

22<sup>nd</sup> May 2006.

The Chairman/ Chief Executive Officer  
Nigerian Electricity Regulatory Commission (NERC)  
No. 26 Mediterranean Street, Imani Estate,  
Off Shehu Shagari Way, Maitama,  
Abuja.

Dear Sir,

**RE: NOTICE OF APPLICATION FOR AN ELECTRICITY GENERATION LICENCE PURSUANT TO SECTION 64 OF THE ELECTRIC POWER SECTOR REFORM ACT 2005**

**AN OBJECTION**

Our attention has been drawn to a Public Notice published in the Guardian, Sunday May 7, 2006 at page 49 on the subject matter first above mentioned.

The Public Notice was issued by one Alliance Energy Limited of Plot 3354 Lomela Close, off Osun Crescent, Ministers Hill, Maitama Abuja, notifying the general public of its application for an intention to be granted an Electricity Generation Licence to generate electricity in Onne Oil and Gas Free Zone.

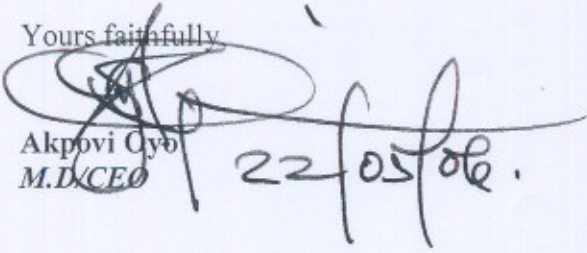
This is therefore an objection to the application for the grant of Electricity Generation Licence to generate electricity in Onne Oil and Gas Free Zone, as applied for by Alliance Energy Limited and published in the said Public Notice. Our objection is based on the following premises:

1. That we, Thames Energy Nigeria Limited, were issued an Electricity Licence No. 17768 for the entire area covering the Onne Oil and Gas Free Zone by Federal Ministry of Power and Steel, Abuja on the 24<sup>th</sup> day of December 2004 under the now repeated Electricity Act Chapter 106 Laws of the Federation of Nigeria, 1990 (see attached documents).
2. That the said Electricity Licence No. 17768 confers on us the right to generate transmit and distribute electricity in Onne Oil and Gas Free Zone for an initial period of 20 years.

3. That the combine provisions of Sections 98(1), (2) and (5) of the Electric Power Sector Reform Act 2005 preserves and validates the Electricity Licence No. 17768 granted to THAMES ENERGY NIGERIA LIMITED as aforesaid.
4. That to allow the application of Alliance Energy Limited for the grant of an Electricity Generation Licence to generate electricity in the Onne Oil and Gas Free Zone being the same area covered by our Electricity Licence No. 17768 will;
  - a. be an unfortunate duplication capable of undermining the policy thrust of the Federal Government in the power sector,
  - b. sends wrong signals as to the sincerity of Nigerian Electricity Regulatory Commission (NERC) and indeed the Federal Government towards solving the problem associated with providing electricity in Nigeria,
  - c. be contrary to the spirit and intendment of the Electric Power Sector Reform Act,
  - d. cause us unimaginable financial loss and attendant liabilities, and
  - e. erode investors' confidence and render the project unattractive to investors.
5. THAMES ENERGY NIGERIA LIMITED is an indigenous company with solid track record in the power sector. Our efforts towards the provision of an independent source of electricity to the Onne Oil and Gas Free Zone started back in the 2001, after conducting detailed studies and research, and receiving approvals from the various departments of the Federal Ministry of Power and Steel leading to the grant of the electricity Licence in December 2004.

Our commitment to the project has remained clear and sustained, we therefore ask for your encouragement and support towards the actualization of this noble venture.

Yours faithfully,

  
Akpovi Oyo  
M.D./CEO

22/05/06.

Com in Legal: copy & distribute to  
Pls bring up for immediate action.  
Ransome 5/25/2006



## FEDERAL MINISTRY OF POWER AND STEEL

FEDERAL SECRETARIAT COMPLEX ANNEX III, SHEHU SHAGARI WAY ABUJA

Department ELECTRICAL INSPECTORATE SERVICES

Telephone 09/2342139

Telegrams/Fax ELSPEC

FMRN/05/S.2/49

5<sup>th</sup> January, 2005  
Date

The Chief Executive,  
Thames Energy Nigeria Ltd.,  
53 Tombina Street,  
G.R.A., Port Harcourt.

### RE: APPLICATION FOR PERMIT TO GENERATE ELECTRICITY.

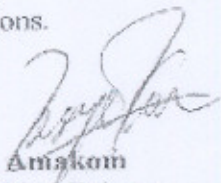
I am directed to refer to your application for a permit to build a private power plant at the Oil and Gas Free Zone, Onne in Rivers State. Please be informed that the application has been approved. Consequently, the **Electricity Licence No. 17768** is hereby issued to you subject to the following conditions:-

- i. You shall subject the power plant to the regulation of the Nigeria Electricity Regulatory Commission whenever it is established.
- ii. You shall submit your tariff regime for ministerial approval prior to the commencement of operations.
- iii. You shall ensure an appropriate level of local content in the procurement and execution of the project.
- iv. You shall formally inform N.E.P.A. of your intention to build and operate an independent power plant at the Oil and Gas Free Zone at Onne in Rivers State.

Please note that failure to abide by the conditions of the Licence may lead to its revocation.

Congratulations.

Thank you.

  
Engr. A. O. Amakom  
For Honourable Minister

ELECTRICITY ACT  
(Chapter 106)

ELECTRICITY SUPPLY REGULATIONS

ELECTRICITY LICENCE

In exercise of the powers conferred by regulations 22 to 35 of the Electrical Supply Regulations 1996, the Minister of Power and Steel (hereinafter referred to as "the Minister") hereby grants to THAMES ENERGY NIG. LTD. of 53 TOMBIA STREET  
G.R.A. PORT HARCOURT (hereinafter referred to as "the licensee") licence to—

- (1) use and work electrical generating plant described in the First Schedule hereto;
- (2) supply electrical energy within the area of supply described in the Second Schedule;
- (3) construct and use electrical lines between the area of supply described in the Second Schedule hereto for the express purpose of supplying electrical energy from any one area to any other area described in the said Second Schedule; and

(4) use electrical energy within the said area of supply for the purposes specified in the Third Schedule; and subject to the following conditions

(a) to operate the said electrical generating plant, apparatus and works, and to supply and use electrical energy in accordance with the provisions of the Electricity Act or any enactment replacing the said Act and in accordance with any regulations, orders or rules made thereunder;

(b) not to supply or permit to be supplied electrical energy for any purpose other than those specified in the Third Schedule hereto without the previous written consent of the Minister which may be subject to such conditions as the Minister may see fit to impose and which consent may be withheld or cancelled or cancelled by the Minister in his discretion;

(c) to pay compensation for any infringement of rights of, or any damage proved to have been caused by the licensee to any person or body corporate or any native community by the operation of the said plant or of any works connected therewith, and to accept as final the decision of the Minister as to the amount of any such compensation;

(d) to execute to the satisfaction of the Minister such agreements as he may require in relation to any property real or personal other than property in occupation of or belonging to the licensee, which may be adversely affected by the operations of the said plant or by any works whatsoever connected therewith;

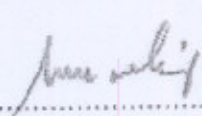
(e) to cease to operate the electrical generating plant described in the said First Schedule hereto otherwise than for the purposes set out and subject to the conditions specified in the Fourth Schedule hereto within ninety days following the service of a written notice in conformity with Supply Regulation 28 of the Electricity Act (Cap 106); and

(f) not to assign the licence hereby granted.

2. The Minister shall, at any time a breach of any of the foregoing conditions is committed, caused to be served on the licensee notice of such breach and if the licensee fails to remedy the breach within ninety days from the date of the said notice this licence shall be automatically revoked. The licensee shall upon such revocation cease forthwith to operate the said plant or to supply or use electrical energy and shall have no claim whatsoever to compensation or damages against any Government of the Federation in respect thereof.

3. The Licence hereby granted shall expire on the 23<sup>rd</sup> day of DEC 2004

DATED at Abuja this 24<sup>th</sup> day of DECEMBER 2004

  
Permanent Secretary,  
Ministry of Power & Steel

Fee Paid ₦303,200. = k

R. C. Receipt No: 6000593695 of 21/5/04

2 7004181806 of 14/9/04

## ELECTRICAL GENERATING PLANT AUTHORISED FOR USE

2 NOS. 6563 KVA GAS TURBINES  
WITH TRANSFORMERS, DISTRIBUTION LINES AND  
OTHER ASSOCIATED APPARATUS.

## SECOND SCHEDULE

## AREA OF SUPPLY AUTHORISED

ALL THOSE AREAS OF LAND COMPRISING THE  
DOME OIL AND GAS FREE ZONE DELINEATED  
ON THE PLAN ANNEXED HERETO AND NUMBERED FMS/A3/04.

## THIRD SCHEDULE

## PURPOSES FOR WHICH SUPPLY IS AUTHORISED

TO SUPPLY ELECTRICITY TO COMPANIES FIRMS OR  
PERSONS WHATSOEVER IN THE LICENSEES AUTHORIZED AREA  
OF SUPPLY AS MAY BE APPROVED FROM TIME TO TIME BY THE PRESIDENT  
WHETHER OR NOT EXISTING AT THE DATE HERE OF.

## FOURTH SCHEDULE

~~A. The Electrical Generating Plant specified in the First Schedule shall only be operated if~~

~~(1) due to break-down of plant or damage to electric lines of the Supply Authority in the area concerned (hereinafter referred to as the Supply Authority), the supply of electrical energy ceases to be available to the Licensee's premises, or~~

~~(2) the Supply Authority fails to maintain a full supply of electrical energy sufficient to enable the Licensee to operate his installation at full capacity. For the purpose of this Part, full supply shall be deemed to mean a supply of electrical energy not less than that contracted for between the Licensee and the Supply Authority or if the limits of variation prescribed by Regulations as regards pressure or frequency of supply are exceeded to such an extent as to adversely affect or entirely prevent the operation of the Licensee's electrical installation; but in the event of any dispute between the Supply Authority and the Licensee as to what is "full supply", the dispute shall be referred to the Director, Electrical Inspectorate Services, Ministry of Power and Steel, whose decision shall be final and binding on the Supply Authority and the Licensee, or~~

~~(3) the Supply Authority requests the Licensee to operate it.~~

~~B. The operation of the electrical generating plant shall be subject to the following special requirements:~~

~~(1) The licensee shall not operate the electrical generators in parallel with the Supply Authority's system.~~

~~(2) the electrical generators shall be connected to that part or parts or the whole of the Licensee's installations it is desired to supply from the electrical generators, by means of a special changeover switch or switches, to be of a type approved in writing by the Director, Electrical Inspectorate Services, which changeover switch must disconnect the Supply Authority's supply system from that part of the Licensee's electrical installation to be supplied from his generating plant.~~

~~(3) It shall cease to be used as soon as may be practical following notification by the Supply Authority that a "full supply" is available.~~