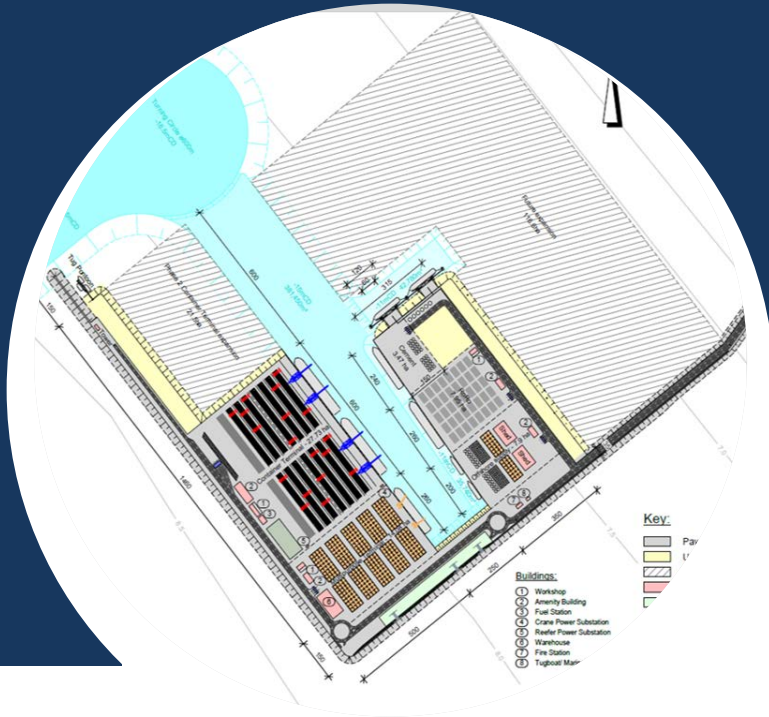


Port of Ondo Feasibility study for a deep sea port

Final Report presentation to stakeholders

24 January 2019



Feasibility Study for a New Deep Sea Port

A project between Ondo State Government / ONDIPA – with MTBS and Amiable Consultancy and Logistics Services Limited

- ✓ Ondo State Development and Investment Promotion Agency (ONDIPA) has engaged MTBS to prepare a 'Feasibility Study / Conceptual Master Plan for the Development of Port of Ondo Multi-purpose Deep-Sea Port at Erruna/Ogboti, Ilaje LGA, Ondo State'.
- ✓ The Contract has been signed in September 2018.
- ✓ The objective was to conduct a comprehensive and commercially inspired feasibility study for the development of multi-purpose deep-sea port at Ilaje Local Government of Ondo State Government of Nigeria

Introduction to MTBS

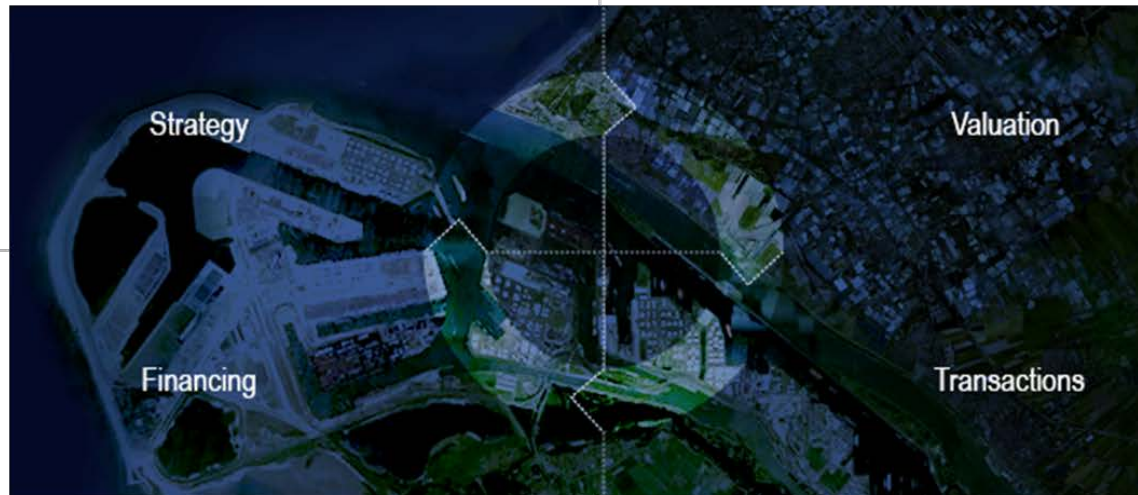
Services and Solutions

Strategy

Value & Business Strategy
Port Sector Reform
Port Policy
Public Private Partnerships
Institutional & Regulatory Change
Organizational Reform & Alignment

Valuation

Value Creation & Protection
Financial Modeling and Analysis
Feasibility
Project Structuring & Packaging
Business Case
Risk Valuation, Allocation, Mitigation



Finance

Financial Structuring
Project Finance
Due Diligence
Procurement of Finance
Investment / Divestment
Merger & Acquisition

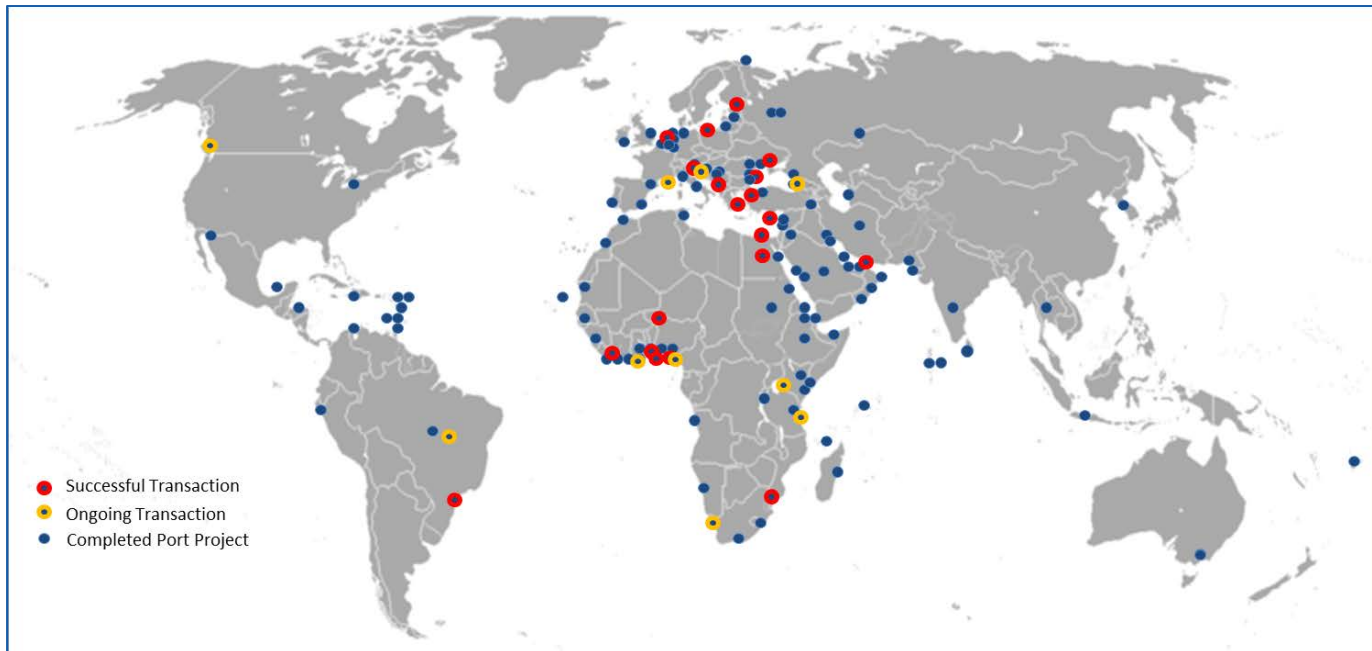
Transaction Strategy
Transaction Management
Documentation & Contracts
Tendering & negotiated Solutions
Financial Solutions
Legal Solutions

Transactions

MTBS in the Region

MTBS is particularly active in Africa, with over 40 projects in West Africa and 11 in Nigeria alone

- **MTBS** is a world-renown, independent advisor in the maritime and transport sectors
- **MTBS** advises public, semi-public and private clients across the globe on strategy, valuation, transactions, finance and M&A
- **MTBS** is particularly active in Africa, with over 40 projects in West Africa and 11 in Nigeria alone



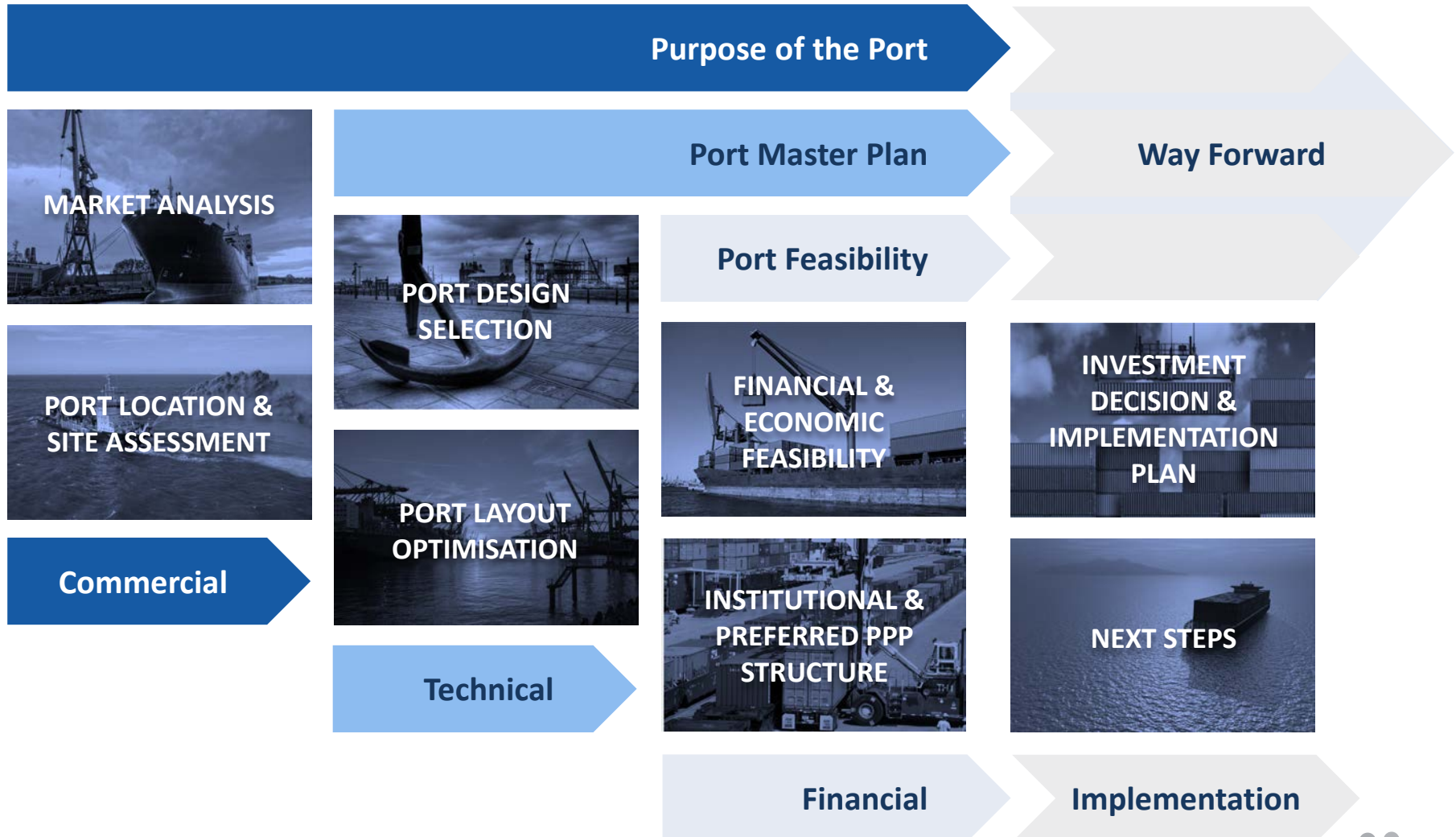
MTBS's Clients in the Port & Infrastructure Sector

Comprehensive project approach thanks to a diverse Client Base

Authorities	GTOs	Industrials	Governments	IFIs	Banks
             	         	         	        	         	         

The Process: Feasibility Study of Port of Ondo

Presenting the key results from the Final Feasibility Report ...



Key Results from the Final Feasibility Report

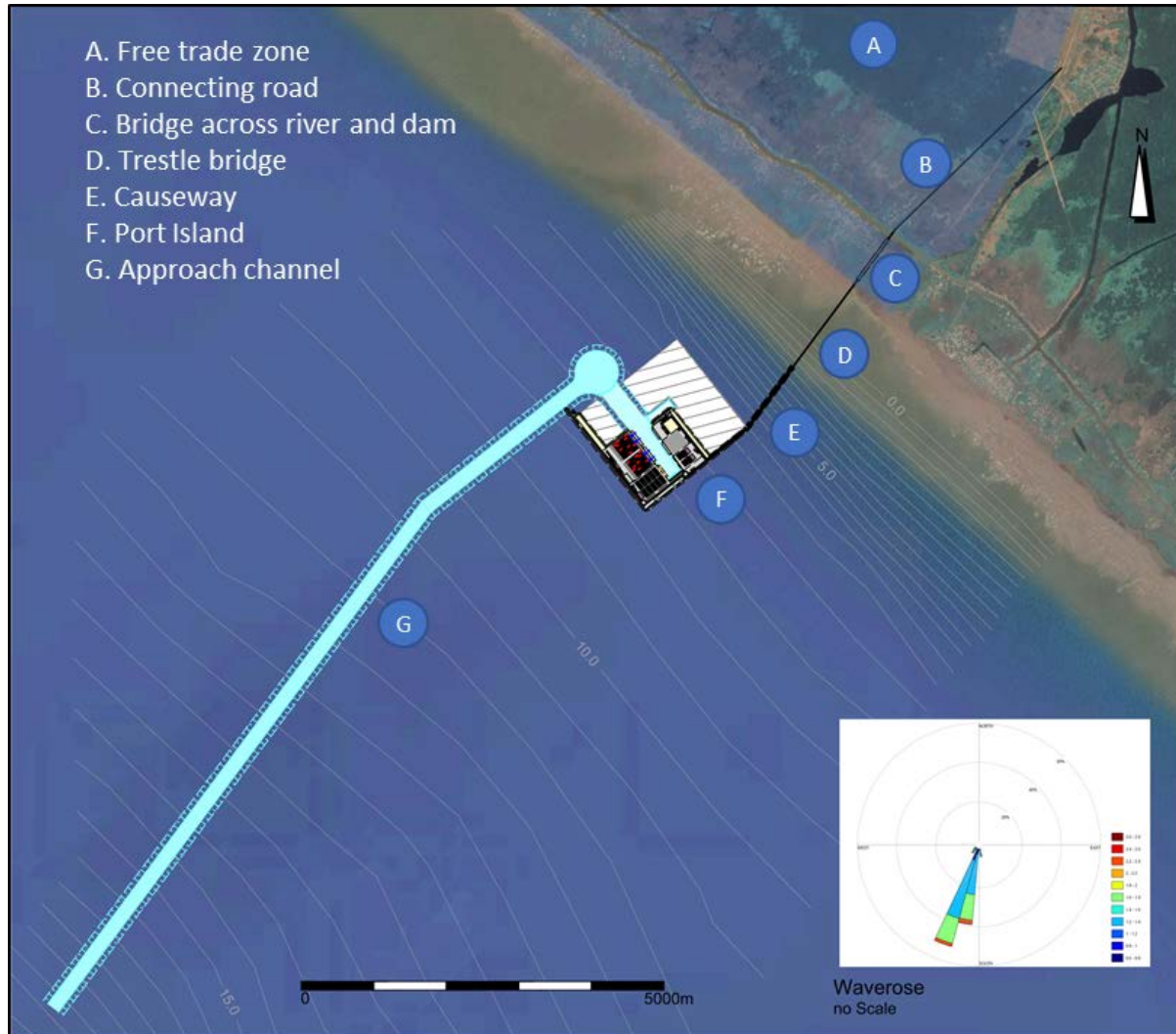
It is recommended to take an initial positive investment decision to take the project to the next preparation phase: the Outline Business Case (OBC)

The feasibility of the Port of Ondo Project is confirmed from the following perspectives:

- ✓ **Technical feasibility:** The 'Artificial Island Port – Single Basin' is considered technically feasible and attainable.
- ✓ **Institutional, regulatory and organisation:** The legal and regulatory framework can accommodate the development of the port of Ondo as a Port Development Management Company (PDMC). A suitable organisation can be established for this purpose.
- ✓ **Financial feasibility:** The business case indicates a positive overall financial feasibility with a post-tax Internal Rate of Return of 12.1% and a Net Present Value of USD 295.2 M (based on a real WACC of 10.4%) for a budgeted USD 1.3 B investment.
- ✓ **Economic feasibility:** From a national perspective the results are positive. The Economic Internal Rate of Return (EIRR) is estimated at 10.5% and the Economic Net Present Value (ENVP) is approximately USD 2.0 B USD (based on a social discount rate (SDR) of 5.4%).

Project overview

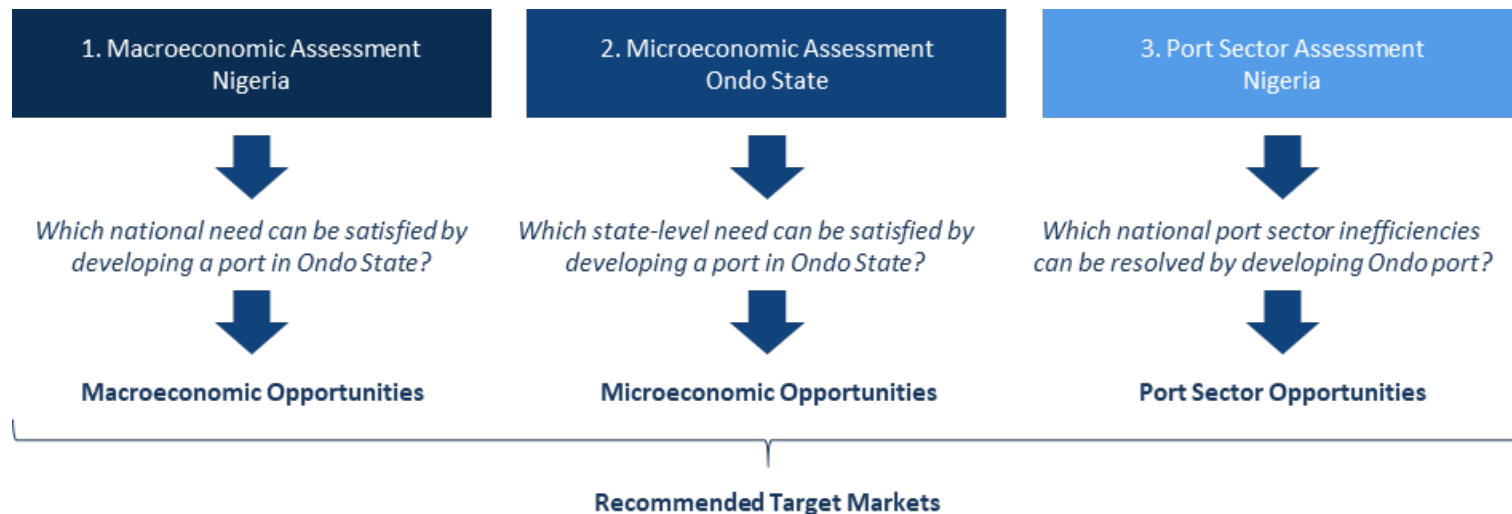
The proposed port at Ondo State is an artificial island port



Why a Deep Sea Port in Ondo State?

Focus on niche markets which can be developed quickly and provide enough traffic and business to justify port development.

- The port should take advantage of the **geographical position**.
- Create **maximum value and synergies** between free trade zone and port activities.
- There is a **national need for new port capacity**.



Commodities to focus at in Phase I of the project supported by market analysis:

- **Niche markets that are easily captured:** RoRo and offshore supply base (OSB);
- **Cargo overflow from other ports:** coastal containers; and,
- **Local exports:** General cargo, break bulk, agribulk (multi-purpose), bitumen and cement

Benefits of Developing the Port of Ondo

Take advantage of the port's geographical position in central Nigeria



Employment will increase fast after completion

Education and training will become vital roles in the new port

Direct and indirect jobs:

- Port: 7,000 to 10,000
- FTZ: 9,500 to 10,000
- Total initial employment estimated at 20,000 jobs

But... common multiplier at ports:
1 job in the port may lead to 2 to 4 jobs
in the region.....

Education and training will be vital
roles for the new port

