Enclosure '1'

Extracts from the Power Off-take Agreement dated 23 June 2006

- Clause 14.1 (e): "The decision of the arbitrator is final and binding upon the Parties and shall not be subject to appeal."
- Clause 14.1 (f): "The Parties waive any right to challenge or contest the validity or enforceability of this arbitration agreement or any arbitration proceeding or award ..."

Enclosure '2'

Extracts from Arbitral Award dated 15 November 2010

- Clause 17 (e): "The decision of the arbitrator is final and binding upon the Parties and shall not be subject to appeal."
- Clause 17 (f): "The Parties waive any right to challenge or contest the validity or enforceability of this arbitration agreement or any arbitration proceeding or award ..."

Enclosure '3'

ICC Rules of Arbitration of the International Chamber of Commerce

- Rule 28(6): "Every Award shall be binding on the parties. By submitting the dispute to arbitration under these Rules, the parties undertake to carry out any Award without delay and shall be deemed to have waived their right to any form of recourse insofar as such waiver can validly be made."

Enclosure '4'

Clause IX of the Tribunal's Award

- Paragraph 641, the final summary paragraph of the ICC Tribunal's Award dated 15 November 2010

Enclosure '5'

Prime Minister's Directive dated 12 June 2008

- Letter from Prime Minister to Minister of Energy & Minerals dated 12 June 2008 indicating that funds to settle debt to Dowans should be held in escrow at the Bank of Tanzania

Note:

Recent International Arbitrations

Tanzania has been happy to submit to the authority of International Arbitration for the following recent cases:

- TANESCO vs IPTL(awarded in TANESCO's favour)
- Biwater Gauff (Tanzania) vs United Republic of Tanzania (awarded in favour of United Republic of Tanzania)
- Richmond Development Company/RDEVCO vs TANESCO (awarded in TANESCO's favour)

On the same basis of the above International Arbitral Awards, this Arbitral Award must also be respected.

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but in any event not later than 48 hours after the affected Party becomes aware of the occurrence of the Force Majeure Event.

13.3 Duty to Mitigate. The affected Party shall use all reasonable efforts to mitigate the effects of a Force Majeure Event and shall continue to perform its obligations under this Agreement to the extent the performance thereof is not affected.

13.4 Delay Caused by Force Majeure Events. Neither Party shall be responsible or liable for any delay or failure in its performance under this Agreement to the extent such delay nor failure in performance has been caused or contributed to by one or more Force Majeure Events (except that any and all obligations to pay money shall not be delayed or excused by Force Majeure Events).

13.5 Payments During Force Majeure Event. During the continuation of any Force Majeure Event, TANESCO shall be liable for the Capacity Payment only to the extent that TANESCO is able to dispatch the Plant.

13.6 Termination Due to Force Majeure. In the event of (i) the occurrence and continuation of a Force Majeure Event or the effects thereof for a period exceeding thirty (30) consecutive days, or (ii) the occurrence and continuation of a series of related Force Majeure Events which such Force Majeure Events or the effects thereof continue in the aggregate for a period that exceeds thirty (30) days, either Party shall have the option to terminate this Agreement after such thirty (30) day period.

14. Settlement of Disputes

14.1 Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules").

a. The arbitration shall be conducted in Dar es Salaam, Tanzania and, unless otherwise agreed by the Parties, the number of arbitrators shall be three, with such arbitrator to be nominated by agreement of the Parties within 30 days from the date when the claimant's request for arbitration has been communicated to the other party, or failing such agreement, appointed in accordance with the ICC Rules.

b. The arbitration agreement contained in this Section shall be governed by and construed in accordance with the Laws of Tanzania.

c. No arbitrator appointed pursuant to this Section shall be a national of (i) the jurisdiction of either Party to this Agreement; or (ii) the jurisdiction of any shareholder or group of shareholders holding more than 10 percent of the aggregate equity interest in the Supplier, or (iii) the jurisdiction of the ultimate parent company of any such shareholder in the Supplier; nor shall any such

arbitrator be an employee, agent or contractor or former employee, agent or contractor of any person or entity listed in (i), (ii) or (iii).

d. Any arbitration proceedings conducted under this arbitration agreement shall be conducted in the English language.

e. The decision of the arbitrator shall be final and binding upon the Parties, and shall not be subject to appeal. Either Party may petition any court having jurisdiction to enter judgment upon the arbitration award. At the request of either of the Parties, the arbitrator shall cause such arbitration award to be filed with the High Court of Tanzania.

f. The Parties 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, including any objection based on venue or inconvenient forum.

14.2 Choice of Law. This Agreement and all rights under this Agreement and the Annexes hereto shall be governed by, construed and enforced in accordance with the Laws of Tanzania.

15. Miscellaneous Provisions

15.1 Notices. All notices or other communications required or permitted to be given or made under this Agreement 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 to the addresses and facsimile numbers indicated below.

If to TANESCO:

Tanzania Electric Supply Co. Ltd (TANESCO),

P.O. Box 9024
Dar es Salaam
Tanzania
Attention: Managing Director

Tel.: + 255 22 2451130/39
Fax: + 255 22 2451158

If to the Supplier:

Richmond Development Company LLC

5825 SCHUMACHER,

HOUSTON, TEXAS 77057

U.S.A.

Attention: Chief Executive Officer

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17. The POA contains, at Section 14, a provision for the Settlement of Disputes, in the following terms:

> Arbitration. Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or validity thereof shall be finally settled by arbitration in accordance with the Rules of Arbitration of the International Chamber of Commerce (the "ICC Rules").
>
> a. The arbitration shall be conducted in Dar es Salaam, Tanzania and, unless otherwise agreed by the Parties, the number of arbitrators shall be three, with such arbitrator to be nominated by agreement of the Parties within 30 days from the date when the claimant's request for arbitration has been communicated to the other party, or failing such agreement, appointed in accordance with the ICC Rules.
>
> b. The arbitration agreement contained in this Section shall be governed and construed in accordance with the Laws of Tanzania.
>
> c. No arbitrator appointed pursuant to this Section shall be a national of (i) the jurisdiction of either Party to this Agreement; or (ii) the jurisdiction of any shareholder or group of shareholders holding more than 10 percent of the aggregate equity interest in the Supplier; or (iii) the jurisdiction of the ultimate parent company of any such shareholder in the Supplier; nor shall any such arbitrator be an employee, agent or contractor or former employee, agent or contractor of any person or entity listed in (i), (ii) or (iii).
>
> d. Any arbitration proceedings conducted under this arbitration agreement shall be conducted in the English language.
>
> e. The decision of the arbitrator shall be final and binding upon the Parties, and shall not be subject to appeal. Either Party may petition any court having jurisdiction to enter judgment upon the arbitration award. At the request of either of the Parties, the arbitrator shall cause such arbitration award to be filed with the High Court of Tanzania.
>
> f. The Parties 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, including any objection based on venue or inconvenient forum.

6. The Commencement of Arbitration

A. The Request for Arbitration

18. The Claimants submitted a Request for Arbitration to the ICC dated November 2008 which was received and docketed by the Secretariat of the ICC on November 2008. This latter date denotes the commencement of the arbitration under the ICC Rules.

International Chamber of Commerce
The world business organization

Rules of Arbitration

in force as from 1 January 1998

Cost scales effective as of 1 May 2010

International Chamber of Commerce
International Court of Arbitration
38, Cours Albert 1er
75008 Paris
France
Tel. +33 1 49 53 29 05
Fax +33 1 49 53 29 33
E-mail arb@iccwbo.org
www.iccarbitration.org

2
The Award shall state the reasons upon which it is based.

3
The Award shall be deemed to be made at the place of the arbitration and on the date stated therein.

Article 26
Award by Consent

If the parties reach a settlement after the file has been transmitted to the Arbitral Tribunal in accordance with Article 13, the settlement shall be recorded in the form of an Award made by consent of the parties if so requested by the parties and if the Arbitral Tribunal agrees to do so.

Article 27
Scrutiny of the Award by the Court

Before signing any Award, the Arbitral Tribunal shall submit it in draft form to the Court. The Court may lay down modifications as to the form of the Award and, without affecting the Arbitral Tribunal's liberty of decision, may also draw its attention to points of substance. No Award shall be rendered by the Arbitral Tribunal until it has been approved by the Court as to its form.

Article 28
Notification, Deposit and Enforceability of the Award

1
Once an Award has been made, the Secretariat shall notify to the parties the text signed by the Arbitral Tribunal, provided always that the costs of the arbitration have been fully paid to the ICC by the parties or by one of them.

2
Additional copies certified true by the Secretary General shall be made available on request and at any time to the parties, but to no one else.

3
By virtue of the notification made in accordance with Paragraph 1 of this Article, the parties waive any other form of notification or deposit on the part of the Arbitral Tribunal.

4
An original of each Award made in accordance with the present Rules shall be deposited with the Secretariat.

5
The Arbitral Tribunal and the Secretariat shall assist the parties in complying with whatever further formalities may be necessary.

6
Every Award shall be binding on the parties. By submitting the dispute to arbitration under these Rules, the parties undertake to carry out any Award without delay and shall be deemed to have waived their right to any form of recourse insofar as such waiver can validly be made.

Article 29
Correction and Interpretation of the Award

1
On its own initiative, the Arbitral Tribunal may correct a clerical, computational or typographical error, or any errors of similar nature contained in an Award, provided such correction is submitted for approval to the Court within 30 days of the date of such Award.

X. THE TRIBUNAL'S AWARD

641. The Arbitral Tribunal renders its final award as follows:

(1) It is declared that Tanzania Electric Supply Company Limited was in repudiatory breach of the POA and that Dowans Tanzania Limited was entitled to and did validly terminate it.

(2) Respondent Tanzania Electric Supply Company Limited shall pay to Claimants Dowans Holdings SA and Dowans Tanzania Limited jointly the sums of:

-- U.S. Dollars Twenty-Four Million One Hundred Sixty-Eight Thousand Three Hundred Forty-Three and 83/100 (US$24,168,343.83), plus simple interest at Seven and One-Half Percent (7.5%) per annum on the aggregate principal sum of US$19,955,626.71 from 15 June 2010 to the date of payment

-- U.S. Dollars Thirty-Nine Million Nine Hundred Thirty-Five Thousand Seven Hundred and Sixty-Five and 50/100 (US$39,935,765.50), plus simple interest at Seven and One-Half Percent per annum (7.5%) on the aggregate principal sum of US$36,705,013.94 from 15 June 2010 to the date of payment.

(3) The total fees and expenses of the arbitrators and the ICC administrative expenses amount to US$750,000. The parties have paid and shall bear these costs equally.

(4) Respondent shall pay to Claimants jointly their legal and other costs in the amount of One Million Six Hundred Ninety-One Thousand Four Hundred Thirty-Six U.S. Dollars (US$1,708,521)

(5) All other claims and counterclaims of the parties are dismissed.

Place of Arbitration: Dar es Salaam, Tanzania

Dated the 15th day of November 2010

Swithin Munyantwali, Co-Arbitrator

Sir Jonathan Parker, Co-Arbitrator

Gerald Aksen, Chairman

OFISI YA WAZIRI * WIZARA YA NISHATI NA MADINI
IMEPOKELEWA
16 JUN 2008

SIRI

JAMHURI YA MUUNGANO WA TANZANIA
WAZIRI MKUU

Anuatia ya Simu "WAZIRI MKUU"

Simu Namba: 2322904
e-mail: pm@pmo.go.tz

S.L.P. 980,
DODOMA.

Unapojibu Tafadhali taja:
Kumb. Na. PM/P/1/507/36

12 Juni, 2008

Mhe. William M. Ngeleja (Mb),
Waziri wa Nishati na Madini,
BUNGENI DODOMA

YAH: UTEKELEZAJI WA MAAZIMIO YA BUNGE KUHUSU MKATABA WA RICHMOND

Tarehe 16 Mei 2008 nilimwandikia Katibu Mkuu Kiongozi na kumtaka aunde Kamati Maalum ya Wataalam ya kupitia Mikataba mbalimbali ya Sekta ya Nishati. Mikataba hiyo ni ile ya *Richmond Development Company LLC* (sasa *Dowans Holdings S.A*), IPTL, SONGAS, AGGREKO na *Alstom Power Rentals*.

Wakati zoezi hilo likiendelea na kwa kuzingatia utata unaojitokeza kuhusiana na Mkataba baina ya TANESCO na *Richmond Development Company LLC* uliorithiwa na Kampuni ya *Dowans Holdings S.A* niliemwagiza Waziri wa Fedha na Uchumi asimamishe malipo ya umeme unaozalishwa na Kampuni ya *Dowans* na badala yake fedha hizo ziwekwe kwenye Akaunti Maalum (*Escrow Account*) Benki Kuu ya Tanzania hadi hapo suala hili litakapopatiwa ufumbuzi.

Ninaagiza uchukue hatua za haraka kuiagiza TANESCO itoe taarifa kwa *Dowans* (*Notice of Dispute*) kuhusu mgogoro uliopo katika Mkataba husika.

Nitapenda kupata taarifa ya utekelezaji wa maagizo haya mapema iwezekanavyo.

Mizengo P. Pinda (Mb)
WAZIRI MKUU

SIRI

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