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NATIONAL DEVELOPMENT CORPORATION

PROPOSAL NO: PA/068/2009/NDC/PPP/01

REQUEST FOR PRE QUALIFICATION

FOR

MCHUCHUMA INTEGRATED COAL MINE AND THERMAL POWER STATION CONCESSION AND LIGANGA IRON ORE CONCESSION

BACKGROUND: The National Development Corporation (“NDC”) was established as a statutory body by an Act of Parliament in 1962, wholly owned by the Government of the United Republic of Tanzania, charged with responsibility of promoting economic development in Tanzania in partnership with the private sector. The NDC is mandated by the Government of Tanzania to develop projects in the Mtwara Development Corridor. Mchuchuma Coal to Electricity (“**Mchuchuma Concession**”) and Liganga iron ore (“**Liganga Concession**”) projects (together, the “**Projects**”), located in Ludewa district in Iringa region are anchor projects in the Mtwara Development Corridor.

OBJECTIVE: is to secure an investor/developer who will partner with the NDC in the development and implementation of the Projects. The investor, developer or firm is free to form joint ventures/consortia.

PROJECT COMPONENTS: The NDC intends to pre-qualify developers, power companies, mining companies, and/or firms to act as co-sponsors and shareholders alongside the NDC in promoting two separate joint venture companies (each a “**Joint Venture Company**”) which will have the right to develop the Projects. This will likely involve:

- (i) in respect of the Joint Venture Company relating to the Mchuchuma Concession:
 - the development of a coal mine; and
 - a mine-mouth grid-integrated power station, supplying general grid power to, *inter alia*, (1) Tanzania Electric Supply Company Limited (TANESCO); (2) the Mchuchuma coal mine; and (3) the Liganga iron ore mine with its associated smelter (once operational, see part (ii) below); and
- (ii) in respect of the Joint Venture Company relating to the Liganga Concession:
 - exploration and identification of the quantity and quality of the iron ore deposit at Liganga, including evaluation of the mineralogy and metallurgical response to any separation techniques to be employed, with a view to the subsequent commercial development of an iron ore mine and smelter; and

- the development of an efficient method for exploiting the deposits having in mind the infrastructural needs of the region including the Mtwara Development Corridor, and the aim of providing through any processing or industry, the maximum amount of "value added" within Tanzania.

THE REQUEST FOR PRE QUALIFICATION: The NDC now seeks eligible investors/developers to submit their application for pre-qualification for the above mentioned Projects.

The evaluation criteria will take into consideration the technical and financial capability, as well as the experience and past performance, of the prospective joint venture partner.

RFQ DOCUMENT: Interested parties may apply to pre-qualify for either or both the Mchuchuma Concession or Liganga Concession. Applications must be made by way of submission of a completed set of pre-qualification documents in English. The pre-qualification documents may be purchased by interested applicants on the submission of a written application to, or upon attendance in person at, the address below and upon payment of a non refundable fee of 65,000/= Tanzanian shillings or US\$50. The method of payment will be cash, bank draft or bankers cheque made payable to the National Development Corporation.

Completed applications for pre qualification must be submitted in five (5) hard copies (one original plus four copies including electronic copy on CD) in sealed envelopes, and delivered to the address below by 2pm on 25 January, 2010, 6th Floor, Room No.604, clearly marked "*Application to pre qualify for the Mchuchuma and Liganga Projects*".

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