



VOLTA ALUMINIUM COMPANY LIMITED (VALCO)

**SEARCH FOR A STRATEGIC PARTNER FOR THE
VALCO MODERNISATION PROJECT**



**BRIEFING NOTE 1 – QUESTIONS AND ANSWERS
FROM BIDDERS' CONFERENCE HELD ON 10
AUGUST 2023**

DATED [14] AUGUST 2023

Important Notice – Disclaimer

This Briefing Notes is issued by Volta Aluminium Company Limited (“VALCO”) solely for use by potential Bidders to assist them in preparing and submitting Proposals in response to the Request for Proposal (the “RfP”) launched on 31 July 2023 in relation to the modernisation of VALCO’s Smelter (the “Transaction”). This briefing note has been prepared with the assistance of PricewaterhouseCoopers (Ghana) LTD (“PwC”) acting as Transaction Advisor and is for information purposes only.

Unless otherwise expressly defined in this document, all capitalised terms shall have the definitions in the original RfP.

Neither VALCO, PwC nor any of their respective agents, representatives, advisors, or consultants:

- a) make, will make, or will be deemed to have made, any representation or warranty, express or implied, as to the accuracy, reliability, or completeness of the information contained herein, in the physical data room or the electronic data room, or any information otherwise provided or made available to prospective bidders, whether orally or in writing, in connection with the Tender or the RfP;
- b) shall have any liability for this briefing note, for the Transaction or for any other written or oral communication transmitted or provided to a prospective bidder in connection with the Tender or a prospective bidder’s evaluation of the Transaction; or
- c) will be liable to reimburse or compensate a prospective bidder for any costs or expenses incurred by a prospective bidder in evaluating or acting upon the RfP or otherwise in connection with the Tender, the Transaction or otherwise.


Neither the receipt of this briefing note to the RfP, nor any information contained herein or supplied herewith or subsequently communicated to any Person, whether orally or in writing, in connection with the Transaction involving VALCO, its consultants, or their subcontractors, is to be taken as constituting the giving of investment, legal, technical, or other advice. None of the information set forth herein constitutes an offer or invitation to sell, or any form of commitment or recommendation or the solicitation to invest, or otherwise participate in the Transaction, or any offer to sell any of the assets or securities of VALCO.

Neither this briefing note nor any other written or oral information made available to any Bidder or any other Person or their respective representatives, agents, or advisors, or consultants will form the basis of any offer or contract. A Proposal regarding the Transaction or any part thereof will give rise to contractual obligations only if and when the final Transaction Agreements has been executed in writing by VALCO and the Preferred Bidder.

All Bidders or interested Persons are advised to seek their own independent financial, legal, tax, technical, and other advice. Recipients of the RfP and this briefing note should inform themselves about and observe any applicable legal requirements in their jurisdictions.

VALCO undertakes no obligation to correct, amend, or update any materials provided in connection with the Tender or the Transaction.

VALCO reserves the right, in its sole discretion, to modify any of the rules or procedures relating to the RfP and any subsequent tender, including the right to refuse to accept offers or, without prior notice or assigning any reason therefore, to terminate the Tender. Neither VALCO nor any agents, representatives, advisors, or consultants, will be liable or responsible to any person or party for any cost or expense incurred in relation to the RfP or in any investigation, negotiation, or transaction, whether or not consummated, which may follow.



VALCO reiterates to Bidders that VALCO has engaged PwC to act as Transaction Advisor in connection with the implementation of the Transaction. Safeguarding the actual and perceived impartiality, fairness, transparency, and competitiveness of the Transaction is of the highest priority to VALCO and PwC.

In the interest of promoting the impartiality, fairness, transparency, and competitiveness of the Transaction, VALCO may, at its election, make this briefing note available to the public.

In submitting a Proposal in relation to the RfP, each Bidder certifies that it understands, accepts, and agrees to the disclaimers contained herein and in the RfP. Nothing contained in any other provision of the RfP, nor any statements made orally or in writing by any person or party shall have the effect of negating or superseding any of the disclaimers set forth in this notice.

Responses to Questions from Prospective Bidders

No.	Question/ Clarification	Response from VALCO
i) EGA and The Smelter Technology		
1	Has VALCO conducted any assessment to determine the suitability of the EGA D18+ baseline Technology stated in the RfP?	<ul style="list-style-type: none"> VALCO conducted a review at the conception stage of the modernisation plan to assess the suitability of the D18+ baseline Technology to the infrastructure setup of the VALCO Smelter. VALCO reiterates that potential bidders are at liberty to propose any technology they deem fit for the proposed modernisation (and state how it compares to the D18+ cell technology in accordance with section 4.2.1(b)(iv)(a)(i) of the RfP). The D18+ cell technology is a baseline against which all other technologies proposed will be benchmarked.
2	Is there any publicly available information about the D18+ cell technology that potential bidders can research about to know more about the technology?	<ul style="list-style-type: none"> The D18+ cell technology is a proprietary smelting technology from Emirates Global Aluminium (EGA). There is enough publicly available information on this and potential bidders could search from publicly available sources.
3	Are there any real indicators for assessing the D18+ technology or the proposed technology from Bidders in terms of yield, efficiency etc.?	<ul style="list-style-type: none"> The specific indicators against which proposed cell technologies will be assessed includes yield, energy efficiencies etc. as outlined in point 4 of Annex 8 (Technical Evaluation Criteria) on page 54 of the RfP. For the avoidance of doubt, sub-point 3 of point 4 of the Technical Evaluation Criteria specifies: <i>Rated efficiencies of the proposed modern technology shall be a minimum current efficiency of 95% and maximum energy efficiency of 13.5 DCkwh/kgal</i>
ii) The estimated Transaction timelines		
4	Given the list of activities that have to be performed by potential bidders and the nature of the documentation requested per the RfP, could there be an extension in the timelines for the submission of Bidders' Technical and Financial Proposals for the	<ul style="list-style-type: none"> VALCO has agreed to the revised timelines as set out in Revised Annex 4 of the Addendum to the RfP. .

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	proposed modernisation project?	
5	Could the time allotted for the post-award activities after the selection of the Preferred Bidder be extended by an extra 30 to 60 days to allow for the necessary approvals etc.?	<ul style="list-style-type: none"> VALCO has agreed to the revised timelines as set out in Revised Annex 4 of the Addendum to the RfP.
iii) The basis of capex investment		
6	Is the c.US\$600 million capex requirement for the proposed modernisation project backed by any Front End Engineering Design (“FEED”) study and is that information available in the data room?	<ul style="list-style-type: none"> There is no FEED study at present however VALCO has completed an initial costing of the proposed modernisation project. This costing is available in the data room for potential bidders upon fulfillment of the conditions for accessing the data room.
iv) The source, availability and cost of power		
7	<p>Power is key for the operations of the Smelter and this was a concern during the market sounding stage of the Project, could we be updated on the progress made so far on the subject regarding the source, timing and availability of power, the cost etc.?</p> <p>Is there such information on power in the data room?</p>	<ul style="list-style-type: none"> The cost of power and the related clarifications are considered to be commercially sensitive information which will be made available to potential bidders upon fulfillment of the conditions for accessing the data room. As stated in section 2.4 of the RfP, there is a commitment from the current power supplier, Volta River Authority (VRA), to provide 220MW of power from hydro-electricity source.
8	Would information such as the cost of power and the underlying agreements be made available to potential bidders upon execution of confidentiality agreement before the submission of their proposals as that would be needed as inputs for the financial modelling work of potential bidders?	<ul style="list-style-type: none"> Upon fulfillment of the conditions for accessing the data room by prospective bidders, VALCO will make available the cost of power and provide the necessary available information on power to potential bidders.
v) The nature of information in the data room		
9	What is the nature of the information that potential bidders should expect to see in the data room upon grant of access?	<ul style="list-style-type: none"> A data room index is being compiled to assist bidders to assess the nature of information that is currently available in the data room. The list will be circulated to all Bidders by close of business on Wednesday 16 August 2023.

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vi) the efficiencies to VALCO from the Integrated Aluminium Industry (IAI)		
10	How is the VALCO project situated in the context of the broader Integrated Aluminium Industry (IAI) plan and are there any efficiencies to be earned by prospective bidders as a result of their investment in VALCO from the entire value chain?	<ul style="list-style-type: none"> • The VALCO modernisation project is a standalone project set within the overall context of the Ghana IAI. • When the IAI plan is fully implemented, potential investors stand the chance of benefitting from the integration of the various upstream and downstream activities involved in the IAI.