

INVESTMENT POTENTIAL



INVEST IN PORT TERMINALS AT THE PORT
OF WALVIS BAY NORTH PORT PROGRAM

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Port of Walvis Bay-North Port Development Program Overview

The new proposed port to be built just north of the current built up area in Walvis Bay, still forms an integral part of what is known as “The Port of Walvis Bay.” This is so because the legal jurisdiction of the entire Port of Walvis Bay, as defined in the Namibian Ports Authority Act, (Act 2 of 1994), stretches from the current port in the south all the way to Patrysburg, close to Swakopmund, in the north. Therefore the new port area is called, “Port of Walvis Bay-North Port,” whereas the existing port is called “Port of Walvis Bay-South Port.”

PORT OF WALVIS BAY

AREA WHICH FALL UNDER THE CONTROL AND JURISDICTION OF NAMPORT
(PORT LIMITS)

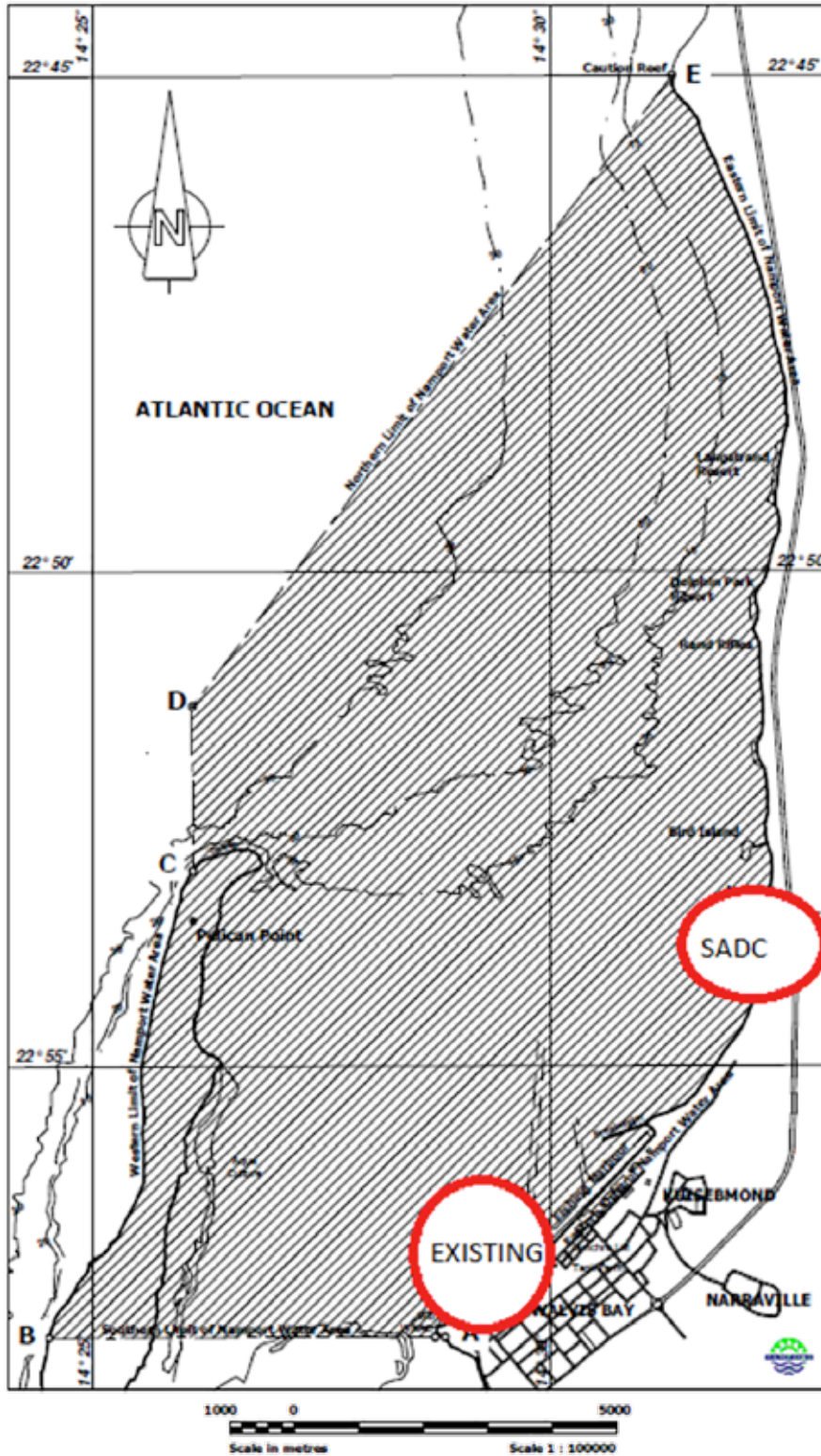


Figure 1 – Port of Walvis Bay legal jurisdiction

Project Proponent: Namibian Ports Authority

Project Value: NAD\$60 billion – estimated for all phases



Figure 2 – Port of Walvis Bay-North Port

Brief Project Description

The project consists of developing a large 1330 hectare plot of currently undeveloped land, known as Farm 39, which forms part of the Walvis Bay town. The water area in front of this land will be developed for accommodating port operations, whereas the land will be developed to house various cargo handling terminals. It is also envisaged that a "dig-out" basin will be developed which will reclaim water area from within the land. This is primarily so that the available land can be accessed directly by the port.

A comprehensive pre-feasibility study has already been completed for this project, and can be downloaded from the following link: <https://www.dropbox.com/s/b58itp98o7siv7s/Walvis%20Bay%20SADC%20Gateway%20Port%20-%20Pre-Feasability%20-%20ver%201%20-%20May%202013.pdf>

Reasoning for some of the construction of this new port area is as follows:

- Current Port is boxed in entirely by the lagoon, the town and the fishing industry
- The current port can physically not expand its footprint without conducting major land reclamation
- Current expansion of the existing port focusses on increasing the container handling capacity, whilst Bulk and Break Bulk and Ship and Rig Repair activities are not looked at on the same scale due to cost of land reclamation
- Bulk cargo handling terminals require large land space, of which the current port does not offer
- Namibia needs a deep-water seaport at Walvis Bay with sufficient bulk handling capacity to cater for demand of import and export of mining related cargo
- The current Port of Walvis Bay cannot accommodate large scale Bulk and Break Bulk cargo volumes
- With the existing container terminal being converted back to a multipurpose terminal by 2017, it will provide an increase in bulk handling capacity, to cater for demand until 2022, after which this too will become insufficient for demand
- Should commercially extractable oil be discovered off the shore of Namibia, the current port will not be able to accommodate the oil exploration and drilling industry requirements
- The current port's liquid bulk handling facilities are simply too small to cater for the huge demand from SADC countries to import fuel and bulk cargo.
- The current port's capacity to accommodate large scale ships and rig repair operations are limited due to space constraints
- Several Mega Projects that have surfaced in the last few years will simply not get off the ground without the development of the North Port. Some of these projects are: The Trans Kalahari Railway Line; Botswana Coal Exports; Mega Logistics Parks in Namibia; Namibia Crude Oil Industry; Large scale Namibian mining product exports; Iron ore exports from Namibia; and many more

General Features

- Total of 1330 hectares of new port land, compared to only 105 hectares of land at the current port
- 10,000m of quay walls and jetties to yield approximately 30 large berths (current port = 1,900m of quay walls)
- World Class Ship and Rig Repair Yard plus Oil and Gas Supply Base
- Huge Dry bulk Terminal (>100 million tons p.a.)
- Car Import Terminal/Ro-Ro Terminal
- Passenger Terminals
- Container Terminal (if needed in the future)
- Liquid Bulk Terminal with VLCC berths
- Multipurpose and break bulk terminals
- Backup storage areas/dry ports
- Small Craft harbour with Port Control Tower
- Small Boat Marinas
- New high capacity rail, road, pipeline and conveyor link to the municipal heavy industrial area behind Dune 7

Project Implementation Strategy

Namport envisages that the new port will be developed and operated by the private sector, through the award of concession contracts, wherein the private sector designs, builds, owns, operates and transfers (DBOOT) the various port terminals. Thus, Namport will be the landlord, whereas most terminal operations will be outsourced to private operators. Namport will continue to provide all specialised services which includes marine services etc.

Project Phasing

The project has been split into various phases, each phase with its own business case.

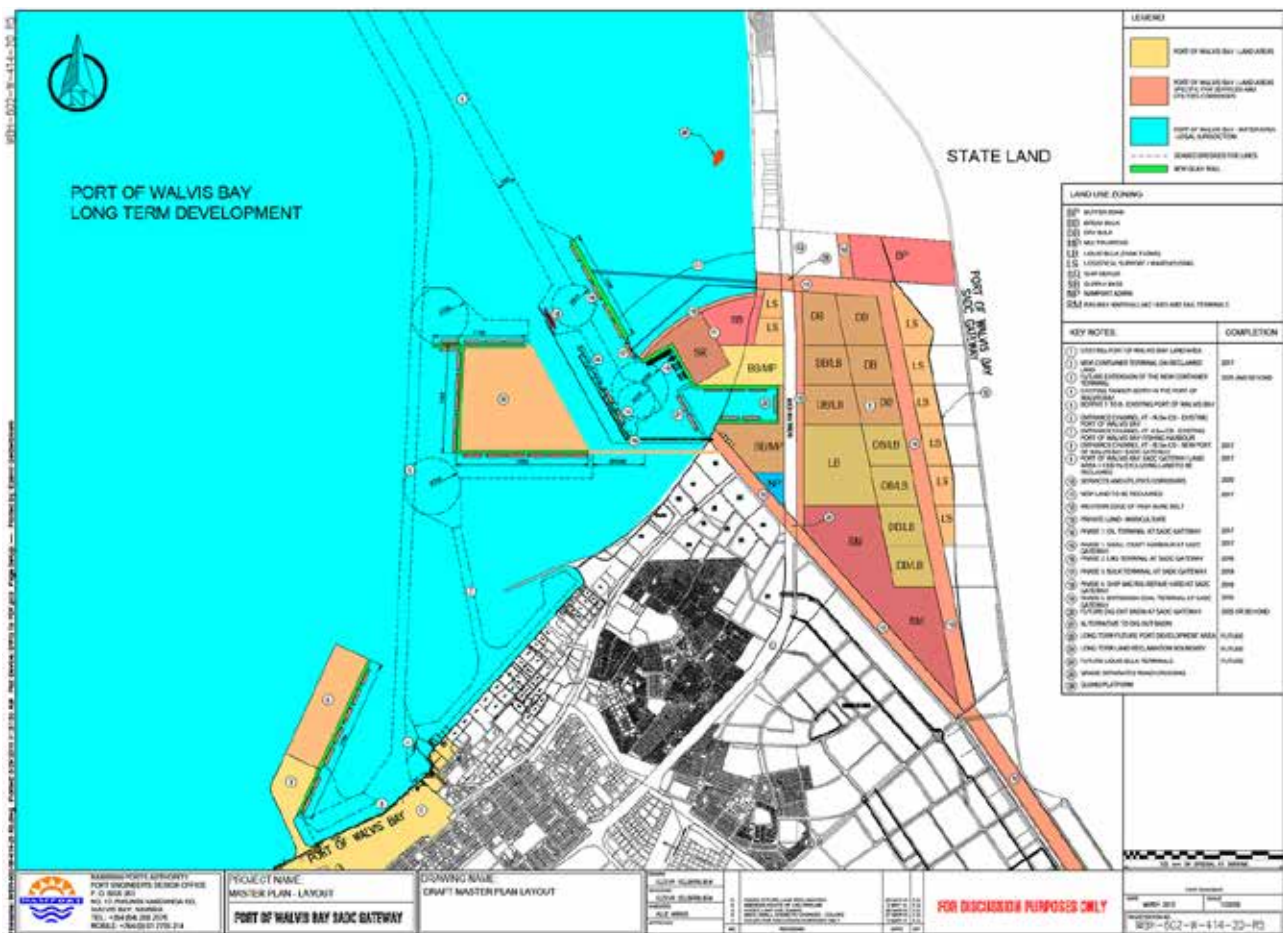


Figure 3 – Phasing of the North Port

Phase 1: Petroleum product Liquid Bulk Terminal

The first phase of the project consists of the dredging of new 180m wide, 16.5m deep entrance channel and turning basin as well as the construction of 2 x 60,000dwt tanker berths for the importation of fuel and related products into Namibia and SADC at large. This facility will serve to replace the existing Tanker Berth at the Port of Walvis Bay through which more than 95% of Namibia's fuel gets imported through and which has reached the end of its designed life. The existing facility was built in 1959 and has served Namibia well. Phase 1 of the project also consists of product pipelines from the new jetties to shore via an above water access trestle that terminates at an onshore station from where the pipelines run underground to a new tank farm. The two new jetties themselves will be of the dolphin type jetty structure. The entire structure will be built using a reinforced concrete "deck-on-piles" type of marine structure.



Figure 4 – Phase 1 progress as at May 2016

This phase is currently under construction and completion is expected by 2018. Namport also plans to offer a complete package in terms of liquid bulk handling in terms of berthing, loading, transporting and storage. In this respect, a large area within the new Port of Walvis Bay-North Port development has been zoned for future tank farms which will be linked to the liquid berths via pipelines. These tank farms will store various types of liquid bulk ranging from hydrocarbons to industrial chemicals. These tank farms will be developed by DBOOT type contracts with private tank farm operators.

Phase 2: LNG Gas Terminal

This phase of the port consists of the construction of a dedicated LNG gas import terminal which will supply gas to a new 250MW power station in Walvis Bay to supply Nampower. The terminal consists of a tanker berth with trestle access to the shore to house product pipelines.

A concessionaire has already been sourced for this terminal and construction is expected to commence in 2017 if the concessionaire can reach financial close. Additional scope exists to build additional gas import jetties/terminals north of this planned terminal.

Phase 3: Multipurpose Dry Bulk Terminal

Phase 3 of the project entails the construction of an offshore berth similar to the liquid bulk berths for Phase 1, but this berth will be used for the import and export of dry bulk cargo such as iron ore, manganese, coal etc., most of which are Namibian mining products for export. The capacity of the facility will be approximately 10 million tons of dry bulk per annum. The offshore berth will be linked to the shore via an above water access trestle on which a bulk conveyor belt will run which will convey the dry bulk cargo from the stockpiles to the shiploader on the berth, and onto the ship.

This phase is currently in the conceptual phase and the next step is to conduct a detailed bankable feasibility study. Construction could commence by 2017 for completion and commissioning by 2019/20.



Figure 5 – Multipurpose Dry Bulk and Botswana Coal export berths

Phase 4: Ship and Rig Repair Facility

This phase of the port consists of the construction of a large dry dock/ship lift structure with associated quay walls and dredging. The project will create dry docking facilities for very large vessels that are too large to be accommodated on the current dry dockings facilities in Walvis Bay.

Phase 5: Botswana Coal terminal

Phase 5 of the project entails the construction of at least 5 x offshore berths which will be dedicated for the export of coal from the Botswana coal fields. Again the berths will be linked to the shore via an above water access trestle on which a bulk conveyor belt will run which will convey the coal from the stockpiles behind Dune 7 to the shiploader on the berth, and onto the ship.

This dry bulk terminal would eventually be capable of handling up to 100 million tons of coal per annum which will make this one of the largest dry bulk terminals in the world.

This phase is currently also in the conceptual stage. However with the recent signing of the TransKalahari Railway Line bilateral agreement between the governments of Namibia and Botswana on 19 March 2014, this phase of the project was essentially entrenched and current indications are that the TKR itself will be completed by 2025 which is also the date on which this phase of the new port development must be completed.



Figure 6 – Botswana Coal Stockpiles behind Dune 7

Phase 6 and onwards: The Dig-Out Basin

Future phases of the project will involve the digging out of the port basin into the land as shown in the conceptual sketches. Certain types of port activities cannot effectively be conducted via offshore berths linked to the shore via access trestles etc., as the case with the berths that will be constructed for Phases 1, 2 and 3 above. These types of activities often require direct access to large pieces of land which need to be next to the ship. Some of these activities include container terminal operations, ship and rig repair operations, break bulk operations etc.

These future phases are still in the conceptual phase and a time schedule has not yet been drawn up for their implementation. Space have also been reserved for additional liquid bulk terminals as well as gas handling terminals.

Scope for private investment in the Port of Walvis Bay-North Port Program

The Port of Walvis Bay-North Port program is a green fields development, of which only five phases has been scoped so far. Many additional phases will be developed and implemented with time. This new port will cater for seaport services for Namibia and Southern Africa, well into the future. The new port's main business case is to act as a gateway/hub into Southern Africa. With Phase 1, the liquid bulk terminal currently under construction, the first vessel to call at the new port is expected in 2018.

Investors in the form of private terminal operators are welcome to express their interest to develop a private terminal for which they already have a business case. Namport welcomes serious investors who have done their research and who require a port terminal to conduct their business within Southern Africa.

The new North Port has no limitations on water depth and/or type of commodity or cargo that may be handled. All port business are welcome. Interested investors are encouraged to contact the Chief Executive Officer at the following contact details to setup an appointment to discuss a potential concession.

Bisey /Uirab
Chief Executive Officer
No. 17, Rikumbi Kandanga Road,
PO Box 361,
Walvis Bay,
Namibia
Email: bisey@namport.com.na;
Cc: elzevir@namport.com.na;
Cc: raymond@namport.com.na;

Important Note: While unsolicited bids for DBOOT concessions for private terminals are welcomed, Namport reserves the right to follow a transparent procurement process in the final sourcing of such concessionaires.

Port of Lüderitz - Deepwater Port development at Angra Point

New bulk solid handling facilities with heavy haul rail linkage (Year 2020 onwards)

This phase is defined by the development of a new deepwater port at Angra point, which will be fed by a future heavy haul rail corridor from the Northern Cape (SA) producers.

The new port makes provision for the development of large dry bulk terminals that may include, amongst others, Iron Ore, Manganese, etc. However, the layouts developed are taking cognisance of the possibility of future commodities that could also be located at the new port, e.g. a large coal terminal to name one possibility.

The new port will be developed via PPP model where private developers will apply for and obtain concessions to design, build, own, operate and transfer private terminals.

The envisaged terminals at the new port are by no means limited to those listed above. The private sector is encouraged to think out of the box and come up with their own ideas for new terminals, each with its supporting business case.

The project is currently in the conceptual stage. Namport have secured a commitment from the Ministry of Environment (MET) to use the land for the proposed port development, on condition the statutory approvals are received, such as the issuing of an environmental clearance certificate after doing an environmental impact assessment study. As such, a strategic environmental impact assessment study has been commenced with in October 2016.

It is foreseen that private concessions can be awarded by 2018 onwards.

Important Note: While unsolicited bids for DBOOT concessions for private terminals are welcomed, Namport reserves the right to follow a transparent procurement process in the final sourcing of such concessionaires.

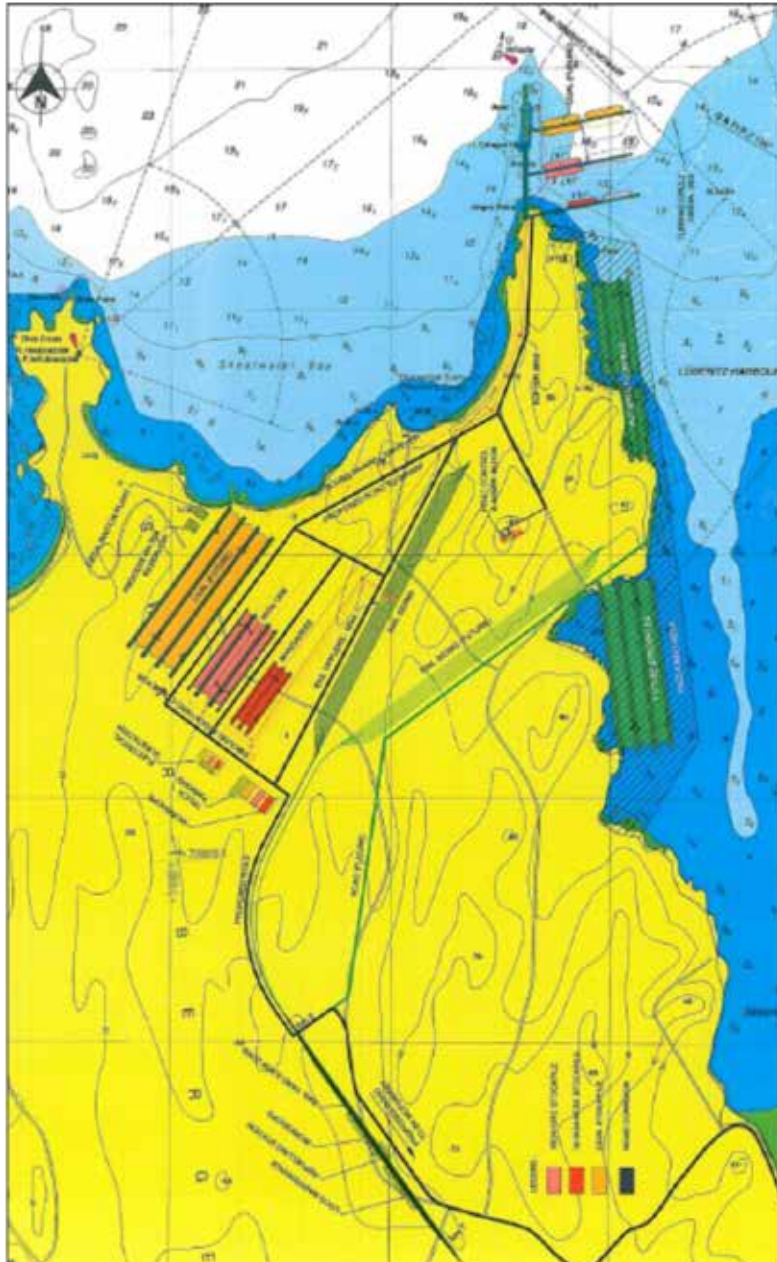


Figure 7 - Development of a new deepwater port at Angra point



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