

- Recent Taylor-DeJongh projects
- New members to join the team
- Participation in upcoming conferences

News *n* Views

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Focus on the goal and be a winner *The insight into Taylor-DeJongh recent projects and news*

Dear Colleague,

We are proud to present to you our new bimonthly publication, which aims to share the most recent developments at the company, including new projects, new hires, and new successes.

In the past year Taylor-DeJongh continued to expand its business internationally by working on new projects with its long-standing clients and acquiring new contracts through partnering on bids with a variety of companies. Some of those partnerships allowed us to bid on a broader range of projects, where the synergy of financial and technical expertise was imperative for winning advisory mandates. Here are some examples of such joint ventures and the type of projects this creative bidding process brought to us. If there are any projects in your pipeline where similar cooperation with our company can assist your business goals, give us a call at 202-775-0899. We will be glad to talk with you about your project.

Romania- Italy oil pipeline

Taylor-DeJongh in partnership with the HLP Associates-Parsons team, Petrostar

S.A., a Romanian engineering consulting firm, and Stroock & Stroock & Lavan LLP, a U.S. law firm, won a U.S. Trade and Development Agency funded feasibility study of a pipeline that would connect the Romanian port Constantza with Trieste in Italy.

The proposed pipeline will connect Constantza with Trieste, crossing the territories of Romania, Hungary, Slovenia and Italy along the way. The pipeline will transport Black Sea oil to Eastern and Central European refineries, with the final delivery point at Trieste. From that point, it will be possible to establish a connection with the TAL pipeline system, supplying Northern Italy. Taylor-DeJongh has recently completed the Initial Economic Screening task, building a financial model to calculate transportation tariffs at the various delivery points. These tariffs have to be compared to currently charged rates for transporting oil to the destination points through alternative routes: via tankers to Trieste, and via the Druzhba pipeline network to Central Europe.

Trans-Caspian Gas Pipeline

Taylor-DeJongh continues to work as Financial Advisor to the Government of Turkmenistan in relation to the development of this major gas pipeline by PSG, a joint venture of GE Capital and Bechtel. The firm provides financial

advisory on all aspects of the complex, four-country project, which is intended to transport natural gas from Turkmenistan to Turkey.

The Trans-Caspian Gas Pipeline project is a \$2 bn venture for transmission of Turkmen gas through Azerbaijan and Georgia to Turkey and onward to European markets. The pipeline will originate in the Western gas fields of Turkmenistan and stretch for 2000 KM to Erzurum, Turkey.

See the announcement of the contract award on our website at www.taylor-dejongh.com

Interger/Enka 3500 MW BO Power Projects , Turkey

Taylor-DeJongh is acting as the Financial Advisor to the US Ex-Im Bank for 3 power projects in Turkey, Gebze, Adapazari and Izmir, lumped together as a single credit evaluation process. The projects are being developed on the BO basis. Our firm has been responsible for full evaluation of project documents, credit and fuel supply issues in Turkey, evaluation of and maintenance of the financial model for each of the three projects. The US Ex-Im Bank is acting as the "lead arranger bank" for this project, and is handling all the project evaluation in advance of other lenders in the project.

Taylor-DeJongh is also acting as the "technical bank" in soliciting and

supervising the independent consultants for the benefit of the US Ex-Im Bank and other lenders. Project advisory commenced in 1998 and project is scheduled for financial close approximately in December 1999.

For more information on US Ex-Im – related projects go to our website www.taylor-dejongh.com

La Vueltoza, hydropower project, Venezuela

Taylor-DeJongh and Southern Energy were appointed as advisors to Cadafe, a Venezuelan electric utility, for structuring key commercial agreements (e.g., Concession Agreement), conducting technical and financial analysis, and developing bid documents to attract developer for 518 MW hydroelectric power plant.

Phase I of this Trade and Development Agency (TDA) assignment is nearing the conclusion. Cadafe has a new President, and there are now strong indications that the project will move forward to Final Bid in the next two months. Taylor-DeJongh and Southern Energy will continue to advise Cadafe throughout the bid process.

Brazilian Experience

- **Valley Project - Brazil** Taylor-DeJongh is acting as financial

advisor on the Parsons/Taylor-DeJongh team, advising the project sponsor on the development of 480 MW gas-fired power plant in Sao Paulo. Activities have included development of financial model, analysis of project economics, development of preliminary commercial agreement structure and identification of potential financing sources.

- **Copelmi – Brazil:** Taylor-DeJongh and Parsons have conducted a feasibility study for the 500 MW Seival mine-mouth coal-fired power plant in Brazil. The project is now moving forward in the development process, with a financing strategy developed by our firm.

Gokwe, Zimbabwe

In Zimbabwe, Taylor-DeJongh is the Financial Advisor to the government's power grid company ZESA for the development of the second major Independent Power Project in that country, Gokwe North, an up to 4 x 350 MW power project with National Power of the UK as the lead developer. Taylor-DeJongh, teamed with the local investment bank TIB, won an international competitive bid for the advisory to ZESA for all aspects of the

PPA negotiation, the Fuel Supply Agreement, the Joint Venture Agreement with National Power, and the financial model and then all financing issues, acting on behalf of ZESA in its negotiations with National Power and subsequently, with financing institutions.

Ellipsat of Africa, S. Africa

Taylor-DeJongh serves as Financial Advisor to Vula Communications and is currently performing a feasibility study, with co-funding from U.S. TDA, for implementing a satellite-based telephony system in the Republic of South Africa. The company assists Vula in conducting the necessary market, technical, and strategic studies required in preliminary planning phase for full development, financing and implementation. The advisory tasks include:

- Commercial Viability Analysis
- Financing Strategy and Implementation Plan
- Assessment of Benefits of Strategic Alliances
- Licensing and Regulatory Approval Ground Control System Architecture and System Capacity

Special announcements

Taylor-DeJongh has recently added three new employees to its team. Yves Aka and Xiaochao Wang are now part of Taylor-DeJongh Financial Analysis division. Artur Davtyan is appointed company Controller. All the hires are the recent graduates of Thunderbird, The American Graduate School of International Management at Glendale, Arizona. Read more about people in the *Announcements* and *The Team* sections of our website www.taylor-dejongh.com.

Conferences

Terry Newendorp, Chairman and CEO of the company will deliver papers and participate as a speaker in the following conferences:

- September 21-22 - Gulf '99 MEED conference, in Washington, DC. *Note:* Taylor-DeJongh is sponsoring Sept. 21 reception.
- September 22-24 - 8th Annual World Economic Development Congress, Washington, DC
- October 4-6 - IIR - Private Investment strategies Summit, New York
- October 5-6 - The Global Fuel & Power Forum, New York

For further updates on conferences and events visit our website at www.taylor-dejongh.com

Taylor-DeJongh Inc. is an international project development and finance company with over 16 years of experience and over \$20 Bn of projects financed. Power, oil & gas, infrastructure development and privatisations, telecommunications and other sectors are the focus of company's financing activities. The company is headquartered in Washington DC with branch offices in London, Cairo, Istanbul and partnership arrangements in Johannesburg and Bahrain.

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