



7 July 2020

## Mozambique Operations Update

### Key Points

#### Mozambique Operations – Palma

- The refurbishment of RBR's Wentworth training facility and operations base in Palma is on track for completion mid-July
- The ~A\$1.16 million UKaid-funded JOBA Construction Skills Internship Program contract (see ASX release dated 14 April 2020) commenced in May, with interns scheduled to start their training in July. JOBA project revenues will reflect in the current quarter

#### COVID-19 Status: Mozambique

- Mozambique only moderately impacted by COVID-19. President Nyusi has extended the State of Emergency due to COVID-19 for a third month with eased restrictions
- Among the revised measures announced is the phased resumption of in-person classes at all levels of education (including RBR's training activities)

#### Status of LNG Projects and Market Opportunities

- The Eni and Total-led consortia developing their two LNG projects intend to maintain their schedules
- Total has secured US\$15 billion in financing for the project, with the financing agreement expected to be signed early July
- Total has declared the LNG site to be free of COVID-19 infections

#### Security

- As reported in the March 2020 quarterly report, RBR maintains a strong focus on the security of students, staff and property. The Company continues to proactively manage its security exposure in northern Mozambique through a combination of daily regional stakeholder/industry security briefings, a comprehensive risk management framework, and a conservative approach to any potential threats

## Mozambique Operations – Palma

RBR's Wentworth training and operations base's refurbishment is reaching finalisation. Security has been upgraded, connection to grid electricity restored, and new water reticulation and sewerage connections installed. The buildings are being repurposed to the Company's needs, and all the requisite office and training equipment is in place or awaiting delivery.

The refurbishment and upgrade activities have been undertaken by RBR on behalf of the Wentworth leaseholder, including using local workers hired, trained and supervised by the Company.

Although the JOBA Construction Skills Internship Program has started, the contractual work to date has been completing the agreed upgrades to the Wentworth camp (co-funded under the contract). The Company has commenced the recruitment of interns, who are graduates of the Total-sponsored Catalisa work readiness program, from the stakeholder communities. The training of the interns is due to start mid-July and the Company's revenues will reflect this activity accordingly.



**Pictures:** Western entry to Wentworth camp (above); Local workers undertaking refurbishment works (below).



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## COVID-19 Status: Mozambique

The country has been only modestly impacted by COVID-19 to date. As at 6 July 2020, there were a total of 987 cases, of which 723 were active, and 8 deaths. The initial outbreak was on the Afungi peninsula where the LNG projects are being developed. Total, the lead developer of the c.US\$23b Mozambique LNG onshore project, has declared the site to be free of infection and there is cautious optimism that improvements in hygiene and the implementation of transmission prevention measures will keep this region free of infection. Contractors are returning to the LNG construction site camps and resuming their activities.

Mozambique government departments have resumed partial operations, which in turn allows RBR's Futuro Business Services (FBS) to recommence its activities in processing various permits for clients. A portion of FBS's services involve visa and work permit processing which will recover in tandem with expatriates returning to the country, and a resumption in international travel.

Mozambique will authorise international flights with selected countries and on a reciprocal basis, intending to respond to the need for specialists, managers, and investors to boost tourism and business.

## Status of LNG Projects and Market Opportunities

The Eni and Total-led consortia developing their two LNG projects intend to maintain their schedules. Total recently reaffirmed its commitment to deliver first gas from its project in 2024.

Total's Engineering, Procurement and Construction contractor CCS JV is preparing quarantine sites in Palma so that any people who become infected with COVID-19 or another contagious disease, can be quarantined without hindering activities at site. One positive consequence of the COVID-19 pandemic will be a greater reliance on local upskilling and employment in place of expatriate workers, which is aligned with RBR's business model.

The UK Government has agreed up to US\$1bn in financing for a gas pipeline in Mozambique. The loan guarantee is one of the biggest single fossil fuel investments made by the export credit agency UK Export Finance (UKEF). RBR's training subsidiary Futuro Skills Mozambique, as a provider of UK-accredited training (Engineering Construction Industry Training Board - ECITB) is well-placed to secure a slice of the local training that will be needed to execute this capital project.

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