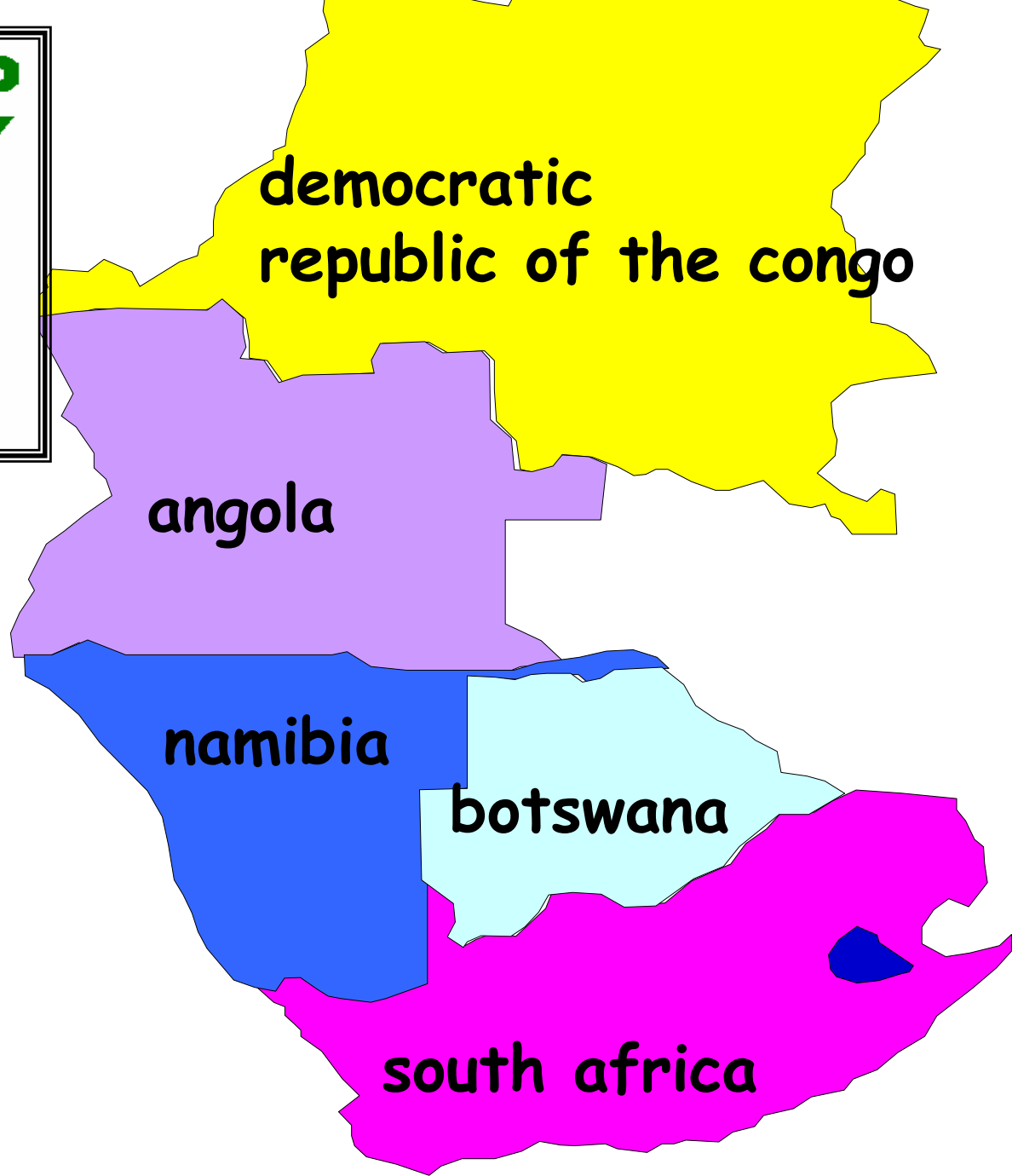


# **The Customers of Westcor**

Pat Naidoo

Chief Executive and Board Member

The Western Power Corridor Company (PTY) LTD.



**democratic  
republic of the congo**

**angola**

**namibia**

**botswana**

**south africa**

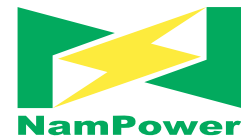


# WESTCOR

Empresa  
Nacional de  
Electricidade



 Eskom



NamPower

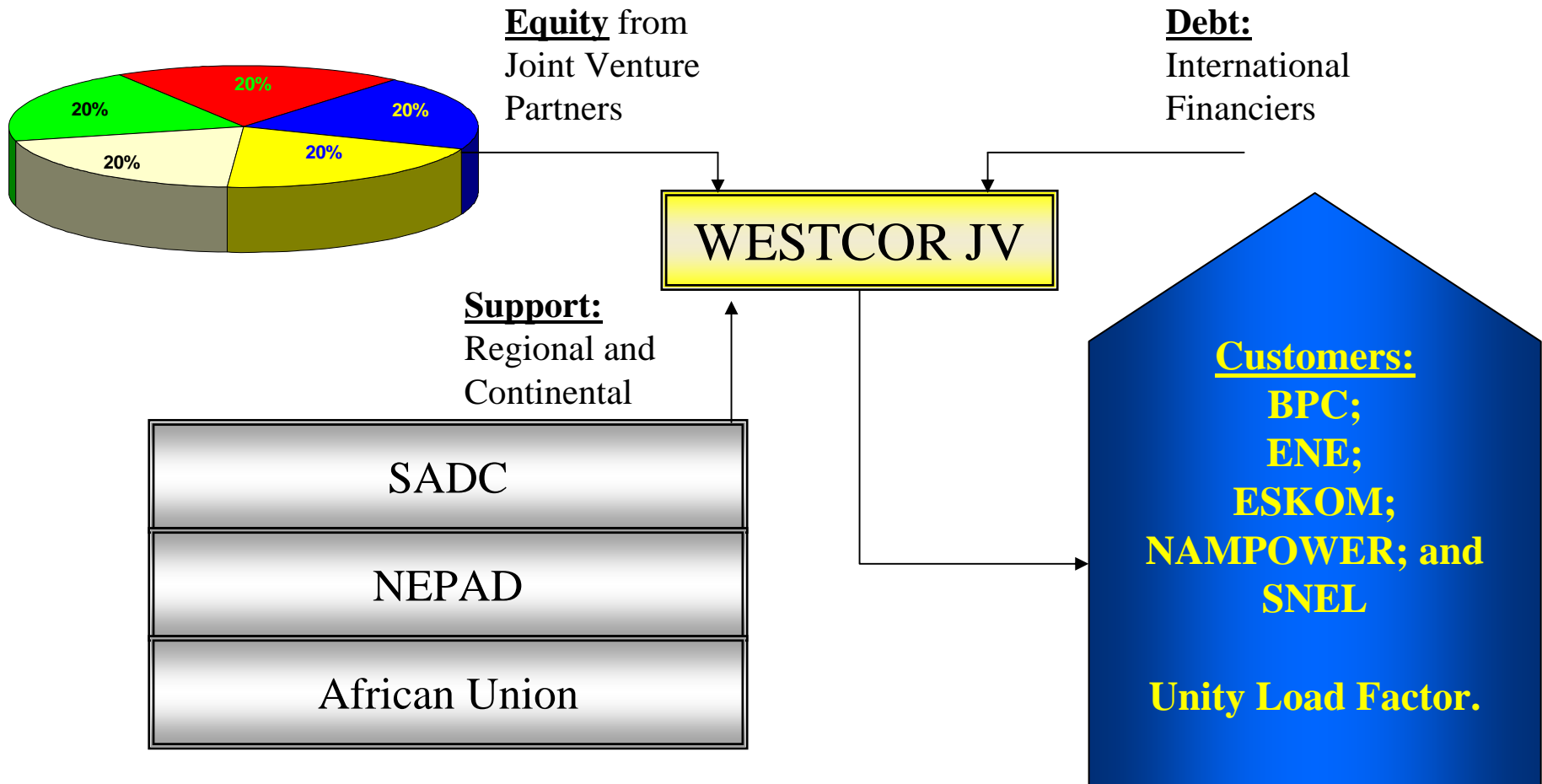


Société  
Nationale  
d'Electricité



# Base Case

## Inga 3 - 3 500/ 4 500 MW



# Founding Agreements

October 22, 2004

Energy Ministers Forum

South Africa

The Energy Ministers of the five countries signed the IGMOU ( Intergovernmental Memorandum of Understanding ) on the co-operation for the establishment and development of the Western Power Corridor Project.

# Founding Agreements

October 22, 2004

Chief Executive Steering Committee Meeting

The Chief Executives of the five national utilities signed the IUMOU ( Interutility Memorandum of Understanding ) on the co-operation for the establishment and development of the Western Power Corridor Project.

# **Company Establishment**

The Shareholders Agreement was approved on September 7, 2005

Westcor Company Articles of Association  
lodged with Botswana Register of  
Companies

# Power Purchases Agreements

- Westcor and SNEL
- Westcor and ENE
- Westcor and Nampower
- Westcor and BPC
- Westcor and Eskom
- BHP Billiton is a customer of SNEL
- Any large power user is a customer of the national electricity supplier

# Customer Load Magnitudes

- Load exists – Supply can be switched Immediately
  - 3000 MW Eskom
  - 300 MW BPC
  - 300 MW Nampower
  - 200 MW ENE
  - 200 MW SNEL
- Need to build load before supply can be taken eg smelters
  - 2012 – 800 MW SNEL
  - 2013 - 800 MW SNEL
  - 2014 – 800 MW SNEL
  - 2015 – 800 MW SNEL
  - 2016 – 800 MW SNEL
  - 2017 – 800 MW SNEL
- Load exists – annual growth
  - 1700 MW per year – annual growth – in shortfall

# Customer Supplies

- Bulk Supply – SNEL first, then ENE, then Nampower, then BPC, then Eskom.
- Loads continue to exceed supply; good position as more generation needs to be developed.
- Inga 3 power is finished; Inga 3 extensions and ENE Medio Kwanza could follow; again we note power is finished .....Grand Inga will now need to come on load.
- CUSTOMER PULL ON SUPPLY – Best Position
- Westcor ( SADC – SAPP ) – 20 to 30 GW in capacity
- Continental Africa – 20 to 30 GW of remaining capacity.

# **Key Success Factors**

# Attractive Energy Source

- Renewable, Continuous Run of River Flow
  - Reliable and Dependable
    - Affordable
- Natural fit to our business of bulk power generation, bulk power transmission and control telecommunications for operations.

# Attractive Energy Source

- Price the use of the water, the rivers, the servitudes, the real estate for substations and customer loads
- For every kWh produced and consumed; we will have revenue flows to the Governments of the participating countries; DRC for the use of the Water and Rivers etc.
- Opportunity to become the benchmark for world's lowest cost; AFFORDABLE

# Timing of Development

- End of excess supply era
- National and Regional Demand leads Supply
- Growing regional interdependence
- Growing Continental Peace and Stability
  - Global Warming

# Increasing Goodwill

- SADC Energy Ministers
  - Nepad and AU
- World Energy Council - World Bank
- G8 Countries - Global Warming
- Customers in Competitive Markets

# Engineering

- Simpler Civil Engineering for the Run of River Design for Power Generation.
- Extra High Voltage AC/DC Transmission Engineering is mature and distance of transmission is not an issue.
- Seeking the minimum footprint for the expectation of zero environmental impact.

# **Financial Resources**

# Funding and Financing

- USD 50 – 60 m for the Detailed Designs and complete feasibility study to financial closure.
- WEC is active and promoting the project as the best fight against global warming and climate change.

# Funding and Financing

USD 5 – 6 b for Project Construction

- WEC has responded; Financiers Workshop to be hosted in London
  - 21-22 April 2008

# **Launch Strategy**

# Synchronize Construction with Forward Sales

- Strategy is to forward sell all the power as in electrical demand, electrical energy and point of delivery.
- Then start to build and synchronize project construction with forward sales commitments.

# Projected Cash Flows

- Westcor revenues will come from the five defined customers – the five shareholders.
- Budget Reference for Energy Sales, including total transmission = 5 US cents/kWh.

# Projected Cash Flows

- Base Load plant at unity load factor and 100% availability
- Time Base = 8760 hours per year
- 4000 MW = 35040 GWh
- 1,752 b USD Annual Revenues

# Generation Expansion

- Start 4320 MW, then 3600 MW, then 6700 MW, then 12 000 MW and onto Grand Inga 50 000 MW
- 4000 MW = 1,752 billion USD
- 7000 MW = 3,066 billion USD
- 10 000 MW = 4,380 billion USD
- 15 000 MW = 6,570 billion USD
- 20 000 MW = 8,760 billion USD
- 25 000 MW = 10,950 billion USD

**Naturally renewable, sustainable and only half way of projected capacities.**

**A Proudly African Project  
... Renewable Sustainable  
Energy, Highly Profitable  
with Low Risks that are  
Manageable.**

**Thank you.**