

001/08

POWER PURCHASE AGREEMENT

BETWEEN

TROPICAL ENERGY RESOURCES LTD

AND

ELECTRICITY COMPANY OF GHANA

November, 2007

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THIS AGREEMENT is made 27th day of November in the Year of Our Lord Two Thousand and Seven **BETWEEN ELECTRICITY COMPANY OF GHANA LIMITED (ECG)**, a Limited Liability Company registered under the Laws of Ghana, and acting per its Managing Director of P. O. Box GP 521, Accra in the Republic of Ghana, (hereinafter called the "Buyer", which expression shall, where the context so admits or requires, include its successors, agents and assigns) of the One Part AND **TROPICAL ENERGY RESOURCES LTD**; a Limited Liability Company registered under the Laws of Ghana, and acting per its Chief Executive Officer of P. O. Box KIA 30432, Airport - Accra aforesaid (hereinafter called the "Seller", which expression shall, where the context so admits or requires, include its successors, agents and assigns) of the Other Part.

WHEREAS ECG is a State – Owned Company engaged in the business of distribution and sale of electricity

WHEREAS the Seller is a Company engaged in the production and sale of renewable energy.

WHEREAS, the Seller has submitted a proposal to the Buyer for the sale of electrical energy from a small power production facility in Ghana; and

WHEREAS, the Seller's project and tender of electrical energy for sale qualifies under the Renewable Energy Producer of the Energy Commission, which is approved by the Government; and

WHEREAS, the Buyer is permitted to purchase electrical energy under applicable laws and regulations of the Republic of Ghana; and

WHEREAS, the Seller is a Company duly incorporated and validly existing under the laws of Ghana, has all requisite corporate and legal authority to execute this Agreement,

and is permitted by applicable laws and regulations to sell independently produced power;

WHEREAS, the Seller proposes to sell and to deliver, and ECG has agreed to purchase and to accept delivery of, the offered electrical energy to be produced by the Seller, all pursuant to the terms and conditions as set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED AS FOLLOWS:

1. Definitions

- 1.1 "Agreement" shall mean this Power Purchase Agreement, as may be amended or supplemented together with all annexes and appendixes;
- 1.2 "Annual Energy" shall mean the aggregate of net electrical output of the plant within a calendar year;
- 1.3 "Anticipated Annual Energy" shall mean the fixed Annual Energy used as a reference to define the total price of energy sold under this Agreement.
- 1.4 "Billing Meter" shall mean the main meter belonging to the Seller for measuring the net electrical output of the plant to the Buyer;
- 1.5 "Check Meter" shall mean the meter belonging to the Buyer which is used to check and monitor the net electrical output of the plant from the Seller;
- 1.6 "Connected Capacity" shall mean the contracted capacity from a range of 30 to 50 MW as in Schedule A;
- 1.7 "Required Connected Capacity" is the amount of power needed at the Point of Delivery.
- 1.8 "Power" shall mean and refer to electric power measured in KW;
- 1.9 "Energy" shall mean and refer to electric energy measured in KWh

- 1.10 **"Force Majeure"** shall have the meaning ascribed to it under Section 13 of this Agreement;
- 1.11 **"Measured Energy"** shall mean the net electrical energy recorded by the main meter;
- 1.12 **"Monthly Energy"** shall mean the aggregate of the net electrical output of the plant in a month;
- 1.13 **"Commercial Operation Date"** shall mean the date the Seller declares the Plant available for commercial operation which shall not be later than 12 months after the Financial Close of the Project;
- 1.14 **"P.U.R.C."** shall mean the Public Utility Regulatory Commission;
- 1.15 **"kW"** shall mean the electric power measuring unit of one kilowatt or one thousand watts (1,000 watts);
- 1.16 **"kWh"** shall mean the electrical energy measuring unit of one kilowatt hour;
- 1.17 **"Month"** shall mean one calendar Month;
- 1.18 **"Quarter"** shall mean a group of three consecutive calendar months, starting either in January, in April, in July or in October;
- 1.19 **"Point of Delivery"** shall mean the physical point at which seller transfers Power and Energy to the Buyer's facility;
- 1.20 **"Party" or "Parties"** shall mean the entities executing this Agreement;
- 1.21 **"Unscheduled outage"** shall mean any interruption in the flow of Energy due to a fault or defect of a generation facility that results in an immediate disconnection of the facility, or as soon as the manoeuvre of the electric system allows;
- 1.22 **"Scheduled outage"** shall mean the interruption of the flow of Energy as a consequence of the disconnection of generation or transmission facilities in a previously scheduled program;
- 1.23 **"Technical Limits"** shall mean the operating limits and constraints described under Section 12 of this Agreement;
- 1.24 **"Year"** shall mean calendar year starting in January 1st and finishing on December 31st;

- 1.25 **"Working Day"** shall mean any day of the week other than a Saturday, Sunday or other day on which banking institutions are required by law to remain closed.
- 1.26 **"Capacity"** shall mean and refer to electric power capacity measured in kW.
- 1.27 **"Operational Procedures"** shall mean the detailed procedures for switching in the electric system to be developed by the Parties and to be attached to the Agreement, described under Section 16 of this Agreement;
- 1.28 **"Laws of Ghana"** shall include, but not limited to, all laws, legislations, instruments, decrees, directives of regulatory agencies set up under the said laws, legislative instruments and decrees for the control of the Energy Industry in Ghana;
- 1.29 **"Commencement Date"** shall be the date of the Agreement;
- 1.30 **"Availability"** shall mean the number of hours in a Quarter during which the Seller has made available to the Buyer's facility the contracted energy, divided by the number of hours in the Quarter;
- 1.29 **"Availability at Delivery Point"** shall mean the number of hours in a Quarter during which the Seller has made available to the Buyer's contracted energy in a particular Point of Delivery , divided by the number of hours in that Quarter.
- 1.30 **"Independent Power Producers" or "IPP"** shall mean Power and Energy producing companies;
- 1.31 **"Energy Output"** means the amount of electrical energy generated by the Facility and delivered to ECG
- 1.32 **"Grid Point"** means the connection stud of the last line side isolator located on the grid system of ECG.
- 1.33 **"BGT-Bulk Generation Tariff"** means the price for bulk generation determined by the PURC.
- 1.34 **"Prudent Utility Practices"** means accepted international practices, standards and engineering and operational considerations, including but not limited to, manufacturers' recommendations and the exercise of

reasonable skill, diligence, foresight, and prudence that would be exercised or generally followed in the operation and maintenance of facilities similar to the Facility.

1.35 **"Metering point"** means the point where the Main Meter (Seller's Meter) and the Check Meter (Buyer's Meter) are located.

1.36 **"MUST RUN Facility"** means the Seller has operating control over the amount and timing of electrical energy to be generated by the Facility, subject only to Emergencies and such directions as may be issued by ECG for the protection of its electrical system

2. Rules of Interpretation

Unless otherwise required by the context in which any term appears:

- (a) capitalised terms used in this Agreement shall have the meaning specified in the Section 1;
- (b) the words "herein", "hereby", "hereof" and "hereunder" shall refer to this Agreement as a whole and not to any particular section or subsection of this Agreement;
- (c) references to this Agreement shall include a reference to all appendices, annexures, schedules and exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time;
- (d) references to any agreement, document or instrument shall mean such agreement, document or instrument as the same may be amended, modified, supplemented or replaced from time to time, but only to the extent such amendment, modification, supplement or replacement is not prohibited by the terms of this Agreement; and
- (e) the words "including," "includes" and "include" shall be deemed to be followed by the words, "without limitation."

3. Scope of Agreement

3.1 Sale and Purchase of Energy

The Seller shall, within the terms of the Agreement, supply and sell Energy to the Buyer, and the Buyer shall take and purchase Energy from the Seller under the conditions established in this Agreement.

The Buyer may also purchase Energy from other Independent Power Producers (IPPs).

3.1 Point of Delivery

The Energy shall be supplied at the Point of Delivery known as the Grid Point G. The Seller shall be responsible for all aspects involved in the delivery of Energy at the Point of Delivery, including transmission through facilities owned or operated by themselves or other companies.

The Power shall be supplied at the nominal voltage (33KV) and up to the Connected Capacity defined for the Point of Delivery.

3.3 Annual Energy and Monthly Energy

The Annual Energy used to define the price of the Energy sold under this Agreement is between 350 and 438 GWII .

The portion of the Annual Energy for that Point of Delivery in a month is called the Monthly Energy for that Point of Delivery.

3.4 Market Operator

In the event that a Market Operator, independent from the Seller or the Buyer, is put in place, the determination of the portion of the Annual Energy scheduled to be delivered in each Day of the week ahead, indicated in section 3.3, shall be made by the Market Operator, on the basis of the demand load forecast, the Connected Capacity and the contracts between Seller and other IPPs with the Buyer.

4. Term of Agreement

This Agreement shall be binding on the Parties hereto and upon the execution thereof, and it shall continue in force for a period of fifteen (15) years commencing on the Commencement Date hereof and thereafter shall be reviewed and/or renewed every five (5) years.

5.0 Conditions Precedent to Effectiveness of Agreement

5.1 This Agreement shall become effective on the occurrence of the followings:

- a) A raw material supply contract between the Seller and Tema Metropolitan Authority (TMA) coming into force.
- b) Completion of an Interconnection Network between the Seller's Plant and ECG's Dawhenya Primary Substation.
- c) Financial Close of the Project being in place.

5.2 The contract is subject to further terms and understanding that the parties herein may agree upon to take care of contingencies and circumstances, which are presently not anticipated.

6. Pricing and Payments

The Buyer undertakes:

- (a) To pay each month to the Seller the Total Energy Charge.

The Total Energy Charge corresponds to the Energy Charge at the Point of Delivery.

The Energy Charge at the Point of Delivery is calculated in accordance with the following formula:

$$TEC = TE \times PE + (P1EC - P2EC)$$

Where

TEC = Energy Charge for the Point of Delivery

TE = Total Energy at the Point of Delivery measured by the main meter and confirmed by the check meter.

PE = Price of Energy as stated in the Agreement.

Buyer's Lack of Consumption (LC)- Penalty

P1EC = Penalty 1 in Energy Charge for the Point of Delivery calculated as follows:

$$P1EC = 0.1 \times LC \times PE$$

Where LC is the Lack of Consumption of Energy by Buyer. It is calculated as follows:

The Total Lack of Consumption is equal to the difference between the 95% of the Total Monthly Energy and the Total Measured Energy plus the Total Lack of Supply if positive, otherwise zero.

Seller's Lack of Supply (LS)- Penalty

P2EC = Penalty 2 in Energy Charge for the Point of Delivery calculated as follows:

$$P2EC = LS \times PE$$

Where LS is the Lack of Supply due to Seller's lack of supply. It is calculated for each hour in which a lack of supply due to the Seller occurred, according to the following procedure.

The Total Lack of Supply is equal to the difference between the 95% of the Total Monthly Energy and the Total Measured Energy, if positive, otherwise zero.

If the price for the Energy is changed during the month, the applicable value corresponding to the weighted average value of the change over the period of each value in-force shall apply.

7. Billing

7.1 Billing Rate

ECG shall pay to the Seller for energy sold and received by Buyer, in lawful currency of the United States of America seven (7.0) US Cents per kWh or alternatively the prevailing Bulk Generation Tariff (BGT) whichever is higher, as established by the PURC from time to time as part

of its scheduled periodic review of tariffs provided, however, that the tariff shall not exceed 10 US Cents during the first 10 years of this Agreement.” After the end of the first ten years of operation, the price shall be negotiated with PURC and ECG

7.1.2 Mode of Payment

The Total Energy Charge would be invoiced in US Dollars (\$) and would be payable in US Dollars or its Ghana Cedi (GH¢) equivalent converted in accordance with the average Interbank Exchange rate of the US Dollar at the time of the payment.

7.2 Billing Procedure

The Seller shall submit monthly invoices to the Buyer or its designated agent by the 10th day of the ensuing month to which the invoice relates the amount of Energy sold, in accordance with the price in this Agreement.

The Seller shall read the Main Meter and Check Meter at the point of delivery, in the presence of the Buyer, at the end of each month for determination of the electrical energy delivered to and accepted by the Buyer under the terms of this Agreement, and shall supply the result of such meter readings (including time and date of the reading) to the Buyer within five (5) days following the reading thereof.

The invoice shall contain enough details about the consumption of Energy at the Point of Delivery and under each other applicable charge, in order to allow the Buyer to confirm the accuracy of the charges with respect to the Agreement.

The invoice shall include all the taxes applicable to the Buyer.

7.3 Billing Dispute

In the event that there is an error in the amounts billed in any invoice submitted by the Seller, such error shall be rectified by the Seller within twenty-one (21) days of the determination of thereof.

Any erroneous amount paid to the Seller by the Buyer as a result of a billing error shall be refunded to the Buyer within fourteen (14) days. Any amount not paid by the Buyer to the Seller as a result of a billing error, shall be invoiced by the Seller and paid by the Buyer within fourteen (14) days.

8 Payment of Invoices

Payment of energy produced by the Seller and sold to the Buyer as provided for in the monthly billed invoices shall be effected within sixty (60) days of the dispatch of such invoices.

9. Energy Measurement

The Energy supplied and consumed, to be used in billing at the Point of Delivery, shall be measured by measurement devices provided, installed and maintained properly by the Seller and counter checked with the Buyer's Meter.

The measuring equipment shall be so arranged as to measure and record Power and Energy with accuracy of 0.2%. The accuracy of the measuring equipment shall be certified by a recognised independent authority, at a cost to the Seller, at six (6) month intervals. The Seller shall give Buyer written notice to the time and date of the certifications to be performed not less than seven (7) days prior thereto. The Buyer shall have the right to participate in the certification of the measurement devices.

If, as a consequence of the certification, it is determined that the measuring equipment is measuring or recording the Energy without the accuracy of 0.2%,

then the inaccurate equipment shall be so corrected, not excluding replacement, so as to measure and record the Energy with accuracy as closest to zero as possible. The point of measuring for billing purposes shall be as near as practicable to the Point of Delivery, but shall otherwise be determined jointly by the Seller and the Buyer. If the equipment for measuring at a Point of Delivery is connected at a location other than near that Point of Delivery, the readings shall be corrected to give results such as would be obtained by instruments connected at the Point of Delivery, and the corrections procedures shall be agreed upon by the Seller and the Buyer.

The measurement device used for billing shall have at any time two seals, one installed by the Buyer and the other installed by the Seller.

The records from the meters shall be taken and kept by the Seller. The forms shall be dated. Copies of the billing record shall be made available to the Buyer.

In the event that the measurement device of the Seller is determined to be defective, the corresponding measurement device of the Buyer shall be used for billing. If they are determined to be accurate, until such time that the Seller shall replace the said measuring device.

10. Standard of Performance

10.1 The Seller undertakes:

- (a) To be responsible for all the technical, logistical, environmental, commercial and any other matters whatsoever relevant to the provision of the services required under this Agreement.
- (b) To deliver, at the Point of Delivery, Alternating Current (AC) three phase Power up to the required Connected Capacity, having a frequency of fifty (50) Hertz and the agreed nominal voltage (33KV). The frequency shall be subject to normal variations of three percent (+/- 3%), and the voltage shall be subject to normal variations of five percent (+/- 5%). Variations outside the ranges specified herein are permitted provided any such variations do not have durations longer than five (5) minutes at a time. If a

Regulatory Agency issues regulations with respect to these matters, the Seller shall comply with such regulations.

- (c) To co-operate with the Buyer at all times, by all means possible, to fulfil the objects of this Agreement.
- (d) To achieve a total Availability rate of 90.0% or better.
- (e) To comply with the standards of performance prescribed by the Energy Commission under the Energy Commission Act 1997.
- (f) To agree with the Buyer on setting of protective relays in order to achieve selectivity on fault clearing and ensure that the running of its system is done in synchronism with the national grid.
- (g) Prior to the Commercial Operation Date and thereafter on or before 1st December of each subsequent Year, the Seller shall furnish to ECG an annual forecast that includes the following: (i) anticipated monthly generation availability, and (ii) Scheduled Outages for each year; provided, however, the Seller has no liability to ECG and shall be subject to no penalty in the event that the actual amount of electrical energy delivered to ECG, or the times of said delivery, differ from the amounts or times shown in said forecasts.
- (h) The Seller shall notify ECG one month in advance of Scheduled Outages, including a non-binding estimate of expected length, and as soon as possible of any Unscheduled Outages, including a non-binding estimate of expected length.
- (i) Notwithstanding that the Seller's Facility is a Must Run Facility, whenever ECG's system or the systems with which it is directly interconnected experience an Emergency, or whenever it is necessary to aid in the restoration of service on ECG's system or on the systems with which it is directly or indirectly interconnected, ECG may, at its sole discretion, curtail or interrupt the taking of all or a portion of Energy Output thereunder, provided such curtailment or interruption shall continue only to so long as it is reasonably necessary under Prudent Utility Practices.

- (j) To deliver the Energy in such manner that the ratio of megawatt (MW) demand to the megavolt-amperes (MVA) demand (read simultaneously) is as near to unity as practicable, but not less than 0.96.
- (k) To ensure that the Harmonic content of the current due to its network and further downstream, should not exceed 5% of the magnitude of the total current.

10.2 The Buyer undertakes:

- (a) To take the energy at the Points of Delivery in a safe manner, in accordance with good engineering practices.
- (b) At all times, to take the energy in such manner that the current will be taken from the three phases equally as nearly as practicable, and, in any event, the difference between any two phases shall not be greater than five percent (5%). If at any time the said difference exceeds five percent (5%), the Buyer shall so adjust his load as to comply with the requirements of this Clause.
- (c) To use, at all times, suitable, standard commercial apparatus and plant, and to operate and maintain the apparatus and plant so as to minimize disturbance to or fluctuation in the Seller's energy supply or system.
- (d) To co-operate with the Seller at all times, by all means possible, to fulfil the objects of this Agreement.

11. Continuity of Supply

Subject to any operational circumstances which may prevent the Seller from doing so, the Seller shall supply energy in a continuous manner during the twenty four (24) hours of every day at the Point of Delivery, except as otherwise provided in this Agreement.

The Seller and the Buyer shall use their best efforts to remove or to assist in removing the cause of any interruption in the supply of energy with the minimum

of delays, and, as soon as practicable, after the removal of any such cause, to resume or normalize the supply of energy under the terms of this Agreement.

The Seller shall have the right at all times to discontinue the supply of energy to the Buyer at the Point of Delivery for the purpose of safe-guarding life or property, or for the purpose of operation of the interconnection between the Seller's facility and the Buyer's facility. All such interruptions shall be of a minimum duration and, when possible, in coordination with the Buyer, or if the coordination is not possible, after a notice has been given to the Buyer with the utmost urgency.

In the event of any interruption or restriction to the Seller's supply of energy, the Buyer may, with notice to the Seller, pursue alternative arrangement with third parties to meet the shortfall in supply of Annual Energy by the Seller.

When the Seller confirms that the interruption is removed or rectified, the Buyer shall, upon reasonable notice to the Seller, resume the acceptance of the energy.

During any interruption to the Seller's supply of Energy, the Buyer may provide all or part of the Buyer's Energy requirements not met by the use of stand-by sources.

12. Force Majeure

Neither party to this Agreement shall be liable for the consequences of any failure to perform its obligations under this Agreement, or any of those obligations, if that failure is caused by Force Majeure.

Where there has been any such failure, the said failure shall not be considered as non compliance with any term or condition of this Agreement, and all the obligations and terms which, because of such failure, could not be fulfilled shall be deemed to have been suspended while the failure continues.

For the purposes of this Agreement a failure shall be regarded as caused by Force Majeure only if the party failing proves that:

- (i) the failure is caused by Force Majeure as defined in paragraph (5) of this Article; and
- (ii) the Force Majeure is outside the control of the party failing and is not caused by that party's fault; and
- (iii) the party failing has been taken all proper precautions, due care and reasonable alternative measures with the object of avoiding the failure or mitigate the effects of such failure or mitigate the effects of such failure, and of carrying out its obligations hereunder.

Only such loss, damage or injury as could not have been avoided by the taking of proper precautions and due care can be regarded as the consequences of any failure caused by Force Majeure.

For the purpose of this Agreement, Force Majeure shall mean war (whether declared or not and including existing wars); accident to its works, revolution; invasion; insurrection; riot; civil commotion; mob violence or destruction by the elements; acts of God; explosion; fire; storm; earthquake; epidemic; quarantine measures; strikes, unless restricted solely to the employees of the Seller or its sub-contractors.

Each party shall give notice to the other party as soon as possible to any Force Majeure situation it is in.

Subject to the provisions of paragraphs (1) to (6) of this Article; a party who is in a Force Majeure situation shall take all reasonable steps within its power, to make good and resume with the least possible delay the performance of its obligations under this Agreement.

13. Insurance

The Seller shall provide protection for the Buyer for damage or injury including death to the Buyer's personnel or property and the Buyer's customers or property

only if such damage, injury or death to the Buyer's property or personnel or customers, as the case may be, is the direct result or consequence of the Seller's negligence or default in the discharge of its obligations under this Agreement.

14. Environment Protection Requirements

The Seller shall provide to the Buyer written assurances on its policies, procedures and conduct regarding Environmental matters, in compliance with appropriate laws.

15. Safety Operations Procedures

The detailed Operating Procedures for switching and protection settlement shall be developed by the Parties and be attached to this Agreement.

The parties agree to comply with the provisions of such Operations Procedures in managing the network under this Agreement.

16. Liability and Indemnity

Subjects to the provisions of this Agreement specified hereunder, to the maximum extent permitted by law, each Party shall defend, indemnify and hold harmless the other Party and affiliated companies, and those with whom it may be agents of any of the foregoing, from and against any loss, damage, employees and agents of any of the foregoing, from and against any loss, damage, claim, suit, fine, liability, other cost of litigation and judgement thereon, arising out of personal injury, death or disease, including but not limited to, employees of those entities mentioned above and their respective subsidiaries or subcontractors, or pollution resulting there from, incidental and/or in connection with the operation or death or damage is caused by the gross negligence or wilful misconduct of the entity otherwise indemnified. The other Party shall have the right, but not the duty, to participate in the defence of any such claim or suit arising out of non-compliance with any obligations hereunder. Any Party shall, as soon as practicable after receiving notice of any suit brought against it, deliver to the other Party, full particulars within its knowledge thereof and shall render all reasonable assistance

requested by any Party in the defence of such suit. The obligations, indemnities and liabilities assumed by the Parties hereunder shall not be limited by any limits on insurance contained within this Agreement.

The Seller shall indemnify the Buyer against all claims against the Buyer made by Third Parties customers of the Buyer for any injury, damage or loss suffered by the third party or customer and arising from unannounced Power outages, fluctuations, distortions originating from the Seller's system and passed on into the system of the Buyer.

17. Default

17.1 Default by Seller

If the Seller fails to supply an adequate amount of Energy to the Buyer to the extent that over a period of 60 days, the aggregate Energy supplied to the Buyer is less than 85% of the corresponding portion of the anticipated Annual Energy over the period, the Seller shall be deemed to have defaulted on its obligations under the Agreement.

For this purpose, the corresponding portion of the Annual Energy in the period is calculated by multiplying the number of days with lack of supply by the average daily Energy supplied for each day. The average daily Energy supply corresponds to the Monthly Energy divided by the number of days in the months. If more than one month is involved in the calculations, the daily energy is calculated using the proportion of days of each month.

17.2 Default by the Buyer

If the Buyer fails to pay for the Energy purchased under the Agreement, and this failure is not rectified after 35 days, the Buyer shall be deemed to have defaulted on its obligations under this Agreement.

18. Termination upon Default

18.1 Default of the Seller

Upon the default of the Seller, the Buyer may terminate this Agreement. Default on the part of the Seller shall not relieve the Buyer from the obligation of payments for Energy effectively supplied, less an amount equivalent to the Seller's liabilities to the Buyer as a result of Seller's default.

18.2 Default of the Buyer

Upon the default of the Buyer, the Seller may terminate this Agreement. The Seller on giving due notice, and establishing a reasonable period for negotiation, without terminating the Agreement may, without liability therefore, discontinue delivery of Energy to the Buyer, but no such discontinuance shall relieve the Buyer from any obligation under this Agreement or lessen or change any of the Buyer's obligations.

19. Waivers

Any waiver by the Seller or Buyer, or failure by the Seller or the Buyer to exercise its rights or enforce its remedies shall be limited to the particular instance and shall not be deemed to waive any other right or remedy, or extend to any other matter under this Agreement or in any other way affect the validity of this Agreement.

20. Governing Law

The governing law shall be the laws of the Republic of Ghana.

21. Settlement of disputes

21.1 Amicable Settlement

If any dispute shall arise between the Parties hereto in connection with any matter arising out of this Agreement, the Parties shall use their efforts to resolve the dispute.

If the dispute is not settled within the first 30 days after one Party declares in writing to the other the existence of the dispute, any of the Parties may declare in writing its intention to solve the dispute by means of arbitration.

21.2 Arbitration

The arbitration shall be conducted by an Arbitration Committee formed by three arbitrators. When any Party declares its intention to solve a dispute by means of arbitration, each Party shall appoint, within the following fourteen (14) days, one member of the Arbitration Committee. The third arbitrator shall be agreed to by the two previously appointed arbitrators. In the absence of the agreement, the third arbitrator shall be appointed by the Ghana Chamber of Commerce.

The Arbitration Committee shall have one hundred and twenty (120) days to resolve the dispute. The decision of the Arbitration Committee shall be by simple majority and shall be binding on both parties.

The parties may also consider alternative dispute methods of resolution in the event that they are unable to resolve their differences.

22. Assignment

This Agreement shall not be assigned or sub-contracted in any way without written approval of both Parties.

24. Amendments

The Parties, by mutual consent, may amend, change, or otherwise alter any/or all provisions of this Agreement in writing and signed by them.

25. Notices

All notice hereunder shall be deemed as given when addressed and delivered by hand or dispatched by registered mail to:

The Seller: The Chief Executive Officer
Tropical Energy Resources Ltd.
P.O. Box 30432
Kotoka Airport-Accra
Ghana

Tel: [REDACTED]
Fax: 233-21-223942

The Buyer: The Managing Director
Electricity Company of Ghana
Electro Volta House
P.O. Box 521
Accra, GHANA

Tel: 233-21- 676762
Tel: 233-21- 676747
Fax No: 233-21- 666262

IN WITNESS WHEREOF the parties hereto have hereunto caused this Agreement to be signed on their behalf by their authorized representatives on the day and year first above within.

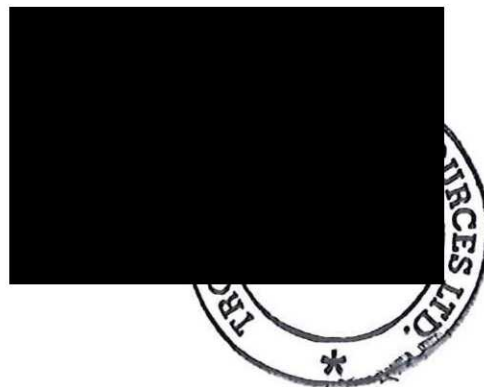
SIGNED, SEALED AND DELIVERED on behalf
OF TROPICAL ENERGY RESOURCES LTD by
Major Ibrahim Rida
Chief Executive Officer

In the presence of:

Name ...

Address

Occupation/Title



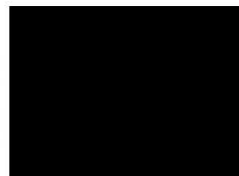
SIGNED, SEALED AND DELIVERED on behalf
of the Electricity Company of Ghana by
Mr. C.S. Tetteh
Ag. Managing Director

In the presence of:

Name

Address .

Occupation/



SIGNED, SEALED AND DELIVERED on behalf
of the Public Utilities Regulatory Commission by
Mr. Kwame Pianim
Chairman

In the presence of:

Name ...

Address

Occupation/Title



SCHEDULE A

ENERGY DEPLOYMENT SCHEDULE

DATE	CAPACITY
1 – 2 - 2009	30 MW
1 – 3 - 2009	40 MW
1 – 5 - 2009	50 MW