

CHINA EXIMBANK GCL NO. (2009) 45 TOTAL NO. (296)
LOAN SERIAL NO. 1290003052009110688

Mekin Hydropower Project
GOVERNMENT CONCESSIONAL LOAN AGREEMENT

BETWEEN

The Government of the Republic of Cameroon
Represented by The Ministry of Economy, Planning and Regional
Development of Cameroon

as the Borrower

AND

The Export-Import Bank of China

as the Lender

DATED 07 JAN 2010

9

10

Contents

ARTICLE 1 DEFINITIONS	2
ARTICLE 2 CONDITIONS AND UTILIZATION OF THE FACILITY	4
ARTICLE 3 DRAWDOWN OF THE FACILITY	5
ARTICLE 4 REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST	6
ARTICLE 5 REPRESENTATIONS AND WARRANTIES BY THE BORROWER	8
ARTICLE 6 SPECIAL COVENANTS	9
ARTICLE 7 EVENTS OF DEFAULT	11
ARTICLE 8 MISCELLANEOUS	12
ARTICLE 9 CONDITIONS TO EFFECTIVENESS	15
Appendix 1	18
Appendix 2	20
Appendix 3	22
Appendix 4	23
Appendix 5	24
Appendix 6	26
Appendix 7	31
Appendix 8	33

9

12

THIS GOVERNMENT CONCESSIONAL LOAN AGREEMENT is made on the day of
07 JAN 2010 (date)

BETWEEN

The Government of the Republic of Cameroon Represented by the Ministry of Economy, Planning and Regional Development of Cameroon (hereinafter referred to as the "**Borrower**"), having its office at Immeuble Rose, No. 812, Rue des Finances, PO Box 660, Yaoundé, Cameroon;

AND

The Export-Import Bank of China (hereinafter referred to as the "**Lender**"), having its registered office at No. 30 Fu Xing Men Nei Street, Xicheng District, Beijing, China.

WHEREAS:

On November 5, 2009, the Government of the People's Republic of China and the Government of the Republic of Cameroon entered into The Framework Agreement between the Government of the People's Republic of China and the Government of the Republic of Cameroon on Provision of Government Interest-Subsidized Concessional Loans by China to Cameroon (hereinafter referred to as the "**Borrower's Country**") (hereinafter referred to as the "**Framework Agreement**").

For the purpose of the implementation of this Project (as defined in Article 1 below), the Ministry of Energy and Water Resources of the Republic of Cameroon and China National Electric Equipment Corporation entered into on March 16, 2009 the Mekin Hydropower Project Contract (hereinafter referred to as the "**Commercial Contract**") with contract number 000478/MINEE/CAB.

NOW THEREFORE, the Borrower and the Lender hereby agree on providing the concessional loan under the Framework Agreement as follows:

ARTICLE 1 DEFINITIONS

Where used in this Agreement, unless the context otherwise requires, the following terms have the following meanings:

- 1.1 **"Account Bank of the Lender"** means the Export-Import Bank of China.
- 1.2 **"Agreement"** means this government concessional loan agreement and its appendices and any amendment to such agreement and its appendices from time to time upon the written consent of the parties.
- 1.3 **"Availability Period"** means the period commencing on the date on which this Agreement becomes effective and ending on the date falling forty eight (48) months thereafter.
- 1.4 **"Banking Day"** means a day on which banks are open for ordinary banking business in Beijing, including Saturdays and Sundays on which banks are open for business as required by the provisional regulations of China, but excluding the legal festivals and holidays of China and Saturdays and Sundays falling out of the aforesaid regulations.
- 1.5 **"China"** means the People's Republic of China.
- 1.6 **"Commitment Fee"** means the fees calculated and paid in accordance with Article 2.2 and Article 3.6.
- 1.7 **"Drawdown Date"** means the date indicated in the Irrevocable Notice of Drawdown, on which the Borrower is to draw the Facility hereunder.
- 1.8 **"Event of Default"** means any event or circumstance specified as such in Article 7.
- 1.9 **"Facility"** has the meaning set forth in Article 2.1.

1.10 **"Final Repayment Date"** means the date on which the Maturity Period expires.

1.11 **"First Repayment Date"** means the first repayment date of principal and interest after the maturity of the Grace Period.

1.12 **"Grace Period"** means the period commencing on the date on which this Agreement becomes effective and ending on the date forty eight (48) months after the date on which this Agreement becomes effective, during which period only the interest and no principal is payable by the Borrower to the Lender. The Grace Period includes the Availability Period.

1.13 **"Irrevocable Notice of Drawdown"** means the notice issued in the form set out in Appendix 5 attached hereto.

1.14 **"Management Fee"** means the fees calculated and paid in accordance with Article 2.2 and Article 2.6.

1.15 **"Maturity Period"** means the period commencing on the date on which this Agreement becomes effective and ending on the date falling two hundred and forty (240) months thereafter, including the Grace Period and the Repayment Period.

1.16 **"Project"** means the Mekin Hydropower Project using the concessional loan under the Framework Agreement.

1.17 **"Borrower's Country"** refers to the country where the Borrower locates, i.e., the Republic of Cameroon.

1.18 **"Renminbi"** means the lawful currency for the time being of the People's Republic of China.

1.19 **"Repayment Date of Principal and Interest"** means 21 March and 21

September of each year and the Final Repayment Date.

1.20 "Repayment Period" means the period commencing on date on which the Grace Period expires and ending on the Final Repayment Date.

ARTICLE 2 CONDITIONS AND UTILIZATION OF THE FACILITY

2.1 Subject to the terms and conditions of this Agreement, the Lender hereby agrees to make available to the Borrower a concessional loan facility (hereinafter referred to as the "Facility") in a maximum aggregate amount of up to Renminbi Three Hundred and Thirty Seven Million Yuan (¥ 337,000,000.00). All the drawdowns and repayments in connection with the Facility under this Agreement shall be recorded in Renminbi. In case drawdowns in US Dollar (or other convertible hard currencies accepted by the Lender) are requested, the amount in US Dollar shall be purchased with Renminbi in accordance with the selling rate of US Dollar (or other convertible hard currencies accepted by the Lender) to Renminbi promulgated by the Account Bank of the Lender on the date the aforesaid disbursements are made by the Lender and recorded in Renminbi. Any principal, interest and other cost due and payable by the Borrower under this Agreement may be repaid or paid in US Dollar (or other convertible currency accepted by the Lender) and recorded in Renminbi in accordance with the buying rate of US Dollar (or other convertible hard currencies accepted by the Lender) to Renminbi promulgated by the Account Bank of the Lender on the date such payments are received by the Lender. The Lender shall not bear any foreign exchange risk in the aforesaid process. The Borrower hereby undertakes that the amounts due and payable by the Borrower under this Agreement shall not be affected by any change in the exchange rate between Renminbi and any other currencies or the exchange rates among the currencies other than Renminbi.

2.2 The rate of interest applicable to the Facility shall be two percent (2%) per annum. The rate applicable to the Management Fee shall be zero point three percent (0.3%). The rate applicable to the Commitment Fee shall be zero point three percent (0.3%) per annum.

2.3 The Maturity Period for the Facility shall be two hundred and forty (240) months, among which the Grace Period shall be forty eight (48) months and the Repayment Period shall be one hundred and ninety two (192) months.

2.4 The proceeds of the Facility shall be used exclusively for funds requirements under the Project.

2.5 The goods, technologies and services purchased by using the proceeds of Facility shall be purchased from China preferentially.

2.6 The Borrower shall pay to the Lender a Management Fee on the aggregate amount of the Facility in one lump within thirty (30) days after this Agreement becomes effective but not later than the first Drawdown Date in any case, which amount shall be calculated at the rate set forth in Article 2.2. The Management Fee shall be paid to the account designated in Article 4.4.

ARTICLE 3 DRAWDOWN OF THE FACILITY

3.1 The Borrower may make drawdowns on any Banking Day within the Availability Period, provided that the first drawdown is subject to the satisfaction of the conditions precedent set out in Appendix 1 attached hereto (or such conditions precedent have been waived by the Lender in writing).

3.2 In relation to each drawdown after the first drawdown, besides the satisfaction of the conditions set forth in Article 3.1, such drawdown shall also be subject to the satisfaction of the conditions set out in Appendix 2 attached hereto.

3.3 The Availability Period may be extended, provided that an application for such extension is submitted by the Borrower to the Lender thirty (30) days prior to the end of the Availability Period and such application is approved by the Lender. Any portion of the Facility undrawn at the end of the Availability Period or the extension thereof shall be automatically canceled. Before the end of the Availability Period, the Borrower shall not, without the consent of the Lender, cancel all or any part of the

undrawn Facility.

3.4 The Lender shall not be obliged to make any disbursement under this Agreement unless it has received all the documents set forth in Article 3.1 or 3.2 and has determined after examination that the conditions precedent to the drawdown of the Facility by the Borrower have been satisfied. For those conditions which have not been satisfied by the Borrower, the Lender may require the remedy by the Borrower within a specified period. In the event that the Borrower fails to remedy within a reasonable period of time, the Lender may refuse to make the disbursement.

3.5 Forthwith upon the making by the Lender of the disbursement in accordance with the Irrevocable Notice of Drawdown, such disbursement shall become the indebtedness of the Borrower, and the Borrower shall repay to the Lender the principal amount drawn and outstanding under the Facility together with any interest accrued thereon in accordance with this Agreement.

3.6 During the Availability Period, the Borrower shall pay semi-annually to the Lender a Commitment Fee calculated at the rate set forth in Article 2.2 on the undrawn and uncanceled balance of the Facility, which shall be paid on March 21 and September 21 of each year. The Commitment Fee shall accrue from the date falling 30 days after the date on which this Agreement becomes effective and shall be calculated on the basis of the actual number of days elapsed and a 360 day year. The Commitment Fee shall be paid to the account designated in Article 4.4.

ARTICLE 4 REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST

4.1 The Borrower is obligated to repay to the Lender all the principal amount drawn and outstanding under the Facility, all the interest accrued thereon and such other amount payable by the Borrower in accordance with the terms and conditions of this Agreement. Without the written consent of the Lender, the Maturity Period shall not be extended.

4.2 The Borrower shall pay interest on the principal amount drawn and

outstanding under this Agreement from and including the first Drawdown Date at the rate set forth in Article 2.2. The interest shall be paid on the Repayment Date of Principal and Interest of each year and shall be calculated on the basis of the actual number of days elapsed and a 360 day year. If any Repayment Date of Principal and Interest is not a Banking Day, such payment shall be made on the next succeeding Banking Day.

4.3 All the principal amount drawn under this Agreement shall be repaid to the Lender by thirty two (32) equal installments on each Repayment Date of Principal and Interest within the Repayment Period and the Final Repayment Date.

4.4 Any payments or repayments made by the Borrower under this Agreement shall be remitted to the following account or any other account from time to time designated by the Lender on the Repayment Date of Principal and Interest of each year:

Account Name: The Export-Import Bank of China

Opening Bank: Business Department, Bank of China, Head Office

Account No.: 80019048026014

Swift Code: BKCHCNBJBKD

4.5 The Lender shall open and maintain on its book a lending account for the Borrower entitled "The Government of Cameroon Represented by the Ministry of Economy, Planning and Regional Development of Cameroon Account on Mekin Hydropower Project" (hereinafter referred to as the "**Borrower's Account**") to record the amount owing or repaid or paid by the Borrower. The amount of the Facility recorded as drawn and outstanding in the Borrower's Account shall be the evidence of the Borrower's indebtedness owed to the Lender and shall be binding on the Borrower in the absence of manifest error.

4.6 Both the Borrower and the Lender shall keep accurate book records of any disbursement under the Facility and repayment of principal and interest under this Agreement and shall verify such records once a year.

4.7 The Borrower may prepay the principal amount drawn and outstanding under

the Facility by giving the Lender a 30 days' prior written notice, and such prepayment shall be subject to the consent of the Lender. At the time of prepayment, the Borrower shall also pay to the Lender all interest accrued on the prepaid principal in accordance with Article 4.2 up to the date of prepayment. Any prepayment made pursuant to this Article shall reduce the amount of the repayment installments in inverse order of maturity.

4.8 At the time of prepayment which is made in accordance with the above provisions, the Borrower shall pay an indemnity to the Lender for such prepayment at the rate of one point eight percent (1.8%) per annum accrued on the prepaid principal from and including the date of prepayment up to and including the repayment date of such prepaid amount, which shall be calculated on the basis of actual number of days elapsed and a 360 day year, and shall accrue on a daily basis.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES BY THE BORROWER

The Borrower hereby represents and warrants to the Lender as follows:

5.1 The Borrower is the Government of the Republic of Cameroon represented by the Ministry of Economy, Planning and Regional Development of Cameroon and has full power, authority and legal rights to borrow the Facility on the terms and conditions hereunder.

5.2 All authorizations, acts and procedures necessary for the signing and performance of this Agreement have been completed and are in full force and effect.

5.3 The Borrower has completed all the acts and procedures as required by the laws of the Borrower's Country in order for this Agreement to constitute valid and legally binding obligations of the Borrower in accordance with its terms, including obtaining all the approvals and authorizations from relevant authorities of the Borrower's Country, and effecting all the registrations or filings as required by the laws of the Borrower's Country, and such approvals, authorizations, registrations and filings are in full force and effect.

5.4 As from the date on which this Agreement becomes effective, this Agreement constitutes legal, valid and binding obligation of the Borrower.

5.5 The Borrower is not in default under any law or agreement applicable to it, the consequence of which default could materially and adversely affect its ability to perform its obligations under this Agreement and no Event of Default has occurred under this Agreement.

5.6 The signing of this Agreement by the Borrower constitute, and the Borrower's performance of its obligations under this Agreement will constitute commercial acts. The Borrower is subject to the general jurisdiction of civil and business laws. Neither the Borrower nor any of its assets or revenues is entitled to any immunity or privilege (sovereign or otherwise) from any set-off, arbitration awards, execution, attachment or other legal process.

The Borrower represents and warrants to the Lender that the foregoing representations and warranties will be true and accurate throughout the Maturity Period with reference to the facts and circumstances subsisting from time to time.

ARTICLE 6 SPECIAL COVENANTS

6.1 The Borrower hereby covenants to the Lender that the obligations of the Borrower under this Agreement shall rank at all times at least pari passu with all other unsecured indebtedness of the Borrower. Any preference or priority granted by the Borrower to such indebtedness shall be forthwith applicable to this Agreement without prior request from the Lender.

6.2 The Borrower undertakes with the Lender that it will ensure that all amounts disbursed under this Agreement be used for the purposes specified in Article 2.4 and Article 2.5 and that it will pay the interest and any other payable amounts hereunder and repay the principal to the Lender in accordance with the terms and conditions hereunder. The performance by the Borrower of all its obligations under this Agreement shall be unconditional under all circumstances.

6.3 All taxes, charges and costs which may be incurred under this Agreement shall be borne by the Borrower. The Borrower undertakes with the Lender that all payments of principal, interest, Commitment Fee, Management Fee and other sums payable by the Borrower under this Agreement shall be paid in full without any deduction or withholding. In the event the Borrower is required by any laws or regulations to make any such deduction or withholding (on account of tax or otherwise) from any payment hereunder, the Borrower shall, together with such payment, pay to the Lender such additional amount as will result in the immediate receipt by the Lender (free and clear of any tax or other deductions or withholdings) of the full amount which would have been received had no such deduction or withholding been made.

6.4 The Borrower hereby covenants to the Lender that it will take immediate steps and fulfill all the conditions necessary to maintain in full force and effect all approvals, authorizations, registrations and filings specified in Article 5.3.

6.5 The Borrower shall submit to the Lender the following documents and hereby covenants to the Lender that the information contained in such documents is true and accurate:

(1) The Borrower shall submit to the Lender semi-annually during the Maturity Period reports on the actual progress and operation status of the Project and the utilization of the disbursed Facility proceeds.

(2) The Borrower shall supply to the Lender any other information pertaining to the performance of this Agreement at any time reasonably requested by the Lender.

6.6 The Lender shall be entitled to examine and supervise the utilization of the proceeds of the Facility and the performance of this Agreement. The Borrower shall facilitate the aforesaid examination and supervision of the Lender, including without limitation cause the relevant authority to issue the long-term multiple entry visa of (Borrower's country) to loan officer of the Lender.

6.7 During the Maturity Period, the Borrower shall inform in writing the Lender within 30 days from the date on which the following events occur:

(1) any material decision, change, accident and other significant facts pertaining to the Project or the Borrower;

(2) any change of the authorized persons and the specimen of their signatures involved in the drawdown of the Facility under this Agreement;

(3) any change of the communication address of the Borrower specified in Article 8.7;

(4) the occurrence of any Event of Default specified in Article 7;

(5) any significant amendment or supplement to the Commercial Contract;

6.8 The Borrower undertakes with the Lender that so long as any sum remains outstanding under this Agreement, the Borrower will not engage in the activities which, in the opinion of the Lender, will materially and adversely affect the performance of the Borrower's obligations under this Agreement.

ARTICLE 7 EVENTS OF DEFAULT

7.1 Each of the following events and circumstances shall be an Event of Default:

(1) The Borrower, for any reason, fails to pay any due and payable principal, interest, Commitment Fee, Management Fee or other sums in accordance with the provisions hereof;

(2) Any representation and warranty made by the Borrower in Article 5, Article 6 or other Articles of this Agreement, or any certificate, document and material submitted and delivered by the Borrower pursuant to this Agreement proves to have been

untrue or incorrect in any material respect ;

(3) The Borrower fails to punctually perform any of its other obligations under this Agreement or is in breach of any of its covenants and undertakings made under this Agreement, and does not remedy such breach to the satisfaction of the Lender within 30 days after receipt of written notice from the Lender requiring it to do so;

(4) Significant changes have occurred with respect to the Project or the Borrower, either of which, in the opinion of the Lender, may have material adverse effect on the ability of the Borrower to perform its obligations under this Agreement;

(5) The Borrower stops or suspends repayment to its creditors generally;

(6) There occurs any change in the laws or government policies in the country of either the Lender or the Borrower, which makes it impossible for either the Lender or the Borrower to perform its obligations under this Agreement.

7.2 Upon the occurrence of any of the aforesaid Event of Default, the Lender may, by written notice to the Borrower, terminate the disbursement of the Facility, and/or declare all the principal and accrued interest and all other sums payable hereunder to be immediately due and payable by the Borrower without further demand, notice or other legal formality of any kind.

ARTICLE 8 MISCELLANEOUS

8.1 The Borrower hereby irrevocably and unconditionally waives, any immunity to which it or its property may at any time be or become entitled, whether characterized as sovereign immunity or otherwise, including immunity from any service of process, jurisdiction of any arbitral institution or arbitral tribunal, and attachment prior to judgment, attachment in aid of execution to which it or its assets may be entitled in any legal action or proceedings.

8.2 Without prior written consent of the Lender, the Borrower may not assign or

transfer all or any part of its rights or obligations hereunder in any form to any third party. The Lender is entitled to assign or transfer all or any part of its rights, interests and obligations hereunder to a third party with notice to the Borrower. The Borrower shall sign all such documents and do necessary acts and things as the Lender may reasonably require for the purpose of perfecting and completing any such assignment and transfer, provided that any costs incurred by the Borrower in connection therewith shall be borne by the Lender.

8.3 This Agreement is legally independent of the relevant Commercial Contract. Any claims or disputes arising out of the Commercial Contract shall not affect the obligations of the Borrower under this Agreement.

8.4 This Agreement as well as the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of China.

8.5

Any dispute arising out of or in connection with this Agreement shall be resolved through friendly consultation. If no settlement can be reached through such consultation, each party shall have the right to submit such dispute to the China International Economic and Trade Arbitration Commission (CIETAC) for arbitration. The arbitration shall be conducted in accordance with the CIETAC's arbitration rules in effect at the time of applying for arbitration. The arbitral award shall be final and binding upon both parties. The arbitration shall take place in Beijing.

8.6 The Borrower hereby irrevocably designates the Embassy of Cameroon in China with its address at No. 7, Sanlitun Dongwujie, Beijing 100600, China as its authorized agent to receive and acknowledge on its behalf service of any notice, writ, summons, order, judgment or other legal documents in China. If for any reason the agent named above (or its successor) no longer serves as agent of the Borrower to receive legal documents as aforesaid, the Borrower shall promptly designate a successor agent satisfactory to the Lender. The Borrower hereby agrees that, any such legal documents shall be sufficiently served on it if delivered to the agent for service at its address for the

time being in Beijing, whether or not such agent gives notice thereof to the Borrower.

8.7 All notices or other documents in connection with this Agreement shall be in writing and shall be delivered or sent either personally or by post or facsimile to the following respective address or facsimile number of both parties; in the event that the following address or facsimile number of any party hereunder has changed, such party shall immediately inform the other party in the way set out in this Agreement:

To the Lender:	The Export-Import Bank of China No. 30, Fu Xing Men Nei St., Xicheng District, Beijing 100031, China Telex Number: 8610-66086308 Tel: 8610-83578522
To the Borrower :	The Ministry of Economy, Planning and Regional Development of the Republic of Cameroon Immeuble Rose, No. 812, Rue des Finances, PO Box 660, Yaoundé, Cameroon Telex Number: 237-22221509 Tel: 237-22233637

Any notice or document so addressed to the relevant party under this Agreement shall be deemed to have been delivered:

- (1) if sent by personal delivery: at the time of delivery;
- (2) if sent by post: 15 days after posting (excluding Saturdays, Sundays and statutory holidays);
- (3) if sent by facsimile, when the notice or document is dispatched by fax machine .

8.8 This Agreement shall be signed in the English language. The notes and other

written documents delivered between the Borrower and the Lender under this Agreement shall all be written in English.

8.9 Unless otherwise provided, no failure or delay by the Lender in exercising any of its rights, power or privilege under this Agreement shall impair such right, power or privilege or operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

8.10 The appendices to this Agreement shall be deemed as an integral part of this Agreement and have the same legal effect as this Agreement.

8.11 Matters not covered in this Agreement shall be settled through friendly consultation and signing of supplementary agreements between the Borrower and the Lender.

ARTICLE 9 CONDITIONS TO EFFECTIVENESS

9.1 This Agreement shall become effective upon the satisfaction that the Lender has received copies of the approval issued by the relevant authorities of the Borrower's Country approving the borrowing by the Borrower hereunder.

9.2 The effective date of this Agreement shall be the date specified in a written notice sent by the Lender to the Borrower after all the conditions precedent to the effectiveness of this Agreement have been fully satisfied.

9.3 In the event that this Agreement fails to become effective within one year after signing by the parties, the Lender shall have the right to re-evaluate the implementation conditions of the Project and utilization conditions of the Facility to determine whether to continue the performance of this Agreement or not.

9.4 This Agreement shall be made in two counterparts with equal legal effect.

IN WITNESS WHEREOF, the two parties hereto have caused this Agreement to be duly signed on their respective behalf, by their duly authorized representatives, on the date stated at the beginning of this Agreement.



Name: Louis Paul Motaze

Title: Minister of Economy,
Planning and Regional
Development of Cameroon

07 JAN 2010

on behalf of
The Ministry of Economy, Planning
and Regional Development of
Cameroon

Signed by:

Name: Huang Changqing



Title: Ambassador Extraordinary
and Plenipotentiary of the
People's Republic of China
to the Republic of
Cameroon

on behalf of
The Export-Import Bank of China