



## INVITATION TO PRE-QUALIFY FOR THE INVESTMENT OPPORTUNITY IN INDENI PETROLEUM REFINERY COMPANY LIMITED AS STRATEGIC EQUITY PARTNER

The Zambia Development Agency (ZDA), a statutory body that was established under the ZDA Act No. 11 of 2006, hereby invites prospective bidders to submit applications to Pre-Qualify for participation in the sale of majority stake in Indeni Petroleum Refinery Company Limited (Indeni) as a Strategic Equity Partner

Indeni is a company owned 100% by the Industrial Development Corporation (IDC) Limited. The IDC is wholly owned by the Government through the Minister of Finance pursuant to the Minister of Finance (Incorporation) Act Cap 349 of the Laws of Zambia. It is charged with the mandate to spearhead the Zambian Government's Industrialisation and commercial investments agenda aimed at developing Zambia through investment in key economic sectors that contribute to sustainable economic growth and job creation. The IDC is also mandated to hold State-owned enterprises incorporated under the Companies Act with a view to transform these entities towards commercial viability.

Participation in the sale of majority stake in Indeni will be implemented in two stages, namely:

1. **Pre-Qualification stage** to assess the applicants' suitability in terms of financial capacity, technical capacity and proven experience in the management of an oil refinery business; and
2. **Request for Proposal stage** at which the Pre-Qualified applicants will be requested to propose the turn-around strategies for Indeni Refinery to ensure its future viability by addressing, inter alia, investment to procure feedstock, investment to increase production capacity, lowering the pump price, increasing profitability, staff productivity, and innovative ways to collaborate with TAZAMA Pipeline to ensure congruence in synergies and investment to increase the capacity of the pipeline to match with the proposed increased processing capacity of Indeni.

### 1.0 STRUCTURE OF THE TRANSACTION WITH THE STRATEGIC EQUITY PARTNER

- i. Strategic Equity Partner will:
  - a. purchase a majority stake in Indeni;
  - b. be offered Management Rights in Indeni;
  - c. assume procurement of petroleum feedstock using its own working capital; and
  - d. invest to increase Indeni's fuel processing capacity and also to achieve the cleaner fuels objectives.

### 2.0 PRE-QUALIFICATION

To Pre-qualify, prospective bidders must meet the following criteria:

- i. **Financial capacity:** The bidder must have a minimum net worth of US\$ 500 Million;
- ii. **Technical capacity:** Demonstrable Oil upstream operations or oil refinery operations of at least 50,000 BPSD; and
- iii. **Experience:** The bidder must have proven experience in the management of an oil refinery business, marketing and distribution of petroleum products for not less than five (5) years.