

FOR IMMEDIATE RELEASE

RDC-Led Consortium Receives OPIC Support for Nacala Project

Pittsburgh, Pennsylvania (USA) / June 30, 2003 — Robert A. Pietrandrea, President of Railroad Development Corporation (RDC) and Chairman of its Malawi investment—Central East African Railways (CEAR), announced an important milestone in the concession for the Nacala Corridor.

In a signing ceremony officiated by U.S. Secretary of State Colin L. Powell, held in Washington, DC on Friday, an agreement was executed between the Overseas Private Investment Corporation (OPIC) and the RDC-led consortium that has been working since 1999 to complete the transaction to create the first regional integrated port/railway transportation system for Malawi, Mozambique and Zambia. This agreement initiates the closing process whereby OPIC has pledged US\$29.6 million to finance the project.



Chairman **Robert Pietrandrea** (LEFT) of the Central East Africa Railways Company, and Chairman **Alberto Joaquin Chipande** (RIGHT) of the Corredor de Desenvolvimento Do Norte join OPIC President & CEO **Dr. Peter Watson** (CENTER) in signing a statement of common objectives on the Nacala Port and Railway Initiative. (PHOTO COURTESY OF OPIC)



(LEFT TO RIGHT) U.S. Secretary of State **Colin L. Powell**, Vice President **Justin Malewezi** of Malawi, President **Joaquim Chissano** of Mozambique, President **Levy Mwanawasa** of Zambia and OPIC President and CEO **Dr. Peter Watson**. (PHOTO COURTESY OF OPIC)

The Nacala Corridor consists of the Port of Nacala in Mozambique, the Northern Railway network of Mozambique, and the railway system of Malawi (CEAR). After many years of war and neglect and to improve the overall operational efficiency, the government of Mozambique invited the private sector to participate in a concession for the corridor that will connect landlocked Malawi and Zambia to the port of Nacala. The project will rehabilitate the 77-km section of the line between Cuamba and the border with Malawi at Entre Lagos, infrastructure improvements for Malawi to improve drainage and reduce line interruptions during the annual

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rains, as well as refurbish the largest natural deep-water port on the east African coast — the Port of Nacala.

According to a joint statement, the successful completion of this project will help the signatories' efforts to "significantly enhance their agricultural productivity and exports through increased access to expanded rail and port facilities, and provide a more direct, and less costly, means of transporting essential food aid to famine-stricken countries." The agreement states that the project would also serve as "tangible and long-term demonstration of US-Africa economic growth in the region," and would "contribute humanitarian cooperation in times of need."

In addition to **Railroad Development Corporation**, the consortium includes **Edlow Resources Limited** (ERL) (Bermuda), **MANICA** (Mozambique), **Mozambican private investors** and **CFM** (Mozambique's Port and Railway administration). A new company has been formed to operate and manage the port and railway, **Corredor de Desenvolvimento do Norte, S.A.R.L.** (CDN), for the 15-year concession.

RDC is a privately held Pittsburgh-based railway management and investment company, focusing on "Emerging Corridors in Emerging Markets." For more information about RDC and its joint ventures in the USA, Argentina, Guatemala, Peru, Estonia and Malawi, please visit www.RRDC.com.

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