

NEWSLETTER

OCTOBER 2019



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AASTU & TMGO Organize the First Geothermal Symposium in Ethiopia

Addis Ababa Science and Technology University (AASTU) Center of Excellence for Sustainable Energy (CoE-SE) and Center of Excellence for Mineral Exploration, Extraction and Processing (CoE-MEEP), in collaboration with Tulu Moyo Geothermal Operations, East Africa Energy Program, USAID, and Power Africa organized a Two-Day *First International Symposium On Geothermal Energy* at Intercontinental Hotel, in Addis Ababa, Ethiopia. This first international symposium, which took place from 1st – 2nd October 2019, brought together scientists, stakeholders and practitioners in the field of geothermal energy, geochemistry, geophysics, geology and in all energy related engineering fields. The symposium also centered on recent scientific and technological developments and addressed the huge local community of practitioners who will be exposed to current and future trends in exploration and development of geothermal energy.

A total of over 200 participants from an assortment of stakeholders and concerned government officials around the globe attended the symposium. Where 11 invited speakers drawn from Ethiopia, Africa, Europe, Asia and America presented their research findings and two panel discussions were conducted as part of the symposium program.



TMGO & KenGen Contract Signing

Technical and commercial clarification meeting with KenGen concluded in October with signing of the Geothermal Drilling Contract on 23rd of October at Hilton Hotel, Addis Ababa. Mr. Darrell Boyd on behalf of TMGO and Mrs. Rebecca Miano - CEO of KenGen, signed the contract for Geothermal drilling works for Tulu Moyo project. It is to be recalled that KenGen won the bid for contract to drill the wells for the implementation of the first phase of the Tulu Moyo geothermal project in June 2019.

In Addition, kick-off meeting with KenGen for the project is expected to take place on the first week of November in Addis Ababa where TMGO will host KenGen delegation in its Addis Ababa Offices. Also, it is expected that geothermal drilling at site will start in January 2020.

"This agreement, is a sign of mutual trust and commitment to promote geothermal energy, which encourages sustainable development in Ethiopia and Africa in general," - Darrell Boyd, Managing Director, TMGO.



October 22nd, 2019 - Meridiam's High-level Delegation Visits Tulu Moyo Site

Meridiam Advisory Board Members, Africa Supervisory Board accompanied by CEO of Meridiam Thierry Déau have visited Tulu Moyo Geothermal Site on 22nd Oct 2019. TMGO project team supervised the site visit where the delegation team along with TMGO team departed Addis for Tulu Moyo Site for a one-day trip. A stop in Adama Rift Valley Hotel was made for a quick tea break and the journey resumed to Iteya TMGO office to receive Safety / Personal Protective Equipment and Health & Safety briefing before heading to Tulu Moyo Site. The delegation was received by a large gathering of local community members who welcomed the guests by chanting and dancing.



At the project site, introduction and overview of the company and project was presented while viewing of the project area and briefing on geothermal, geology, plans and investment also took place simultaneously. Following the introductory program, the delegation headed to Tulu Moyo Camp area where expert remote camp caterers prepared a picnic/buffet type lunch. Lunch was served in a permanent structure built at the camp, which also housed a marquee where food was being prepared. Traditional food prepared by the local Administration and community was also offered to guests. Invited community leaders and local administration joined the delegation for lunch and traditional coffee ceremony. The site visit concluded after a brief discussion with community leaders. Guests then departed Tulu Moyo Site for Adama, Rift Valley Hotel for Coffee break, before returning back to Addis.

Site Updates

Roadworks

Although there are some works remaining on the road from Iteya to Tulu Moyo it is manageable for passage when needed. During the month of October all drilling material provided by TMGO was transported to site.



Ground Water Drilling

Ground water drilling continued in October:

- Well 1 reached 401 m, but alignment test failed at 243 m. TMGO is deciding on next steps at the well pad for well 1.
- Well 2 reached 550 m. Preparation for casing and pump test are underway, with completion expected by early November.

Decision to drill the third water well at Priority 1 will be based on the result of testing of well 2.



Material Shipment

All casing materials and master valves arrived to site during the month of October. Transportation to site went well and demonstrated the capacity of the road from Iteya to Tulu Moyo in handling heavy transportation.



TMGO Internal Audit by Meridiam



As you might have read on our previous newsletter, TMGO has been audited by Meridiam internal global auditors on the 24th & 25th of September 2019. The audit reports have been released on the 29th of October and TMGO is rated yellow. The results indicate that strong operational processes and controls are in place however there is space for improvement. As per the report, Health, Safety, Environment and Quality have been highlighted as TMGO's strength while Risk Management, Delegation and Governance as well as IT security, data integrity and efficiency were raised as areas of focus to become the first green rated SPV in Meridiam. The auditors have shared recommendations for owners selected and are working on the action plans where total implementation is expected by March 2020.

TMGO & AAU Signed MoU for Geothermal Geo-Scientific Investigation

Darrell Boyd (CEO) has signed a Memorandum of Understanding representing Tulu Moye Geothermal Operations PLC with Addis Ababa University's Professor Tassew Woldehanna (President) for Geothermal Geo-Scientific investigation at Tulu Moye Project, Ethiopian Rift Valley. The objective of the agreement is to promote the geothermal science in Universities and in long term planning to support Ethiopia's capacity development.

TMGO Evidencing Social Responsibility

TMGO decided to take bold and innovative action to help resolve problems that were a concern to us, our communities and authorities in the project area, after witnessing our Civil, water and infrastructure contractor, a Grade 1 Ethiopian contractor, experience Labour Relations problems. TMGO has instructed all contractors, companies and supply chain organizations who wish to undertake work on our project that they must pay a decent living wage to all staff employed in the local and regional areas. Improvements to healthy and safe working conditions for all workers have also been demanded.

We understand that the minimum wage introduced is x% higher than the average per capita income nationally and y% locally. TMGO is happy to foot the bill for this move, the costs of which will be reimbursed to our contractors and supply chain by our company, as it reaffirms our commitment to our communities and neighbors for the long-term sustainability of our investment over the next 30 years. TMGO's CEO has signed instructions to all supply chain companies stressing the importance of this stating -

"TMGO as a responsible geothermal developer and investor in Ethiopia has a duty to ensure safe conditions for all workers and communities related to our project. Increasing the minimum pay rate for casual labour and unskilled workers, to a level of wage that supports people's growth and sustainable development is very important to us."



Shareholders Loan Approval by the National Bank of Ethiopia

The National Bank of Ethiopia has issued approval of a shareholder loan amounting \$9.6 M to TMGO, considering TMSAS - the sole owner of TMGO Ethiopia has invested \$6.4M to date in the country. The approval has been received as per the National Bank of Ethiopia directives No. TXD /47/2017, and Supplier's Credit Directives No. REL /05/2002 stating the debt to equity ratio may not exceed 40:60 of the foreign capital and the cost ceiling for external loan shall be 6 months LOBOR or Equivalent in EURIBOR plus 5% for loans of more than 5 years. Consequently, a Sponsor Development Loan agreement will be signed between TMGO and TMSAS for the coming investments to be of this type.

'TMGO Employee Spotlight':

Meet TMGO's E&S Manager, Ms. Aynalem Getachew

Ms. Aynalem Getachew has more than 18 years' experience in areas of social work, community engagement, corporate social responsibility, external relations, and media and communications. For the last 10 years, she has specialized in external corporate relations, social impacts assessments, monitoring and evaluation in the oil and gas, mining, and geothermal energy projects. Prior to joining TMGO, Aynalem was working as Social Performance Leader at Yara Dallol B.V., a potash mining company, for over five years. She was involved in the Corbetti Geothermal PLC and Tullow Ethiopia B.V. projects as social performance advisor between 2013 and 2015.

Currently, Ms. Getachew is the Environmental and Social Manager of TMGO working mainly on overseeing the environmental performance of private and public sector organizations and for developing, implementing and monitoring environmental strategies that promote sustainable development while managing community compliance of the project site working closely with the project development team and Community Liaison Officer (CLO).



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