

## Head of Terms

This head of terms has been sign on December 28, 2023, between:

**HBK DOP**, a company registered in Dubai Economic Department, address Villa 4 Nad Al shiba 4, Steer 77. Dubai UAE (referred to as “the Lender”) and

**Government of South Sudan**, Ministry of Finance and Planning (referred to as “the Borrower”)

## Preamble

This term sheet is indicative, and shall be preceded with a binding facility offer letter (FOL), with detailed terms and condition.

Head of Terms	
<b>Date</b>	Dec 28 <sup>th</sup> 2023
<b>Lender</b>	HBK DOP and consortium of financial institution
<b>Borrower</b>	Republic of South Sudan (Ministry of Finance & Planning)
<b>Currency</b>	Pay in USD or EUR as per Client request
<b>Full Finance Amount</b>	<b>USD 12 Billion or equivalent in EUR as per borrower requirement</b>
<b>Finance Amount Payments</b>	<b>TOTAL CARGO 3,000,000 Barrels per month increased over 6 months</b> <b>Phase I - USD \$5,241,379,310</b> (Five Billion and two Hundred forty one Million and three hundred seventy nine thousands and three hundred ten USD) Against <b>2 Cargo</b> of Nile and Dar Mix each at 600,000 barrel per month. <b>Phase II - USD \$3,034,482,759</b> (Three Billion and thirty four million and four hundred eighty two thousand and seven hundred fifty nine USD) Additional <b>2 Cargo</b> of Dar Mix each at 600,000 barrel per month within 4 months. <b>Phase III - USD \$3,724,137,931</b> (Three Billion and Seven twenty four million and one Hundred thirty seven thousand and nine hundred thirty one USD) Additional <b>1 Cargo</b> of Nile at 600,000 barrel per month within 6 months.
<b>Drawdown</b>	1 month of Targeted Phase Cargo release
<b>Term</b>	20 years - 1 month after the left of each phase
<b>Interest rate</b>	Libor +2%
<b>Cargo Price</b>	The price set for Oil left: <ul style="list-style-type: none"><li>- Platt Less \$10 at minimum price USD 54 for <b>Nile Mix</b></li><li>- Platt less \$10 at minimum price USD 22 for <b>Dar Mix</b></li></ul>
<b>Variation</b>	In the event, Oil price varied <b>downward</b> , then set cargo price: <ul style="list-style-type: none"><li>- additional cargo to be given to replenish the price difference to reach minimum set Cargo price above.</li></ul> In the event, Oil price varied <b>upward</b> , then <ul style="list-style-type: none"><li>- the difference to be Paid back to the Borrower</li></ul>
<b>Grace Period</b>	3 years, in event additional carry over or difference to be settled end of each year
<b>Arrangement fee</b>	1% to be deducted from the carry over and paid over 1year period
<b>Insurance</b>	1%-2% to be deducted from the carry over 1-2 years period
<b>Security Collateral</b>	- A bank account for finance amount payment will be setup in a UAE based bank, and the money (USD 12 Billion or equivalent in EUR) to be release



	<p>upon agreed target and budget of expense (a detailed expense budget per ministry and sector shall be submitted and approved by the parties)</p> <ul style="list-style-type: none"> <li>- The payment will be made 70% for infrastructure cost directly and 30% for country working capital against approved budget</li> <li>- Oil cargo will be released 1 month before any disbursement</li> <li>- Security/ Collateral:</li> <li>- Borrower would direct Bank of South Sudan (BSS) to issue Sovereign Guarantee for the face value of (USD 12 billion or equivalent in EUR) plus interest as per the International Chamber of Commerce (ICC) approved text (Exhibit-1). ICC URDG 758 demand guarantees.</li> <li>- Borrower would ask BSS to open a bank account of Lender and deposit the said Sovereign Guarantee into Lender's account and issue the lender a safe keeping receipt. This account would be used to receive the funds from Lender's designated banks and disburse to Borrower or to their designated bank co-ordinates.</li> <li>- Borrower would direct BSS to issue their RWA (Exhibit-2) to Lender to confirm BSS readiness to issue &amp; deliver one or more Bank Guarantees (BG) and/or Standby Letters of Credit (SBLC) up to the face value of EUR12 billion on the strength of the said sovereign guarantee to Lender's designated bank coordinates via appropriate SWIFT formats such as MT199, MT999, MT799 (pre-advice) &amp; MT760 etc.. (Exhibit-3).</li> <li>- Borrower &amp; BSS understands that the maturity of these BSS guarantees would be for a period of One year and One day and thereafter it would either returned back to BSS or if requested by the Lender would be renewed for the duration of the loan.</li> <li>- The Sovereign Guarantee would be backed by crude oil only.</li> <li>- Sovereign Insurance from a reputed international agency such as ICIEC, Lloyds of London or its Syndicates, Sovereign Risk Insurance Ltd or any other approved global sovereign insurance companies.</li> </ul>
<b>Assignment</b>	<p>Without prejudice:</p> <ul style="list-style-type: none"> <li>- The Lender has the right to re-assign and transfer the Facility Offer Letter FOL to any other financial institution without the Borrower approval.</li> <li>- The Lender has the right to re-assign and transfer the oil left agreement/allocation to any oil company off-taker without the borrower approval.</li> </ul>
<b>Jurisdiction</b>	This agreement is based on English law, all disputes shall be resolved in accordance with London Court of International Arbitration (LCIA) Rules, the venue shall be London, United Kingdom
<b>Validity:</b>	Offer is valid until January 31 2024
<b>Execution period</b>	90 days
<b>Closing Date:</b>	The closing date of this transaction would be upon complication of all the documents stated in this agreement and upon verification and authentication of the delivery of the BSS Guarantee (s) via MT799 Pre-advice followed by MT760 and hard copy via Bank bonded couriers to Lender's designated bank co-ordinates.
<b>Expiration</b>	January 31, 2044 – Grace Period of 3 years and 17 years repayment of loan.
<b>Additional item 1</b>	The parties have agreed to establish jointly a carbon credit exchange for the entire country (terms and conditions will be defined in separate agreement).



<b>Additional item 2</b>	The HBK will provide additional funding for building the pipeline, Refinery and Petrochemical complex. For this project, it is a requisite to have a 1,000 Megawatts power plant which will be provided by HBK, (terms and conditions will be defined in separate agreement).
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**Accepted and Agreed**

This Term Sheet has been signed & sealed on this 3rd day of November 2023;

For and on behalf of the **Borrower:**

For and on behalf of the **Lender**





Name: **DR. BAK BARNABA**

Name: **Hamed ALNAHYAN**

Date: **28/12/2023**

Date: **28/12/2023**

