广州东送能源集团有限责任公司

Guangzhou DongSong Energy Group Co.,Ltd.

3/F No.911 Binjiang East Road, Haizhu District, Guangzhou, China

DS/RP/01/08/17

8th August 2017

The Hon. Minister,
Ministry of Energy and Mineral Development
P.O Box 7270
KAMPALA

Dear Madam,

RE: UGANDA REFINERY PROJECT-SELECTION PROCESS

EAGLE online

The above matter refers.

We refer to press statements in "The Independent" news paper of July 28, 2017 and "The Daily Monitor" news paper of August 07 2017, wherein it is claimed that (i) Guangzhou DongSong Energy Group; (ii) Guangdong Silk Road Fund; (iii) China Africa Fund for Industrial Corporation; (iv) China Petroleum Engineering and Construction Corporation; and (v) East China Design Institute (the '**DongSong-CPECC Consortium**') pulled out of the Uganda Refinery selection process.

The authors of the above press reports claim to be privy to information from the Ministry of Energy and Mineral Development (the '**MEMD**') that the DongSong-CPECC Consortium's withdrawal from the Uganda Refinery Process was due to a letter by CPECC withdrawing from the selection process due to disagreements in the Consortium.

As you are aware, in our letter dated 8th June 2017, the DongSong-CPECC Consortium sought clarification on whether the Government of Uganda ('**GoU**') had a preferred and alternate bidder for the Refinery Project.

The Consortium also requested for the term-sheet of the Project Framework Agreement (PFA) and the Implementation Agreement (IA), to enable the Consortium to prepare for meaningful negotiations with the GoU. By the same letter, the Consortium sought clarification on the rules that would apply to the selection process going forward.

By letter dated 12th June 2017, GoU, through the Permanent Secretary of the MEMD indicated that the selection process would be by way of conducting parallel negotiations. It was also indicated in the GoU letter