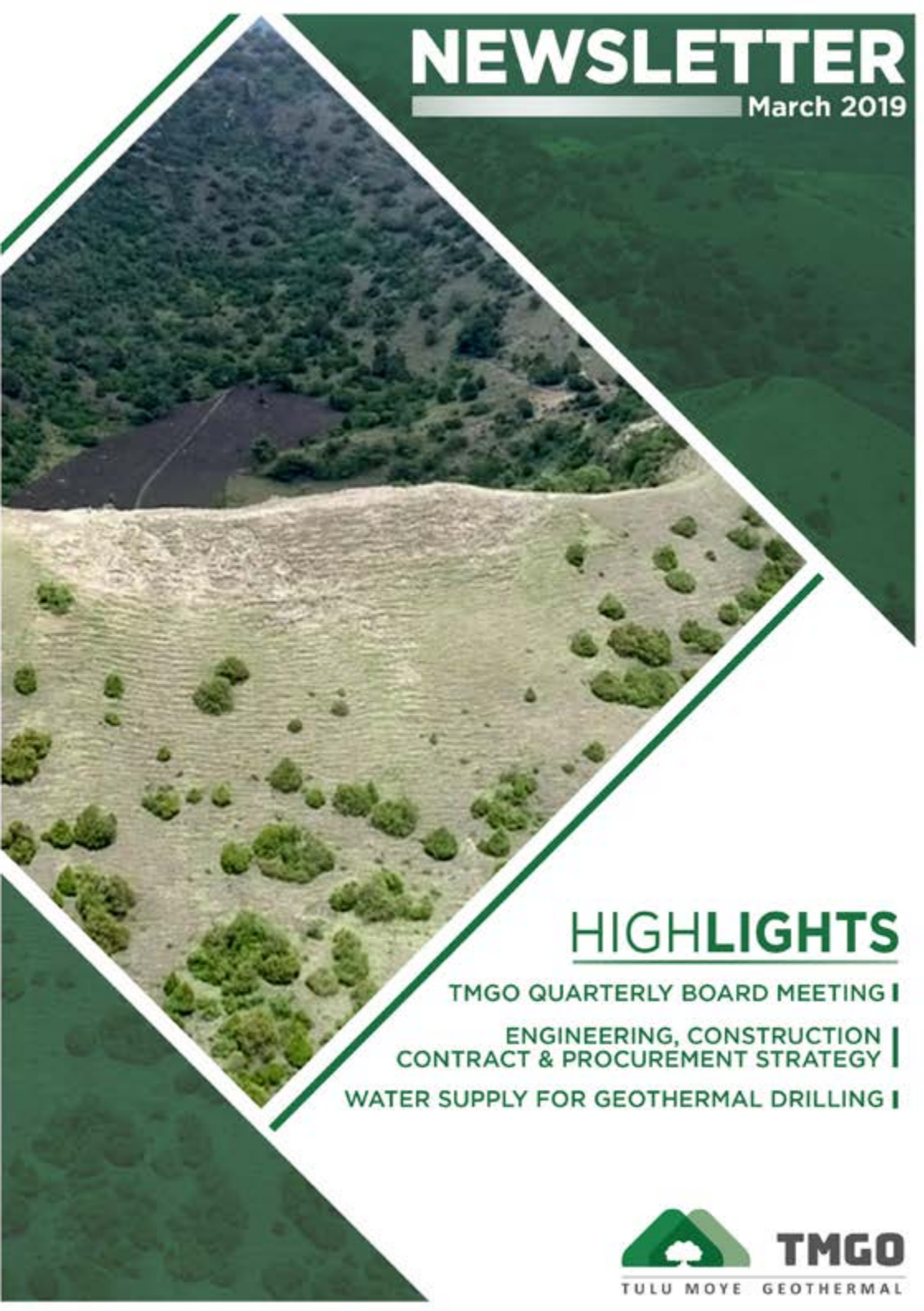


# NEWSLETTER

March 2019



## HIGHLIGHTS

TMGO QUARTERLY BOARD MEETING |

ENGINEERING, CONSTRUCTION |  
CONTRACT & PROCUREMENT STRATEGY |

WATER SUPPLY FOR GEOTHERMAL DRILLING |



**TMGO**

TULU MOYE GEOTHERMAL

## TMGO QUARTERLY BOARD MEETING



The TMGO Board of Directors paid a visit to the TMGO office in Addis Ababa this month for a Quarterly Board Meeting.

The Directors were also joined by **Mr. Stephane Noirie**, who is the WorldWide Asset Management Director of **Meridiam**.

The Board was updated on the progress of the project through an extensive and detailed board report put together by the TMGO team. During the board meeting, there was a concentrated focus on the project's progress on civil, water and road infrastructure works. Also, the TMGO team was very firmly and clearly tasked with improving progress to improve community transport links, creation of jobs and employment and supporting the geothermal drilling to commence in August 2019.

The Board was also briefed on the geothermal drilling tenders' negotiations following the four-day meeting of drilling tender negotiations held in Addis Ababa last month. They expressed their continued support in making progress and avoiding delays in the project by committing continued investment and funding to TMGO, regardless if parliamentary ratification and contract effectiveness is achieved for the forthcoming month.



TMGO's CEO Mr. Erimmanuel Birba greeting French President H.E. Emmanuel Macron during his first presidential visit to Ethiopia

The board visit coincided with the presidential visit of **His Excellency President Emmanuel Macron of France** who paid his first visit to **Ethiopia** and met with **His Excellency Prime Minister Dr. Abiy Ahmed**. In addition, the CEO and Founder of Meridiam, **Mr. Thierry Déau** was part of the French presidential delegation and attended the state dinner that evening. In relation to this, Meridiam's investment in geothermal project in Ethiopia was mentioned on a live coverage press conference held with **H.E. Dr. Abiy Ahmed** on national television.

## TMGO GEOTHERMAL DRILLING CONTRACT



TMGO, our legal advisors Trinity, and the drilling tender evaluation team from Owners Engineers have been working hard in the negotiation process with the bidder that scored the highest in both the technical and financial evaluation. Even though contract signing was scheduled for end of March, final negotiation has been pushed back to the first week of April 2019.

## PROCUREMENT OF GEOTHERMAL DRILLING MATERIALS

The lowest bidder in the tender procedure for casing materials was a company called Mertext. The contract has now been signed due to a small change in the quantity of some of the casing sizes, a result of the negotiations with the potential drilling company, Great Wall Drilling. As such, a contract will be signed end of March 2019.

## OUR STAKEHOLDERS



**ETHIOPIAN ENERGY AUTHORITY**



**MINISTRY OF WATER, IRRIGATION & ELECTRICITY**



**ETHIOPIAN ELECTRIC POWER**

**ETHIOPIAN ELECTRIC POWER (EEP)**



**OROMIA REGIONAL GOVERNMENT**

## TMGO ATTENDED REGIONAL ENERGY CO-OPERATION SUMMIT: EAST 2019



The TMGO team was proud to attend the launch of Ethiopia's National Electrification Program 2.0 led by the Ministry of Energy, in partnership with the World Bank.

Our Tulu Moye project and investment will support the program and the Ethiopian government's policy, as we are one of the first of our kind in Ethiopia to attract private investment and project financing to the energy sector.

## STAFF TRAINING

TMGO's very own Senior Accountant; Ms. Betelehem Gurmessa attended a 3 weeks training on International Financial Reporting Standards (IFRS), an international standard training issued by International Accounting Standards Board (IASB). The training was held from February 25th to March 15th, 2019 at College of Commerce, Addis Ababa University. The training covered courses in line with IFRS and addressed the overall benefits and application of IFRS. After completion of the training course, Ms. Betelehem reflected that this will enable her to be more efficient and improve comparability and reliability of financial statements for TMGO by enhancing business development.



## TMGO EMPLOYEE STATUS



TMGO recruited two interns for Social and Environmental and Accounting, **Mahlet Tamiru** and **Firehiwot Behallu** respectively. Both are working at TMGO under a six-month contract.

There is also a future plan to recruit two more additional interns with a background in Geology, Geophysics or Engineering starting July. The interns will be working at the TMGO Office and in Iteya where our project site is located. While the process to recruit the new CTO and drivers is ongoing, our new Deputy CTO started working with us starting in January 2019.



Currently, TMGO has hired a total of 18 temporary and permanent staff. Other workers who are engaged with the project are hired under our contractors, Mannvit-Verkis, Echnoserve, Derba, TSE Environmental, Mikada and MGM which employ a total of 98 employees including TMGO staff.



## ENGINEERING, CONSTRUCTION AND CONTRACT PROCUREMENT STRATEGY



TMGO, together with Owners Engineers, Power Engineer (USA) are developing a procurement strategy for the 50MW power plant to invite large international contractors with geothermal engineering expertise and financial resources to partner with TMGO. Also, both entities are mobilizing in Ethiopia to deliver the large contract to construct the power plant. The aim is to partner with an EPC contractor who buys in to TMGO and champions views on economic development, health & safety, environmental and social values. This must be a company that is truly seeking to partner, not just for Phase 1 for 50MW, but through Phases 2 to 4 for the next 8 years and beyond.

The strategy will follow a three-stage route including the following:

**1. Initial Expression of Interest** - To determine companies in the market who may wish to participate. A simple yes/no of whether they are interested and qualified;

**2. Pre-Qualification** - A more detailed submission from potential EPC partners outlining their experience, financial standing and shared values. A key component of this will be their commitments which align with TMGO's Commitment Register to employment, training, environment, social, health, safety, capacity building and long-term commitment to skills and technology transfer.



**3. Tender** - Competitive offers will be requested from companies that meet the pre-qualification criteria and shared values of TMGO as the project company and our investors and lenders.

Stage 1 of the Project will be advertised through an international public procurement portal and all project affiliated embassies in Addis Ababa, including their trade envoys and commercial business leads have been alerted. A few of the embassies include the US, Japan, France, UK, Germany, EU, Turkey, and China embassies who might liaise with companies with the geothermal expertise to help Ethiopia's development in the Geothermal sector.



## MIKADA MOBILIZING TO PROJECT SITE



Our civil works contractor, Mikada, is progressing its mobilization phase to site. They have successfully finished surveying the access road and submitted their final design. TMGO Environmental and Social Manager is working hard on-site to finalize land acquisition and compensation issues by coordinating with a compensation committee created for this purpose by the local authorities. Road upgrading works will commence very soon.

## WATER SUPPLY FOR GEOTHERMAL DRILLING



In addition, a new water supply area has been identified about 8 km south of Iteya, Ethiopia. The execution and drilling of the water supply is key level of importance. TMGO is working closely with its Owner's Engineer on the design of the pipe route, part of that is getting accurate aerial photos of the area that can either be bought as satellite pictures or by surveying a drone for HD pictures and a Civil Contractor to accelerate the process.

After a visit from two short-listed drilling companies of the drilling site area for water, Mikada Engineering has been selected and is currently mobilizing to drill the first well. TMGO's E&S Manager Ms. Aynalem and our lead Geophysicist Mr. Aklilu have been at the site contacting the local water bureau for a possible cooperation and information about the existing water pipe in the Tulu Moye area. Thus far, they have received positive feedback.

## TMGO'S FIRST VEHICLE PURCHASE DELIVERED



TMGO has been renting vehicles since the beginning of its development process. It was always the intention to purchase TMGO's own vehicles under its import tax and duty exemptions. Thus, for the successful execution of its project, TMGO has purchased three vehicles from MOENCO - Ethiopia and four vehicles from Ethio-Star Global Trading. Toyota is the chosen model for all seven vehicles considering cost and delivery period, maintenance, durability, reliability, and availability of spares. This capital purchase of vehicles is estimated to cost TMGO \$300,000 USD. These vehicles will greatly assist TMGO and its staff to be more efficient for work activities within Addis Ababa and on project site.

The required supporting documents for duty-free importation has been obtained for all seven purchased vehicles from Ethiopian Government Authorities. The first vehicle, a Toyota Hilux pick-up, has been delivered to TMGO and the remaining 6 vehicles will be arriving in Addis in the next few days.



The TMGO technical staff have been busy exploring drilling water supply options in the escarpment South East of Iteya, Ethiopia. Thus, TMGO recruited a senior hydrologist who specializes in the Rift Valley region on a short-term basis. Together with the TMGO Science team, they have been assessing all water points and making various measurements (PH and EC) which characterize the preliminary water chemistry for the area and its surrounding.

Also, they are currently working on collecting data from a metrological station in the study area, identifying geological features like faults, contacts, lineaments which may be associated with ground water occurrence, reviewing general geology and hydrogeology of the area. Overall, they have carried out hydrogeological evaluation in the selected sites in order to determine potential for groundwater and drilling wells at the sites, as well as interpret geophysical findings provided by the TMGO geophysicist.

## EMPLOYEE SPOTLIGHT



### Meet TMGO'S Chief Financial Officer (CFO) Mr. EMMANUEL BRIBA

**Q: Where are you from? Where have you been?**

A: We are all from Ethiopia, but I was born and raised in a French Caribbean island called Martinique. I pursued college in France and had the great opportunity to join Meridiam in 2012. While delivering Meridiam's mission to deliver sustainable infrastructure to communities, I have been honoured to join the effort of establishing our regional hub office in Ethiopia, while embarking on the promising journey of developing the Tulu Moye Geothermal Project. So, for the past 3 years I've been in Addis, committing time and passion to support our mission at TMGO which is to generate affordable and reliable power to Ethiopia and its communities. "Generation for the Generations" as we call it.

**Q: What is something you've learned that you lean on daily?**

A: It doesn't matter how great an idea, or a vision is, execution and implementation are key to successful outcomes.

**Q: What moves you?**

A: Injustice.

**Q: What one piece of advice would you give someone starting a company?**

A: Work on your vision and what you want to achieve (mission), what is the specific benefit you want to bring to your country and/or the world? Learn from unexpected sources. And don't be afraid to navigate outside of your comfort zone, there is much more to enjoy out-there.

Additionally, don't be afraid to surround yourself with people that are more capable than you, from diverse backgrounds (academic, gender, religious, political, etc.). Cultivating diversity in that sense is key, as a founder or manager, you want to hear about "the bad news" and what the company can be doing better.

**Q: What small change has made a big difference in your life?**

A: My sleep habits and starting meditation. I used to go to bed late (1 am) and wake up early—and I was exhausted. When I started going to bed at a decent time, I immediately realized I was performing better in multiple aspects of my life. A full night's sleep is so important for clear thinking. I wake up more alert and keener to embrace the day. Now I love that time in the early morning, when most of the rest of the city is waking up - It's when I'm at my best.

**Q: What is your favourite quote, Mr. Birba?**

A: "I come as one but I stand as 10,000" by Maya Angelou - When you believe in what you do, and are driven by your mission, your voice is amplified by all those who believe in you, who have put their hope and faith into you, and those who will benefit from what you do.

**Q: When/Where do you have your big moments of creativity?**

A: Late nights, probably around 10PM, driving in a car with no specific destination. I love how peaceful the surroundings are at that time and it usually helps me to connect the dots.

**Q: What don't you know that you wish you knew?**

A: Everything I don't know.

**Q: What books are on your nightstand right now?**

A: I just finished a book called 'Bad Blood' by John Carreyrou about the rise and fall of a Silicon Valley company called Theranos, which tackles some serious ethical questions. Also, I have just started reading 'Bold Endeavours' by Felix Rohatyn which presents examples of how strong government leadership (and decisions) led to promising turn outs for countries such as the USA.

**Q: What's your favourite movie(s)?**

A: 'The Green Mile'; with Michael Clark Duncan and Tom Hanks.... I also like the movie 'The Pursuit of Happiness' which features the infamous actor, Will Smith.

**Q: How long does it take you to scroll through your Facebook before giving up?**

A: I try to distant myself from social media networks and put more focus on building real and meaningful relationships.

**Q: Finally, and this one is important, so please pay attention - What do you think donkeys dream about?**

A: A safe place to rest.



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