



Opportunity for Equipment financing LPG storage facility in Ghana

PROJECT SYNOPSIS

SOLE ARRANGER

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CONTACT DETAILS

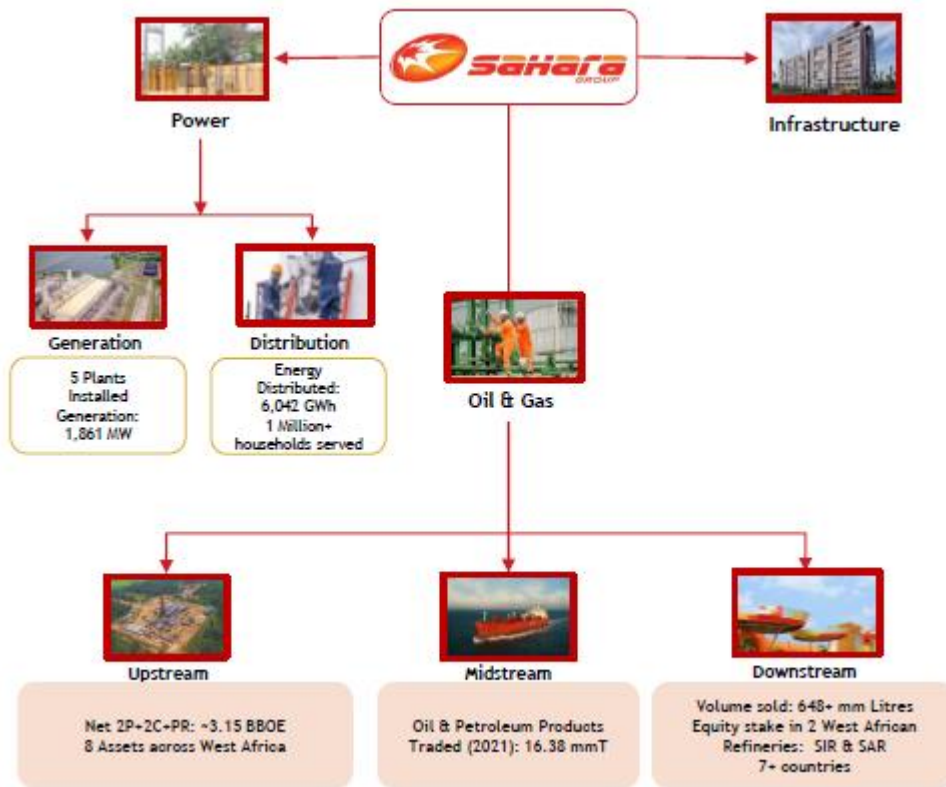
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Industry	Oil & Gas
Project	To Construct a fully automated LPG storage facility in Ghana.
Borrower name	Sahara Group Company involved in Distribution of LPG
Total Project cost	USD 32 M
Loan requirement	USD 27 million (85 % of the Project cost) + 100% of ECA premium.
Equity infusion	USD 5 million
Project IRR	20.27%
Offtake Duration	10 years
Door to Door	11 years with construction period of 2 years & repayment tenor of 9 years.
Corporate Guarantee	<ul style="list-style-type: none"> • Joint Corporate Guarantee from 2 group companies of SAHARA having a combined net worth of \$ 52 Million. • Escrow of project cash flows

➤ **About the Sahara Group**

- Sahara is a leading international energy (power, oil & gas) and infrastructure conglomerate founded in 1996 and headquartered in Lagos.
- Sahara has business operations across Africa, Europe, Middle East & Asia. Spanning nearly three decades, through hard work, innovation and determination, we have broken ground and challenged every stereotype we faced in the global market.
- Sahara has business operations across the energy and infrastructure value chain including upstream, midstream, downstream, power, real estate and infrastructure with 2021 revenues of over US\$ 10.5 Bn ~648 Million liters of Oil and Gas sold.
- 16.38 Mn MT of oil and petroleum products volumes traded. Total assets US\$ 3Bn+.
- Sahara operates in the following sectors –Upstream, Midstream, Downstream, Supply and logistics, Power, Infrastructure.
- Sahara's Upstream division is one of Africa's leading independent Exploration and Production (E&P) players with a diverse portfolio of eight (8) oil and gas assets in prolific basins across Africa. Asharami Energy Limited and Sahara Energy Field Holdings UK Limited are the entities at the fore of our upstream operations.
- Sahara's Upstream division is Africa's leading crude oil, gas and products trading business. The business is diversified in terms of regions and products, trading with at least 80 counterparties with offices in Europe, Asia and Africa.
- With over 20 years of experience Sahara's downstream expertise covers product procurement, bulk sales and distribution of petroleum products across the globe.
- Sahara power Group is the largest privately owned vertically integrated power company in Sub Saharan Africa, which plans to expand its generation capacity to 5000 MW in 2023.
- Sahara Power Vision is to be the provider of choice whenever energy is consumed
- Sahara continuously develops transformative projects through the infrastructure arm of its business. Valuation of the real estate Assets managed is \$1.67 Bn.
- Sahara has Manpower of more than 5000 globally.
- 26 years + of business experience
- Sahara's Business footprints in more than 42 countries and 12 Billion+ transaction closed.
- **Mission**-To transform through creativity, determination and relation building while
- continually seeking ways to generate value.
- Through SIVC and Centrum Properties limited, the facility management arm of
- Sahara infrastructure service provider, the group invests in projects that boost socio economic development in Africa.

➤ **Business of Sahara Group**



➤ **Milestones achieved by Sahara Group**

<p>1996 Sahara Energy Resource Limited was established to trade petroleum products</p>	<p>2007 Entered the power sector via acquisition of Egbin Power Plc, one of the largest power plants in Sub Saharan Africa</p>	<p>2013 Acquired First Independent Power Ltd and Ikeja Electric Plc - one of the largest power distribution companies in Africa. Also acquired 16.2% stake of OML 18</p>	<p>2017 Completed equity stake acquisition of Société Ivoirienne de Raffinage (SIR). Also commissioned two LPG vessels, MT Sahara Gas and MT Africa Gas</p>
<p>1998 Sahara's trading hub moved to Geneva, Switzerland</p>	<p>2009 Expanded operations into Asia by establishing a trading company in Singapore</p>	<p>2014 Achieved First oil from operated asset, OML 148</p>	<p>2019 Signed an MOU with UNDP to partner for affordable and sustainable energy in Sub-Saharan Africa</p>
<p>2000 Established a footprint in West Africa by commencing business operations in Accra, Ghana</p>	<p>2009 Became the first indigenous aviation fuel marketing company with an IATA certification in Nigeria</p>	<p>2014 WAGL started shipment LPG and condensate cargoes to identified target markets</p>	<p>2020 Spearheaded and supported major Covid-19 interventions in Africa including delivery of the 300-bed Thisday Dome isolation and Treatment Centre alongside other stakeholders</p>
<p>2003 Acquired a major stake in Tsekelewu Marginal Field (OML 40)</p>	<p>2011 Expanded our business into the Middle East and East Africa through trading operations in Dubai</p>	<p>2015 Became the First company to provide tailored FLiNG solutions to the sub-sector in West Africa</p>	<p>2020 Signed FTSA with NNPC via WAGL to offer financial and technical services on OML 11</p>
<p>2006 Became the first "non-major" international aviation fuel marketer to supply Nigerian and international airlines</p>	<p>2013 Joint Venture between NNPC & Sahara, called West Africa Gas Limited (WAGL) incorporated</p>	<p>2016 Expanded business operations into Zambia, East Africa and established trading operations in Guinea Conakry</p>	<p>2022 Commissioned two LPG vessels MT BARUMK and MT SAPET</p>

➤ **About the Borrower**

- PWSL is Petroleum Warehousing and Supplies Limited (referred to as **PWSL**) is a limited liability company duly registered and incorporated in Ghana in accordance with the Companies code of 1963.
- PWSL is a **subsidiary** of Sahara Group which is a leading international energy and infrastructure conglomerate with operations in over 38 countries across Africa, Middle East, Europe and Asia.
- PWSL currently operates a Petroleum Products Storage terminal within the Tema Port Complex in Ghana.
- PWSL was established to focus on petroleum product storage and logistics services in Ghana to ensure timely delivery of petroleum products to its client to enhance their productivity.
- The **Shareholder** of PWSL are Tope Shonubi (33%) and Ade Odunsi (33%).

➤ **The Financial of PWSL are as follows:**

Particulars	PWSL (Amount in Mln\$)	
	2021	2020
Revenue	3.00	1.86
PAT	0.04	0.06
Fixed Assets	0.18	0.17
Currents Assets	0.93	0.49
Current Liability	1.21	0.81

➤ **Brief about the Guarantors: Asharami Synergy and SERL.**

- **Asharami Synergy**, a Sahara Group; is a oil and gas company in the downstream sector with operations across West Africa.
- Asharami Synergy is a leading vertically integrated downstream company with interests in procurement, warehousing, inbound and outbound logistics, marketing, distribution, retailing and sale of petroleum products across Nigeria and Africa.
- The company emerged from a consolidation of 9 Sahara group companies with interest in procurement, storage & distribution of white products across Nigeria.
- Asharami Synergy is a leading aviation fuel supplier in Africa with fleet of over 30 bowsers and a combined capacity of over 1 million litres.
- Asharami Synergy has earned a number of certifications and awards such as ISO 9001 Bureau-veritas certification, first aviation fuel supplier to be awarded the exclusive fuel management portfolio for various presidential air fleets.
- Asharami Synergy has also been a strategic partner with International Air Transport Association “IATA since 2009”.

- **Sahara Energy resource limited (SERL)** is the first Sahara group company was established with the initial focus of trading petroleum products. SERL is a oil and gas company focused on the acquisition, exploration, exploitation and development of oil and natural gas in wester Canada.
- ***Both the companies are debt free as on date.***
- **Shareholders of Ashrami Synergy: Sahara Group Company**

Name of shareholders	% Shareholding
<i>Tope Shonubi</i>	33%
<i>Ade Odunsi</i>	33%

➤ **Financial Indicators of Ashrami Synergy and SERL– (USD in Mn)**

Particulars	Ashrami Synergy		SERL	
	2021	2020	2021	2020
(Amount in USD MIn)				
Revenue	328.2M	128.5M	163.7M	121.3M
EBIDTA	6.7M	0.6M	1.7M	1.7M
Net worth	17.4M	13.6M	35.3M	33.6M
Total Assets	86.5M	67.3M	51.1M	47.5M
Fixed Assets	18.95	20.291	1.4	1.5
Current assets	18.95M	20.291M	1.4M	1.5M
Current Liability	67.5M	47.0M	49.6M	46.0M

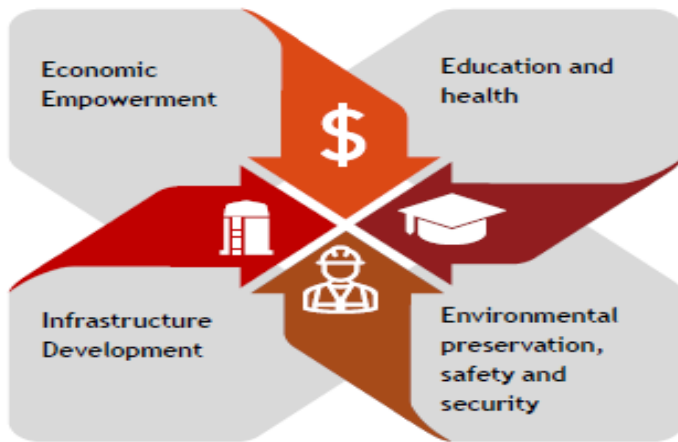
➤ **Justification of the proposed project:**

- The current market structure of LPG has accessibility and availability challenges, which does not adequately support the vision of expanding LPG use and access nationwide. The growth in refilling plants and activities of handlers have brought issues of quality, safety and security, and lack of expertise to the fore.
- In view of these challenges, The government decided in 2017 to implement a new LPG policy to promote LPG and pursue aggressively an increase in access toward 50 percent by 2030 using the Cylinder Recirculation Model (CRM)
- The CRM is an LPG marketing model that involves filling LPG cylinders at large refilling plants and then supplying the filled cylinders to consumers at specialized retail outlets called exchange points. The consumer exchanges his/her empty cylinder for a filled one at the exchange point.
- As per the data obtained from NPA, an estimated 55% of LPG in Ghana is consumed by Household, 40% is consumed by Autogas and 5% consumed by Industries. With Government CRM, The Future Household sector consumption of LPG in Ghana is estimated to increase exponentially. Hence the future of Ghana will require having a bottling plant to serve the Household market of LPG consumption. The bottling plant feedstock will come from the proposed 6,000 MT storage facility.
- The current LPG market in Ghana has grown steadily at an approximate average rate of 13% within 2015-2019. The growth was caused by Government's active drive to increase consumption of LPG in the country and the commencement of cylinder recirculation in certain parts of the country.
- However due to emergence of COVID-19 pandemic, 2020-2021 experienced a decline in LPG consumption. Growth from 2022 is estimated at an average of 3% to 4%, since the market to stabilize and free from unforeseen crisis.
- Over the last 2 years, an unprecedented number of BDC's such as Sage, Chase, Genysis and Matrix commenced LPG imports and sales to take advantage of high margins associated with the product.
- Despite the above, there are currently only 3 BDCs that own storage facilities namely Fueltrade, Quantum and Blue ocean who control 70% of storage in the country whilst other BDCs/importers (including Sahara) are forced to compete for ullage at the Government owned refinery (Tema Oil Refinery).
- The Tema Oil refinery (TOR) is fraught with several challenges and inefficiencies such as product losses, delays and breakdown in loading equipment. There is also a high level of risk and uncertainty when storing at TOR as they often oversell their ullage. This has forced some BDCs such as Matrix and Quantum/Sage to venture into building their own facility.
- The current set-up of 6,000 MT & provision for Bottling plant will prepare Sahara ahead of the future market and offer higher storage tank turnaround. Further, optimization of current land size can accommodate 6,000 MT storage capacity with provision being made for LPG Bottling facility.
- The proposed facility is in line with international standards on design codes and safety distances.

- **Approvals and documentations:**
 - Project land already in place.
 - Environment Protection agency permit.
 - Environment impact assessment prepared by Greendev
 - Fire Permit.

- **ESG Commitment & framework:**

Sahara Energy's Shared prosperity framework



- **Additional Information:**
 - The off-taker company will be Group company of Sahara involved in the business of Distribution of LPG.
 - **Commercial viability**-Over the years from 2018 to date PWSL had challenges of product unavailability due to ullage and these resulted to inability to supply loyal and willing customer and resulting to continuous loss of customer loyalty.
 - The variance created due to lack of storage facility and product supply on the long run kept increasing year on year.
 - However, having a LPG storage will end the problem of ullage.

➤ **About the Project:**

- Petroleum Warehousing and Supplies Limited is proposing to construct and operate a 6000 MT LPG Storage Facility on a 5.50- acre parcel of land at Heavy Industrial Area in the Kpone-Katamanso Municipality of the Greater Accra Region.
- The Storage Facility will have two spheric LPG storage tanks each of size 3000 MT. There will be a loading gantry, fire water tank, pump station, truck parking area, small vehicle car park and office building fitted with washrooms and changing rooms. The proposed storage facility will be sited east of Quantum Terminals in Heavy Industrial Area and it will rely on LPG supply via the existing Quantum pipeline and an extension to the site. The LPG will be offloaded via the gantry into BRVs for onward supply to clients.
- The facility will be fully automated 6000MT storage facility with a 6 arm loading bay, thereby integrating critical arms of the business and improving ability to trade, import, distribute and re-export LPG.
- Product supply to the facility will be via a 12inch gas pipeline from TOR distribution header to project site (3.5km).
- The facility will consume approximately 10,000 kWh/month

➤ **Objective of the Project:**

- Ensure adequate availability of LPG at an affordable price for consumers
- Employment generation in the area
- Revenue generation for government through payment of taxes
- Attain organizational goals in line with company vision of becoming an LPG supplier of choice

- **Sustainability:** By aligning the activities to the UN sustainable development goals, Sahara has recognized the importance of building strategic partnerships and strengthening relationships necessary for the fulfillment of a social purpose, underscored by sustainability.

- **Project Cost** is proposed to be financed as follows:

Means of Finance	%	Amount (in USD Mn)
Equity	15%	5
Debt	85%	27
Total	100%	32

- The Company is looking for turnkey EPC contractor/aggregators for the development of the aforesaid project to facilitate the ease of financing and sign the agreement under a single contract instead of multiple contracts

➤ **PRESENT REQUIREMENT**

- We are looking to raise USD 27mln for door-to-door tenure of 11 years including construction period of 2 year.
- Asharami Synergy and SERL will be providing a joint Corporate Guarantee adding to net worth of USD 52 mln as on 31.12.2021, which is sought to be 2 times of the proposed loan of USD 27mln.

➤ **Brief Indicative terms:**

Financing Term & Conditions

Borrower	PWSL
Borrower Country	Ghana
Project	LPG Tank Farm – 120,000 Metric Tonne Storage capacity
Estimated Cost	USD 32 Mln
Facility Proposed	Buyers Credit
Debt Amount	USD 27 Mn (Approx. 85% of the estimated costs)
Door to door tenure	11 years with construction period of 2 years & repayment tenor of 9 years.
Security	<ul style="list-style-type: none"> ➤ Corporate Guarantee from 2 group companies of SAHARA having a combined net worth of \$ 52 Million. ➤ Escrow from project cash flows