**Transnet SOC Ltd**
**acting through its operating division, Transnet National Ports Authority**
Registration Number
1990/000900/30
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**BRIEFING NOTE NO. 7 (TNPA/2022/12/0002/19592/RFP)**

4 July 2023

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**REQUEST FOR PROPOSALS FOR THE APPOINTMENT OF A TERMINAL OPERATOR TO OPERATE AND MAINTAIN PORT AND COMMON USER INFRASTRUCTURE FINANCED, DESIGNED AND CONSTRUCTED BY THE TNPA, AND TO DESIGN, DEVELOP, FINANCE, CONSTRUCT, OPERATE, MAINTAIN TERMINAL INFRASTRUCTURE AND TERMINAL EQUIPMENT REQUIRED FOR THE HANDLING OF LIQUID NATURAL GAS AT SOUTH DUNES IN THE PORT OF RICHARDS BAY FOR A MINIMUM PERIOD OF 25 (TWENTY-FIVE YEARS)**

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**RESPONSE TO BIDDER QUESTIONS REGARDING THE DBSA MATTER:**

1. Through this Briefing Note 7, Transnet National Ports Authority (TNPA) responds to questions received following the issuing of Briefing Note 6 in respect of the DBSA role in the Project, in relation to the Richards Bay LNG Project **TNPA/2022/12/0002/19592/RFP,** as per the table below.

2. The delay in providing the TNPA responses to Bidder questions regarding Briefing Note 6, which was initially targeted to be 19 June 2023, has primarily been occasioned by technological challenges with the working order of the designated contact e-mail address, which have since been addressed.

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3. Kindly take note, for the avoidance of doubt, that the closing date for the submission of bids **remains** the **29th of July 2023 at 10:00:00 AM (CAT)**.

Yours sincerely

Project Office

| ITEM NO | QUESTION | RESPONSE |
|---|---|---|
| 1. | Briefing No. 6 clause 1.2.1 mentioned that DBSA has the right to match up to a maximum of 40% of the senior debt facility of the appointed preferred bidder on financing terms better than or like those offered by the preferred Bidder's financier. | Kindly note the issue of shares or equity - Clause 1.2.1 is not applicable to the financing of equity or similar own contributions by the shareholders of the bidder/Special Purpose Vehicle (SPV). The DBSA's right to fund the project is only applicable to debt funding that the SPV may want to access. Should the question be in reference to debt and not equity, and if only one of the shareholders are to raise debt for the project, such debt will be subject to the funding arrangement with the DBSA, unless the debt is raised outside of the SPV. Given the question, if it is assumed that the project is not to be funded by debt, but only equity, then the SPV will be required to repay the project preparation funding per the agreement with DBSA. |

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| 2. | One of our plans is not to finance our shares; it might be only our partner who will finance their shares. How will this work?<br><br>(i) if we decide to go the debt financing route, DBSA's ROFR for a maximum of 40% of the senior debt facility would hinder our ability to partner with our relationship banks which would be suboptimal. | Pertaining to debt - the DBSA's maximum participation is up to 40%. The DBSA may decide not to participate at the maximum level.<br><br>Under this construct, the larger portion of the debt would be available to the bidders' bankers. In addition, the DBSA participation is on a right to match on similar terms which means that the bidder will still be able to achieve optimal terms. As funding syndication for large projects is common cause amongst financial institutions, the DBSA right to participate may not pose as a hurdle to successfully financing of the projects, but rather a contribution to mitigating financial risk for any one particular financial institution. |
| 3. | What technical solution would form the basis for the EIA (FSRU, Onshore Terminal, FSU with Onshore Regas, etc.) and | In the context of the DBSA Briefing Note 6 these are broader socio and environmental impact assessments that will be undertaken. The technical solution proposed by a Bidder would be the subject matter of the EIA which will need to be undertaken by the appointed Terminal Operator once the Terminal Operator Agreement has been concluded between the TNPA and the Terminal Operator. |

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| 4. | What technical specifications will be assumed (e.g. what vaporisation technology, if seawater then what location for intake/ discharge, what noise emissions, what exhaust gas emissions from power generation and/or heating. | See response to question 3 above and TNPA guidance in the RFP that these studies are to provide best practice guidance for the LNG Terminal. Bidders are to note the provisions of clause 5 of the RFP and annexure D thereto, which requires that their technical solution are consistent with SANS and International Best Practice. |
| 5. | What vehicle traffic for LNG truck loading, what construction laydown areas and camps, etc.)? | This is to be incorporated in a Bidders technical proposals as part of particular Bidders technical solution as may be proposed to the TNPA. |
| 6. | If we do not request financing, why is the bidder requested to pay for RFP evaluation and appointment of the preferred bidder or for TNPA to negotiate a concession fee? | These are inherent project costs which would be of value to the Preferred Bidder once appointed as the Terminal Operator. It is not to be misconstrued with the concession fee that Bidders are required to submit Bids on. |