



17<sup>th</sup> January, 2019

## Press Release

### **GCM and POWERCHINA Inks US\$4bn Power Deal**

**Dhaka, Bangladesh-17 January 2019:** GCM Resources plc and POWERCHINA (a People's Republic of China Central Government State Owned Enterprise) signed a Joint Venture Agreement and EPC Contract for the proposed development of 2,000MW of mine mouth coal fired power plants with an approximate investment of US\$4bn in Dinajpur District, North-West Bangladesh.

The Agreement and Contract were signed in a ceremony organised at the Radisson Blu Water Garden Hotel Dhaka. The documents were signed by Mr. Md. Badruzzaman and Mr. Md. Firoz Zaman on behalf of GCM and Mr. Xiong Li Xin and Mr. Pan Deng Yu on behalf of POWERCHINA. Datuk Michael Tang PJN (Executive Chairman of GCM), Engr. Rashed Mahmud (Managing Director, DIPON Group), Mr Anis Khan (Managing Director, Mutual Trust Bank), Mr. Ding Zheng Guo (Chairman, PowerChina International), Mr. Lin Wei Qiang (Chairman, Chinese Chamber of Commerce Bangladesh) and Mr. Xu Jiang Long (Vice President, PowerChina Eurasia) were witnesses.

The proposed Project, which is part of a broader strategy by GCM to generate 6,000MW of low cost electricity for the Bangladesh market utilising domestic coal, providing an estimated US\$12.5 billion in foreign direct investment, at no capital cost to the Government and is in line with the Government's energy development master plan and election manifesto of current party in power, being to pursue the logical use of the country's coal resources. The power plant utilising ultra supercritical technology with its high-energy efficiency enables maximum power to be generated from the coal, provides lower levels of emissions and delivers the lowest cost of power.

The Project would deliver a sustainable power solution for the development and progress of Bangladesh and would have a substantial multiplier effect on the country's economic and social advancement. This includes thousands of new jobs, new industries, more business and direct positive impact on the development of Rangpur Division.

The Proposal is for the power plants to be powered by coal from a proposed adjoining open pit mine where the power plants will be located. Technical studies for both the power plants and mine have been completed and are favorable. More detailed benefits coming from large-scale power generation based on local coal:

- Saves on significant FOREX outflow (also reducing current fuel imports).
- Frees limited natural gas for more strategic uses such as production of fertiliser and petrochemicals.
- Creates up to 50,000 new jobs in Bangladesh.
- Provides security of supply and reduces exposure to world market forces (National Security).
- Develops the skills and experience in the Bangladesh workforce and will enable mining approaches to be translated to discover and develop other coal deposits.



- Alleviates poverty in the Dinajpur District and surrounding areas.
- Provides in excess of US\$20 billion to GDP.
- Provides in excess of US\$7 billion in taxes / royalties to the Government.
- Stimulates development in the Dinajpur region - housing, schools, medical facilities, community centres, utility supplies, new and supporting industries related to coal and co-products from the mine.
- Enhances food security by improving agricultural output through providing all-year irrigation water, farm management training and improved inputs and product marketing.
- Enables development of various industries, eg. cement, glass, construction materials, ceramics, pottery and bricks from valuable industrial co-products.
- Allows the synergy between the Barapukuria and Phulbari coal mines to be appreciated.
- Will provide the lowest tariff power when utilised in mine-mouth power plants, i.e. eliminates costly coal handling and transport costs.
- Provides security of supply all year round as based on locally extracted coal.

Mine mouth power in the coal rich but industrially underdeveloped northern Bangladesh can bring significant regional and national benefits. It can potentially provide the cheapest electricity in the country avoiding the need for long haul transportation and handling of coal as required by other planned coal power plants in Bangladesh which are mostly relying on imported coal.

Mr. M. Anwarul Islam (GCM's General Manager Environment and Community) delivered a speech confirming the huge potential benefits coming from the Project and that the environmental and social impacts have been studied in detail and can be effectively managed. Bangladesh energy expert, Mr Mollah Amzad Hossain, spoke about the energy and power situation in the country and how large-scale power generation utilising domestic coal will assist in meeting the government's targets for power generation and industrial development.

Datuk Michael Tang PJN, Executive Chairman of GCM, said "The JV Agreement and EPC Contract are key milestones for the development of the 2<sup>nd</sup> proposed 2,000MW Power Plant Project at the mine site and aligns with GCM's strategy to present a holistic power solution to the Government of Bangladesh which can generate 6,000MW at the lowest cost for the country. The Phulbari Coal and Power Project will deliver a significant multiplier effect on the nation's advancement."

Mr. Ding Zheng Guo, Chairman of PowerChina International Group Limited, stated: "POWERCHINA is delighted to be a partner with GCM to deliver an integrated mine and power plant for the people of Bangladesh. Completing the JV Agreement and EPC Contract were very important steps in progressing the combined Project. As the Power Plant contractor, we are committed to a positive relationship with the community and to construct an environmentally friendly power plant for the benefit of the local people.

POWERCHINA has made a strong contribution to Bangladesh, having completed 10 infrastructure projects including 5 power plants totaling US\$750m and 12 current projects amounting to US\$4.6 billion including two coal fired power plants of 1,670MW. We look forward to working with Datuk Michael Tang PJN and his team to deliver a world class proposal that is beneficial and acceptable to the Government of Bangladesh."



GCM had earlier on signed a Joint Development Agreement for a separate 2,000MW of coal fired power plants in the same area with another China State Owned Enterprise. The combined investment will be fully funded by GCM and its partners, i.e. complete foreign investment without requiring local funding. However, GCM would also invite and welcome the GoB or other local parties to participate in the Project. This proposal will be one of the largest direct foreign investment into the country.

GCM has invested some US\$60 million to-date for its Bangladesh projects. GCM is a mining and energy company, listed on the London Stock Exchange AIM market. GCM aims to become a low cost electricity producer and coal mine operator in Bangladesh.

POWERCHINA is a central government owned key enterprise of the People's Republic of China, and is a world-leading integrated engineering construction group. In 2018, POWERCHINA ranked the 182<sup>nd</sup> among "Fortune Global 500", and the 2<sup>nd</sup> in the Top 150 Global Design Firms, and the 6<sup>th</sup> in the world's 250 largest global contractors according to Engineering News-Record. By the end of 2018, POWERCHINA had set up 373 overseas offices or branches in 116 countries, operating business in 125 countries and regions. POWERCHINA has completed power plants with 242.75GW of installed capacity and has majority ownership of power plants with 14,402.4MW around the world.

In Bangladesh, POWERCHINA is an investor in and contractor for 3 large projects, namely, 2 coal fired power plants with a combined capacity of 1,670MW and a JV for the Dhaka Elevated Expressway.

A comprehensive briefing sheet for POWERCHINA and a locality plan are attached.

**Mahmud Hafiz**  
Media & Communications Specialist  
GCM Resources plc  
Phone: +880 1711560550  
E Mail: [mhafiz@gcmplc.com](mailto:mhafiz@gcmplc.com)

## **INTRODUCTION OF POWERCHINA**

As the world's largest power construction enterprise with the most integrated industrial chain, and committed to the construction of global energy source and infrastructures. In 2018, Powerchina ranked the 182<sup>nd</sup> among "Fortune Global 500", and the 2<sup>nd</sup> in the Top 150 Global Design Firms, and the 6<sup>th</sup> in the world's 250 largest global contractors according to Engineering News-Record. By the end of 2018, Powerchina had set up 373 overseas offices or branches in 116 countries, operating business in 125 countries and regions.

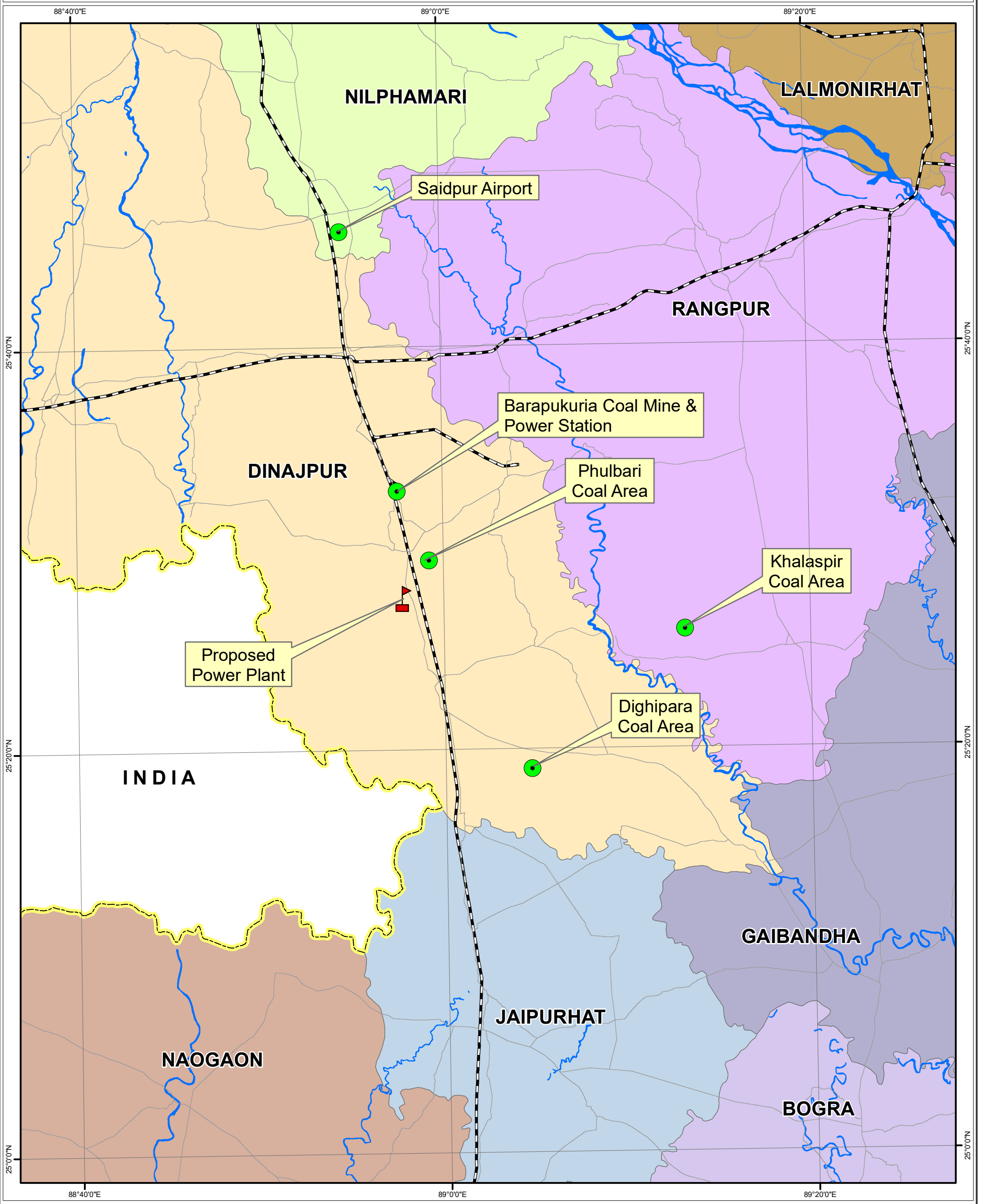
By 2018, total installed capacity of Powerchina's completed power plants is 242.75GW, as majority shareholder, Powerchina invested 14,402.4 MW around the world. In the third countries, Powerchina has Kamchay Hydroelectric BOT Project in Cambodia (194.1MW), in Laos, they have completed Nam Ngum 5 Hydropower BOT Project in Laos (120MW) and Nam Ou River Basin Cascade Hydropower Project (540MW), Upper Marsyangdi A Hydropower Station in Nepal (50MW), Kasim 1320 MW Coal Fired Power Plant and Dawood 49.5MW Wind Power Plant in Pakistan, etc.

As one of the most successful Chinese Companies in Bangladesh, Powerchina invests 3 projects either jointly or independently, including SS Power I 1320 MW Coal Fired Power Project, Barisal 350 MW coal-fired Power Plant, and Dhaka Elevated Expressway.

Regarding contracting business In Bangladesh, Powerchina has completed 10 projects amounting to USD 750 million, including Shikalbaha 150MW Peaking Power Plant, Chapai Nawabganj 100MW HFO Power Plant, Peaking power plant like Baghabari 50MW, Titas 50MW, and Kodda 50MW. There are 12 ongoing amounts to USD 4.6 Billion, Including 'Padma multipurpose Bridge River Training Works' which is the biggest river training works in the world; Dhaserkandi Sewage Treatment Project is the largest sewage treatment project in South Asia in terms of capacity for single plant.

Bangladesh is Powerchina's core market in the South Asian region, where attentive market and brand cultivation was undertaken for decades. In recent years, Bangladesh has been enjoying a stable social and economic development. With infrastructures construction being in full swing, demand for power and energy is intensified, Powerchina made themselves ready to actively engage in infrastructure construction and energy restructuring of Bangladesh, strive to contribute more to its social and economic development and the improvement of people's lives, ultimately contributing to the dream of Sonar Bangla.

# Project Location Map



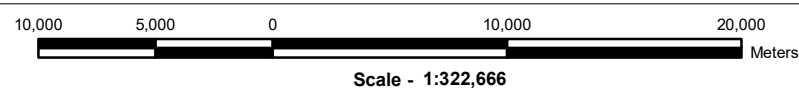
## Map History

### Universal Transverse Mercator (UTM) Projection

Projection	: UTM	Parameters:	
Units	: Meters	Scale Factor	: 0.9996
Zone	: 45	Central Meridian	: 87
Spheroid	: WGS84	Reference Latitude	: 0
		False Easting	: 500000
		False Northing	: 0



Date : 15 January 2019



- Proposed Power Plant Location
- Locations of Interest
- International Boundary

- Road Network
- Railway
- River

