



Ignacio de Calonje Chief Investment Officer Global Energy - IFC

Flame – Global LNG Summit, Amsterdam, May 14, 2019

The concept

Providing LNG break bulk services to connect global LNG supply with energy demand in West Africa

Global LNG Market

- ➤ Growing 400 million tons per year by early 2020s
- Supply driven some resource holders not waiting for long-term contracts
- How will the market clear?new markets are valuable
- Potential for high supplier netbacks from Atlantic basin sources

Freetown LNG Terminal



West Africa Energy Market

- No access to LNG
- High electricity prices
- Dependence on oil-fired generation
- Very low per capita consumption
- Suppressed demand
- Increasing electrification, grid integration
- Obvious opportunities to substitute liquid fuels

Why Freetown?

- A natural and national asset
- Expansive anchorages
- Completely sheltered
- Under-utilized
- Modern port infrastructure already providing regional services
- High potential for low-cost LNG terminal



Asset-lite and cheap (sub \$100m capex)

Asset-lite, FSU-based terminal in Freetown Harbor, providing cheap break-bulk services

LNG Vessel (older)

Mooring System





Mooring	\$25 m.
Vessel	\$60 m.
Other	\$15 m.
Total	\$100 m.

Significant market potential

Five core markets in this part of West Africa

Freetown exactly in the middle of a coastline of approximately 900 nautical miles

One day voyaging time to most plausible delivery destinations

No single market can easily support a full-scale terminal – aggregation will be needed

Numerous liquid fuel thermal power plants + large off-grid mining operations in region (10-50MW)





Small scale vessels



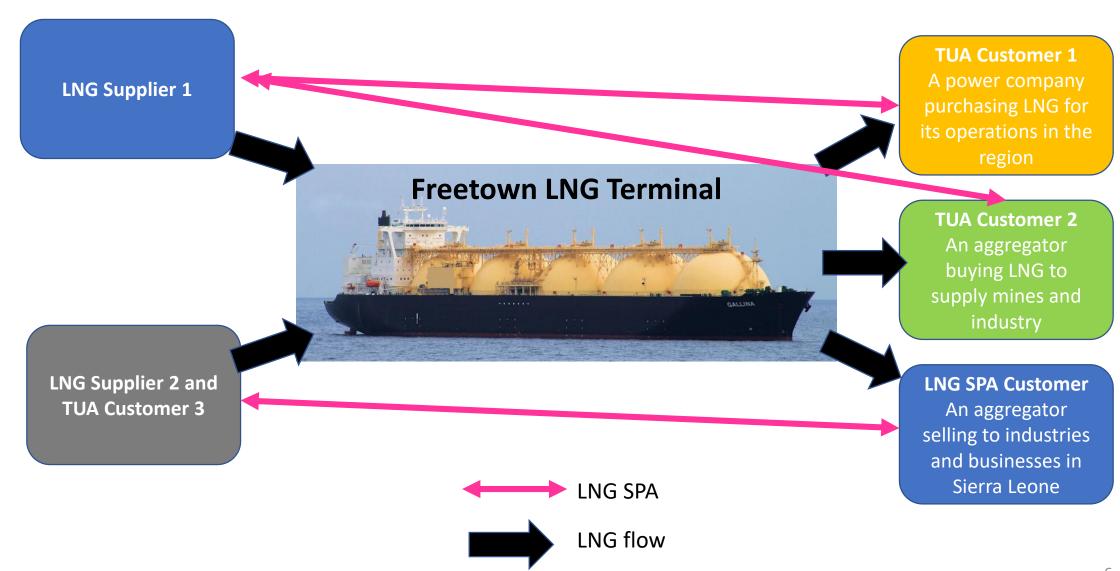
The Gambia

Ziguinchor

Barges

ISO Containers

Commercial vision – launch customer scenario



IFC development process

The objective is a terminal that is operational by end 2021

Joint Venture formation through InfraVentures 2019



Full-scale development and commercialization via open season

2020







Key contracts

SPV Formation & Financing

- Joint Development Agreement
- Shareholder Agreement
- Port Tenancy
 Agreement with
 Sierra Leone Port
 Authority
- Debt mobilization, loan agreements
- Credit enhancement, risk mitigation (e.g. MIGA)

Commercial

- Terminal Use
 Agreements for reloads, regas
- Terminal users offer LNG SPAs
- Open season to be launched
- Terminal users and/or other parties offer downstream LNG supply and logistics services

Implementation

- Engineering, Procurement, Construction (EPC) contract
- If needed, Bare Boat Charter
- Dry-Dock Refit/ Maintenance



Operations

- LNG Terminal Commercial Operations Agreement
- If needed,
 Operational
 Services
 Agreement for vessel crewing, technical
 operation of FSU
- Marine services (tugs, etc.)
- Security

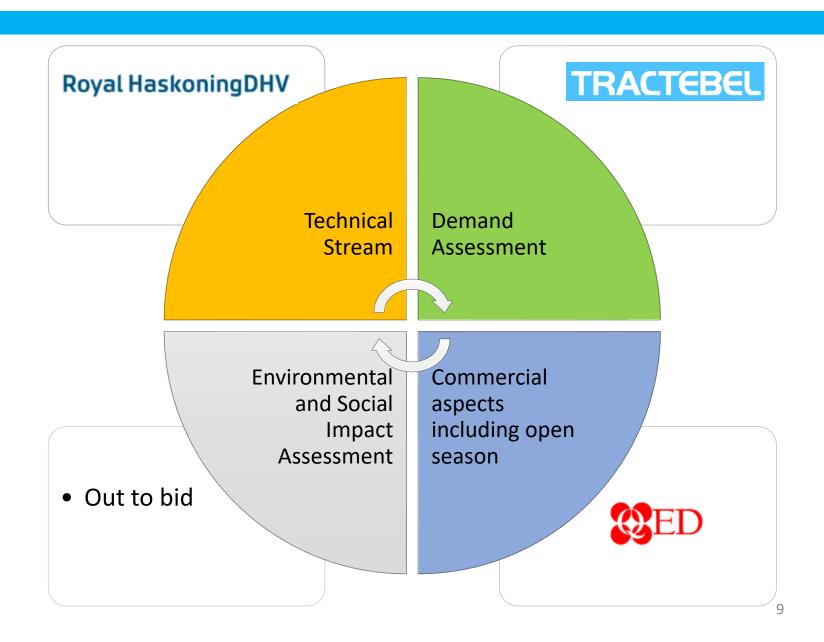
Current status

Freetown LNG Terminal has been added to Sierra Leone Presidential Infrastructure Initiative

IFC working fast, working smart with staff in Freetown, Washington, London and Johannesburg

Support from IFC Creating Markets Advisory Window (upstream business development)

On track for transition to InfraVentures (IFC early stage equity vehicle)



Development process

Identification Stage
Late 2018

- Discussions with Port Authority
- Contact with other agencies
- Technical work

Project Development 2019

- Detailed engineering
- Environmental and social impact analysis
- Commercialization through open season
- Partnership formation via IFC InfraVentures

Contracting and Financing

2020

- Equity commitment
- Debt mobilization
- Terminal use agreements
- Port tenancy agreement

Construction and commissioning

2021