

EXCHANGE LOSS OFFSET AGREEMENT

This Exchange Rate Loss Offset Agreement ("Agreement") is entered into as of 10th May 2024, between:

The Ministry of Energy and the Energy Regulation Board

and

Agro-Fuel Investments Limited.

Whereas:

1. Since inconsistency in the adoption of the FX slate mechanism for LSGO, the co-suppliers have accumulated losses as a result of the differential between the ERB exchange rate used in the pricing formula and the spot market rate.
2. Transport differential: The transportation rate applied by the Energy Regulation Board is US\$133.33/MT when the fuel is transported by road and US\$119.09/MT when transported by pipeline.
3. In order to recover the losses accrued, the parties agreed to resolve the net owing position by using a non-cash compensation mechanism using the differential between the actual pipeline transportation cost of US\$119.09/MT and the published ERB transport rate in the wholesale price buildup of US\$133.33/MT.
4. In January 2024 the parties agreed to offset the exchange losses by using the non-cash compensation mechanism as referred to in point 3 above. The co-suppliers will continue to supply LSGO until the losses accumulated are recouped.

Now it is agreed that the co-suppliers will be allowed to continue supplying cargoes of LSGO to offset exchange rate losses incurred from the supply of LSGO until the losses accumulated are recouped.

That the delivery schedule for the fuel supplies will be mutually agreed by the parties. The co-suppliers will make reasonable efforts to deliver the fuel in a timely manner in accordance with the agreed schedule.

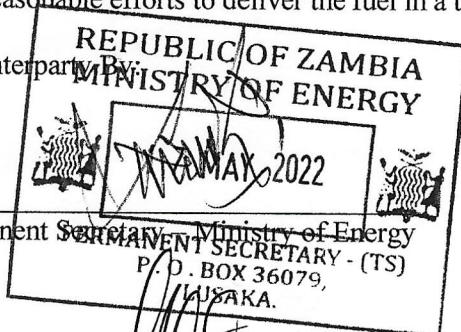
For the counterparty By:

Name:

Title: Permanent Secretary, Ministry of Energy
P. O. BOX 36079,
LUSAKA.

Name:

Agro-Fuel Investments Limited



Witness

Witness

Agro-Fuel Investments Ltd

P.O. Box 31315, Lusaka.

Tel: +260 211 288836

Fax: +260 211 286652



GOVERNMENT OF THE REPUBLIC OF ZAMBIA
MINISTRY OF ENERGY

ADDENDUM NUMBER 1 OF 2024

EXCHANGE LOSSES OFFSET AGREEMENT BETWEEN THE MINISTRY OF ENERGY,
TAZAMA PIPELINES LIMITED AND AGRO-FUEL INVESTMENTS LIMITED

MINISTRY OF ENERGY
STAND NO: 1200 MEDLAND ROAD
OFF ADDIS ABABA ROAD, RHODES PARK
LUSAKA

AGRO-FUEL INVESTMENTS LIMITED
PLOT NO. 8489
LUMUMBA ROAD
P.O BOX 31315
LUSAKA

TAZAMA PIPELINES LIMITED
TAZAMA HOUSE
MOFFAT ROAD
P.O BOX 71651
NDOLA

A handwritten signature in black ink, appearing to be 'J. M. M.'.

OCTOBER 2024

A large, stylized handwritten signature in black ink, possibly reading 'J. M. M.'.

ADDENDUM NUMBER 1 - EXCHANGE LOSSES OFFSET AGREEMENT

THIS ADDENDUM (hereinafter referred to as "Addendum No. 1") is made on the 4th Day of October 2024 to the Exchange Loss Offset Agreement signed on 17th May, 2024 ("the Principal Agreement") and is between:

The Government of the Republic of Zambia acting through the **Ministry of Energy and TAZAMA Pipelines Limited**

And

Agro Fuel Investments Limited (hereinafter referred to as the "Supplier")

Whereas the Ministry of Energy entered into an Exchange Loss Offset Agreement "the Agreement" with Agrofuel Investments Limited on 17th May 2024;

Whereas the Parties assessed and agreed that the quantum of losses in respect of the exchange losses incurred by the Supplier amounts to **US\$23,247,769.97**, being a total of **US\$ 18,946,289.11 Forex Loss** and **US\$4,301,480.86 Transport Equalisation** as determined by the Energy Regulation Board and

Whereas the said amount has been quantified and agreed by the Parties to represent **1,632,568 metric tons** to be pumped through the TAZAMA pipeline;
The Agreement allows the supplier to continue supplying cargoes of Low Sulphur Gas Oil (LSGO) through TAZAMA Pipeline to offset exchange losses until the accumulated losses are recouped.

It is now agreed that the said Agreement is amended as follows:

1. Renumber the Agreement as follows:

The Parties under Paragraph 1 to be Clause 1

The recitals under Paragraph 2 as Clause 2

The Agreement under Paragraph 3 as Clause 3

The delivery schedule under Paragraph 4 as Clause 4

2. Amendment of Clause 1 by the deletion of the Energy Regulation Board and Insertion of Tazama Pipeline Limited.



3. Amendment of Clause 3 to read as:

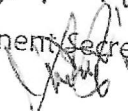
Now it is agreed that the suppliers will be allowed to supply 1,632,568 Metric Tons (One million Six Hundred Thirty Two Thousand Five Hundred and Sixty Eight) of LSGO through TAZAMA Pipeline to recoup exchange losses incurred. These exchange losses shall not attract any interest.


4. Insert a new Clause 5 at the bottom to read as follows:

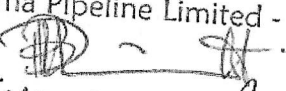
This agreement will terminate at the full delivery of the quantum of the Low Sulphur Gas Oil indicated in Clause 3.


5. The Parties observe and agree that the year 2022 contained in the date stamp for the Ministry of Energy in the attestation clause of the Principal Agreement was erroneously set by the clerical officers to read as "2022" and shall be treated as a mistake and as bearing the year "2024", as opposed to the year "2022".

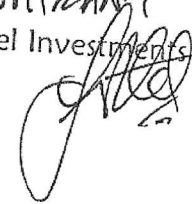
For the counterparty by:


Name: Peter MUMBA
Title: Permanent Secretary- Technical Services
Signature: 

Witness: 

Name: DAVIDSON THAWETHE
Title: Tazama Pipeline Limited - MD
Signature: 

Witness: 

Name: SHASHIKANT ADE
Title: Agro-fuel Investments Limited-MD
Signature: 

Witness: 
Michael Faint



GOVERNMENT OF THE REPUBLIC OF ZAMBIA

MINISTRY OF ENERGY

ADDENDUM NO. 2 of 2025

EXCHANGE LOSSES OFFSET AGREEMENT BETWEEN THE MINISTRY OF
ENERGY, TAZAMA PIPELINES LIMITED AND AGRO-FUEL INVESTMENT
LIMITED

MINISTRY OF ENERGY

Stand No. 1200 Medland Road
Off Addis Ababa Road, Rhodes Park
LUSAKA

TAZAMA PIPELINES LIMITED

TAZAMA House
Moffat Road, P.O.Box 71651
NDOLA

AGRO-FUEL INVESTMENTS LIMITED

Plot No. 8489
Lumumba Road
P.O. Box 31315
LUSAKA

MARCH, 2025

On

[Handwritten signature]

THIS ADDENDUM (hereinafter referred to as "Addendum No. 2") is made this 14th day of MARCH 2025 between the Government of the Republic of Zambia acting through the Ministry of Energy and TAZAMA Pipelines Limited of the one part and Agro-Fuel Investment Limited (hereinafter referred to as "the Supplier" of the other part (hereinafter jointly referred to as "the parties").

Whereas the Ministry of Energy entered into an exchange loss offset "Agreement" with Agro-Fuel Investments Limited on 17th May, 2024;

Whereas the Parties accessed and agreed that the quantum of losses in respect of the exchange losses incurred by the Supplier amounts to US\$23,247,769.97, being a total of US\$18,946,289.11 forex loss and US\$4,301,480.86 transport equalization as determined the Energy Regulation Board; and

Whereas the said amount has been quantified and agreed by the Parties to represent 1,632,568 Metric tonnes to be pumped through the TAZAMA Pipeline; The Agreement allows the supplier to continue supplying cargos of low sulphur gas oil through TAZAMA Pipeline to offset exchange losses until the accumulated losses are recouped.

IT IS NOW AGREED THAT THE SAID AGREEMENT IS AMENDED AS FOLLOWS:

Inclusion of the following new clauses after clause 5:

6. Dispute Resolution

6.1 Reference to arbitration

6.1.1 The parties shall use their best endeavours to settle any dispute, differences or questions whatsoever which may arise at any time out of or in connection with any disagreement between them in regard to any matter arising out of this Agreement, including without limitation any question regarding the existence or the interpretation of this agreement, any actual or alleged breach of this agreement, any actual or purported termination or repudiation of this agreement or any dispute as to the validity of this agreement between the relevant parties (the "Disputing Parties") through mediation.

6.1.2 Any irreconcilable dispute shall be referred to and finally resolved by arbitration by the Lusaka International Arbitration Centre (LIAC) in accordance with the LIAC Arbitration Rules and guidelines for the time being in force, which Rules and guidelines are deemed to be incorporated by reference into this clause.

6.2 Appointment of Arbitrators

6.2.1 The number of arbitrators shall be three (3) unless the parties agree otherwise in writing.

6.2.2 Each Disputing Party shall appoint 1 (one) arbitrator not later than 14 (fourteen) days after service of request in writing by any Disputing Party to do so, failing which, the Chartered Institute of Arbitrators, Zambia Branch shall at the request of either party to the dispute, appoint the Second Arbitrator.

6.2.3 Thereafter the two (2) appointed Arbitrators shall agree upon and appoint a third arbitrator within 7 (seven) days of their notification of appointment, failing which the Chartered Institute of Arbitrators, Zambia Branch shall at the request of either or both of the Disputing Party forthwith appoint the third arbitrator.

6.2.4 In either case, the third Arbitrator will be Chairman of the tribunal.

6.2.5 The decision of the panel shall be final and binding.

6.3 Date of Appointment of Tribunal

6.3.1 The date of appointment of the tribunal for the purposes of this clause shall be the date upon which the Chairman is appointed in accordance with Clause 6.2.3 above.

6.4 Seat of Arbitration

6.4.1 The seat, or legal place, of arbitration shall be Lusaka, Zambia.

6.4.2 The language to be used in the arbitration proceedings shall be English.

6.5 Governing law and jurisdiction

6.5.1 This Agreement and any dispute or claim arising out of, or in connection with, it, its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the laws of Zambia.

6.6 Notwithstanding any reference to arbitration herein, the Parties shall continue to perform their respective obligations under the Agreement unless they otherwise agree.

7. The provisions of the Original Agreement including the Contract sum shall remain in force, except to the extent that they are varied by this Addendum No. 2.

8. The mutual rights and obligations of the Parties shall be as set forth in the Original Contract.

9. In the event of any inconsistencies between the Original Contract, Addendum No.1 and this Addendum No.2, this Addendum No.2 shall prevail.

MINISTRY OF ENERGY

Name: Peter Mumba

Title: Permanent Secretary

Signature: [Signature] 14/03/25

WITNESS

Signature: [Signature]

TAZAMA PIPELINES LIMITED

Name: DAVIDSON THAWETHE

Title: Managing Director

Signature: [Signature] 14/3/25

WITNESS

Signature: [Signature]

AGRO-FUEL INVESTMENTS LIMITED

Name: SHASHIKANT RAO

Title: Managing Director

Signature: [Signature]

WITNESS

Signature: [Signature]