;

(vii) lightning, earthquake, tsunami, flood, storm, cyclone, typhoon, or tornado; epidemic or plague;

(viii) strikes, works to rule, go-slows or other labour disputes, unless such strike, work to rule, go-slows or labour disputes were provoked by the unreasonable action of the management of Songas, or were, in the reasonable judgment of the affected Party, capable of being resolved in a manner not contrary to such Party's commercial interests; or

(ix) explosion, fire, blowout, or chemical contamination.

(b) Force Majeure Events shall expressly exclude the following conditions, except and to the extent that they result directly from a force majeure:

(i) a delay in the performance of any Contractor, and

(ii) normal wear and tear or, as to the equipment at the Complex required for the production and delivery of the Net Electrical Output (as defined in the Power Purchase Agreement), random flaws in materials and equipment or breakdowns in equipment; provided, however, that this exclusion shall apply only to the extent of the delay or failure directly resulting from such random flaw or breakdowns and not to the extent of any delay or failure resulting from any other Force Majeure Event (whether concurrent or intervening) that otherwise meets the conditions for a Force Majeure Event under this Article XIV without regard to this Section 14.1(b)(ii).

14.2. Notification Obligations.

(a) If by reason of a Force Majeure Event a Party is wholly or partially unable to carry out its obligations under this Agreement, then the affected Party shall (i) give the other Parties notice of the Force Majeure Event(s) as soon as practicable, but in any event, not later than the later of 48 hours after the affected Party becomes aware of the occurrence of the Force Majeure Event(s) or six hours after the resumption of any means of providing notice, and (ii) give the other Parties a second notice, describing the Force Majeure Event(s) in reasonable detail and, to the extent that such information can reasonably be determined at the time of the second notice, providing a preliminary evaluation of the obligations affected, a preliminary evaluation of the period of time that the affected Party will be unable to perform the obligations, and other relevant matters, as soon as practicable, but in any event, not later than seven days after the initial notice of the occurrence of the Force Majeure Event(s) is given by the affected Party. When appropriate or when reasonably requested to do so by another Party, the affected Party shall provide further notices to the other Parties more fully describing the Force Majeure Event(s) and the cause(s) therefor and providing or updating information relating to the efforts of the affected Party to avoid and/or to mitigate the effect(s) thereof and estimates, to the extent practicable, of the time that the affected Party reasonably expects it will be unable to carry out any of its affected obligations due to the Force Majeure Event(s).

(b) The affected Party also shall provide notice to the other Parties of (i) the cessation of the Force Majeure Event and (ii) its ability to recommence performance of its obligations under this Agreement as soon as possible, but in any event, not later than seven days after the occurrence of each of clause (i) and (ii) above.

(c) Failure by the affected Party to give notice of a Force Majeure Event to the other Parties within the 48-hour period or six-hour period required by Section 14.2(a) shall not prevent the affected Party from giving such notice at a later time; provided, however, that in such case, the affected Party shall not be excused pursuant to this Article XIV for any failure or delay in complying with its obligations under or pursuant to this Agreement until the notice has been given. If such notice is given within the 48-hour period or six-hour period, the affected Party shall be excused for such failure or delay from the date of commencement of the relevant Force Majeure Event.

14.3. Duty to Mitigate.

The affected Party shall use all reasonable efforts to mitigate the effects of a Force Majeure Event, including the payment of reasonable sums of money in light of the likely efficacy

of the mitigation measures; provided, however, that the affected Party should not be required to settle any labour dispute or litigation on terms which, in the reasonable judgement of the affected Party, are contrary to its commercial interests.

14.4. Delay Caused by Force Majeure Events.

So long as the affected Party has at all times since the occurrence of the Force Majeure Event complied with the obligations of Section 14.3 and continues to so comply, then the affected Party shall not be liable for any failure or delay in performing its obligations (other than the failure to make any payment otherwise due hereunder) under or pursuant to this Agreement for so long as and to the extent that the performance of such obligations are affected by the Force Majeure Event.

14.5. Political Events.

Upon the occurrence of (i) a GOT Action or Inaction, (ii) a Change in Law or Lapse of Consent, (iii) a Parastatal Action or Inaction, (iv) a Sovereign Event or (v) Court Action, (each a "Political Event"), that has not been satisfactorily resolved within (i) 90 days during the period prior to the fifth anniversary of the Transfer Date; (ii) 180 days during the period from the fifth anniversary of the Transfer Date to the tenth anniversary thereof; and (iii) 270 days after the tenth anniversary of the Transfer Date, Songas or the Parent Companies shall have the right to deliver to GOT a Notice of Termination, whereupon the provisions of Article VII shall terminate and such Political Event shall become an Uncured Political Event. Subject to (i) GOT's continued compliance with the terms of Section 8.11 and (ii) no challenge being made by GOT as to the validity or enforceability of Section 8.11 or subsection (c) of the definition of Change in Law, the implementation of an FTPA Order shall not constitute a Change in Law for the purposes of this Section 14.5. Immediately upon any failure by GOT to comply with its obligations under Section 8.11, or the making of any such challenge as to the validity or enforceability of Section 8.11 or subsection (c) of the definition of Change in Law, the FTPA Order shall become a Change in Law for the purposes of this Section 14.5.

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ARTICLE XV

RESOLUTION OF DISPUTES

15.1. Notice of Dispute.

In the event that there arises between or among the Parties any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof, the Party wishing to declare a dispute shall deliver to the other Parties a written notice identifying the disputed issue.

15.2. Resolution by Parties.

Within 30 days of delivery of a notice of a dispute, the Parties shall attempt in good faith to settle such dispute by discussions among those representatives of each Party with the appropriate decision making authority. In the event that such individuals are unable to reach agreement within 30 days, or such longer period as they may agree, then any Party may refer the matter to an expert in accordance with Section 15.3 or, if the dispute is not a Technical Dispute, commence arbitration of the dispute in accordance with Section 15.4.

15.3. Technical Disputes.

(a) In the event that the Parties are unable to resolve a Technical Dispute in accordance with Section 15.2, then any Party, in accordance with this Section 15.3, may refer the Technical Dispute to an expert for consideration of the Technical Dispute and to obtain a recommendation from the expert as to the resolution of the Technical Dispute. The expert shall have demonstrated expertise in the area to which such Technical Dispute relates and shall not be an agent, employee, or contractor or a former agent, employee or contractor of any Party involved in the Technical Dispute. In the event that the Parties cannot agree within 10 days as to whether a dispute falls within the definition of a Technical Dispute, then Section 15.3 shall not be used to resolve this dispute and the Parties shall proceed directly to arbitration under Section 15.4 to resolve the dispute.

(b) The Party initiating submission of the Technical Dispute to the expert shall provide the other Parties with a notice stating that it is submitting the Technical Dispute to an expert and nominating the Person it proposes to be the expert. The other Parties shall, within 15 days of receiving such notice, notify the initiating Party whether such Person is acceptable. If any Party receiving such notice fails to respond or notifies the initiating Party that the Person is not acceptable, the Parties shall meet and discuss in good faith for a period of 10 days to agree upon a Person to be the expert. If the Parties are unable to agree, each of the responding Parties shall by the end of such 10-day period nominate a Person to be an expert, whereupon the nominated experts shall meet and agree upon a Person who shall be the expert. If the experts fail to agree upon an expert within 10 days, any Party may request the International Chamber of Commerce ("ICC") Centre for Expertise to suggest a Person, who shall be the expert.

(c) Consideration of the Technical Dispute by an expert shall be initiated by the Party seeking consideration of the Technical Dispute by the expert submitting within 10 days of the appointment of the expert to both the expert and the other Parties written materials setting forth (i) a description of the Technical Dispute, (ii) a statement of the initiating Party's position, and

(iii) copies of records supporting the initiating Party's position. Within 10 days of the date that a Party has submitted the materials described in the preceding sentence, any responding Party may submit to the expert (A) a description of the Technical Dispute, (B) a statement of the responding Party's position, and (C) copies of any records supporting the responding Party's position. In addition to the material provided to the expert by the initiating Party, the expert shall consider any such information submitted by any responding Party within such 10-day period and, in the expert's discretion, any additional information submitted by any Party at a later date. Any materials submitted by a Party to the expert shall be simultaneously submitted by such Party to the other Parties.

(d) Each Party shall designate one Person knowledgeable about the issues in dispute who shall be available to the expert to answer questions and provide any additional information requested by the expert. Except for such Person, a Party shall not be required to, but may, provide oral statements or presentations to the expert or make any particular individuals available to the expert.

(e) Except as provided in Section 15.3(h) with respect to the payment of costs, the proceedings shall be without prejudice to any Party and any evidence given or statements made in the course of this process may not be used against a Party in any other proceedings. The process shall not be regarded as an arbitration, and the laws relating to commercial arbitration shall not apply.

(f) When consideration of the Technical Dispute by an expert is initiated, the expert shall be requested to provide a recommendation within 15 days after the 10-day response period provided in Section 15.3(c) above has run. If the expert's recommendation is given within such 15-day period, or if the expert's recommendation is given at a later time and no Party has at such time initiated any other proceeding concerning the Technical Dispute, the Parties shall review and discuss the recommendation with each other in good faith for a period of 10 days following delivery of the recommendation before proceeding with any other actions.

(g) If any Party does not accept the recommendation of the expert with respect to the Technical Dispute, it may initiate arbitration proceedings in accordance with Section 15.4. Similarly, if the expert has not submitted such recommendation within the time period provided in Section 15.3(f), any Party may initiate arbitration proceedings in accordance with Section 15.4.

(h) The costs of engaging an expert shall be borne equally by the Parties and each Party shall bear its own costs in preparing materials for, and making presentations to, the expert.

15.4. Arbitration.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof that is not resolved pursuant to Section 15.2 or Section 15.3 or is not within the purview of Section 15.3 shall be finally settled by arbitration in accordance with the Rules of Procedure for Arbitration Proceedings ("ICSID Rules") of the International Centre for Settlement of Investment Disputes ("Centre") established by the Convention on the Settlement of Investment Disputes between States and Nationals of other States ("ICSID Convention"), and each of GOT, PanAfrican, CDCPLC and Songas hereby consents to the jurisdiction of the Centre and to arbitration thereunder. Each Party to this

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Agreement stipulates that the transaction to which this Agreement relates is an investment within the meaning of the ICSID Convention. The Parties hereby agree that, although Songas is a national and resident of Tanzania, it is controlled by nationals of another Contracting State (as such term is used in the ICSID Convention) and shall be treated as a national of another Contracting State (as such term is used in the ICSID Convention) for the purposes of the ICSID Convention.

(b) If the jurisdictional requirements of Article 25 of the ICSID Convention are not met, or if for any other reason the dispute cannot be settled in accordance with the ICSID Rules, such dispute shall be finally settled by arbitration under the Rules of Conciliation and Arbitration of the International Chamber of Commerce (the "ICC Rules").

(c) The arbitration shall be conducted in Dar es Salaam, Tanzania and, unless otherwise agreed by the Parties, the number of arbitrators shall be one, with such arbitrator to be appointed by agreement of the Parties or failing such agreement, in the case of an arbitration under the ICSID Convention, within 30 days after notice of registration of the request has been dispatched in accordance with the ICSID Convention, or in the case of an arbitration under the ICC Rules, within 30 days from the date when the Party's request for arbitration has been communicated to the other Party, such arbitrator to be appointed in accordance with Article 38 of the ICSID Convention or in accordance with the ICC Rules, as applicable. Notwithstanding the provisions of Section 18.5, the arbitration agreement contained in this Section 15.4 shall be governed by and construed in accordance with English law. Any affected Party may require the arbitration to be conducted outside Tanzania, in which event the arbitration shall be conducted in London, England and the Party requiring arbitration outside Tanzania shall pay the travel and related costs of all Parties. In the event the arbitration is conducted in London, England pursuant to this subsection, the Parties agree that such arbitration shall be deemed to have been initiated and the arbitration award made in London, England.

(d) No arbitrator appointed pursuant to this Section 15.4 shall be a national of the jurisdiction of any Party to this Agreement or of the jurisdiction of any shareholder or group of shareholders holding more than 10 percent of the aggregate equity interest in Songas nor shall any such arbitrator be an employee, agent or contractor or former employee, agent or contractor of any such Person.

(e) The decision of the arbitrator shall be final and binding upon the Parties, and shall not be subject to appeal. Any Party may petition any court having jurisdiction to enter judgment upon the arbitration award. At the request of any of the Parties, the arbitrator shall cause such arbitration award to be filed with the High Court of Tanzania. Any monetary award shall include interest from the date of any breach or other violation of this Agreement to the date on which the award is paid, at a rate determined by the arbitrator.

(f) The language at any arbitration under this Agreement shall be English.

(g) The Parties hereby irrevocably waive and agree to exclude any rights of application or appeal to the courts or rights to state a special case for the opinion of the court to the fullest extent permitted by law in connection with any question of law arising in the course of the arbitration or with respect to any award made. Without limiting the foregoing, the Parties expressly agree that, in the event the arbitration is conducted in London, England, application to the courts for leave to appeal under Section 45 or Section 69 of the English Arbitration Act 1996

may not be sought with respect to any question of law arising in the course of the arbitration or with respect to any award made. The Parties hereby, to the fullest extent permitted by law, irrevocably waive any right to challenge or contest the validity or enforceability of this arbitration agreement or any arbitration proceeding or award brought in conformity with this Section 15.4, including any objection based on venue or inconvenient forum.

(h) The arbitral tribunal may consolidate an arbitration arising out of or relating to this Agreement with any arbitration arising out of or relating to one or more of the Basic Agreements or Financing Agreements that provides for ICSID arbitration if the subject matter of the disputes arises out of or relates to essentially the same facts or transactions. Such consolidated arbitration shall be determined by the arbitral tribunal appointed for the arbitration proceeding that was commenced first in time. Except as otherwise provided in this subsection (h), the rights of the Parties to proceed with dispute resolution under this Section 15.4 shall be independent of their rights or the rights of related entities to proceed with dispute resolution under any of the other Basic Agreements or Financing Agreements.

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ARTICLE XVI

EVENTS OF DEFAULT; TERMINATION

16.1. Songas Events of Default.

Each of the following events shall become a Songas Event of Default upon the expiration of any consultation period or other cure period provided pursuant to Section 16.4; provided, however, that no such event shall become a Songas Event of Default if it results substantially from a breach by TANESCO or TPDC under any of the Basic Agreements or Financing Agreements, a GOT Special Event (or any event that with the passage of time or the giving of notice or both would become a GOT Special Event) under any of the Basic Agreements or Financing Agreements, or a Political Event or if it occurs substantially as a result of a Force Majeure Event:

(a) except for the purpose of amalgamation, reorganization or reconstruction that does not materially affect the ability of the amalgamated, reorganized or reconstructed entity, as the case may be, to perform its obligations under this Agreement, the occurrence of any of the following events: ~~(i) the passing of a resolution by the shareholders of Songas for the winding up of Songas;~~ (ii) the voluntary filing by Songas of a petition of bankruptcy, moratorium, or other similar relief; (iii) the appointment of a liquidator in a proceeding for the winding up of Songas after notice thereto and due hearing, which appointment has not been set aside or stayed within 90 days of such appointment; or (iv) the making by a court with jurisdiction over Songas of an order winding up any such company that is not stayed or reversed by a court of competent authority within 30 days;

(b) any statement, representation, or warranty by Songas in this Agreement proving to have been incorrect, in any material respect, when made or when deemed to have been made, and such failure or incorrect statement, representation, or warranty materially and adversely affects Songas' ability to perform its obligations under this Agreement;

(c) any other breach by Songas of any material covenant or agreement in this Agreement that is not remedied within 60 days after receipt by Songas of notice identifying the material breach in question in reasonable detail, and demanding remedy thereof; provided, however, that for material breaches that can be cured only in more than 60 days, Songas may have such additional time to cure any such material breach under this Agreement as it estimates may be necessary to cure such breach if, prior to the end of such 60-day period, Songas provides satisfactory evidence to the other Parties that (i) it has commenced and is diligently pursuing a cure and (ii) more than 60 days will be required in order to effectuate such cure and provides a good faith estimate of the amount of time needed to effectuate the cure; or

(d) any Songas Event of Default under any of the Power Purchase Agreement, the Gas Agreement, the Gas Processing and Transportation Agreement, the Songas Project Agreement, the Subsidiary Loan Agreements, the Loan Assumption Agreement and the Sinking Fund Agreement except for any Songas Event of Default under such agreement pursuant to a cross-default provision in such agreements unless such Songas Event of Default is otherwise a Songas Event of Default under any of such agreements.

16.2. GOT Special Events.

Each of the following events shall become a GOT Special Event upon the expiration of any consultation period or other cure period provided pursuant to Section 16.4; provided, however, that no such event shall become a GOT Special Event if it results substantially from a breach by PanAfrican or CDCPLC of this Agreement or a breach by Songas, PanAfrican Tanzania, Globeleq Somanga or Globeleq Tanzania under any Basic Agreement or Financing Agreement, or if it occurs substantially as a result of a Force Majeure Event:

(a) failure to loan funds for the Project to Songas pursuant to the terms and conditions of the Subsidiary Loan Agreements or the Loan Assumption Agreement;

(b) failure to fund the Escrow Account in accordance with the Escrow Agreement;

(c) failure to fund the Liquidity Facility in accordance with the Liquidity Facility Agreement;

(d) any GOT Special Event under any of the Basic Agreements or Financing Agreements, except for any GOT Special Event under such agreement pursuant to a cross-default provision in such agreements unless such GOT Special Event is otherwise a GOT Special Event under any of such agreements;

(e) any statement, representation or warranty made by the Ministry or GOT in this Agreement proving to have been incorrect, in any material respect, when made or when deemed to have been made, and such failure or incorrect statement, representation or warranty materially and adversely affects GOT's ability to perform its obligations under this Agreement;

(f) any other breach by GOT of any material covenant or agreement in this Agreement that is not remedied within 60 days after receipt by the Ministry of notice identifying the material breach in question in reasonable detail, and demanding remedy thereof; provided, however, that for material breaches that can be cured only in more than 60 days, GOT may have such additional time to cure any material breach under this Agreement as it estimates may be necessary to cure such breach if, prior to the end of such 60-day period, GOT provides satisfactory evidence to the other Parties that (i) it has commenced and is diligently pursuing a cure and (ii) more than 60 days will be required in order to effectuate such cure and provides a good faith estimate of the amount of time needed to effectuate the cure; or

(g) failure to reduce, suspend or proportionately adjust the Obligations as defined in and in accordance with the terms and conditions of the Loan Agreements or the Shareholders' Agreement or the contest thereof by GOT.

16.3. Parent Company Event of Default.

(a) Each of the following events shall become a PanAfrican Event of Default upon the expiration of any consultation period or other cure period provided pursuant to Section 16.4; provided, however, that no such event shall become a PanAfrican Event of Default if it results substantially from a breach by TANESCO or TPDC under any of the Basic Agreements or Financing Agreements, a GOT Special Event (or any event that with the passage of time or the giving of notice or both would become a GOT Special Event) under any of the Basic Agreements

or Financing Agreements, or a Political Event or if it occurs substantially as a result of a Force Majeure Event:

(i) the failure of PanAfrican to pay or make available any amounts required to be paid by it or made available hereunder within 10 Business Days following notice of such payment deficiency or demand for payment made pursuant to Section 7.3(a)(i), as the case may be;

(ii) any statement, representation or warranty made by PanAfrican in this Agreement proving to have been incorrect, in any material respect, when made or when deemed to have been made, and such failure or incorrect statement, representation or warranty materially and adversely affects PanAfrican's ability to perform its obligations under this Agreement;

(iii) any other breach by PanAfrican of any material covenant or agreement in this Agreement that is not remedied within 60 days after receipt by PanAfrican of notice identifying the material breach in question in reasonable detail, and demanding remedy thereof; provided, however, that for material breaches that can be cured only in more than 60 days, PanAfrican may have such additional time to cure any material breach under this Agreement as it estimates may be necessary to cure such breach if, prior to the end of such 60-day period, PanAfrican delivers satisfactory evidence to the other Parties that (A) it has commenced and is diligently pursuing a cure and (B) more than 60 days will be required in order to effectuate such cure and provides a good faith estimate of the amount of time needed to effectuate the cure; or

(iv) the occurrence of any of the following events: (A) except for the purpose of amalgamation, reorganization or reconstruction that does not materially affect the ability of the amalgamated, reorganized or reconstructed entity, as the case may be, to perform its obligations under this Agreement, the passing of a resolution by the shareholders of PanAfrican or PanAfrican Tanzania for the winding up of such company; (B) the voluntary filing by PanAfrican or PanAfrican Tanzania of a petition of bankruptcy, moratorium, or other similar relief; (C) the appointment of a liquidator in a proceeding for the winding up of PanAfrican or PanAfrican Tanzania after notice thereto and due hearing, which appointment has not been set aside or stayed within 90 days of such appointment; (D) the issuance by a court with jurisdiction over PanAfrican or PanAfrican Tanzania of an order winding up any such company that is not stayed or reversed by a court of competent authority within 30 days.

(b) Each of the following events shall become a CDCPLC Event of Default upon the expiration of any consultation period or other cure period provided pursuant to Section 16.4; provided, however, that no such event shall become a CDCPLC Event of Default if it results substantially from a breach by TANESCO or TPDC under any of the Basic Agreements or Financing Agreements, a GOT Special Event (or any event that with the passage of time or the giving of notice or both would become a GOT Special Event) under any of the Basic Agreements or Financing Agreements, or a Political Event or if it occurs substantially as a result of a Force Majeure Event:

(i) the failure of CDCPLC to pay or make available any amounts required to be paid or made available hereunder, within 10 Business Days following notice of such

payment deficiency or demand for payment made pursuant to Section 7.3(a)(ii), as the case may be;

(ii) any statement, representation or warranty made by CDCPLC in this Agreement proving to have been incorrect, in any material respect, when made or when deemed to have been made, and such failure or incorrect statement, representation or warranty materially and adversely affects CDCPLC's ability to perform its obligations under this Agreement;

(iii) any other breach by CDCPLC of any material covenant or agreement in this Agreement that is not remedied within 60 days after receipt by it of notice stating that a material breach of this Agreement has occurred and is continuing that could result in the termination of this Agreement, identifying the material breach in question in reasonable detail, and demanding remedy thereof; provided, however, that for material breaches that can be cured only in more than 60 days, CDCPLC may have such additional time to cure any material breach under this Agreement as it estimates may be necessary to cure such breach if, prior to the end of such 60-day period, CDCPLC provides satisfactory evidence to the other Parties that (A) it has commenced and is diligently pursuing a cure and (B) more than 60 days will be required in order to effectuate such cure and provides a good faith estimate of the amount of time needed to effectuate the cure; or

(iv) the occurrence of any of the following events: (A) except for the purpose of amalgamation, reorganization or reconstruction that does not materially affect the ability of the amalgamated, reorganized or reconstructed entity, as the case may be, to perform its obligations under this Agreement, the passing of a resolution by the shareholders of CDCPLC for the winding up of such company; (B) the voluntary filing by CDCPLC, Globeleq Somanga or Globeleq Tanzania of a petition of bankruptcy, moratorium, or other similar relief; (C) the appointment of a liquidator in a proceeding for the winding up of CDCPLC, Globeleq Somanga or Globeleq Tanzania after notice thereto and due hearing, which appointment has not been set aside or stayed within 90 days of such appointment; (D) the making by a court with jurisdiction over CDCPLC, Globeleq Somanga or Globeleq Tanzania of an order winding up any such company that is not stayed or reversed by a court of competent authority within 30 days.

(c) Notice to the Parent Companies. Anything in this Agreement notwithstanding, no Party shall seek to terminate this Agreement as a result of any PanAfrican Event of Default or CDCPLC Event of Default without first giving a copy of any notices required to be given under Section 16.4 to the non-defaulting Parent Company, coupled with a request to that Parent Company to cure the default of the defaulting Parent Company within the same cure period as provided to the defaulting Party hereunder, such cure period to commence upon delivery of each such notice to the non-defaulting Parent Company. No rescission or termination of this Agreement by any Party shall be of any effect without such notice and expiration of such cure period. The non-defaulting Parent Company may, but shall be under no obligation to, perform any act required of the defaulting Parent Company hereunder with the same effect as if the payment or act had been made or performed by the defaulting Parent Company, in which case, this Agreement may not be terminated by any Party pursuant to Section 16.4. If the non-defaulting Parent Company fails to cure or is unable or unwilling to cure a default of the defaulting Parent Company within the cure periods provided under this Agreement, the other

Parties shall have all of their rights and remedies with respect to such default as set forth in this Agreement.

16.4. Termination.

(a) Upon the occurrence of an event or default, a non-defaulting Party may deliver a notice to all other Parties that an event has occurred or is occurring that could result in a GOT Special Event, Songas Event of Default, PanAfrican Event of Default or CDCPLC Event of Default, as appropriate (each such notice, a "Notice of Contract Event"). The Notice of Contract Event shall specify in reasonable detail the default giving rise to the Notice of Contract Event. The Notice of Contract Event shall initiate a consultation period of 90 days, except that the consultation period shall be stayed for the duration of any dispute resolution process as provided in Article XV.

(b) If the event is not remedied by the end of the consultation period or such longer period as the Parties may agree in writing, or the event is not cured within the applicable period, any non-defaulting Party may, at its option, initiate termination of this Agreement by delivering a Notice of Intent to Terminate to all other Parties; provided, however, that in the case of (i) an event specified in Section 16.1, which event could become a Songas Event of Default under any other Basic Agreement or any Financing Agreement or (ii) an event specified in Section 16.2, which event could become a GOT Special Event under any other Basic Agreement or any Financing Agreement, then the applicable cure period for such event shall be the shorter of that specified hereunder or in such other agreement.

(c) Following the giving of a Notice of Intent to Terminate, the Parties shall consult for a period of up to 30 days (or such longer period as the Parties may mutually agree), as to what steps shall be taken with a view to mitigating the consequences of the relevant event, taking into account all the prevailing circumstances. During the period following the delivery of a Notice of Intent to Terminate, the Party so notified may continue to undertake efforts to cure the default, and if the same is cured in a manner reasonably satisfactory to the other Parties at any time prior to the delivery of a written Notice of Termination in accordance with Section 16.4(d), then no other Party shall have the right to terminate this Agreement in respect of such cured default.

(d) Upon expiration of the consultation period described in Section 16.4(c) and unless the Parties shall have otherwise agreed or unless the event giving rise to the Notice of Intent to Terminate shall have been remedied, the Party having given the Notice of Intent to Terminate may, subject to Sections 16.3(c), 16.5 and 16.6, terminate this Agreement by delivering a Notice of Termination to the other Parties, whereupon this Agreement shall terminate immediately; provided, however, that delivery of a Notice of Termination resulting from any Event of Default pursuant to Section 16.3 shall terminate the operation of this Agreement with respect only to the Parent Companies.

(e) Notwithstanding the foregoing, neither CDCPLC nor PanAfrican shall have any rights to issue notices or terminate this Agreement pursuant to this Section 16.4 upon the occurrence of any event specified in Section 16.1 or 16.3.

16.5. Notice to Interested Persons.

(a) Any Party delivering a notice pursuant to Section 16.4 shall concurrently deliver a copy of such notice to each of the Series B Preferred Shareholders, the International Development Association and the European Investment Bank, and no termination of this Agreement pursuant to Section 16.4 shall be effective in the absence of such delivery.

(b) After delivery of the Notice of Intent to Terminate but prior to the delivery of Notice of Termination with respect to Songas, the Series B Preferred Shareholders shall have the right to notify the Parties that they intend through Songas (i) to cure the Songas Event of Default, (ii) to demonstrate to the other Parties the ability to satisfactorily perform all of Songas' material future obligations hereunder, or (iii) to undertake a remedy satisfactory to the other Parties. If the Series B Preferred Shareholders shall have given such notice, the other Parties shall not have the right to terminate this Agreement as the result of such Songas Event of Default until six months have elapsed from the time when it otherwise would have been entitled to terminate this Agreement pursuant to Section 16.4, and then only if Songas has been unable during such period to (i) cure the relevant Songas Event of Default, (ii) to perform satisfactorily all of Songas' material obligations to the other Parties during such six-month period, or (iii) to effect the remedy agreed with the other Parties.

16.6. Notice to GOT of a TANESCO Event of Default or a TPDC Deficiency.

(a) Anything in this Agreement notwithstanding, neither Songas nor the Parent Companies shall seek to terminate this Agreement, the Power Purchase Agreement or the Gas Agreement due to any event specified in Section 4.3 of the Power Purchase Agreement or Section 14.1 of the Gas Agreement without first giving a copy to GOT of any notices required to be given to TANESCO or TPDC under Sections 4.3 and 4.4 of the Power Purchase Agreement or Sections 14.1 and 14.4 of the Gas Agreement, respectively, such notices to include a request to GOT to cure any such event within the same cure period as provided to TANESCO or TPDC under the Power Purchase Agreement or the Gas Agreement, respectively, and such cure period to commence upon delivery of each such notice to GOT. Any such notice to GOT shall contemporaneously be delivered to Citibank Tanzania.

(b) No rescission or termination of this Agreement, the Power Purchase Agreement or the Gas Agreement by Songas shall be effective without such notice and expiration of such cure period. GOT may make, but shall be under no obligation to make (other than as required hereunder), any payment or perform any act required of TANESCO under the Power Purchase Agreement or TPDC under the Gas Agreement with the same effect as if the payment or act had been made or performed by TANESCO or TPDC, as the case may be. If GOT fails to cure or is unable or unwilling to cure such event within the cure periods provided to TANESCO or TPDC under the Power Purchase Agreement or the Gas Agreement, respectively, Songas shall have all of its rights and remedies with respect to such event as set forth in this Agreement, the Power Purchase Agreement or the Gas Agreement, as the case may be; provided, however, that if GOT is diligently attempting to cure any event other than a failure of TANESCO or TPDC, as the case may be, to make required payments, and demonstrable progress toward effecting such cure is being made, GOT shall be granted an additional period not exceeding 90 days to effect such cure before Songas may exercise its rights and remedies with respect to such event set forth in this Agreement and the Power Purchase Agreement or the Gas Agreement.

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16.7. Obligations Upon Termination.

Upon expiration or termination of this Agreement, the Parties shall have no further obligations hereunder except for obligations that arose prior to such expiration or termination, including payment and indemnification obligations, obligations that are expressly stated to survive such expiration or termination pursuant to this Agreement and the obligation to maintain confidentiality under Section 18.9.

16.8. Other Remedies.

The exercise of the right of a Party to terminate this Agreement, as provided herein, does not preclude such Party from exercising other remedies that are provided herein or are available at law. Remedies are cumulative, and the exercise of, or failure to exercise, one or more remedy by a Party shall not limit or preclude the exercise of, or constitute a waiver of, other remedies by such Party.

ARTICLE XVII

TERM

17.1. Term.

This Agreement shall commence and be effective on the date on which it is made and shall, unless terminated earlier in accordance with the terms of this Agreement, terminate upon the expiration of the Initial Term or earlier termination of the Power Purchase Agreement.

ARTICLE XVIII

MISCELLANEOUS

18.1. Expenses of the Parties.

(a) Except as otherwise agreed with respect to legal and technical due diligence review by the GOT and its advisors of the acquisition by affiliates of CDCPLC of AES' interests in Songas and the Project, and with respect to the negotiation and preparation of the amendments made herein to certain of the Basic Agreements and Financing Agreements, it being understood and agreed that PanAfrican is not a party to and has no liability under any such agreement, all expenses incurred by or on behalf of each of the Parties hereto, including all fees and expenses of agents, representatives, counsel and accountants employed by each of the Parties hereto in connection with the preparation of this Agreement and the consummation of the transactions contemplated by this Agreement, shall be borne solely by the Party who shall have incurred such expenses and the other Parties shall have no liability in respect thereof.

(b) Each of the Parent Companies agrees to hold GOT and Songas harmless from and against any expenses it or its Affiliates may have incurred in connection with any liability for any brokerage or similar services in connection with the transactions contemplated in this Agreement and the other Basic Agreements. GOT agrees to hold the Parent Companies and Songas harmless from any expenses GOT may have incurred in connection with any liability for any brokerage or similar services in connection with the transactions contemplated in this Agreement and the other Basic Agreements. Songas agrees to hold GOT and the Parent Companies harmless from any expenses Songas may have incurred in connection with any liability for any brokerage or similar services in connection with the transactions contemplated in this Agreement and the other Basic Agreements.

18.2. Right to Specific Performance; Waivers.

In the event any Party fails to perform its obligations hereunder after the satisfaction of all conditions precedent thereto, the other Parties shall have the right to require specific performance of the obligation not performed. Any Party has the right to waive another Party's compliance with a condition to the waiving Party's obligations hereunder and, if all the conditions precedent to the other Party's obligations hereunder have been satisfied, to require specific performance of this Agreement.

18.3. Commercial Acts; Sovereign Immunity.

Each of GOT and CDCPLC unconditionally and irrevocably agrees that the execution, delivery and performance by it of this Agreement constitutes a private and commercial act. In addition to the foregoing, each of GOT and CDCPLC unconditionally and irrevocably agrees that: (i) should any proceeding (including any arbitration proceeding) be brought against it or its assets in relation to this Agreement or any transaction contemplated by this Agreement, no immunity from such proceedings shall be claimed by or on behalf of itself or with respect to its assets (other than the Protected Assets); (ii) it waives any right of immunity that it or any of its assets (other than the Protected Assets) now has or may acquire in the future in any jurisdiction in connection with any such proceedings; and (iii) it consents generally in respect of the enforcement of any judgment against it in any such proceedings (including any arbitration

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proceedings) in any jurisdiction to the giving of any relief or the issue of any process in connection with such proceedings (including the making, enforcement or execution against or in respect of any assets whatsoever (other than the Protected Assets) irrespective of their use or intended use). Each of the Parent Companies and Songas hereby irrevocably waives any and all rights it may have to enforce any judgment or claim against the Protected Assets with respect to any claim against GOT under this Agreement or any transaction contemplated by this Agreement. To the fullest extent permitted by law and without limiting the generality of the foregoing, GOT waives any right of immunity from court process, attachment or execution against its assets under the Government Proceedings Act, 1967, as amended. To the fullest extent permitted by law and without limiting the generality of the foregoing, CDCPLC waives any right of immunity from court process, attachment or execution against its assets.

18.4. Further Assurances.

If it shall be necessary and proper after the execution hereof to execute any additional documents or take further action to effectuate the intent of this Agreement, the Parties agree to take such action.

18.5. Choice of Law.

This Agreement shall be governed by and construed in accordance with Tanzanian law.

18.6. Entire Agreement.

Subject to Section 18.1 with respect to expenses of the Parties, this Agreement, together with the other Basic Agreements and the Financing Agreements, is intended by the Parties as the final expression of their agreement and is intended also as a complete and exhaustive statement of their agreement with respect to the subject matter contained herein.

18.7. Amendments.

This Agreement can be amended only by written agreement among the Parties.

18.8. Waiver.

(a) No waiver by any Party of any default, special event or defaults by another Party in the performance of any of the provisions of this Agreement:

(i) shall operate or be construed as a waiver of any other or further default or defaults whether of a like or different character; or

(ii) shall be effective unless in writing duly executed by a duly authorized representative of such Party.

(b) Neither the failure by a Party to insist on any occasion upon the performance of the terms, conditions and provisions of this Agreement nor time or other indulgence granted by one Party to another shall act as a waiver of any breach nor as an acceptance of any variation, or as the relinquishment of any right hereunder.

18.9. Confidentiality.

(a) Each Party and its employees, contractors, consultants and agents shall hold in confidence all documents and other forms of information, including electronic communications, marked as confidential by or on behalf of the Party providing the information relating to the design, construction, insurance, operation, maintenance, management and financing of the Project. Each Party undertakes that all information obtained by it under this Agreement shall only be made available to and used by its employees or staff having a need for such information in order to permit the Party to perform its obligations and exercise its rights under this Agreement and, except as may be required by law or appropriate regulatory authorities, shall not publish or otherwise disclose the same to third parties. Notwithstanding the foregoing; (i) any Party may disclose such information to its professional advisors and to prospective lenders or investors in such Party, to succeeding entities, to prospective transferees and assignees and their professional advisors that, in each case, have agreed to be bound by these confidentiality provisions; and (ii) at the request of the International Development Bank or the European Investment Bank, a Party shall disclose such requested information if such requesting party has agreed to be bound by these confidentiality provisions.

(b) The provisions of Section 18.9(a) shall not apply to:

(i) any information in the public domain otherwise than by a breach of Section 18.9(a) by the same Party;

(ii) information in the possession of the Party before divulgence that was not obtained under an obligation of confidentiality;

(iii) information obtained from a third party who is free to divulge the same to other third parties and that was not obtained by any Party under an obligation of confidentiality; and

(iv) information contained in a document that has been reviewed and cleared for public disclosure by the Party claiming confidentiality in the information.

(c) The provisions of this Section 18.9 shall survive for a period of five years from the termination of this Agreement.

18.10. Counterparts.

This Agreement may be executed in two or more counterparts, all of which will be considered one and the same Agreement and each of which will be deemed an original.

18.11. Severability.

If any term or provision of this Agreement is held by a court or other authority of competent jurisdiction to be invalid, void, unenforceable or against the public policy, the rest of this Agreement will remain in full force and effect and will in no way be adversely affected; provided, however, that the severance of such term or provision does not render the performance of a Party's material obligations impracticable or impossible.

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18.12. Assignment.

(a) This Agreement binds and inures to the benefit of the Parties and their respective successors and permitted assigns, but this Agreement may not be assigned by any Party without the prior written consent of the other Parties.

(b) Notwithstanding the foregoing, Songas may assign or grant a security interest in this Agreement to GOT under the Debenture.

(c) The Parties acknowledge that on 8 December 1999 CDCPLC, whilst remaining the same legal entity, was transformed from a statutory corporation to a public company limited by shares and registered in England and Wales under the UK Companies Act 1985 and changed its name from Commonwealth Development Corporation to CDC Group plc.

(d) The Parties further acknowledge that it is intended that a majority interest in CDCPLC will in due course be sold to private investors, resulting in a change of control of CDCPLC. CDCPLC agrees to give notice to GOT 90 days prior to the event whereby the Government of the United Kingdom sells or otherwise transfers any portion of its shares of CDCPLC to investors. Except as otherwise expressly provided in this Agreement, the Parties agree that such change of control will neither affect in any way the rights or obligations of, nor give rise to any rights in favour of, any Party under this Agreement.

18.13. Relationship of the Parties.

This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership among the Parties or to impose any partnership obligation or liability upon any Party. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, to act on behalf of, to act as or be an agent or representative of, or to otherwise bind, the other Parties.

18.14. No Third Parties.

Other than as specified in Section 8.2(g), Section 16.5 and Section 18.9, this Agreement is intended solely for the benefit of the Parties and nothing in this Agreement shall be construed to create any duty to, standard of care with reference to, or any liability to, or confer any right of suit or action on any Person not a Party to this Agreement.

18.15. Language.

The language for the purpose of administering and interpreting this Agreement shall be English.

18.16. Consents.

Unless otherwise provided herein, whenever a consent or approval is required by any Party from another Party, such consent or approval shall not be unreasonably withheld or delayed.

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18.17. Notices.

(a) All notices or other communications to be given or made hereunder shall be in English and in writing, shall be addressed for the attention of the Persons indicated below and shall be delivered personally or sent by courier or facsimile. The addresses of the parties and their respective facsimile numbers shall be:

If to GOT:

The Permanent Secretary
Ministry of Energy and Minerals
Samora Avenue,
P.O. Box 2000
Dar es Salaam, Tanzania
Attn: Commissioner for Energy and Petroleum Affairs
Facsimile: 255-22-2111749 or 2120799 or 2138949
Telephone: 255-22-2112793 or 2139455 or 2138944 or 2138947

with a copy to: The Permanent Secretary
Ministry of Finance
Madaraka Avenue/Shaabab Robert Corner,
P.O. Box 9111
Dar es Salaam, Tanzania
Facsimile: 255-22-2110326 or 2113334 or 2123924
Telephone: 255-22-2112856 or 2111174 through 2111176

and a copy to: The Attorney General
Attorney General's Chambers
Kivukoni Front
P.O. Box 9050
Dar es Salaam, Tanzania
Facsimile: 255-22-2113236
Telephone: 255-22-2111895

If to Songas:

The General Manager
Songas Limited
40 Ali Hassan Mwinyi Road
P.O. Box 6342
Dar es Salaam, Tanzania
Facsimile: 255-22-266-7930
Telephone: 255-22-266-6130

If to CDCPLC:

General Counsel
One Bessborough Gardens
London SW1V 2JQ
England
Facsimile: 44 (0)20 7828 6505
Telephone: 44 (0)20 7828 4488

with a copy to

Globeleq Advisers Limited
One Bessborough Gardens
London
SW1V 2JQ
Attention: Paul Kunert
Facsimile: 44(0)20 7963 3956
Telephone 44 (0)20 7828 4488

If to PanAfrican:

PAE PanAfrican Energy Corporation
P.O. Box 332, Sir Walter Raleigh House
48-50 The Esplanade
St. Helier, Jersey
Channel Islands JE4 9YA

Facsimile: 44-1534-700901
Telephone: 44-1534-700900

Except as otherwise expressly provided in this Agreement, all notices shall be deemed to be delivered (i) when delivered by hand or by overnight courier, or (ii) if received during business hours on a business day for the receiving party, when transmitted by facsimile to the receiving party's facsimile number and, if received after business hours or on a day that is not a business day for the receiving party, on the receiving party's first business day following the date transmitted by facsimile to the receiving party's facsimile number. Any notice given by facsimile shall be confirmed in writing, delivered personally or sent by courier, but the failure to so confirm shall not void or invalidate the original notice if it is in fact received by the party to which it is addressed.

(b) Any party may by notice change the addresses, addressees and/or facsimile number to which such notices and communications to it are to be delivered or mailed.

(c) Any notices required or permitted to be given hereunder to TANESCO, TPDC or the Series B Preferred Shareholders shall be delivered as provided in the Shareholders' Agreement and any notices required or permitted to be given hereunder to the International Development Association and the European Investment Bank shall be delivered as provided in the Subsidiary Loan Agreements.

(d) For the purposes of this Agreement, prior to the later of (i) the earlier of the Transfer Date and the Deemed Transfer Date; and (ii) the date on which the DFIs exchange their Promissory Notes for Shares in accordance with Section 2.7(e) of the Shareholders' Agreement, any references to the Series B Preferred Shareholders shall mean the DFIs.

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18.18. Accounts and Reports.

(a) Songas shall make arrangements reasonably satisfactory to GOT with respect to the installation and operation of an accounting and cost control system and for the appointment as auditors of a firm of independent chartered accountants reasonably acceptable to GOT; provided, however, that if Songas appoints auditors from one or more international accounting firms reasonably acceptable to GOT, each individual auditor shall be deemed satisfactory to GOT. On reasonable notice and for reasonable cause given to Songas, but in no event more than one time each year, GOT shall have the right to conduct additional verifications or audits of the Project or Songas by a firm of independent chartered accountants at GOT's expense, unless such verifications or audits results in the discovery of material discrepancies in Songas' books, invoices or records, in which event Songas shall be required to pay the reasonable expenses of such accountants.

(b) Songas shall promptly furnish to GOT such information as GOT may from time to time reasonably request, and permit representatives of GOT, on reasonable notice, to enter upon and inspect the Project and the design, construction, operation, and maintenance thereof. Songas shall maintain complete and accurate records in Dollars (and, to the extent required by the Laws of Tanzania or by the Board of Directors of Songas, in Shillings) accounting for all transactions relating to the design, construction, operation, and maintenance of the Project, which records shall also be subject to inspection by GOT. Songas shall maintain books and accounts in such a way that accounts related to its Project activities are kept separate from those related to any other activities it may undertake.

(c) Songas shall, as soon as available but in any event within 90 days (or any shorter period required by the Laws of Tanzania) after the close of each fiscal year, furnish to GOT: (A) two copies of balance sheets of Songas as of the close of the fiscal year (on a consolidated basis, if appropriate), denominated in Dollars (and, to the extent required by the Laws of Tanzania or by the Board of Directors of Songas, in Shillings) and statements of income and retained earnings and changes in financial position of Songas for the fiscal year, in each case setting forth in comparative form the figures for the preceding fiscal year, all in reasonable detail and accompanied by an opinion thereon of its auditors, who shall be independent certified public accountants of recognized national or international standing selected by Songas, to the effect that the financial statements have been prepared in accordance with generally accepted accounting principles in Tanzania consistently applied and that the examination of the accounts in connection with the financial statements has been made by them in accordance with generally accepted auditing standards in Tanzania and included such tests of the accounting records and other auditing procedures as were considered necessary in the circumstances, all in accordance with the requirements of the Companies Ordinance, Cap. 212, as amended from time to time; (B) a copy of any management letter sent by the auditors to Songas or to its management in relation to Songas' financial condition together with the audited year end statements; and (C) a report by the auditors certifying that, based on its audit of such financial statements, Songas was in compliance in all material respects with its financial obligations (to the extent that such compliance is determined in the normal course of its audit) under the Subsidiary Loan Agreements and Loan Assumption Agreement as of the end of the relevant fiscal year or, as the case may be, detailing any noncompliance.

(d) Songas shall, as soon as available but in any event within 45 days (or any shorter period required by the Laws of Tanzania) of the end of the first six-month period of each fiscal

year, furnish to GOT: (A) two copies of the balance sheet of Songas as of the close of such period, and statements of sources and uses of income and retained earnings and changes in Songas' capital accounts and financial position, for such period and for the portion of the fiscal year ending with such period, in each case setting forth in comparative form the figures for the corresponding period for the preceding fiscal year, all in reasonable detail and in accordance with generally accepted accounting principles in Tanzania consistently applied and certified as complete and correct, subject to changes resulting from year-end adjustments, by the chief accounting officer of Songas; (B) a report identifying any factors materially and adversely affecting or that could reasonably be expected to materially and adversely affect the Project or Songas' business and operations or its financial condition; and (C) copies of the monthly progress reports and any other construction-related reports given to TANESCO pursuant to the Power Purchase Agreement.

(e) Songas shall, at least 14 days prior to its becoming effective, notify the GOT of any contemplated (i) material change in its Memorandum and Articles of Association; (ii) change in its fiscal year; (iii) change in the appointment of its Chief Executive Officer, Chief Financial Officer, or Company Secretary; and (iv) registration of a transfer of Common Shares or Preferred Shares to any Person who thereby becomes a registered holder of greater than 5% thereof or from a Person who, immediately prior to such transfer, held greater than 5% of the outstanding Common Shares or any Series of Preferred Shares, except with respect to Common Shares listed on the stock exchange in Tanzania. Songas shall, within 14 days following a change in the constitution of its Board of Directors, notify the GOT of such change.

18.19. Limitation of Recourse.


Except to the extent provided in Article VII, the obligations of Songas hereunder and under the other Basic Agreements and Financing Agreements are obligations solely of Songas and shall not constitute a debt or obligation of either Parent Company or any other past, present or future shareholder or affiliate of Songas or any shareholder, partner, director, officer, employee or agent of the foregoing. Except as is expressly provided pursuant to Article VII of this Agreement, neither of the Parent Companies shall be liable for any amount due from Songas or the performance of any of Songas' obligations hereunder or under any other Basic Agreement or Financing Agreement or for any Loss based hereon or thereon and no judgment or deficiency shall be sought against either of the Parent Companies therefor.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers or representatives as of the date first above written.

**THE GOVERNMENT OF THE
UNITED REPUBLIC OF TANZANIA**


BAJ
BASHIR J. MWINDA
COMMISSIONER
FOR ENERGY
Witness:

By: 
Name: DANIEL ABHIRA YONA
Title: MINISTER FOR ENERGY & MINERALS

SONGAS LIMITED

By: 
Name: James McCandle
Title: Director

PAE PANAFRICAN ENERGY CORPORATION

By: 
Name: *Matthew R. Duffield*
Title: VP Corporate Development

CDC GROUP PLC

By: _____
Name: _____
Title: _____

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered by their respective duly authorized officers or representatives as of the date first above written.

THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA

By: _____
Name: _____
Title: _____

Witness:


SONGAS LIMITED

By: _____
Name: _____
Title: _____

PAE PANAFRICAN ENERGY CORPORATION

By: _____
Name: _____
Title: _____

CDC GROUP PLC

By: 
Name: PAUL DWERS
Title: GENERAL COUNSEL

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CONSENTS

PART I – Consents to be obtained prior to Financial Closing

1. Company Registration by the Registrar of Companies pursuant to the Companies Ordinance Cap 212.
2. Investment Incentives granted by the Minister for Finance (as approved by the Cabinet on June 6, 1997 and October 28, 1999) and published by Government Notice in the Government Gazette.
3. Environmental Impact Assessment (report including the mitigation plan, as amended) cleared by the National Environment Management Council.
4. Development Licence issued by the Minister for Energy and Minerals pursuant to the Petroleum (Exploration and Production) Act, 1980.
5. Electricity Generation, Transmission, Supply and Sale Licence issued by the Minister for Energy and Minerals pursuant the Electricity Ordinance, 1957 (as amended).
6. Business Licence issued by the Ministry of Industries and Commerce in conjunction with the relevant town, municipal or city council authority.
7. Way-Leave Certificate issued by the Ministry of Lands and Human Settlement Development, and published in the Government Gazette.
8. Value Added Tax Certificate issued by Commissioner General pursuant to the Tax Added Value Act, 1997 (as amended).
9. Aerodrome Operations Licence issued by the Ministry of Communication and Transport under the Aerodrome Act, 1974 (as amended) and the Aerodromes Licencing Regulations, 1983 (as amended).
10. Plant Safety Inspection Permit issued by the Ministry of Labour, Youth Development and Sports.
11. Permission to carry out works within 1 km from the Songo Songo Aerodrome issued under the Petroleum (Exploration and Production) Act, 1980.

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PART II – Consents to be obtained after Financial Closing

12. Building Permits (in case erection of permanent buildings, shade or warehouse is required) by the relevant towns, municipals or Dar es Salaam City Council.
13. Contractors Registration (for contractors and sub-contractors to operate temporarily in Tanzania) by the Contractors Registration Board (CRB).
14. Engineers Registration (for engineers to practice in individual or consulting firm capacities) by the Engineers Registration Board (ERB).
15. Working Permit(s) for employees (of Songas, Contractors and Sub-Contractors) issued by the Ministry of Labour, Youth Development and Sports on recommendations of the Immigration Department.
16. Relevant Insurance(s) Policies during construction and operations pursuant to the National Insurance Corporation Act, 1998 (as amended).
17. Road Crossing Permit(s) for trunk roads issued by the Ministry of Works.
18. Permission to cross Protected Forest(s) issued by the Ministry of Tourism and Natural Resources.
19. Railway Crossing Permit issued by the Ministry of Transport and Communications on recommendations of Tanzania Railways Corporation (TRC) and Tanzania-Zambian Railway Authority (TAZARA).
20. Rufiji River Crossing Permit issued by the Rufiji Basin Development Authority (RUBADA).
21. Marine Works Permit (to allow the construction of marine pipeline across Songo Songo Island and Somanga Funga) issued by the Ministry of Tourism and Natural Resources.
22. Permission to cross specific military ranges and barracks issued by the Ministry of Defence and National Services.
23. Permission to cross the main water pipes issued by Ministry of Water on recommendations of the Dar es Salaam Water and Sewage Authority.

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FORM OF PROMISSORY NOTE

US\$ _____

Dar es Salaam, Tanzania
_____, 20____

SONGAS LIMITED, a company limited by shares organized under the Laws of Tanzania, with its principal office located at Dar es Salaam, Tanzania ("Songas"), FOR VALUE RECEIVED, hereby promises to pay to the order of CDC Group plc, at the offices of _____ located at _____, in U.S. Dollars and in immediately available funds, the principal sum of _____ DOLLARS (US\$ _____) in 21 equal monthly payments payable on the first Business Day of each month beginning with the fourth full calendar month following the date hereof. Songas also promises to pay interest from the date hereof on the unpaid principal amount hereof in like money at such office until paid at the rate of ___% per annum, such interest to be payable monthly in arrears on the first Business Day of each month beginning with the fourth full calendar month following the date hereof.

All Emergency Maintenance Loans made by CDC Group plc and all payments and prepayments made on account of the principal and interest thereof shall be recorded by CDC Group plc on the schedule (or a continuation thereof) attached hereto, which recordation shall be prima facie evidence of the amounts due hereunder. It being understood that failure by CDC Group plc to make any such endorsement or any error therein shall not affect the obligations of Songas hereunder; provided that in no event shall the failure of CDC Group plc to make any such endorsement or any error therein obligate Songas to pay any amounts in excess of amounts otherwise payable by Songas hereunder.

This Promissory Note is the Emergency Maintenance Loan Promissory Note referred to in the Implementation Agreement, dated as of the date of Financial Closing, among GOT, Songas, CDC Group plc and PAE PanAfrican Energy Corporation, and is subject to the terms and conditions and entitled to the benefits thereof, including any conditions whereupon the amounts due hereunder may become immediately due and payable. Capitalized terms used herein and not defined herein shall have the respective meanings set forth in the Implementation Agreement.

Songas hereby waives presentment, demand, protest or notice of any kind in connection with this Emergency Maintenance Loan Promissory Note.

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This Emergency Maintenance Loan Promissory Note shall be construed in accordance with and be governed by the Laws of Tanzania.

SONGAS LIMITED

By: _____
Name: _____
Title: _____

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INVESTMENT INCENTIVES

1. Exemption of Income Tax and Withholding Tax on the whole of the income of contractors and sub-contractors of AES O&M, PanAfrican Tanzania and Songas obtained during the construction phase and the first year of operations.
2. Exemption of Income Tax and Withholding Tax on the whole of the income (including any Project Management Fee) of AES Tanzania, AES O&M, Ocelot Tanzania and Songas during the construction phase and the first year of operations.
3. Songas shall be allowed to register its share capital in U.S. Dollars.
4. AES Tanzania, PanAfrican Tanzania, Ocelot Tanzania and Songas shall be allowed to keep accounting books and prepare tax returns in U.S. Dollars.
5. Exemption of Value Added Tax (VAT) on importation by or supply to AES O&M, PanAfrican Tanzania, Ocelot Tanzania and Songas of goods and services during operations (including activities undertaken by Songas pursuant to the Basic Agreements and Financing Agreements).
6. PanAfrican Tanzania is allowed to repatriate the dividends declared and paid by PanAfrican Tanzania under the Production Sharing Agreement.
7. For tax calculation purposes, Songas is allowed to deduct the Sinking Fund revenues dedicated to future major gasfield investments from taxable income.
8. For tax calculation purposes, Songas is allowed to deduct the Reserve Fund revenues dedicated to future O&M requirements from taxable income.
9. Songas is allowed to apply 100 percent capital allowance for Corporate Tax calculation purposes.
10. Exemption of Withholding Tax on dividends of Songas during the first five years of operations.
11. Exemption of Import Duty and Excise Duty on capital goods and spare parts imported by Songas, AES O&M, Ocelot Tanzania and PanAfrican Tanzania and their contractors during the construction phase and the first year of operations.
12. Exemption of Skills and Development Levy and National Social Security Fund (NSSF) contributions on salaries of expatriate employees of AES O&M during the construction period.
13. Exemption of Withholding Tax Clearance to major customers of Songas, Ocelot Tanzania and PanAfrican Tanzania.
14. Exemption of Stamp Duty on transfer of gas turbines located at Ubungo Complex to Songas and on the Debenture.
15. Pre-shipment Inspection waiver for imports by Songas, AES Tanzania, Ocelot Tanzania and PanAfrican Tanzania is granted.

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16. Exemption from local Government Taxes and levies (including on the construction of the pipeline, throughput of natural gas and the sale of Energy).

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DATED _____

**ELECTRICITY
LICENCE**

issued to

SONGAS LIMITED

The Ministry of Energy and Minerals

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Table of Contents

1. Definitions and Interpretation	3
2. Authority of the Minister	6
3. Grant of Licence.....	7
4. Term.....	7
5. Terms and Conditions.....	7
6. Payment of Licence Fees.....	7
7. Area of Supply	7
8. Electrical Inspectors.....	7
9. Extent and scope of Licence	8
10. Distributing Mains	8
11. Special Agreement.....	8
12. Special Consumer	8
13. Value of Supply	8
14. Earthing.....	9
15. Interconnection Point.....	9
16. Tariffs.....	9
17. Default in accordance with Section 74(1) and 74(2)	9
18. Approval for Bylaws	10
19. Annual Statement of Accounts	10

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**ELECTRICITY
LICENCE**

1. Definitions and Interpretation

1.1 Title

This Licence may be cited as the Songas Electricity Licence, 2001.

1.2 Definitions

All capitalised terms that are not otherwise defined in this Clause 1, shall have the meaning ascribed to them in the Electricity Ordinance. Unless the context otherwise requires, the following terms shall have the meanings set out:

“Area of Supply” means the area within which Songas is authorised to supply Energy pursuant to Clause 7 (as such area is more particularly set out in the geographic map and schematic diagram in Schedule 1).

“Complex” means the power generating station at Ubungo in Dar es Salaam, Tanzania, whether completed or at any stage in construction, including, without regard to the level of development, land, engineering and design documents, all energy-producing equipment including two gas turbines and two electric turbines and any additional 5th turbine to be installed, and its auxiliary equipment, transformers, control centre, fuel-handling equipment, a switchyard, interconnection facilities (other than the Metering System and Grid System as defined in the Power Purchase Agreement) necessary for supply of Energy to TANESCO at the Interconnection Point and such other related property as is specified in the Ubungo Complex Transfer Agreement.

“Electricity Ordinance” means the Electricity Ordinance, 1957.

“Financial Closing” has the meaning established in the Shareholders’ Agreement.

“Gas Agreement” means the agreement of that name by and among the Government of Tanzania, Tanzania Petroleum Development Corporation, Songas and PanAfrican Energy Tanzania Limited dated as of the date of

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Financial Closing, as the same may be amended from time to time.

- "Implementation Agreement" means the agreement of that name by and among the Government of the United Republic of Tanzania, Songas, The AES Corporation and PAE PanAfrican Energy Corporation dated as of the date of Financial Closing, as the same may be amended from time to time.
- "Interconnection Point" means the physical point where the Complex and the Grid System are connected at the Complex as specified in Annex C to the Power Purchase Agreement.
- "Licence" means this Electricity Licence for the generation, transmission, supply and sale of Energy, including any Schedule thereto, as the same may be amended from time to time.
- "Licensee" means Songas.
- "Minister" means the Minister for the Ministry of Energy and Minerals, or appropriate successor.
- "Pipeline" has the meaning established in Section 1.1 of the Gas Agreement.
- "Power Purchase Agreement" means the agreement of that name by and between Songas and TANESCO, dated as of the date of Financial Closing, as the same may be amended from time to time.
- "Project" has the meaning established in Section 1.1 of the Implementation Agreement.
- "Project Management Agreements" means the Project Management Agreement dated 16 February 1995 made between a joint venture comprising Ocelot Tanzania Inc. and TCPL Tanzania Inc. and TANESCO (relating to the operation and maintenance of Emergency Power Plant (EPP) turbines); and the project Management Agreement dated 15 February 1997 made between a joint venture comprising Ocelot Tanzania Inc and TCPL Tanzania Inc. and TANESCO (relating to the

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early takeover and management of the EPP and ABB turbines at the Complex).

“Shareholders’ Agreement”

means the Agreement of that name by and among The Government of the United Republic of Tanzania, Songas, AES Tanzania Limited, Ocelot International Tanzania Ltd., Tanzania Petroleum Development Corporation, Tanzania Electric Supply Company Limited, Tanzania Development Finance Company Limited and CDC Financial Services (Mauritius) Ltd., dated as of the date hereof, as the same may be amended from time to time.

“Songas”

means Songas Limited, a limited liability company incorporated and organised under the Laws of Tanzania, with its principal office located in Dar es Salaam, Tanzania.

“Songas Event of Default”

has the meaning established in Section 4.2 of the Power Purchase Agreement.

“Songo Songo Facilities Transfer Agreement”

means the agreement of that name by and between Songas and Tanzania Petroleum Development Corporation, dated as of the date of Financial Closing, as the same may be amended from time to time.

“TANESCO”

means Tanzania Electric Supply Company Limited, a limited liability company incorporated under the Laws of Tanzania, with its principal office located in Dar es Salaam, Tanzania and any successor entity.

“Ubungo Complex Transfer Agreement”

means the agreement of that name by and between Songas and TANESCO, dated as of the date of Financial Closing, as the same may be amended from time to time.

“Village Programme”

means the programme of providing Natural Gas and electric service, as provided in Sections 2.6 and 2.7 of the Gas Agreement, to Songo Songo Island and to certain villages along the Pipeline route.

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1.3 Interpretation

In this Licence, unless the context otherwise requires:

- (a) headings are for convenience only and shall not be considered in the interpretation of this Licence;
- (b) the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) the terms "include" and "including" mean without limitation.
- (e) an expression importing a natural person includes any company, partnership, trust, joint venture, association, corporation or other body corporate and any governmental agency;
- (f) a reference to a Clause or Schedule is to a Clause or Schedule of this Licence;
- (g) a reference to a Section is to a Section of the Electricity Ordinance;
- (h) a reference to any act, statute, regulation, proclamation, order in council, ordinance or by-law includes all acts, statutes, regulations, proclamations, orders in council, ordinances, or by-law varying, consolidating, reenacting, extending or replacing them and a reference to a statute includes all regulations, proclamations, orders in council, ordinances, by-laws and determinations issued under that statute;
- (i) a reference to a person includes that person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns; and
- (j) a period of time:
 - (i) which dates from a given day or the day of an act or event is to be calculated exclusive of that day; or
 - (ii) which commences on a given day or the day of an act or event is to be calculated inclusive of that day.

2. **Authority of the Minister**

By the Transfer of Powers and Duties (Consolidation) Ordinance, 1962, the powers and duties vested in the Governor under the Electricity Ordinance are exercised by the Minister on behalf of the Ministry of Energy and Minerals (through a predecessor ministry).

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3. Grant of Licence

The Minister licences the Licensee for the generation, transmission, supply and sale of Energy subject to the terms and conditions set out in this Licence, the Implementation Agreement, the Power Purchase Agreement and the Gas Agreement.

4. Term

This Licence takes effect on and from the date hereof and shall remain in force for a period of 33 years or until otherwise terminated pursuant to the terms this Licence.

5. Terms and Conditions

The terms and conditions set out in the Implementation Agreement and the Power Purchase Agreement are incorporated into and are deemed to be part of this Licence.

6. Payment of Licence Fees

A fee of US\$50,000 shall be payable by the Licensee on the date of issue of this Licence. On each anniversary of the date of this Licence an annual fee shall be payable, such fee to be determined by the Minister acting in accordance with the Electricity Ordinance.

7. Area of Supply

7.1 The Area of Supply authorised by this Licence is set out in Schedule 1. The Minister hereby waives the requirement under Section 13 to procure a map of the Area of Supply to a scale of not less than 1:250,000.

7.2 In accordance with Section 7(2), the Minister hereby authorizes the Licensee to supply Energy to persons outside the Area of Supply for the purposes of supply and sale to Songo Songo Island residents and residents of villages along the Pipeline route, as provided by the Village Programme, in accordance with Sections 2.6 and 2.7 of the Gas Agreement.

7.3 In accordance with Section 71(2) the Minister hereby authorizes the Licensee to generate and transmit a supply of Energy for its own use at the Complex, along the Pipeline route and on Songo Songo Island, and to erect, maintain and operate works necessary therefor.

7.4 The area of any Works authorised by this Licence includes the Land required for the Complex, as defined and more specifically provided for in the Ubungo Complex Transfer Agreement and the Songo Songo Facilities Transfer Agreement, respectively.

8. Electrical Inspectors

In accordance with Section 10, the Minister may appoint an independent engineer to perform the duties of an Electrical Inspector or Installation Inspector with respect to the

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Project. To the extent of the Minister's powers under the Electricity Ordinance, such appointment shall include a limitation such that if the Licensee is acting in accordance with the terms of the Power Purchase Agreement the Electrical Inspector or Installation Inspector may only exercise such powers in accordance with the Power Purchase Agreement.

9. Extent and scope of Licence

The Minister has approved the Licensee to carry out all Works connected with the generation, transmission, transformation, distribution and supply of Energy as part of the Project in accordance with the technical and operational specifications in the Power Purchase Agreement. The Minister does not require the Licensee to carry out any distribution work other than as specified in Annex C to the Power Purchase Agreement.

The Minister hereby confirms its approval of the Works to the Complex carried out in accordance with the Project Management Agreements, which the Licensee performed on behalf of TANESCO.

10. Distributing Mains

The Minister acknowledges that there is no Distributing Main within the Licensee's Area of Supply.

11. Special Agreement

The Minister hereby notifies the Licensee that the Power Purchase Agreement shall be a Special Agreement in accordance with Section 20(1) and that in accordance with Section 20(2) this designation of the Power Purchase Agreement as a Special Agreement shall be binding.

12. Special Consumer

The Minister acknowledges that TANESCO shall be a Special Consumer and that the Licensee will not supply to any Consumer who is not a Special Consumer, other than the Licensee itself or as required for the purposes of the Village Programme, without the prior written consent of TANESCO.

13. Value of Supply

The Value of Supply of Energy to TANESCO shall be determined in accordance with Article IX of and Annex F to the Power Purchase Agreement.

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14. Earthing

In accordance with Section 34(1), the Minister hereby sanctions the connections to earth of the Electric Supply-Lines, as further described in Annex C to the Power Purchase Agreement.

15. Interconnection Point

The point of the supply of Energy by the Licensee to TANESCO, in accordance with Section 51, shall be the Interconnection Point as specified in Annex C to the Power Purchase Agreement. The point of supply of Energy by the Licensee on Songo Songo Island pursuant to the Village Programme shall be a point as designated by the Minister pursuant to the Gas Agreement.

16. Tariffs

The tariff to be charged by the Licensee for Energy supplied to TANESCO including the maximum price to be charged by the Licensee as required by Section 58, shall be as set out and calculated in accordance with Article IX of and Annex F to the Power Purchase Agreement.

The tariff to be charged by the Licensee for Energy supplied on Songo Songo Island shall be calculated in accordance with Section 2.6 of the Gas Agreement.

17. Default in accordance with Section 74(1) and 74(2)

17.1 The Minister hereby confirms that he will only exercise his powers under Section 74(1) in the event that there is a Songas Event of Default. In addition the Minister hereby confirms that his right to revoke this Licence under Section 74(2) shall only be exercised if TANESCO has exercised its rights on a Songas Event of Default and if the Licensee has not made good such default notified to the Licensee in accordance with Section 74 within such period specified in Section 74(1), but only provided that the Power Purchase Agreement has terminated.

17.2 Any property of the Licensee in the Area of Supply to which this Licence relates shall be dealt with in accordance with the Power Purchase Agreement, Ubungo Complex Transfer Agreement and Songo Songo Facilities Transfer Agreement and the Minister hereby confirms that the Reversion as provided for in each of the Ubungo Complex Transfer Agreement and Songo Songo Facilities Transfer Agreement, is deemed just in accordance with Section 74(3).

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18. Approval for Bylaws

The Minister hereby confirms that as the supply of Energy to TANESCO is under a Special Agreement, the terms of the Power Purchase Agreement shall not constitute by-laws under Section 84(1).

19. Annual Statement of Accounts

In accordance with Section 85(1), the Minister hereby expressly exempts the Licensee from preparing an annual statement of accounts as set out in the Electricity Rules, provided that the Licensee complies with its requirements to provide an annual statement of account as set out in Section 18.18 of the Implementation Agreement.

Given under my hand and the seal of the United Republic of
Tanzania at Dar es Salaam on this.....day of, 2001

.....
Edgar D. Maokola-Majogo (MP)
Minister for Energy and Minerals

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