

TO WHOM IT MAY CONCERN

January 2008 16

Dear Sirs

RE POTENTIAL OPPORTUNITIES IN LIBYA

Further to any discussions re the above please find enclosed some background on Libya and Lord Andrew's relationship with the Gadafi family

Lord Andrew has known Colonel Gadafi for over thirty years and has developed a very good relationship with him over that time

In fact when Mohammed, which is Colonel Gadafi's eldest son, came over to the UK in the mid to late eighties he looked after him while he was over here .on diplomatic business and they became very close

Colonel Gadafi approached Lord Andrew about twelve months ago as he was having problems with the local municipalities. This was in respect to the quality of the building contractors they were bringing in to do the work as significant funds had been set aside for housing, infrastructure, roads and airports etc by the government to undertake projects as part of a master plan to rebuild the country

Libya is very similar to Cuba in the fact that it is 40 to 50 years behind the Europe but Colonel Gadafi wants to change this and bring the country into the 21st Century and has allocated significant funds to do this. One example is on the housing and infrastructure side the plan is to build 250,000 flats and the .budget, which has been allocated for this, is \$50billion

:Examples of just some of the projects are as follows

300km road •

units of 4 storey or 7 storey can be awarded for up to 20,000 units , 5,000 •
each unit consisting of 2 bedrooms,2 living rooms, kitchen, 1 bathroom
and toilet and balcony

Each settlement will require civic buildings such as hospital, library, police •
station and mosque

Maintenance project to overhaul a hospital •

Build a new terminal at an airport and refurbish old terminal, plus perimeter •
fencing

Nine runways to be resurfaced •

Water purification units to be built •

Hotel complex and beach from homes to build, plans are available -1

Colonel Gaddafi asked Lord Andrew to find him some quality European
construction companies to bring to Libya to be awarded significant
government projects to undertake this construction work

These companies need to be of a significant size in order to satisfy the
criteria

As well as contracts being awarded through the traditional government routes,
contracts are also awarded direct from Colonel Gaddafi to his two sons and
daughter

It is then up to them to decide whom to partner with on this infrastructure and
housing projects and therefore as a result of Lord Andrew's relationship we
have direct access to these projects with no tendering process and they are
very attractive projects

Some construction companies may already have links to Libya but through
our relationships with the family we can assist twofold

Firstly we can get access to projects from the family which do not go through
the normal channels and construction companies will not have access to
these projects

Secondly we can speed up the process of the awarding of contracts using our
connections with the family as well as look to obtain specific projects for the
companies aligned to their core skill set with attractive prices

;The process for construction companies going to Libya is as follows

Information in respect of each company wishing to undertake projects in Libya is provided prior to the visit. A detailed list of the information can be provided upon request •

A visit to Libya is arranged where we meet the Chairman of the Infrastructure and Housing projects as well as a number of other key individuals. Prior to the visit the Construction Company provides a summary of the types of projects that they would like to be considered for •

The Construction Company will be offered contracts aligned to their skill set and will be provided with whatever information is required in order for them to make a proper assessment of each project •

The construction company identifies which projects they wish to be considered for and then they are put forward by the Chairman of the Infrastructure and Housing Projects for those projects •

An American company undertakes an assessment, on the Construction Company and their ability to perform the contracts. They are employed by the Government to undertake due diligence on each construction company •

Once they have been approved by the American company the construction company is invited back to sign the contracts •

THIS IS THE STANDARD PROCEDURE FOR ALL CONTRACTS AWARDED BY THE LIBYAN GOVERNMENT

BECAUSE OF THE NATURE OF OUR CONTACTS WITHIN LIBYA WE ARE ABLE TO FIRSTLY ENSURE ATTRACTIVE PROJECTS ARE AWARDED TO THE CONSTRUCTION COMPANIES THAT WE BRING FORWARD AND SECONDLY THAT THESE PROJECTS ARE APPROVED BY THE CHAIRMAN AND THE AMERICAN COMPANY

The Libyan government has already banked the funding allocated for these various works over the five-year period, the money being released on an annual quota basis, each municipality being required to use its full quota during the current year

Twenty percent of the total contract value will be made available as soon as the contracts are signed

To secure the projects we need to provide a bank guarantee of approximately 3-4% of the value of the projects at which point the contracts are signed and 15%-20% of the value is paid to the contractor

At present £1.4 Billion Libyan Dinars worth of projects have been offered and there is more to be offered upon satisfying the government we can deliver on the projects currently offered

Further Lord Andrew has many contacts outside Libya. We have been offered some very interesting projects including building of a large dam and a number of hydroelectric power stations as well as de-commission and rebuilding of a new nuclear power station and an Iron ore mountain, which requires mining

These projects are direct from the appropriate government channels and will not be available to any construction companies at present

Should any of these companies need to meet Lord Andrew or I we would be happy to meet these in London at any time

I enclose a brief one-page summary of Lord Andrew's career which some of the construction companies you are talking to may find useful

If you require any further information please do not hesitate to contact me

Kindest Regards

June 17th 2008

Dear KMB Member

Further our recent discussion concerning business opportunities, those including without limitations, High Ski buildings, Roads, Bridges, Football stadiums, Universities, Hospitals, etc. The below organizations involved are

HIB and HIB's consultant TCB – AECOM (Which is responsible for managing all the work and qualifying potential Contractors. The discussion will include without limitations, awarding some projects (Such as, Housing, infrastructure, etc), making JV with HIB for some projects and finally joint investment	-2
ODAC and its affiliates, this will include housing, Universities, hospitals, etc	-3
Tripoli Investment and Development Company, the company is only interested for making sort of joint cooperation agreement (TIDCO is open for any king of discussion and partnership cooperation). Two fields of the interest of TIDCO, namely, housing and wastewater treatment	-4
Roads & Bridges Authority	-5
National Engineering and Services Co – NESC	-6

Roads and Bridges Authority- RBA -1

RBA belongs to Transport Ministry, its task to execute all roads, bridges, and Tunnels projects under the supervision of Transport Ministry. CHECO should prepare the following files

The content of each file shall include the following

Presentation letter	-
Company's registration documents in Libya	-
Brochures in the relevant fields	-
Company's experience in the field of high-ways, roads, tunnels, and bridges	-
Any other relevant information	-
Company's financial statements for the last three years	-

Tripoli Investment and Development Co- TIDCO -2

It is a public company specialized in the field of housing and waste water treatment, TIDCO is interested in partnership agreement with one multinational company to execute the above said projects, and partnership agreement can be 60% - 40% or 90% - 10%. If the CHECO is interested, Vocar can secure some projects with the said organization and a meeting can be arranged with the chairman. There are 360 waste water stations which either to be replaced or .maintained its budgeted at LD 3 billion

The content of each file shall include the following

Presentation letter	-
Company's registration documents in Libya	-
Brochures in the relevant fields	-
Company's experience in the field of Waste water treatment and housing	-
Any other relevant information	-
Company's financial statements for the last three years	-

ODAC -3

General File -1

The content of each file shall include the following:

- Presentation letter -
- Company's registration documents in Libya -
- Brochures in the relevant fields (High sky buildings, Housing, Hotels, (Football stadiums, Universities, etc -
- Company's experience in the field of harbors and jetty -
- Any other relevant information -
- Company's financial statements for the last three years -

The content of each file shall include the following:

- Presentation letter -
- Company's registration documents in Libya -
- Brochures in the relevant fields -
- Company's experience in the field of harbors and jetty -
- Any other relevant information -
- Company's financial statements for the last three years -

Housing and Infrastructures Board - HIB -4

There are many projects to be awarded as 2/3 of the signed contracts to be canceled, because those companies could not fill the tax obligations and are not well experienced companies. .HIB is established to execute projects within the master plan only

Houses to be awarded for phase -I. Pries based on LD 540- 630 per squares mete 70,000 –

[Please find below the budget for the various projects which to be awarded by HIB:](#)

Project mane	Budget in LD Millions
Wadi Shatti South Tripoli 700 km	1158 -1
Wadi Al Hayat South of Tripoli 1200 km	1599 -2
Ghat South of Tripoli 1500 km	553 -3
Al Jufra South of Tripoli 600 km	320 -4
Al Kufrah South East of Tripoli 1700 km	575 -5
Al Wahat Middeland 750 km	2123 -6
Al Butnan East of Tripoli 1500 km	1125 -7
Derna East of Tripoli 1300 km	1787 -8
Al Marj East of Tripoli 1100 km	1456 -9
Sirte East of Tripoli 400 km	1545 -10
Musrata East of Tripoli 220 km	3880 -11
Benghazi East of Tripoli 1000 km	5312 -12
Jabal Al Garbi South West of Tripoli 80 km	1048 -13
Jabal Al Akder East of Tripoli 1200 km	1691 -14
Nalut South West of Tripoli 180 km	1335 -15
Tripoli	6688 -16
Jfara West of Tripoli 25 km	1040 -17
Zawaya West of Tripoli 40 km	1288 -18

Zwara West of Tripoli 110	1484 -19
Murzak South of Tripoli 1250 km	1577 -20
Al Margab East of Tripoli 120 km	1126 -21

we need at least additional 4 complete files addressed to "Whom it may concern" which can be presented to other organizations -5

The above mentioned projects for phase-I are including, Housing, infrastructures, Roads, Sewage, Water treatment. AECOM, the American Consultant Company for HIB is working for phase - II. Phase-I is budgeted for LD 60 billion

I look forward to hear from you,

We remain

PhD. Mohammed A. ABDELSALAM

Set out below are high level notes on the quality of introduction, fee scale, service provided for the fee, the variety of projects with Libya

Libyan market - In comparison to Middle East countries Libya is well behind with the need to commit to substantial capital spend over the next five to ten years

Revenue for this capital programme is secured via the substantive natural resources identified and continually upgraded in Libya with 96 Bn barrels reserve and in excess of 54 TCF natural gas reserves

Given the credit crunch and the ongoing turmoil in the financial market, the Middle East region is showing early indications of decline in construction and infrastructure demand

A number of the International Project Management & Cost Consultants are recording a fall in workloads particularly in Dubai and Kuwait

This coupled with the increase in supply of construction companies from Europe seeking contracts in the Middle East will lead to a reduction in what was until recently perceived as secure profit zones

Libya has not experienced such high rises in market demand and with a country's sovereign wealth fund hundreds of billion dollars and [inflation](#) projected to settle at 5% in 2009 along with the Libyan Dinar exchange values remaining consistent in the exchange market despite the recent turmoil in the money markets

All these factors indicated that Libya, as an emerging market is a premier location especially given Libya's strong relationship with the countries on the Mediterranean corridor

Libya will open up the Mediterranean corridor for additional workload potential

Introduction - As discussed our introduction goes to the highest level of governance in Libya with a personnel relationship by the senior members of our team and the family for over 35 years. This introduction is well supported with local contacts on the ground in Libya and introductions to all the main Government Departments with portfolios of projects to be awarded to companies who are considered of sufficient size, stature and experience for delivering these substantial projects

At an early stage the introduction team identified that introductions of a similar or competitive nature would not be made. Given the volume of work available through our introductions we have identified and limited our contractor introductions to 3 Companies

One of the companies is preferably a UK based national company

Fee scale No up front fees are paid and we have a standard fee agreement. Our fees are 10% of the contract value and we are paid when the sub-contractor gets paid so when the contractor receives the 15% advance payment we received 15% of our fee etc. These fees ratchet down based on the value of the work undertaken in Libya over the period of time and can be re-negotiated if a minimum gross profit percentage is not achieved

Service Provided

Specific introductions to Chairpersons of all the major Libyan Government agencies on the recommendation of our senior panel member followed up by an initial discussion between our senior panel member and the family

A designated Libyan person based in Tripoli who is well connected and highly considered in all the agencies at high level

The introduction to some \$60Bn volume of work in one Government Department alone

Assistance in setting up a bank account in Libya with the second largest bank in Libya and the largest National bank in Libya, the bank identified can provide assistance in the bond provision and overdraft facilities, which maybe set against European securities

.Assistance in securing Tunisian & Egyptian low cost labour

An arrangement has been put in place with relevant authorities already in Tunisia

Assistance in the purchasing of steel locally as we have a relationship with the largest Steel manufacturer in Libya who will give our contractors discounted prices

Assistance with visa entry and initial transport arrangements

Key organisation points

Under our introduction the following key points have been agreed in principle
No restriction on monies taken out of Libya subject to fulfilling share capital and set up requirements

Performance bond monies approx. 2% depending on contract

Mobilisation payments of 15-20% which can be geared to enable cashflowing the projects. This is in the form of an advance payment paid once the contract has been signed and the performance bond has been lodged

Tax of 2% maybe spread across project

No requirement to have a Libyan JV partner (this is particular to our introduction further details to be discussed

Contracts awarded are 30-35% Libyan Dinars the balance in transferable currency of the choice of the contractor



نموذج طلب تأشيرة دخول

ENTRY VISA APPLICATION FORM

اربع صور شخصية

4 Photos

FIRST: APPLICAN'S PERSONAL DETAILS.

أولا / بيانات شخصية عن طالب تأشيرة الدخول

Last name / اللقب : _____ First name / الاسم : _____

Place of birth / مكان الميلاد : _____ Date of birth / تاريخ الميلاد : _____ Sex / الجنس : _____

Present nationality / الجنسية الحالية : _____ Former nationality / الجنسية السابقة : _____

Qualification / المؤهل : _____ Occupation / المهنة : _____ Religion / الديانة : _____

Father's full name / اسم الأب ثلاثي : _____

Mother's full name / اسم الأم ثلاثي : _____

Present address / العنوان الحالي : _____ Social status / الحالة الاجتماعية : _____

City : _____ Telephone No / رقم الهاتف : _____

Post Code : _____ Mobile No / رقم النقال : _____

Passport No / رقم جواز السفر : _____ Place of Issue / جهة إصداره : _____

Date of Issue / تاريخ إصداره : _____ Valid to / تاريخ انتهاء الصلاحية : _____

SECOND : General Information /

ثانياً : معلومات عامة

Purpose of vist / الغرض من الزيارة : _____

Required period / المدة المطلوبة للإقامة : _____

Address in the Jamahiriya / العنوان الذي ستقيم به بالجمهورية : _____

Purposes of entry: (work / vist / Business) اذا كان الغرض من الدخول للمهمة / العمل / زيارة / مهمة

Name and address of Sponsor / تحدد الجهة التي ستكون بطرفها /

Enclosed documents / ما هي المستندات التي تؤيد الطلب /

Have you been to the Jamahiriya before / هل سبق لك الدخول للجمهورية /

Number of vists / عدد مرات الزيارة /

Last departure date / متى غادرتها لآخر مرة /

Last address in the Jamhiriya / آخر عنوان اقمته به في الجمهورية /

Indicate where said the entry was work or or Business اذا كان الدخول لغرض العمل او المهمة

Indicate the purposes of your vist / يحدد نوع العمل او المهمة /

Indicate the destination in case of transit / اذا كان الغرض مرور حدد البلد الذي تقصده /

Means of travel / وسيلة السفر /

Reference in Jamahiriya / اهم المعارف او الاصدقاء بالجمهورية /

THIRD - Family members included in applicant's passport and accompanying you ثالثاً : افراد الاسرة المدرجين بجواز سفر طالب التأشيرة

Full name الاسم ثلاثي	Date of birt تاريخ الميلاد	Place of birth مكان الميلاد	Sex الجنس	Relation صلة القرابة

Applicant's Signature / التوقيع :

Date / التاريخ:

Receiver's Signature / التوقيع :

Date / التاريخ:

LIBYA – Interested parties

<u>Introducer</u>	<u>Company</u>	<u>Miscellaneous Details of the interested party/project and submissions</u>
EUP	Ingeconser.1	
EUP/Nick Barrattieri	Cairo Contracting.2 .Co Arabtec.3 Al Habtoor.4 Leighton	
(Spinnaker (DV	Fuster & Partners /.5 FERROVIAL Turner .6 Construction	
Matt Foy		
EUP/Dereck Hoogenkamp	+ ACS/Cobra.7 Others	
Hotel Broker	-Two companies .8 Un-named	