Elgan Investments Ltd.
Investment Fund

Project Bravo: 80,000 Cbm Petrol Storage Tank Farm Investment

Strictly Private and Highly Confidential

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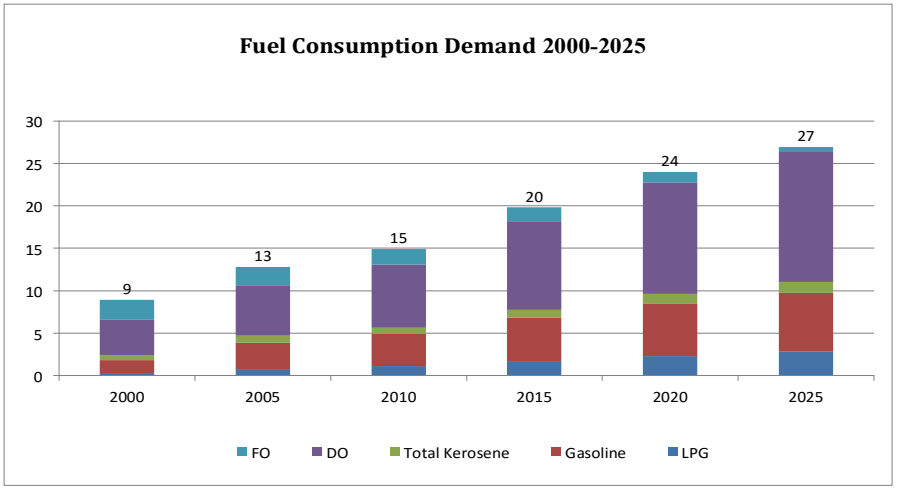
Investment Opportunity

- Opportunity to secure a significant stake in 80,000 Cbm petrol storage facility with adjacent port facilities in Vung Tau, Southern Vietnam. The tank farm, which was completed in 2012, is a key station for fuel import/ export as well as enhancing local distribution efficiency.
- The project has already received approval to increase the storage capacity to 400,000 Cbm. There is additional unused land within the project to add a further 100,000 Cbm subject to local authority approval.
- At present it is understood that the majority of petroleum products are imported in small vessels via Singapore. This project presents the opportunity to bring Panamax size vessels directly into the project and to store for further distribution thus creating storage opportunities downstream from Singapore. This could also lead to additional trading opportunities within Vietnam, due to the increased proximity to market.
- The combination of a fuel storage facility with attached port facilities located in an extremely strategic location, giving easily access to Southern Vietnam makes this opportunity unusually attractive and rare for investors.

Sector Overview

- Despite recent economic difficulties, Vietnam's GDP continues to grow at a rate in excess of 5% and its demand for fuel keeps pace with that growth. Petrol consumption has been growing at a stable rate of approximately 10.4% per annum since 2010. In 2014, Vietnam imported 8.4 million metric tons of petroleum products.
- Vietnam's road network of some 250,000km is in the midst of a rapid expansion and upgrade programmes which will increase the demand for gasoline and diesel. By 2020, the current 17,300km highway network will grown by an estimated 2,400km. As of February 2015 registered motorcycles in Vietnam have reached of 43 million, with further increases anticipated.
- Domestic consumption continues to be driven by both the economic development of Vietnam and by the annual growth in population, the current population growth rate stands at around 1.5% per annum.



- In light of the trade agreements that are in the Process of implementation. The sector is in the process of opening up to foreign investors, there are however at present significant opportunities within the sector to invest prior to the liberalization of the market.

Project Overview

Key Project Highlights	
Storage Capacity	✓ Site: 36.5 ha ✓ Storage area: 126,000 square metres ✓ Number of tanks: Five ✓ Capacity: 80,000 Cbm with upgrading room to 400,000 Cbm
Passage	✓ Total length: 15 kilometres ✓ Depth level: 15 metre ✓ Tide diurnal: Semi-tide day ✓ Tide range: from 1.1 metre to 5.4 metre ✓ Water lane for up to 60,000 DWT Vessel
Port System	✓ Wharf A: 320 metre length, 15.2 metre depth, 60,000 DWT facility ✓ Wharf B: 132 metre length, 10.8 metre depth, 5,000 DWT facility ✓ Wharf C,D,E: 85 metre length, 5 metre depth, 1,000 DWT facility ✓ Crane facility: 500 Cbm per hour: 02 cranes, 400 Cbm per hour: 12 cranes, 100 Cbm per hour: 18 cranes ✓ Pump facility: 400 Cbm per hour: 09 pumps, 100 Cbm per hour: 12 pumps
Support systems	✓ Advanced fire protection system ✓ Environmental and Water treatment system ✓ Dynamic power and other support systems

Project Map

Project Bravo in the Regional Areas

Financial Highlights

USD		Phase 1 2016-2018 Forecast	Phase 2 2019-2025 Forecast	Phase 3 2026-2030 Forecast
Capacity	***Cbm***	*80,000*	*300,000*	*400,000*
Average occupancy rate	***%***	*75%*	*70%*	*82%*
Average turns	***Times***	*9.0*	*8.0*	*10.8*
Total revenue	**USD**	**10,152,000**	**109,760,000**	**117,300,000**
Operating cost	**USD**	(3,254,760)	(16,034,300)	(15,249,000)
EBITDA	**USD**	**6,897,240**	**93,725,700**	**102,051,000**
Depreciation	**USD**	(7,000,000)	(44,333,333)	(38,333,333)
Interest expense	**USD**	(10,200,000)	(21,583,333)	(466,667)
EBT	**USD**	**(10,302,760)**	**27,809,033**	**63,251,000**
Corporate income tax at 25%	**USD**	-	(4,376,568)	(15,812,750)
Net earnings after tax	**USD**	**(10,302,760)**	**23,432,465**	**47,438,250**
Capital injection	*USD*	*15,000,000*	*30,000,000*	-
Borrowings	*USD*	*25,000,000*	*42,000,000*	-
Self-finance from operation	*USD*	-	-	*20,000,000*
Investment outlay		**40,000,000**	**72,000,000**	**20,000,000**
In which				
Project acquisition	*USD*	*35,000,000*	-	-
Upgrade capital expenditure	*USD*	-	*60,000,000*	*20,000,000*
Working capital	*USD*	*5,000,000*	*12,000,000*	-
Average interest rate	*%*	*10*	*10*	*10*

		Low case	High case
Weighted average capital cost	**%**	**13.0%**	**15.6%**
Net present value	**USD**	**51,904,270**	**27,395,738**
IRR	**%**	**20.0%**	**20.0%**
Payback period	**Months**	**42**	**42**

- The project is structured over three stages, in line with the projected expansion of the storage capacity.
- It is assumed that the debt/equity ratio of the project will be 70/30. The initial investment outlay of 40 million USD, which provides for both the acquisition of the project and sufficient working capital, requires an equity investment of 15 million USD with loan financing of 25 million USD.
- Additional equity and financing would then be required to expand the capacity in Phase 2. Phase 3 would be financed from the operations of the project. These phases could be brought forward if demand exceeds the pre feasibility studies' conservative assumptions.
- Interest rate and leasing rate assumptions have been used that align with the domestic funding requirements. However if there is an opportunity to arrange financing from overseas, we anticipate the cost of funds would be considerably lower. Thus enhancing the returns of the model.
- This project is expected to have an IRR of 20%, together with a payback period of 42 months. Depending on the investors WACC, the NPV of this project is between 27.4 and 51.9 Million USD.

Deal Structure

- Investors are invited at this stage primarily to participate in the ownership and development of the tank farm.

- The investment would be made either through direct equity participation in the company or via a fund set up for the purpose of holding the shares. The advantage of the latter form of ownership is the flexibility of business model that the company could pursue subsequent to the investment, given ongoing sector restrictions for foreign investors.