

NEWSLETTER

March 2020

1 MESSAGE FROM THE CEO

1 RESPONSE TO COVID-19

1 TULU MOYE GEOTHERMAL OPERATIONS
SIGNS POWER PURCHASE AND
IMPLEMENTATION AGREEMENTS WITH
ETHIOPIAN GOVERNMENT

1 TMGO IN THE AFRICA LIST –
ETHIOPIA



Chief Executive Officer
Darrell Boyd

MESSAGE FROM THE CEO, DARRELL BOYD

WHAT WE ARE DOING TO PROTECT OUR TEAM, OUR CONTRACTORS, CONSULTANTS & SUPPLY CHAIN STAFF AND OUR LOCAL COMMUNITIES

In these once in a generation uncertain times, it has personally been great to see the TMGO Team pull together, put in extensive extra effort & focus and continue to drive our project and investment forward safely. This has been ably supported by our key advisors and supply chain. TMGO has reacted intelligently, extensively and prudently to the corona virus emergency and put in place a host of measures to help keep the Team, our consultants & contractors' staff and our local communities safe. Some of the main measures taken to date are listed under a section "What we are doing as a response to COVID-19", but the most important ones for me as CEO, has been buying the best expert

advice specific to the outbreak and its potential impact here in Ethiopia and our project region and local area. This has been achieved primarily through appointing Control Risks (a global advisor) and Innova (a local Addis firm, some of whose consultants sit on the Ethiopian Governments COVID-19 Response Team. We have even employed our own medical professional, Ato Behailu, to provide training, advice and to implement recommended measures to avoid infection and spread across our operations.

We remain flexible, responsive and mindful of our obligations to all our stakeholders wide ranging interests to progress the project and continued investment in Ethiopia, the Oromia Region and local area, whilst always ensuring this is intelligently balanced with not creating unnecessary risks or spread of infection. Stay safe and well and I hope you enjoy Easter, both abroad over the weekend of 10th-13th April and here in Ethiopia 17th-20th April.

CIVIL WORKS AND GROUND WATER DRILLING

Finalization of road and water infrastructure were focus of the civil works the past month. Items such as Water collection pond, mud pit, 16.1 km pipe laying and substructure works for pioneer tankers and pump house have been completed. Water well drilling for well 3 has also been progressing with recurring challenges and the achieved depth is 600m. Casings have been delivered and installation preparation is underway. Well 4 is being drilled (current depth is at 140 m). With water well No.2 finalized and installation of submersible pump still under way. Connection of well 2 and well 3 - to an intermediate tanker- to the pipeline and finally to the water collection pond have progressed very well. In

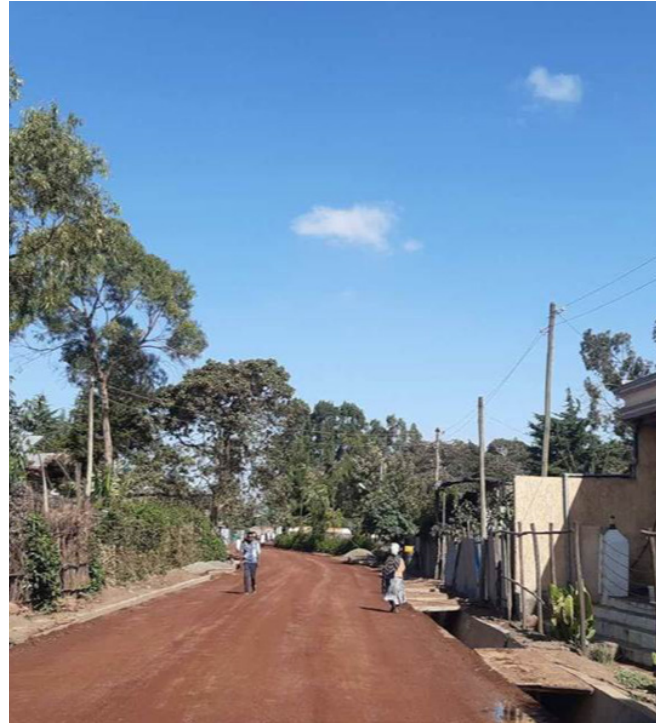


In the meantime, water trucking options activated and so far over 7000 cubic meter of water have been delivered to support geothermal drilling.

Road construction have reached final stage with partial handover in progress.

Works have been progressing fast for well pad GB, west of well pad GA. The access to well pad GB has been completed and pad construction is underway. Works on the cellars and mud pit and finalization of the well pad will be done in April.

JOS.HANSEN & SOEHNE (ETHIOPIA) Ltd, has been appointed as the water supply contractor for Ken-Gen, they will be in charge of the water supply works through the drilling process and they are already on site. They are currently conducting submersible pump installation at well 2. They are in the process of procuring the submersible pump of well 3. Finally, they have successfully assembled, tested the booster pump and generator system in Kenya and delivered the electro-mechanical system to Addis Ababa (goods are currently in JH store). Pump house near the intermediate pioneer tanker that will house the electromechanical system is almost complete, ready for system installation.



TMGO EMPLOYEE SPOTLIGHT MEET MR. PETER KAZAR

Mr. Péter Kazár is a Petroleum Engineer (specialized for Drilling), MSc, from Miskolc University, Hungary, 2010. He is experienced within well design, stimulation technology and drilling supervising. Prior to join Mannvit he was working for different hydrocarbon exploration companies (e.g. TXM Falcon, Delcuadra, Geomega) as wellsite interpreter, assistant supervisor, wellsite supervisor and

drilling engineer on the area of designing, drilling and stimulating HPHT tight gas and conventional hydrocarbon wells including directional drilling too. Since he has joined Mannvit in 2015 Mr. Kazár has been in depth involved in Mannvit's projects in Hungary in well design and technical documentation for permitting and procurement. Mr. Kazár was furthermore responsible for site works coordination (drilling, production test, workover), analysing abandoned hydrocarbon wells for future use including workover program, and evaluation of bids of service providers connected to deep geothermal drilling. Furthermore, he is involved in Mannvit Iceland's project for high enthalpy wells. His participation in Tulu Moye Project started with participating in the provisional well design, technical documentation for procurement, drilling program and continued with site supervision since January 2020.

OUR RESPONSE TO COVID-19

We have taken various measures as a response to coronavirus to enhance awareness, protect and to make sure all our staff members, customer & contractor personnel and the local community we work in are safe. Some of the major actions we have taken during the last months are:

- Various training for all TMGO Team and consultants and contractors personnel.
- Following WHO, Ethiopian Public Health Institute, Ministry of Health & Prime Minister's Office guidance and advice.
- Developing standard operating procedures and emergency operating procedures and strategies based on WHO and Ethiopian Ministry of Health guidelines.
- Following up with Kenyan Embassy & Ethiopian Embassy to seek their continued guidance.
- Providing all necessary PPE items needed for the prevention of COVID-19 infection and dissemination to all staff members with training on how to use them.
- Provided workplace sanitisation materials for day to day office cleaning based on WHO guidelines of COVID-19 prevention measures in the workplace.
- Appointment of specialist expert advisors so that we receive the very best and latest advice and guidance of how to be deal with the crises in a responsible, prudent and safe manner.
- Daily consultation with these advisers on various relevant issues including health and safety of the staff, contractors and our community on guidelines to be followed to reduce the infection & contamination risk.
- We have Split TMGO Team into two (TEAM A and TEAM B) to increase our resilience and started working from home on weekly rotation and avoidance of any physical contact outside of their designated team (including Meridiam Office) with training guidelines on working from home and also other clear guidelines. to promote social distancing.
- We have employed and deployed a health professional at our project site to follow up, train, test, monitor and guide all staff, contractors and subcontractors on COVID-19.
- We have restricted travel to site from Addis to only very essential project personnel and matters.
- Advised and follow up with our infrastructure, civils & water contractor, to make sure they have appropriate measures in place to reduce the risk of infection and transmission as per the Ministry of health and WHO guideline of preventing COVID-19.

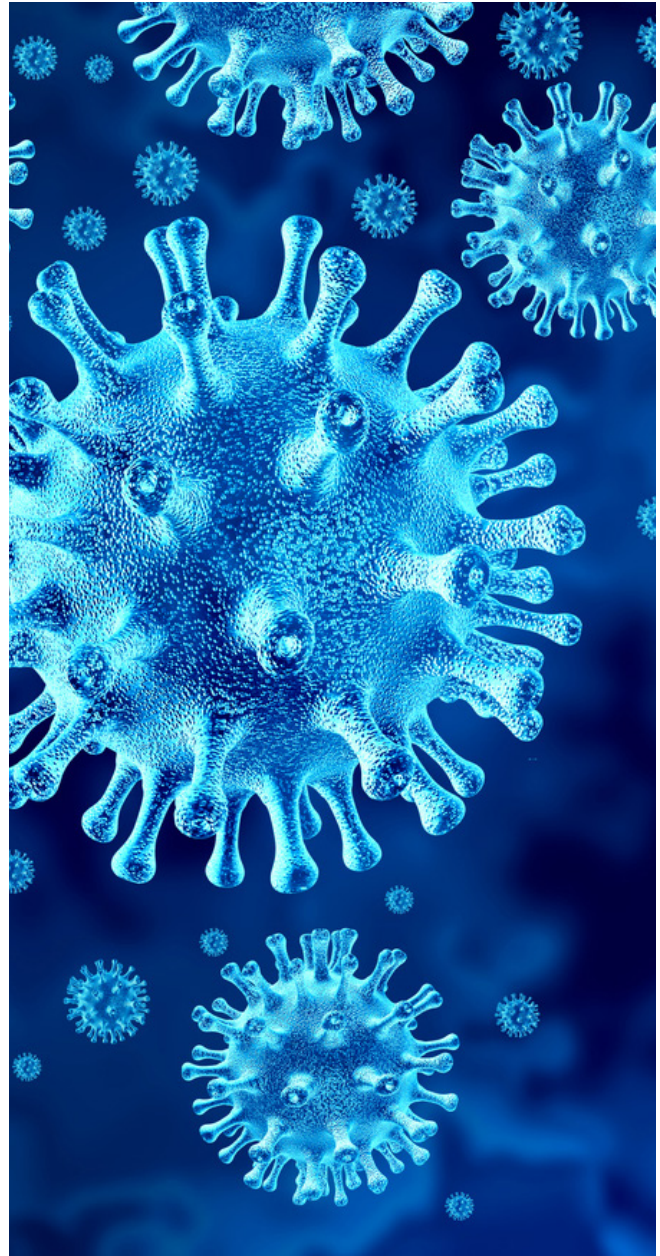


...Continued

contractors and subcontractors, at site are attended to and to provide training & guidance on measures to be taken to protect them from COVID- 19

- Hired short term professional who follow up and update TMGO on the government's actions and decisions regarding COVID-19 before hand. This consultant also prepares guidelines what measures will be taken if a certain scenario occurs.
- Site Visits from Addis are highly restricted to only very essential ones and further staff members who can travel to the project site have been limited to only six people to minimize the risk of infection spread.
- Site area is remote and therefore making sure to avoiding infection and transmission to site by sharing all advice with Mikada, our infrastructure, civils & water contractor, and ensuring they have appropriate measures in place to reduce the risk of infection and transmission and clearing personnel before entering site area
- Providing other precautionary measures & guidelines of travelling to staff

These are the things that we are doing so far but we are anticipating taking other actions depending on the status of the pandemic here in Ethiopia. Therefore, we are keeping close contact with the Ministry of Health and other relevant governmental offices so that we can make accurate decisions.

**GEOTHERMAL WORKS**

KenGen, the drilling contractor has completed rigging up and making ready the rig for Spud ready date of 04-Mar-2020. Drilling of the first exploration well in Tulu Moye started on the 4th of March. After some final preparation drilling of the well started in the afternoon of Saturday, 7th of March. After reaching almost 160 m the first section of the well was cased and drilling continued. Currently, drilled depth is 220 m and

so far the drilling process has been running smoothly with the help of a crew of 51 Kenyan experts and supervised by widely experienced international drilling supervisors from Mannvit-Verkis.





TULU MOYE GEOTHERMAL OPERATIONS SIGNS POWER PURCHASE AND IMPLEMENTATION AGREEMENTS WITH ETHIOPIAN GOVERNMENT

Tulu Moya Geothermal Operations (TMGO) signed the updated Power Purchase & Implementation Agreement with Ethiopian Electric Power, Ministry of Finance and economic cooperation and the Ministry of Water, Irrigation and Electricity on 31st March 2020 on the ceremony held at Hyatt Regency, Addis Ababa, Ethiopia.

The signing of this PPA & IA Agreements is to allow Tulu Moya Project to accelerate progress and investment in Ethiopia. In speaking at the event, the Ministers pointed out this as a demonstration of Ethiopia's reform and commitment to inviting and engaging private sector investment.

Speaking at the event, CEO of Tulu Moya Geothermal Operations, Darrel Boyd said "The signing of these Agreements with Ethiopian Electric Power and Government of Ethiopia is a major milestone for TMGO" He also added " We are proud to be investing in Ethiopia, the Oromia Region & our local communities in the Tulu Moya Area and benefiting from the foresight and exhaustive work that the government has put in place in over recent years to facilitate major energy infrastructure investment through Independent Power Producers. This has involved putting in place the required legislative framework such as the Public Private **cont...**



...Continued

Partnership, Geothermal, Energy & [Revised] Investment Proclamations, Regulations and Directives to attract private sector and foreign direct investment”

The CEO continued and said “A big well done to the TMGO Team, Ethiopian Electric Power, Ministries of Water, Irrigation & Energy and Finance and Ethiopian Energy Authority. We very much look forward to building a collaborative approach to successful delivery of the Tulu Moya project and investment to meet and even exceed all our stakeholders needs and aspirations. Working together, we hope we can be a shining example of successful project delivery and to show the way for other reputable companies to invest in Ethiopia”

He also expressed his thanks “The utmost gratitude to our Board and Project Sponsors for their governance, guidance and funding. Thanks to all our supporters, advisor teams, consultants and contractors, with a special mention also deserved to USTDA and Geothermal Risk Mitigation Fund for their grant contributions”

Finally, he said that the pressure is now on us as the TMGO Team to deliver this exciting project and investment for the benefit of all. A challenge that I know we’re all very excited about.



TMGO IN THE AFRICA LIST – ETHIOPIA

The Africa List is part of CDC's enduring commitment to private sector growth across the African continent. The Africa List community is made up of two exceptional leaders from each top 100 company, carefully selected by both their current CEOs or Chairmen and an independent working group. Each member is selected not only for who they are, but also for the impact they can have.

The Africa List is an invitation only community of next generation CEOs in Africa's most exciting growth markets and is currently active in Ethiopia, DRC, Tanzania, Zambia and Uganda. TMGO's own junior managers, Mr. Yitemgeta Fantu (Deputy CTO) and Ms. Wudassie Worku (Deputy CFO) has been selected for the Africa list 2020 and will represent TMGO in the upcoming networking engagements and events with CDC and to also represent TMGO in the private sector.

'The Africa List in Ethiopia is a platform to create personal relationships with industry leaders – an essential part of building trust in business.' - TEWODROS SISAY, SENIOR MANAGER, DELOITTE, ETHIOPIA



📍 Cape Verde Street, 1st Floor, A4 Building,
Opposite Rakan Building, Bole Sub-city,
Addis Ababa, Ethiopia

☎ +251 116 393 106

✉ info@tmgeothermal.com

🖨 + 251 116 392 603

📷 TMGOEthiopia

📺 TMGOEthiopia

🐦 EthiopiaTMGO