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April 15, 1988

Hassab El Rasoul Mohamed El Tayeb
The Founders Group of the Sudanese
Company for Water and Economic
Resources Development, Ltd.
Mardi Mohiedin Building
114 Garnherric Avenue
Khartoum, Sudan

Dear Mr. El Rasoul:

BCI Geonetics, Inc., is pleased to submit this unsolicited proposal to the Founders' Group, represented by Hassab El-Rasoul Mohamed El Tayeb, for an unprecedented programme of private sector-initiated and controlled economic development, based upon the successful demonstration by BCI Geonetics of appropriate water sources in the Red Sea Province.

The BCI Geonetics proposal is presented in three parts, beginning with a description of the highly innovative hydrologic and business rationale for the Project, followed by a presentation of the scope of work, including timing and proposed budget, and concluding with a section on the key BCI team members' qualifications, BCI corporate capabilities and experience, along with support documentation concerning the unique qualities of the MESA program.

It is our sincere belief that the success of this water feasibility project will present a major opportunity for business growth in agriculture, mining, industry and municipal water sales. Further, the innovative structure and business goals of the Founders' Group are uniquely designed to achieve maximum benefits from the discovery of new water resources in the Red Sea Province and elsewhere in Sudan.

We at BCI look forward with enthusiasm to the opportunity to work with you and your associates in this worthy endeavor.

Sincerely,

Robert A. Bisson

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WATER AND PROSPERITY IN THE RED SEA PROVINCE

**THE NATURE OF THE CHALLENGE
AND
A METHOD OF RESOLUTION**

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Introduction: Megawatersheds of Africa--a New Perspective on Groundwater

1 In the arid regions of East Africa, the occurrence of
2 groundwater is not a spontaneous or recent event, but is the
3 result of geologic and climatic processes that have taken
4 millions of years to slowly evolve. The ephemeral surface
5 and limited near-surface waters of the Red Sea Province are a
6 reflection of short-term rainfall events and relatively brief
7 (in geologic terms) wet or dry periods. At the same time,
8 deeper channelways in the consolidated rocks are filled with
9 waters collected over great distances in space and time, and
10 are controlled more by gravity and the friction of the water
11 flowing against confining walls and through course,
12 rubbalized rock than by brief periods of local rainfall,

13 Thousands of feet deep and tens of miles in extent,
14 these passageways intersect with other channelways, blending
15 the physical and chemical attributes of their waters and then
16 flowing the direction that the hydraulic gradient requires,
17 toward the sea, or toward the desert. After decades, or
18 more, they eventually discharge as submarine springs, into
19 the sea, or into desert evaporation, briefly appearing as
20 surface or near-surface water, creating "plant-friendly
21 environments for natural oases, or salt-encrusted "pans",
22 which act as chemical "wicks", pulling the water to the
23 surface where it appears only as vapor en route to the sky.

24 These three-dimensional dendritic flow networks braid
25 their way under the arid lands of the Red Sea Province in a
26 state of equilibrium. When rain falls in the hills, as it
27 often does, much of the new water goes immediately through
28 the permeable, fractured mountain rocks, adding to the water
29 level within the fracture fabric and adding a slight "push"
30 to the hydraulic pressure of that discreet flow regime. The
31 friction associated with the long flow network resists the
32 "push" and much of the "new" water flows off the top into
33 wadi sands or even flowing as surface water for a brief time
34 before being returned to the sky as evaporation.

35 If, however, groundwater pathways within the rock are
36 intercepted by drilled wells, and the distance from "new"
37 rainfall sources is known, plus the correct assessment of
38 aquifer storage is made, then a new equilibrium state can be
39 achieved, by deliberately pulling water out of the pathways
40 in quantities and at locations which induce more "new" water
41 into the deep flow system and (imperceptibly) slows down a
42 component of flow destined for desert evaporation or deep
43 ocean springs.

1 The total amount of water which can be removed from the
2 bedrock network of confined and semi-confined "aquifers" is a
3 function of many, many variables. This subject area is the
4 sole specialty of BCI Geonetics, Inc. This U.S. high-
5 technology company has spent 15 years and several millions of
6 dollars working diligently toward a better understanding of a
7 regional hydrogeologic phenomenon, which BCI's CEO has coined
8 the "Megawatershed."

9 The tangible result of BCI's efforts is a long,
10 unprecedented record of achievement in the very practical
11 matter of discovering major new sources of fresh water,
12 either directly in fractured bedrock environments, or in
13 basins recharged by deep bedrock sources. BCI Geonetics has
14 made history in the drilling of high-yield production wells
15 in igneous and metamorphic rocks, with average yields greater
16 than 150,000 gallons per day and with maximum yields as great
17 as one million gallons per day, extracted by single wells.

18 In the limestone bedrock of the high desert of the Horn
19 of Africa, BCI drilled test wells with average yields of over
20 200,000 gallons per day, where no one in history had found
21 any appreciable groundwater in bedrock. The high desert of
22 southern California has also yielded water to BCI's methods,
23 with a million gallons per day coming from just one well in
24 an area of 4" per annum rainfall.

25 The basement complex of the Red Sea Province are
26 singularly difficult to deal with and will defeat any
27 standard "hydrologic" approach to water development. On the
28 other hand, this type of hydrogeologic terrain is familiar to
29 BCI's explorationists and is a suitable location for applying
30 the predictably successful, specialized water exploration
31 approach known as the MESA Program.

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1 Project Background and Rationale

2 In the past decade, BCI Geonetics, Inc. has accomplished
3 several groundwater exploration programs in various African
4 States, using a technology, called the MESA Program, which is
5 proprietary to BCI. In a U.S.AID. financial feasibility
6 program carried out by BCI in an arid, 14,000 square mile-
7 region of northwest Somalia, BCI achieved its goals in 18
8 months, as planned. Further, recent observations documented
9 in a special report to USAID, Khartoum by BCI Chief
10 Executive, Robert A. Bisson, with regard to groundwater
11 potential in Sudan, indicate the occurrence of major regional
12 groundwater flow regimes associated with fault and fracture
13 systems which are controlled by basement tectonism. The
14 hydrogeologic phenomena, coined "Megawatersheds", by Mr.
15 Bisson, pervade the basement and sedimentary rocks of Sudan.
16 One of the regions cited as favorable by Bisson was the 5,000
17 or so square miles of the Red Sea Province proximal to Port
18 Sudan.

19 Bisson and his colleagues at BCI have a specialized
20 knowledge of the "Megawatershed" phenomenon, which Bisson
21 first formally identified in Southern Africa and East Africa
22 in 1984. This proprietary "know-how", based upon extensive,
23 unprecedented work performed by BCI in Africa using the MESA
24 program, combined with the basic BCI premise that the
25 practical solution to water development, world wide, lies in
26 the private sector, led BCI to contact Sudanese private
27 enterprise. Our objectives were to identify private-sector
28 interest and capabilities in the follow-up of a water
29 feasibility demonstration program, with the capital
30 investment and business acumen necessary to create prosperous
31 regional enterprises from newly discovered water supplies.

32 Therefore, this proposed program of water exploration in
33 the Red Sea Province is a result of both a prefeasibility
34 technical analysis of the region and a series of highly
35 productive meetings with key private-sector representatives.
36 The pilot program is a cooperative Sudanese and U.S. private-
37 sector venture, to be carried out by a Sudanese corporation,
38 currently called the "Founder's Group", which has a formal,
39 long-term commitment to a water-induced economic development
40 process, in accordance with sound business planning.

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1 In order to provide solid evidence to the Sudanese
2 business community "Founders Group", of the presence of an
3 economically developable groundwater resource in the Port
4 Sudan Region, a feasibility project must be implemented.

5 The feasibility program must address the "megawatershed"
6 prospects of groundwater recharge, transport and storage,
7 while evaluating the environmental impacts of any proposed
8 development schemes. The feasibility report must also
9 present, in a practical business format, a plan for the
10 development and effective application of newly proven water,
11 to the process of profit and job generation, resulting from
12 agricultural projects, increased mineral production, export
13 and foreign capital generation.

14 In order for an optimum opportunity for a successful,
15 positive contribution to Sudan's stability and future growth,
16 and reflective of the fact that the singular track record,
17 local know-how and exploration technology all belong to a
18 U.S. small-business -- it would seem appropriate for USAID to
19 fund the feasibility program.

20 SCOPE OF WORK

21 Summary of Goals, Methods, Budget and Team Description

22 The proposed Red Sea Province feasibility demonstration
23 programme will be carried out by BCI Geonetics, Inc., under
24 contract with the Founders' Group, with a great deal of
25 local, Sudanese participation in management, data collecting,
26 well drilling and socio-economic analyses.

27 The goals of the programme are two-fold. First, water
28 sources with substantial development potential in a 5,000
29 square mile region around Port Sudan will be mapped, using
30 the proprietary BCI MESA exploration program. The goal will
31 be to prove new supplies of fresh water in quantities
32 compatible with specific agricultural, mining and industrial
33 development projects, which will be identified and evaluated
34 during the feasibility programme. Second, a particular
35 water-based new business, in agriculture, mining or industry
36 will be chosen by the Founders' Group and appropriate action
37 taken to actually place the new water sources into
38 production, for the new business to utilize, in the
39 generation of local jobs and profits.

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1 The method used to discover the new water sources is
2 trademarked the MESA Program and is the proprietary
3 exploration technology of BCI Geonetics, Inc. The effective
4 use of this specialized water mapping program in Sudan will
5 be assured by the collaborative management efforts of BCI's
6 U.S. Chief of Exploration, Dr. Roland B. Hoag, Jr., and BCI's
7 Sudan Chief of Exploration, Dr. Mohamed Ayed.

8 The total budget for all aspects of the feasibility
9 study is 1.5 million U.S.D. Approximately 650 thousand U.S.
10 dollars of the budget will be allocated to drilling costs and
11 capital equipment for Sudan operations; 100 thousand U.S.D.
12 for socio-economic studies carried out by Sudanese experts;
13 and 750 thousand U.S. dollars for the BCI U.S. and Sudan
14 exploration program, (including approximately two hundred
15 thousand for BCI-employed Sudanese professional, technical
16 and support personnel and expenses). Client billing will be
17 on a retainer plus phased-payment basis, as described in a
18 separate document addressed to Mr. Hassab El Rasoul.

\$ 650
100
750

\$ 1.5 M

19 The total time required to complete the project will be
20 eighteen months from contract execution.

21 The Project team is comprised of experts in the fields
22 of business development, economics, and government relations
23 (Sudanese consultants) working in close cooperation with
24 professionals in groundwater exploration and desert ecology
25 (BCI Geonetics and drilling contractor).

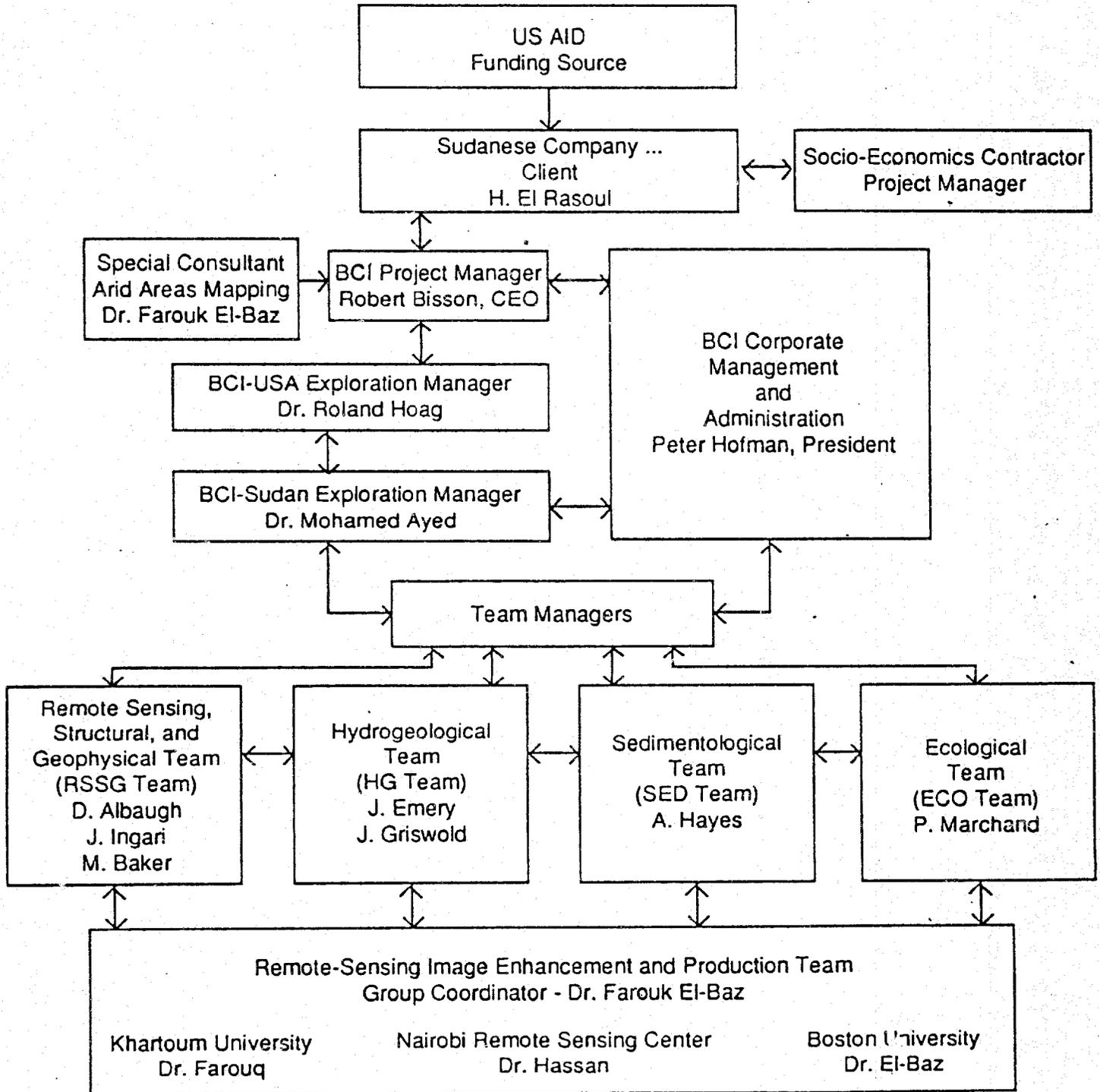
26 Outputs of the Exploration Program

27 BCI explorationists will be led by Chief Executive
28 Officer Robert A. Bisson, with technical counsel from arid
29 areas mapping specialist Dr. Farouk El-Baz, of Boston
30 University. BCI USA Chief Scientist, Dr. Roland B. Hoag,
31 Jr., and Sudanese Chief Scientist, Dr. Mohamed Ayed and their
32 team of US and Sudanese experts will employ the proprietary
33 exploration methodology known as the "MESA" Program, to carry
34 out four phases of exploration in order to accurately
35 characterize, and plan the development of, the groundwater
36 resources of certain areas within the Red Sea Province.
37 These target areas will also be evaluated by Sudanese
38 experts, for economic development potential, based on
39 relevant socio-economic criteria and the availability of new
40 water resources.

ORGANIZATIONAL CHART

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The project task force will be organized into teams according to their disciplines and task assignments. An organizational chart is presented below:



1 The BCI team recognizes that the complex nature of the
2 Red Sea Province physiography requires comprehensive, multi-
3 element remote-sensing coverage and specialized enhancement
4 and production of imagery. In order to facilitate the proper
5 coverage in a timely manner, BCI has enlisted the services of
6 an international, remote-sensing, image-enhancement and
7 production team, combining the specialized capabilities of
8 three institutions and their senior technical staff. Dr.
9 Farouk El-Baz will be the group coordinator of the effort,
10 with participation by Khartoum University (Dr. Faroug Ahmed,
11 Principal Investigator); the Nairobi Remote-Sensing Center
12 (Dr. Hassan M. Hassan, and Dr. Alan Falconer, co-principal
13 investigator); and Boston University (Dr. Farouk El-Baz,
14 principal investigator).

15 Outputs from the four phases are described,
16 diagrammatically, on the next few pages. The MESA Program
17 tasks, which will be carried out during the project are
18 described in flow charts on the pages following this
19 discussion of outputs. It should be noted that, although the
20 MESA program is generally described here as a multivariat
21 approach, using matrix analyses, the nature of the matrices,
22 data types and sequence of inputs and composite analyses, as
23 well as the exact type of field instruments used on this
24 project, or interpretive methods employed, are all the result
25 of BCI's internal research and are proprietary to BCI, and,
26 as such, will not be detailed in this proposal or in project
27 reports. Substantial background information on BCI Geonetics
28 key men involved in the proposed project are also contained
29 in this proposal package.

30 The program outputs and time frame of each phase are
31 described below:

32 Phase I Program outputs include:

33 Program output #1; a map, showing preliminary priority
34 target areas (PTA) within the general study region for new
35 water development;

36 Program output #2; a preliminary economic analysis on
37 the selected areas; and

38 Program output #3; identification of preliminary
39 environmental impact factors of consequence in the target
40 areas.

41 Phase I will require 90 days to complete and BCI's
42 senior team members will then meet with the Sudanese Company
43 and USAID project personnel in Khartoum to discuss the
44 results and refine the Phase II plan.

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1 The Phase II output (#4 of the program) is a map showing best
2 priority target areas (PTA), screened for favorable
3 hydrogeologic and economic attributes by field teams of BCI's
4 US/Sudanese scientists and other appropriate Sudanese
5 experts. The Phase II output-PTA will number 10 to 15 and
6 encompass 100 to 1,000 acres each.

7 Phase II completion will require 90 days.

8 Phase III outputs include:

9 Program output #5, the installing of several stakes in
10 the ground at each of 5 to 10 of the Phase II target areas,
11 indicating test drilling locations for aquifer access or
12 other geologic "down hole" analyses. The Phase III screening
13 process, once again, involves both hydrogeologic and economic
14 criteria. Many areas not chosen for water testing, will
15 remain as highly favorable locations for future development,
16 as the region develops further.

17 Program output #6 is a technical report with preliminary
18 estimates of resource magnitude, gallons per day.

19 Program output #7 is a report with drilling
20 specifications for test drilling relating to approximate
21 depths, rock type, etc.

22 Program output #8 is a preliminary (in-house)
23 environmental impact analyses, performed for the 5-10 final
24 PTA.

25 Phase III will take 90 days to complete.

26 Phase IV outputs include:

27 Program output #9, which is a report from BCI regarding
28 water resource development potential at the final 3-5 sites
29 tested by the firm.

30 Program output #10 will be a technical report
31 identifying production well sites and providing preliminary
32 production well design and estimates of cost to develop the
33 groundwater at 2 target areas, chosen by the client as most
34 suitable for business development ventures.

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1 Program output #11 will be a draft environmental impact
2 analysis.

3 Phase IV will be completed in 270 days.

4 Phase V (future):

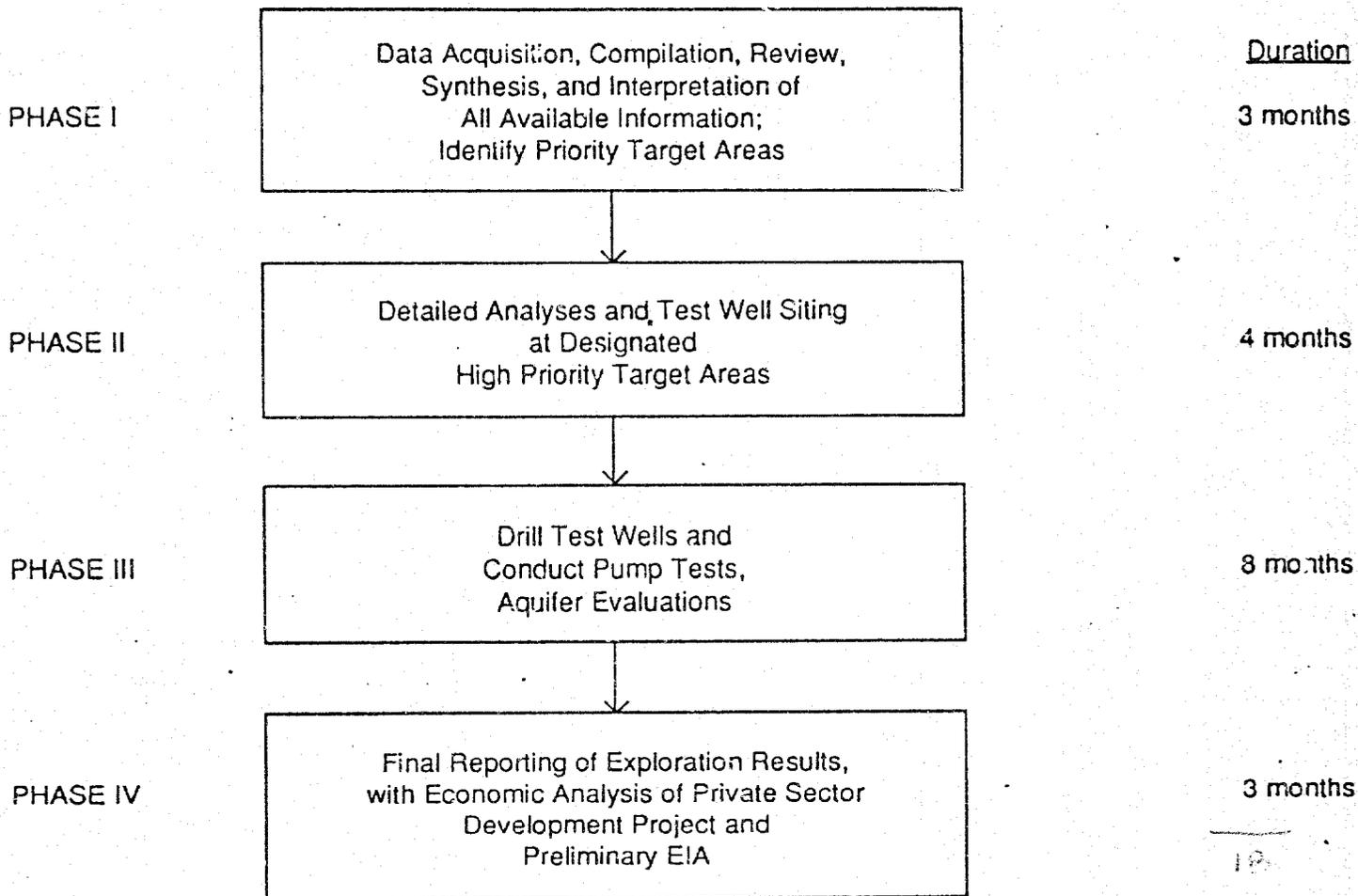
5 Also included on the flow charts is a general
6 description of the tasks required for the Phase V pilot water
7 development project, which is not part of this feasibility
8 demonstration program.

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RED SEA PROVINCE

PROJECT FLOW CHARTS

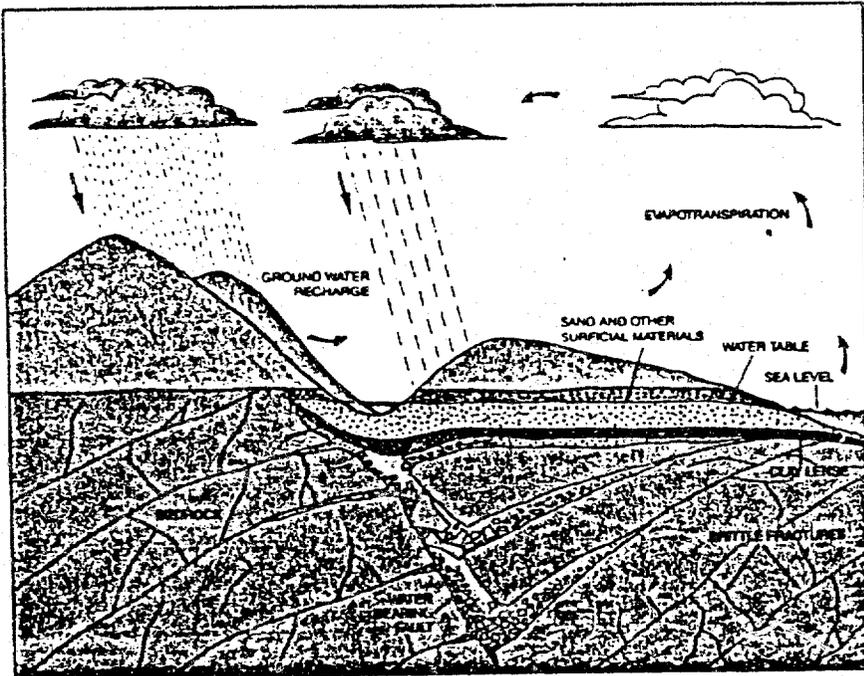
This investigative study is developed in phases, with the tasks and information gained building upon that obtained in the preceding phases. We propose a four phase study as illustrated in the following flow chart:



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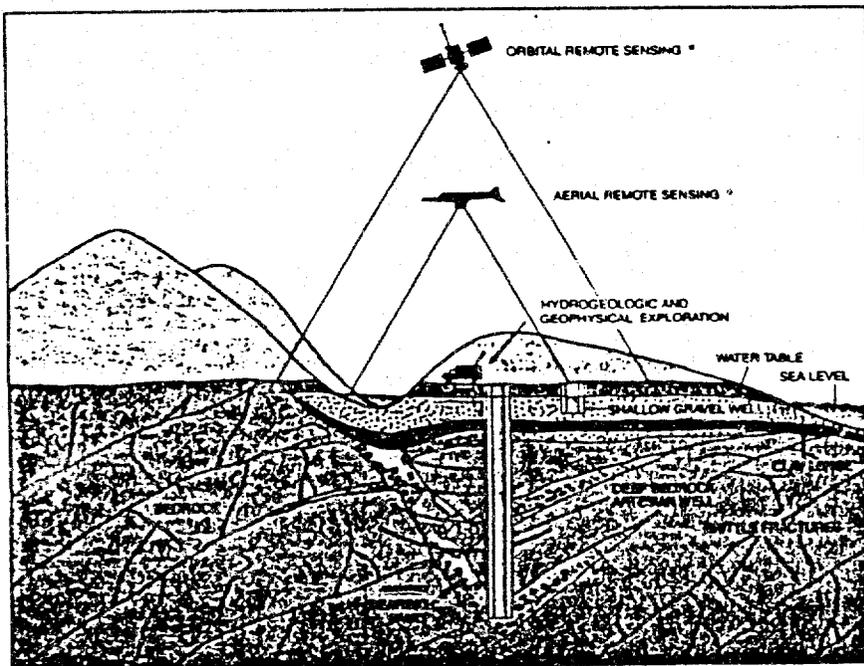
THE MESA PROGRAM
 (Mineral Exploration Systems Analysis)
 Developed by BCI Geonetics, Inc.
 Laconia, New Hampshire

BCI Geonetics, Inc. has developed a logical, systematic approach to groundwater exploration that incorporates a variety of tools and techniques adapted and developed specifically for this purpose. A basic premise of this Mineral Exploration Systems Analysis (MESA) is that groundwater, like other minerals, is found in large quantities in certain geologic environments. The strategy of BCI's exploration program is to locate groundwater by first identifying those areas in which it is likely to occur. The areas are first evaluated, both from a geologic and hydrologic viewpoint, to determine probable quantity and quality, and then further evaluated according to the economic advantages each may present.



The Hydrologic Cycle

Rain water falls on rock and soil. Some of the water evaporates and the remaining water infiltrates into the shallow surficial materials and deep into fractured bedrock systems. The water then flows through these various materials toward the sea. Much of the water that reaches the ocean is then evaporated and returned to the land in rainfall.



The Company's Mineral Exploration System Analysis program involves a wide range of hydrogeologic and geologic analyses designed to locate areas of high groundwater potential and evaluate the total groundwater resource, which includes fractured bedrock and surficial deposits.

- *Orbital and aerial remote sensing refers to the task of photographic and collecting data of the land area under evaluation. Generally, such remote sensing data are in existence; if not, the Company may contract with public or private firms to perform these services.*

These illustrations present conceptual depictions of the hydrologic cycle and elements of the MESA exploration program and do not portray accurate or proportional vertical or horizontal scales.

PHASE I - DATA ACQUISITION, COMPILATION, REVIEW, SYNTHESIS, AND INTERPRETATION OF ALL AVAILABLE INFORMATION

Search and Acquire Available Information

Tasks: (ECO)
 Geomorphology/Land Access
 Existing Groundwater Studies
 Existing Ecological Studies

Tasks: (HG)
 Published Climatological/
 Microclimatological Data
 Surface Drainage/Storage
 Hydraulic/Hydrologic Characteristics

Tasks: (RSSG)
 Satellite/Aerial Imagery/Photos
 Manned Orbital Missions - Special Data
 Space Shuttle Photos/SIR/TIR
 Geomagnetic Data
 Gravitational Data
 Seismological Data
 Seismicity (Historical)
 Basement Lithologies & Structures
 Tectonic History
 Consolidated Sedimentary Rocks

Tasks: (SED)
 Existing Studies & Maps
 Geologic Logs
 Soil Reports/Maps
 Highway Construction Plans
 Soils/Unconsolidated Sediments
 & Consolidated Sedimentary Rocks

Sort and Compile Existing Data/Remote Sensing Into Preliminary Map and Matrix Format

Tasks: (ECO)
 Land accessibility and Mobility
 Water Quality Trends - Geographic & Time
 Water Borne Nutrients & Stresses
 Ecological Classifications of Areas

Tasks: (HG)
 Map Surface Water Flows
 Produce Well Location Map
 Groundwater Flow Patterns Premapped
 K & T Maps for All Aquifers
 Table All Hydrological Parameters
 Table All Climate Parameters, Evapotranspiration
 Table All Recharge Data, All Aquifers

Tasks: (RSSG)
 Select Best Wet & Dry Season/Diurnal Imagery
 Input Fracture Fabric of Sediments
 Delineate Welland & Unique Areas
 Plot Basement Rocks & Structures on Digital
 Overlays
 Plot Magnetic & Gravity Data on Digital Overlays
 Develop Preliminary Cross-Sections

Tasks: (SED)
 Select Relevant Geologic Logs
 Rewrite Logs into Facies Format
 Decide Lines of Cross-Sections

Matrix Analyses: Secondary Data; Remote Sensing

Tasks: Matrix Analyses (ECO)
 Draft Summary, All SEEB Data
 Predictions based upon
 Secondary and
 Remote Sensing Inputs

Tasks: Matrix Analyses (HG)
 Draft Summary, All HG Data
 Maps, Tables, Graphs

Tasks: Matrix Analyses (RSSG)
 Draft Summary, All RSSG Data
 Relationship Structure/Groundwater

Tasks: Matrix Analyses (SED)
 Lithofacies Data Encoded/
 Ratioed
 All Logs Reclassified
 Facies vs. Groundwater Flow
 Interpreted
 Lithofacies Cross-Sections Completed

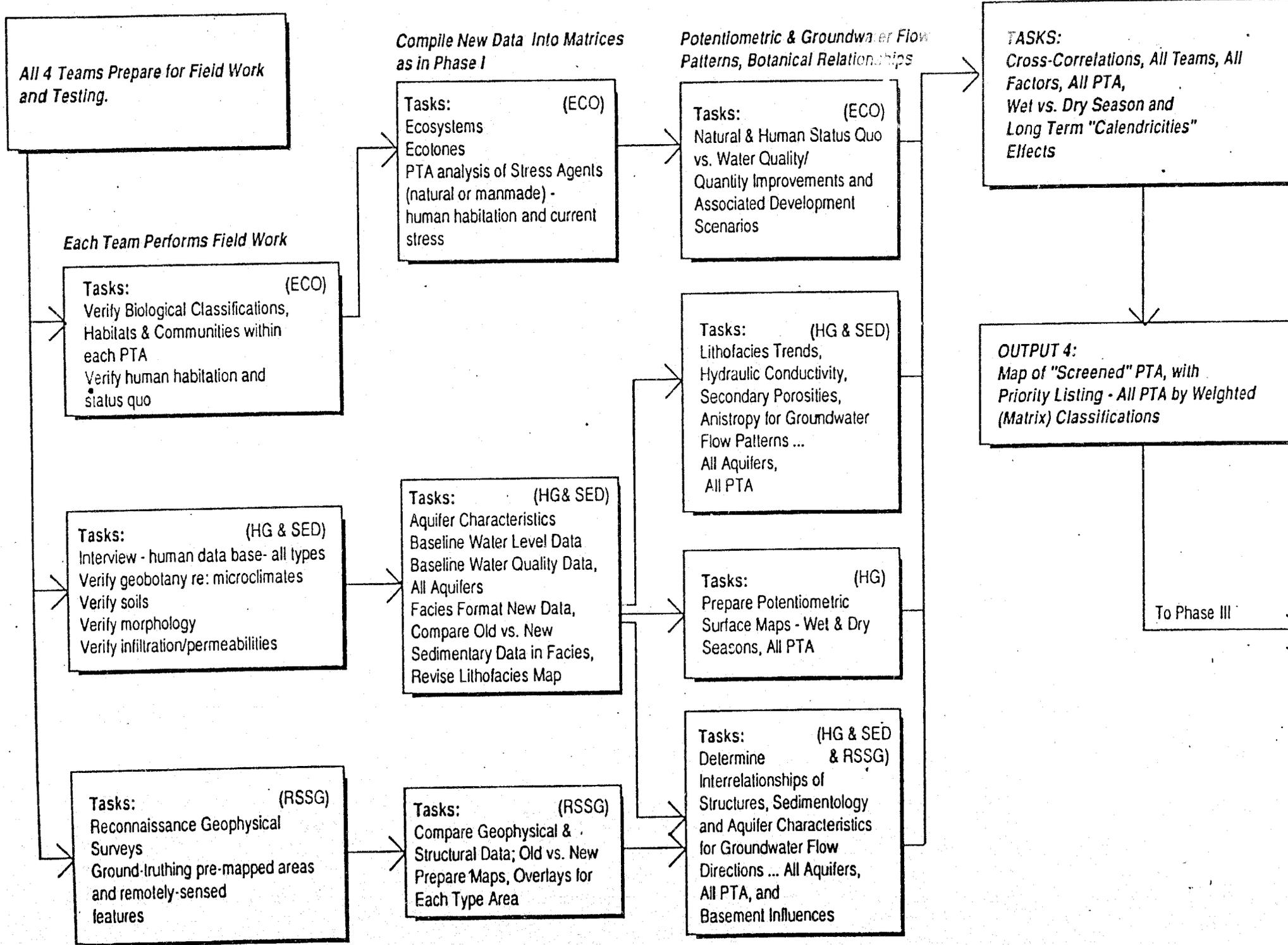
OUTPUT 1:
 Map of
 "Priority Target Areas" (PTA's)
 for detailed studies; based upon
 matrix composites analyses

OUTPUT 2:
 Preliminary Economic
 Analysis on PTA

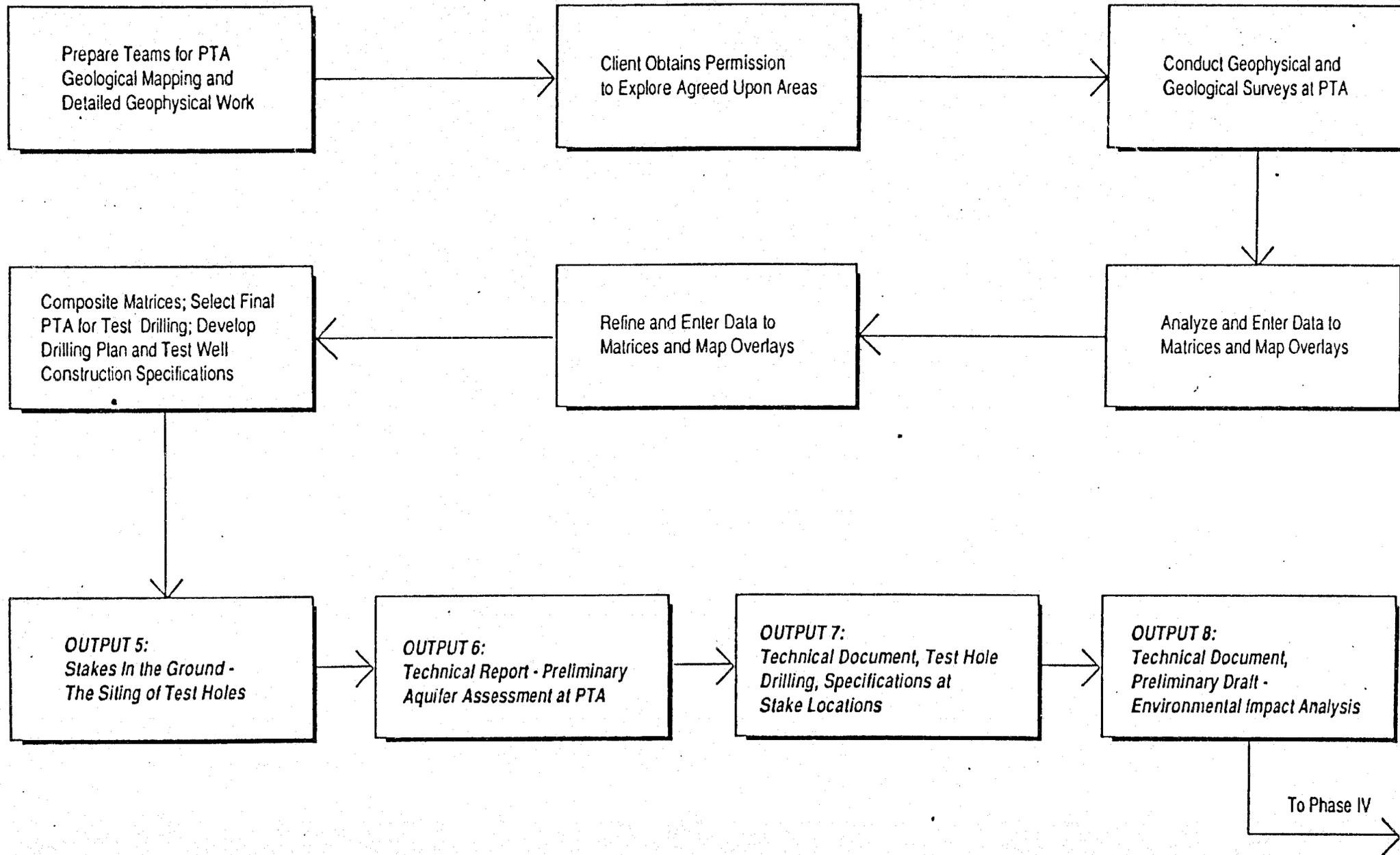
OUTPUT 3:
 Identification of
 Preliminary Environmental
 Impact Factors at
 PTA

To Phase II

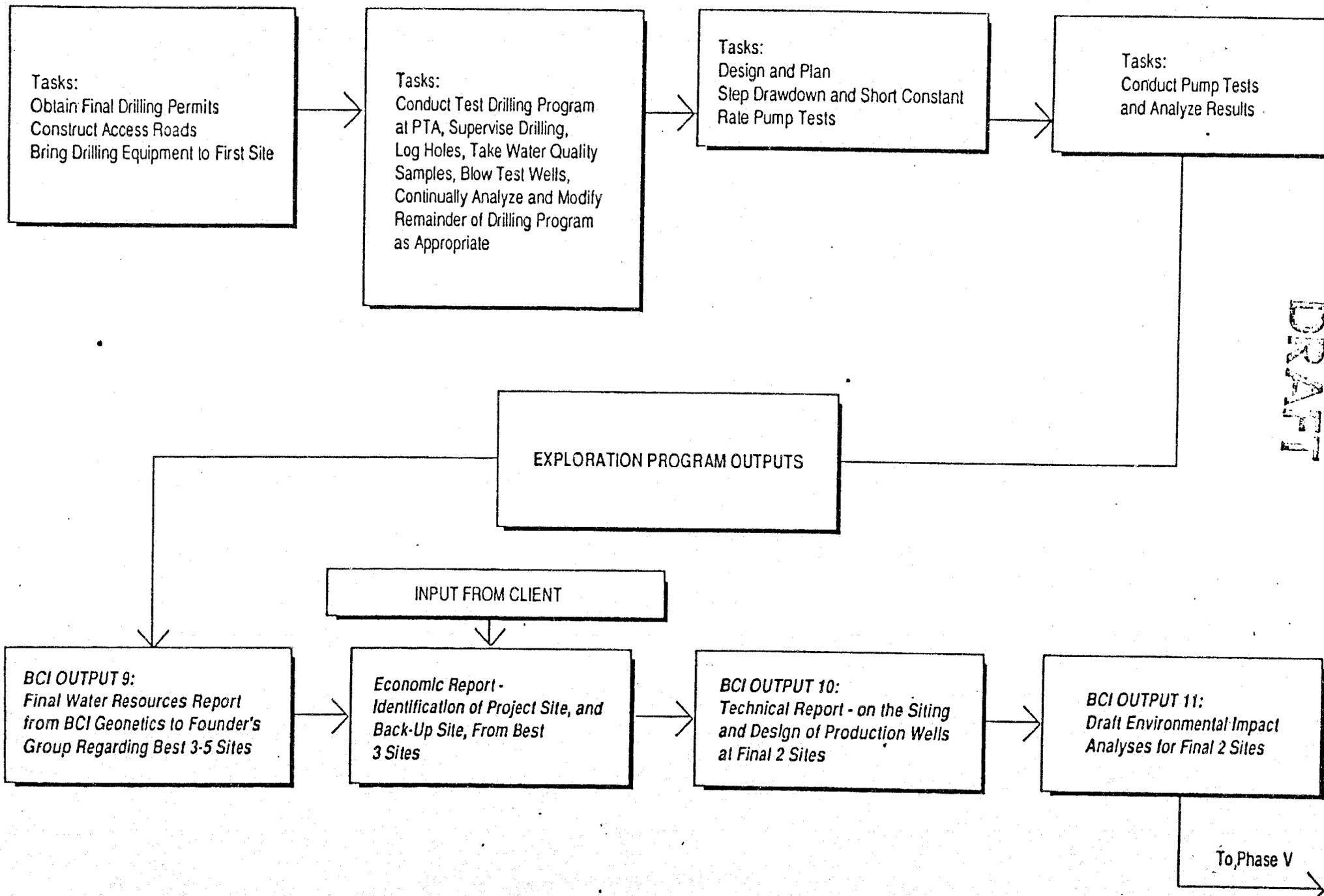
PHASE II - FIELD RECONNAISSANCE OF DESIGNATED "PRIORITY TARGET AREAS" (PTA)



PHASE III - HIGH-RESOLUTION MAPPING - LOCATING OF TEST WELLS

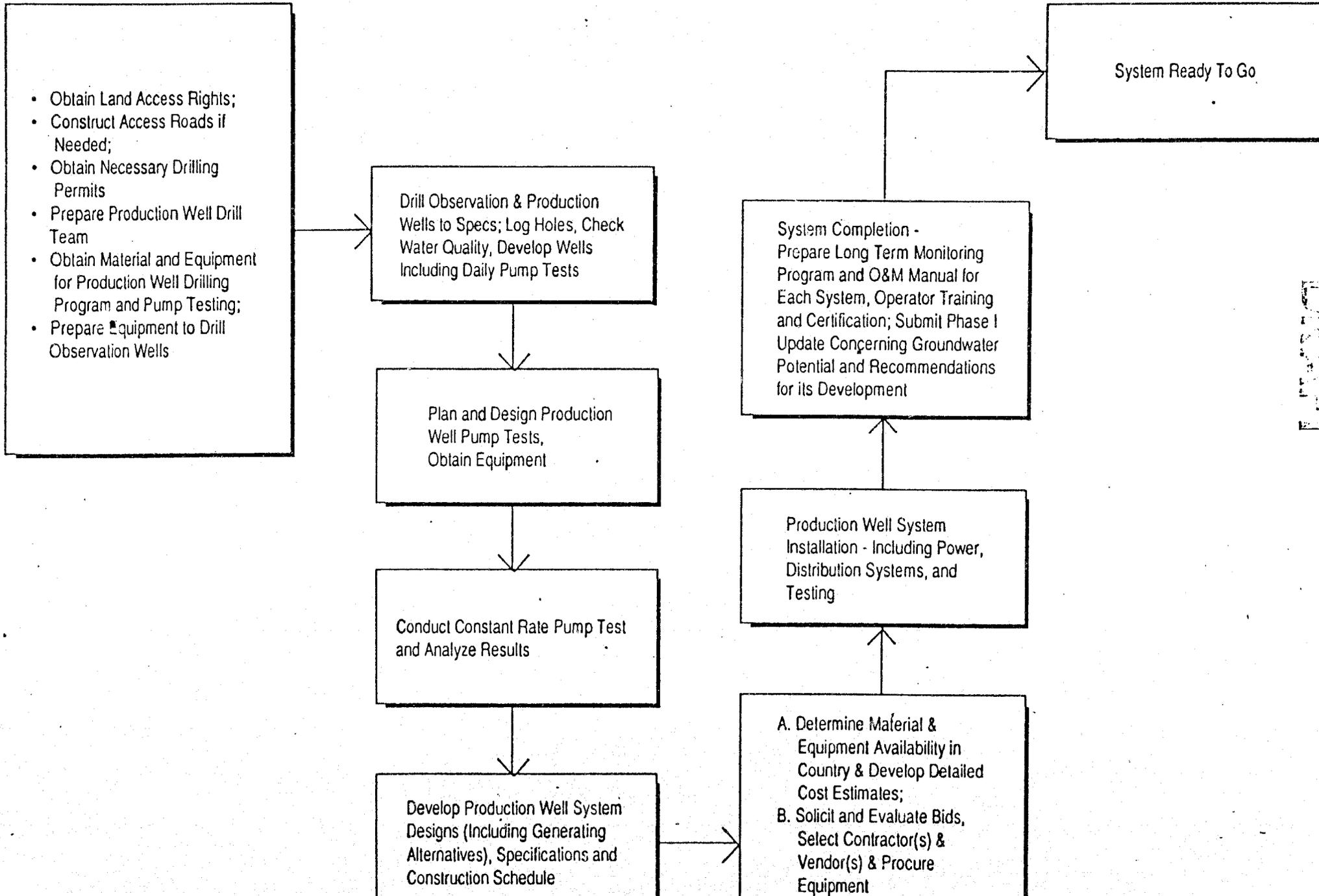


PHASE IV - TEST HOLE DRILLING AND PUMPING TESTS



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(FUTURE) PHASE V - PILOT DEVELOPMENT PROJECT: PRODUCTION WELL SYSTEM INSTALLATION



RED SEA PROVINCE - SUDAN
WATER DEVELOPMENT FEASIBILITY
PROVINCE
FOR SOCIO-ECONOMIC FEASIBILITY STUDY
Noted (AWC)

RED SEA PROVINCE, SUDAN

WATER DEVELOPMENT FEASIBILITY PROGRAM.

INTRODUCTION

This proposal presents a highly promising request to the U.S. Agency for International Development to support the development of deep groundwater resources in the Sudan. It represents an innovative and cooperative effort on the part of two private sector parties, one Sudanese and one American, each of which has something unique to contribute to groundwater development. These parties, the Sudanese "Founders Group" and BCI Geonetics Inc. of Laconia, New Hampshire, have come together of their own initiative to form a joint business venture. The overall goal of the venture is to tap Sudan's "megawatersheds" for the purpose of developing business applications which capitalize on the economic value of water. The Founders Group and BCI wish to enlist the assistance of USAID Sudan in the preliminary stage of this venture to demonstrate the physical and economic feasibility of exploiting Sudanese groundwater reserves. The modest funding requested for this project can be viewed as venture capital which has the potential to release a flood of additional water-related investment from the private sector in Sudan.

Specifically, this proposal presents an offer on the part of the Founders Group and BCI to undertake a two-dimensional feasibility study of groundwater development in the Sudan. In particular, the Founders Group proposes to analyze and evaluate the economic and financial feasibility of a range of business uses of water reserves. It expects to identify and select a specific business application for development within the Red Sea Province as a result of this project. BCI Geonetics Inc. proposes to demonstrate the geophysical feasibility of finding and developing groundwater reserves. The two dimensions of this study have been termed "socio-economic feasibility" and "geophysical exploration feasibility" respectively throughout this proposal.

The successful demonstration of economic and exploration feasibility during this pilot project will trigger an extended business venture on the part of BCI and the Founders Group. Indeed, it is long-term business prospects which are motivating the parties to come together. As stated, the goal of the socio-economic feasibility study is to identify a promising water-based business in the Red Sea Province. The Founders Group intends to develop this business with their own financial resources following completion of the pilot study. The goal of the overall venture can be viewed as much more ambitious however. The Founders Group intends to invest in water exploration and development throughout the Sudan through the formation of "The Sudanese Company for Water and Economic Development, Ltd." (SUCWED). Initially, SUCWED will execute the specific business identified during the feasibility stage. Following that, SUCWED will pursue the development of water-based businesses wherever the potential permits within the Sudan. Many members of the

founders group who will contribute equity to SUCWED already have an interest in becoming "customers" of the company. The majority of them currently own businesses which could be expanded or upgraded given an economic supply of water. Clearly, the Founders Group members have come together because of direct and active business interests, and not merely as speculative investors.

A more thorough introduction to the parties involved in this venture is presented below:

Private Sudanese Founders Group

A group of prominent Sudanese businessmen has agreed with BCI to form a company incorporated in the Sudan for the purpose of developing and marketing water-based domestic businesses. These businessmen contribute a thorough knowledge of the Sudanese business environment, and are in the best possible position to transform water from a physical resource into an economic resource for the nation. Collectively, these businessmen own and manage assets representing several billion pounds of investment in the Sudan. These are businessmen who continue to focus on the potential of the domestic private sector and who have the potential to mobilize capital investment on a large scale. Annex No. 1 presents a more detailed listing of some members of the Founders Group as well as abbreviated profiles of their business interests in the Sudan. These businessmen have formed a "Founders Group" which is presently in the final stages of being established as a legal entity. A copy of the draft Founders Agreement is displayed in Annex No. 2. At present the interests of the Founders Group are represented by one of its members, Mr. Hassab el Rasoul Mohamed el Tayeb. Mr. Hassabo is the founder and managing partner of Hassabo & Company Certified Accountants and Management Consultants in the Sudan.

BCI GEONETICS, INC.

BCI Geonetics, Incorporated is a groundwater exploration and development company founded in 1972 by a team of high-tech scientists in New England. BCI employs a trademarked process called Mineral Exploration Systems Analysis (MESA) to find and develop reserves of deep groundwater. BCI has successfully developed groundwater reserves in parts of the high desert of California, as well as in remote areas of Somalia. BCI's proven expertise will permit this venture to develop a vast physical resource heretofore untapped in the Sudan. Mr. Robert Bisson is the Chief Executive Officer of BCI Geonetics, Inc. In the Sudan BCI will be represented by Dr. M.A. Ayed, a Sudanese expert in exploration geophysics.

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UNIQUE NATURE OF THIS PROJECT

This project differs from the myriad of water development projects which are ordinarily presented to development funding organizations in dramatic and fundamental ways. A brief summary of its innovative qualities is presented here.

First, the idea of developing Sudan's "megawatersheds" through the use of BCI's MESA technology is, in and of itself, unique. BCI's techniques go beyond those of other enterprises in the field of groundwater exploration to integrate meteorological, geological, hydrological, geophysical, geobotanical and geochemical data in the exploration process. The MESA technology is the result of considerable research and development in groundwater exploration carried out by BCI and its success ratio has averaged nearly 100% over the past five years.

Second, this project is fundamentally a private sector initiative. It represents a joint venture between both U.S. and Sudanese private sector interests. Benefits to the Sudan economy will result through the stimulation of market driven, cost-conscious, profit-maximizing forces-- all of which currently exercise too little influence in the Sudan economy.

Third, this project represents one of "technology transfer" with a difference. Most technology transfer projects envision a one-way sharing of expertise, from the developed country party to the developing country party. The current project comprises much more of a partnership approach wherein each party contributes their particular knowledge to the benefit of the venture as a whole. While it is indeed true that valuable high-tech methods will be brought by BCI to the Sudan, likewise the Sudanese businessmen will bring to the venture their network of contacts, acumen and local business knowledge, all of which are essential to transform water supplies into economic resources. More than technology transfer, this venture will be one of shared expertise, shared risks and shared rewards.

Fourth, this project casts USAID Sudan in a pioneering role which is consistent with the agency's priorities to achieve development goals through private sector promotion. In this project, USAID's role may be characterized as that of broker, entrepreneur and venture capitalist all in one. As has been stated, the parties to this proposal are willing to commit significant human, material and financial resources to the development of proven groundwater resources in the Sudan. However, nobody has yet provided the solid proof desired by prospective investors. Though the data have convinced geohydrology experts that significant groundwater reserves do exist, shrewd Sudanese investors require convincing physical proof before committing extensive equity. By financing the pilot feasibility stage, USAID can be seen as an entrepreneur providing venture capital

necessary to to catalyze significant additional private investment. If it chooses to fund this project, USAID will have served as a very effective broker in bringing together private U.S. and Sudanese interests.

STRUCTURE OF THE PROPOSAL

In the following pages, the core details of this proposal are presented. It is divided into two parts corresponding to the two dimensions of the proposed study. Part I elaborates on the socio-economic dimension of the project and it has been prepared according to the specifications of the Founders Group. Part II elaborates on the geophysical exploration objectives of the project. It has been prepared by BCI Geonetics, Inc. This is followed by a presentation of the proposed project organization structure along with the resumes and qualifications of proposed study team members. At the end of this proposal is a detailed line-item budget estimate.

PART I: SOCIO-ECONOMIC FEASIBILITY STUDY

RATIONALE FOR BUSINESS DEVELOPMENT

Like most countries in Africa, the Sudan has an economy based primarily upon the exploitation of its natural physical resources. Unfortunately, Sudan suffers in that these resources are limited and constrained by many factors. The lack of water is key among these factors. The northern third of the country is desert and largely devoid of development. The Sahelian center suffers from uncertain rainfall and prolonged periods of drought. The vast irrigation schemes developed along the Nile already utilize eighty percent of the irrigation water available to the Sudan as limited by treaty with Egypt. There is a tendency to view the lack of water as primarily limiting to agricultural development. In fact, if water were to be made available in abundant, economic supply, it would become clear that there are many other industrial, mining and consumption applications which could be developed in the Sudan along with agriculture. The potential to tap this supply-- so far overlooked or ignored in the development of Sudan-- opens whole new vistas for productive investment. The intention of the Founders Group is to assume that the water constraint can be removed and, accordingly, to explore and evaluate the full range of potential business applications which could ensue. This range of applications is expected to encompass the fields of agriculture, mining and natural resources, agribusiness, and municipal consumption at a minimum.

The Red Sea Province was chosen as the test site for this pilot project for a number of reasons. For one, the hydrogeologic terrain of this province is a type familiar to BCI's explorationists and the application of the MESA program is expected to yield favorable results. Furthermore, the location of the nation's major seaport in this province would be a major asset to any business with export market potential. Likewise, Port Sudan is an important population and consumption center in and of itself, and it continues to enjoy the best rail links with other domestic urban centers. Finally, there is considerable untapped potential in the Red Sea Province with respect to agricultural and mineral resources. As shall be illustrated below, there is reason to believe that significant potential does exist for developing water-based businesses in the Red Sea Province. This province incorporates 212,410 square kilometres of desert, semi-desert scrub and mountainous highlands. Currently, it has a natural cover of acacia and other desert shrubs and is largely utilized for the grazing of camels, sheep and goats.

Both South and North of Port Sudan there exist tracts of agriculturally promising land made up of clay valley soils, river sediments and delta soils. For instance, the Tokar delta soils to the South are excellent loamy soils which are enriched annually by the Baraka river originating in the Ethiopian highlands. These soils are brown and fertile and are generally alkaline. The area flooded annually by the river Baraka is 500,000 feddans, half of which is cultivated via flood irrigation and half of which is left to natural grazing. The lack of a year-round supply of water has meant that the potential of the Tokar delta and neighboring lands is currently underutilized. Agricultural research has indicated that conditions there are favourable for the production of vegetables, notably okra, green peppers, cucumbers, watermelons and honey dew melons. These products have significant potential for high margin returns from the European winter vegetable market. In addition, fruit trees grow well in this area as shown by promising yield trials from date palms, citruses and bananas. These products have high potential demand in strategically located Middle Eastern destinations.

North of Port Sudan, irrigation water is provided from well springs in the Arba'at area and those soils have also proven their agricultural potential. At present however, Arba'at is relied upon heavily as the major source of municipal water for Port Sudan. This means that a trade-off exists between agricultural production and human consumption requirements in this area. Furthermore, the increasing demands for municipal water by the growing population of Port Sudan have caused the Government and various international lending agencies to explore the Tokar delta catchment area as a new potential source of municipal supply. Both of these sources might be considered sub-optimal for municipal use if a third underground source of water supply were presented as an alternative option. There is reason to believe that BCI could find a groundwater source of sufficient abundance to be such an alternative. This discovery would free up the Arba'at and Tokar areas for full-scale agricultural applications. It might also relieve the government of the prospect of contracting significant new debt for the development of Tokar municipal supplies.

On more marginal soils within the province research has demonstrated that oilseed crops can return high yields if given an adequate supply of water. Confectionary varieties of groundnuts and sunflowers suitable for edible oil processing are particularly promising. At present Port Sudan boasts one of the nation's largest oilseed processing plants (owned by a member of the Founders Group), thus the infrastructure is already hospitable to further investments in this crop.

At present, livestock production is mainly handled by nomads and is concentrated on camels, sheep and goats. The Gulf states and

Egypt offer significant potential demand for beef and mutton products and they are presently supplied by producers as far away as Australia. Constraints to commercial beef and mutton production would be eased by the availability of water for fodder crops and animal consumption.

Leaving aside agricultural business potential, geological surveys have indicated that mining prospects in the Red Sea Hills are very favorable. Many types of minerals are believed to exist, though gold is the most attractive and is a mineral whose reserves have already been demonstrated. A major obstacle in developing prospecting operations has always been the lack of sufficient water supplies. The removal of this obstacle would be a boon to the mining industry and would permit development to come to an area virtually devoid of other potential. For example, an agreement between the Sudan government and a French company to develop a gold mine in the Al Aryab area is currently constrained by the lack of water. The economics of this mine are considered sufficient however to warrant piping water an exceedingly long distance against gravity from the Nile to the mine site. BCI and the Founders Group would likely find a ready customer if they were to develop and offer a cheaper alternative source of supply.

Certain industrial applications and consumer products may also have business potential. For example, a cement factory is in the conception stage at Derudeb but is said to be constrained by the lack of water. Likewise, a number of industrial projects in the Port Sudan area are always threatened with low productivity and stoppages for the same reasons. New water resources would contribute to the rescue of existing industries and encourage the creation of new ones. The soft drink industry in Port Sudan has expressed interest in the development of a pure bottled water product. Despite the extensive use of desalination plants, Saudi Arabia suffers from a shortage of drinking water and presents a source of demand for bottled water. Furthermore, the soft drink industry would benefit from potable water even for its traditional line of products.

SOCIO-ECONOMIC FEASIBILITY STUDY: APPROACH AND WORK-PLAN

The Founders Group has nominated the management consulting firm of Hassabo & Company to carry out the socio-economic dimension of the proposed feasibility study. Hassabo & Company will assemble a team composed mainly of Sudanese experts in the fields of agriculture, mining and natural resources, economics, business and financial analysis to undertake the study. The resumes of a core group of analysts is presented in this proposal. As the study progresses however, and particular areas of business are selected for priority potential, additional team members will be recruited in the areas of specialty being examined.

It is intended that the socio-economic feasibility study will very much dovetail with the geophysical exploration work being carried out. Both dimensions of the study envision four phases of work with distinct outputs to be provided during each phase. The timing and focus of effort of the four phases is mutually inter-dependant. The exploration team will provide data on physical potential which will influence the scope of study being performed by the socio-economic analysts. Likewise, physical potential being comparable, economic considerations will influence the selection process for drilling sites and the like.

Phase I Program Outputs include:

Program output # S.E. 1; a broad survey of existing and potential business applications in the Red Sea Province. This will encompass a review of agricultural production and agribusiness applications, mining and natural resource applications, industrial applications and a preliminary review of the potential for supplementing the Port Sudan municipal water supply. The objective of this survey is to identify as broad a range of potential applications as is possible given the assumed presence of water and the other actual physical attributes of the Red Sea Province.

Program output S.E. 2 is a preliminary ranking of priority target areas as revealed by results of the survey for input to the geophysical exploration study.

Phase II Program Outputs:

Phase II will introduce the gradual process of selecting high potential water based businesses when screened for certain economic and financial criteria.

Program output S.E. 3 is a comprehensive listing of relevant economic, business and regulatory criteria which would impact the ultimate business investment decision.

Program output # S.E. 4 will be to apply the screening criteria to the range of business applications previously identified.

Though the results may be presented in narrative form, the output of Phase II may be viewed as several matrices wherein each water-based product or service is evaluated against each screening criterion. Tables I, II, III and IV on the following pages provide a view of the type of information which will be gathered. This data will be provided as input to the geophysical exploration team to select ten to fifteen priority target areas (PTAs).

TABLE I: SCREEN FOR MARKET CHARACTERISTICS

SECTOR (SAMPLES)	PRODUCT/SERVICE (SAMPLES)	:DOMESTIC :MKT. SIZE	EST'D LATENT DEMAND	CURRENT / POT. EXPORT MKT.	EST'D LATENT DEMAND	CURRENT SOURCES OF SUPPLY	SUBSTITUTE PRODUCTS	SEASONALITY
AGRICULTURAL PRODUCTION	CILSEEDS	:						
	FRUIT CROPS	:						
	WINTER VEGETABLES	:						
	TROPICAL NUTS	:						
	ETC	:						
CONSUMPTION	SOFT DRINKS	:						
	BOTTLED H2O	:						
	MUNICIPAL SUPPLY	:						
	ETC	:						
	NATURAL RESOURCES	MINERALS	:					
	CEMENT	:						
	ETC	:						

TABLE II: SCREEN FOR REGULATORY FACTORS

SECTOR	PRODUCT/SERVICE	:SUDAN GOV'T :LISENCING	LAND ACCESS RIGHTS	INVESTMENT CODE	PRICE CONTROLS	TARIFF BARRIERS	NON-TARIFF BARRIERS	PREFERENTIAL SUDAN STATUS
		:						
		:						

TABLE III: SCREEN FOR BUSINESS FACTOR INPUTS

SECTOR	PRODUCT/SERVICE	:LABOR :REQUIREMENTS	LABOR SUPPLY	CAPITAL REQUIREMENTS	CAPITAL SUPPLY	TECHNOLOGY REQ'TS/SUPPLY	MANAGEMENT REQUIREMENTS	MANAGEMENT SUPPLY
		:						
		:						

TABLE IV: SCREEN FOR ECONOMIC & FINANCIAL FACTORS

SECTOR	PRODUCT/SERVICE	:COMPARATIVE :ADVANTAGE	REVENUE POTENTIAL	PRODUCTION COSTS	MKTG/DISTRIB COSTS	IMPORT CONTENT	FOREIGN EXCHANGE
		:					
		:					

Phase III Program Outputs:

The intersection of socio-economic and geophysical data at the outcome of Phase II will guide the efforts of the socio-economic team during Phase III.

Program output # S.E. 5 will be to collect more detailed data on the remaining priority target businesses. Each of the factors previously applied for the purposes of "screening" will now be analyzed in more depth. More extensive business profiles will be developed along more quantitative and qualitative lines. These profiles will be presented to the Founders Group to elicit their feedback and priority areas of interest.

Program output # S.E. 6 will undertake business data collection of relevance to and for input into the environmental impact analyses to be carried out by the BCI team.

Phase IV Program Outputs:

Program output # S.E. 7. During Phase IV the socio-economic study team will analyze technical data provided by the geophysical exploration team regarding estimates of water resource magnitude, drilling specifications and the like. The resulting cost and availability implications will be evaluated in relation to the remaining business profiles. Depending upon the potential, one or perhaps two business applications will be selected for in depth analysis. Business plans will be drawn up; investment requirements and financing plans will be developed and pro-forma financial statements will be projected. These will be presented to the Founders Group along with an Action Plan to guide the post-project phase of business development implementation.

PART II: GEOPHYSICAL EXPLORATION FEASIBILITY STUDY

PROJECT MANAGEMENT AND ORGANIZATIONAL STRUCTURE

The management of this project has been organized according to the disciplines and task assignments of the various parties involved. An organizational chart is presented below:

RESUMES
OF PROPOSED STUDY TEAMS

HASSAB EL RASOUL MOHAMMED EL TAYEB

PROFESSIONAL
QUALIFICATION:

Fellow of the Chartered Association
of Certified Accountants U.K., 1966

SPECIALIZED
TRAINING:

Obtained one year of specialized training
in the U.K. involving practical experience
in management and financial accounting, 1966

LANGUAGES:

Fluent Arabic and English

EXPERIENCE
SUMMARY:

Managing Partner of Hassabo & Company--
Certified Accountants, Sudan. Our firm
is engaged in auditing, accounting,
consultancy and advisory services to many
private and parastatal organizations in Sudan
and neighboring countries. Our firm is the
major provider of auditing services to
financial institutions in Sudan and serves as
advisors to major Western firms and companies
with local representation.

RELEVANT
CONSULTING
EXPERIENCE:

As Managing Partner of Hassabo & Company, Mr.
Hassabo has conducted and supervised the
following consulting engagements:

On behalf of the Cotton Public Corporation
provided advice regarding the amalgamation of
five cotton-producing and marketing
parastatals into a single entity. Designed
financial and management reporting systems
for the new Sudan Cotton Company.

Conducted a valuation of LARCO footwear
industries to determine reasonable terms of
settlement between the Government of Sudan
and ex-shareholders upon the
denationalization of this company.

At the request of the Sudanese-Kuwaiti
Poultry Company Limited, conducted a study on
the cost of feeding chickens and suggested
alternative feeding options to minimize
feeding costs.

Extended advice to foreign investors and
various Government ministries prior to the
formation of the Sudan Development
Corporation.

On behalf of U.S.A.I.D., oversaw monitoring
activities related to the PL 480 Title II

emergency food relief program conducted during 1985 and 1986. Subsequently our contract was extended to evaluate and certify the validity of invoices submitted to U.S.A.I.D. for clearing, handling and warehousing services.

At the request of the Auditor General, prepared a complete report on the status of loans provided by the People's Cooperative Bank, a public financial enterprise. This included an assessment of the collectibility of all loans and an evaluation regarding the adequacy of provisions for bad and doubtful accounts.

Prepared feasibility studies for foreign investors' regarding the National Bank of Sudan and the Blue Nile Bank. Identified potential local shareholders and joint venture partners and served as reporting accountants for the process of local registration

Prior to forming Hassabo & Company, Mr. Hassabo had the following work experience:

Served as Manager of Khartoum and Port Sudan Branches of Nawar & Company-- Chartered Accountants. Responsible in this position for the day to day administration of Nawar & Co. affairs in Sudan in addition to managing auditing, management consulting and tax advice engagements.

From 1955 through 1963, Mr. Hassabo served in the Ministry of Finance and National Economy as an accountant. He worked in a variety of different government accounting units including a final post as chief accountant of the Game and Fisheries Department.

HUSSEIN ABDEL RAHIM EL KHIDER

PROFESSIONAL QUALIFICATION: Fellow of the Chartered Association of Certified Accountants U.K., 1967

SPECIALIZED TRAINING: Obtained one year of specialized training in the U.K. with Messrs. Wilson Bigg & Co. involving practical experience in management and financial accounting, 1966

LANGUAGES: Fluent Arabic and English

EXPERIENCE SUMMARY: Sayed Hussein Abdel Rahim led a distinguished career in the Sudan civil service for over thirty years, rising from an entry level clerk to assume the position of Auditor General of the nation during 1978 -1983. For the past five years he has continued to exert leadership in the accounting profession in Sudan as an Advisor to the Institute of Accounting Studies under a World-Bank funded project.

RELEVANT EXPERIENCE: As Auditor General, Sayed Hussein Abdel Rahim supervised a staff of 800 employees responsible for vetting and verifying the accounts of all public entities in Sudan. Inasmuch, he is intimately familiar with the accounting systems and practices of both profit and non-profit seeking public enterprises and is aware of the problems and difficulties faced by many such enterprises. He has an extensive understanding of the laws and rules applying to Sudan's public entities.

During his tenure in the Sudan civil service, Sayed Hussein participated in several committees charged with evaluating claims arising in connection with nationalization actions. For example, he participated in the evaluation of the net worth of the Sudan Commercial Bank in order to recommend compensation for former shareholders. Later on he served as Chairman of a liquidation committee charged with redistributing assets held in custody to the Mahdi group of companies.

From 1983 to present, Sayed Hussein has served as an Advisor to the Institute of Accounting Studies. In this role he has

contributed to the drafting of a constitutional act which will establish laws regulating the accounting profession in Sudan. A part of this Act will govern the creation of a professional accounting body and another part will set terms for the creation of accounting and audit standards appropriate to the nation. In this advisory role he has been a pioneer in developing the nation's accounting profession.

TEACHING
EXPERIENCE:

Throughout his career, Sayed Hussein Abdel Rahim has been a teacher on the side. He has given lectures to accounting practitioners and non-accountants alike at all of the following institutions:

University of Khartoum-- Faculty of Economics
Khartoum Technical College-- Faculty of
Commerce
The Sudan Academic Institute for
Administration
The Institute of Accounting Studies.

PUBLICATIONS:

Much of the material which Sayed Hussein brings to his lectures originates from his own applied experience in the Sudan and from his own writings. He has written a series of monographs on government accounting procedures which are expected to be published shortly. These include, but are not limited to the following topics:

Regional & Local Government Accounting
Stores & Materials Accounting Procedures
Ledgers and Subsidiary Books
Administration of Finance
Residual Accounts: Suspense and Deposit
Accounts

INTERNATIONAL
ACTIVITIES:

Served as the Head of Sudan delegation to numerous congresses of the various Regional and International Supreme Audit Institutes, including those of the African, Arab and Asian Institutes in 1971, 1979, 1980, 1981, 1982, and 1983. In this role Sayed Hussein usually submitted a paper concerning an applied problem confronting the auditing profession in the Sudan.

AWARDED:

The Order of the Two Niles (1st Class) by the President of the Republic for services rendered to the accounting profession and to the nation, 1979.

NILESH P. PATWA

PROFESSIONAL
QUALIFICATIONS:

Associate Member of:
British Institute of Management, and
Association of Cost and Executive Accountants

LANGUAGES:

Fluent Arabic and English

EXPERIENCE
SUMMARY:

Mr. Patwa is a Manager in the Khartoum Office of Hassabo & Company. He has more than ten years of experience in financial and management accounting systems design and in the provision of auditing services. His portfolio of clients currently includes international banks, private voluntary organizations, manufacturing concerns and various projects financed by the International Finance Corporation.

RELEVANT
CONSULTING
EXPERIENCE:

As a Manager with Hassabo & Company, Mr. Patwa has conducted the following consulting engagements:

On behalf of the U.S. Agency for International Development, participated in the monitoring and physical verification of PL 480 Title II emergency relief food commodities. Reviewed invoices of a Government parastatal for clearing, handling and warehousing services to determine the allowability and reasonableness of submitted claims.

Managed a large engagement on behalf of Mamoun ElBirier group of companies to design and implement tailor-made accounting and management reporting systems. This included a review of production line operations and the development of a full production cost accounting system. Recommendations were also made concerning optimal inventory management techniques and inter-company transfer pricing policies.

Engaged by the Parent of Wad Medani Extension Company, Limited to deconsolidate the financial accounts and operational results of the Wad Medani Extension unit so as to permit its establishment as an independent entity. Reviewed and allocated foreign loans relating to assets assumed by the new company.

On behalf of El Abbas Oil Mills, devised and implemented a comprehensive management information system. Conducted a study of the client's edible oil extraction rate as compared to industry norms.

Engaged by the head office of the National Bank of Abu Dhabi to review the activities of the Port Sudan Branch. Prepared a report on the performance of Branch management

Prior to joining Hassabo & Company, Mr. Patwa worked for six years for accounting firms in London, during which period he gained the following experience:

Computerized the accounting system of a medium sized concern engaged in the manufacture of thermometers.

On behalf of two computer companies, prepared financial proposals to obtain long term financing from merchant banks.

Developed an accounting system for funds generated through property management operations of a real estate partnership.

Assisted in the liquidations of various entities, including an importer of hides and skins and a hair brush manufacturer. This involved the valuation and distribution of company assets in accord with the U.K. Companies Act and the Bankruptcy Act.

Provided accounting services necessary for the flotation of a wine importing and distribution company on the U.K. unlisted securities market.

Provided accounting services relating to the conversion of a vehicle dealership from a partnership to a limited liability company.

MARGARET A. DIJKERMAN

EDUCATION: M.B.A., Finance and Accounting, Cornell Graduate School of Management, 1985
B.A., Political Science and English, Tufts University, 1976
Passed Uniform C.P.A. Examination

LANGUAGES: Bilingual in French and English

EXPERIENCE SUMMARY:

Ms. Dijkerman is a Manager in the Washington International Group of Deloitte Haskins & Sells. She has more than eight years of experience in the management of international development programs, with special skills in accounting and financial management, project design and implementation. She specializes in deriving management and costing information from statistical records, to focus the attention of senior managers on policy and organizational concerns. Ms. Dijkerman has had extensive experience working with private voluntary organizations (PVOs) and host governments.

SIGNIFICANT CAREER EXPERIENCE:

With Deloitte Haskins & Sells, Ms. Dijkerman has participated in the following projects:

- . Conducted an organizational review of Africare, a Black American private voluntary organization. Prepared cost benefit analyses of recommended policy changes and suggested changes in financial management practices and operating procedures to improve organizational efficiency and effectiveness. Recommended certain changes in organizational structure.
- . Managed a study of differences in generally accepted accounting practices among six newly industrializing countries: South Korea, Taiwan, Hong Kong, Singapore, Mexico, and Brazil. Analyzed the implications which divergences in financial accounting practices have on international industrial competitiveness.
- . Conducted a brown paper analysis of financial management and reporting systems of five family health research centers located in developing countries of Africa and Asia. The purpose of the analysis was to identify policy and procedural weaknesses for management.

- Conducted a review of the demand for management services by public or newly privatized state-owned enterprises in four countries of West Africa. The study, conducted for the International Finance Corporation, forms part of an overall feasibility assessment concerning the establishment of an African management services corporation.
- Completed a five-month assignment on the USAID North Cameroon Seed Multiplication Project to design and implement a complete financial and stock control system. Developed improved project budget preparation and control systems. Provided extensive on-the-job and formal training seminars on the application of revised accounting systems for USAID contractor personnel and Cameroon counterparts. Prepared a three volume Finance and Accounting Manual in French. Also recommended a revised organizational structure to promote efficiency and improved internal control.

Prior to joining Deloitte Haskins & Sells, Ms. Dijkerman gained extensive experience with non-governmental organization programs in East, Central, and West Africa, which included the following significant responsibilities:

- As an independent contractor, conducted a cost benefit analysis and logistics feasibility study of Title II maternal child health food programs in Sierra Leone.
- Provided financial planning and project design support to eight country program offices as a Program Assistant in the Nairobi Regional Office of Catholic Relief Services. This included assessments of the financial viability of expanding nutrition programs in Ethiopia and Madagascar, recommendations for improvements in logistical management and accounting control of PL 480 food aid programs, and training for host country personnel in the monitoring of grants and loans.
- Coordinated efforts to launch an integrated oilseed development project in four countries of East and West Africa: obtained funding and supervised implementation of phase 1 and provided guidance for design of phase 2 activities.
- As a Program Assistant in Togo, oversaw the introduction of a growth surveillance system into maternal child health nutrition programs and

provided training to Ministry of Health employees through a national network of seminars. Also administered the budget for a National Leprosy Control Program through a seat on the project's Board of Directors.

As a Project Officer in Rwanda, responsible for the identification, grant proposal development, and implementation of numerous small projects including craft industry promotion, provision of rural water supply, and grain storage and price stabilization projects.

Ms. Dijkerman's other significant experience includes the following:

In a variety of short-term assignments for Catholic Relief Services, Ms. Dijkerman performed several studies. These included cost-benefit analyses of the logistic and economic efficiency of PL 480 food programs in both Sierra Leone and Benin. An A.I.D.-funded outreach grant proposal was developed to permit expansion of maternal and child health programs in Benin. Ms. Dijkerman had sole responsibility for the organization of a 10-day conference involving simultaneous translation between French and English for 80 international staff members coming from 25 countries.

In a short-term contract for a consortium of voluntary agencies operating in Somalia, Ms. Dijkerman developed two project funding proposals. One was for an extensive primary health care project involving the construction of a rural hospital and development of the capacity to provide outreach services. The other project was designed to involve refugees in economically rewarding reforestation activities.

While at the Cornell Graduate School of Management, Ms. Dijkerman developed a financial model for use by a real estate agency to analyze the trade-offs of buying versus renting housing.

NAME: Abdel Rahman Suliman El Dooma

EDUCATION: MSc., Agricultural Economics, Aberdeen University, U.K. 1977.

BSc. (Agric.) Honours, Class 1 Khartoum University, Sudan - 1972.

QUALIFYING EXPERIENCE:

Sixteen years of professional experience in agricultural planning and development; of which four years were outside Sudan with FAO/UN in West Africa and the Middle-East; mainly designing, implementing and monitoring agricultural/rural development programmes. In Sudan headed project planning section in the Ministry Of Agriculture, team leader for a World Bank Mission (PPF) that designed the Agricultural Research, extension and training in the irrigated sector. Currently, Project Director, Agricultural Planning & Statistics (USAID - Funded). Experience in use of micro-computers in project planning and management. Studies in production economic, planning and policy issues. Overseas experience included FAO assignments in the Gambia - North Yemen, Rome and studing in the U.K.

PROFESSIONAL HISTORY - MAY 1987 TO PRESENT:

Sudan - Ministry Of Agriculture APS Director. Designing and implementing project workplans. Defininf training requirements and carrying out training programme. Project technical, financial and administrative management. Use of microcoputers in planning and project management. APS Project is USAID-Funded and its objectives are, in general terms, to strengthen the planning capabilities of the Ministry and to establish a reliable agricultural data collection, analysis and dessimination system.

NOVEMBER 1986 - APRIL 1987:

Programme officer, FAO, Aden, PDRY. Monitoring and implementation of FAO programme, project design, data collection/analysis, studies and report writing.

FEBRUARY - OCTOBER 1986:

FAO programme officer, khartoum - Sudan. Follow-up implementation, programme evaluation, participation in FAO Technical Mission. Project Planning (TCP Projects).

JUNE 1972 -
AUGUST 1975:

Assistant Agricultural Economist, Ministry Of Agriculture, Khartoum - Sudan. Extensively participated in agric. data collection surveys, follow-up/monitor implementation of five-years development plan, studies, technical reports writing.

LANGUAGES:

Arabic (Mother Tongue).

English: Excellent in speaking, reading and writing.

PERSONAL:

Born 1948 - married (have three children).

CURRICULUM VITAE

NAME: Dr. Hassabel Rasoul Abbas Elbashir.

ADDRESS: Department Of Accounting & Finance,
School Of Business & Administrative Sciences,
University of Khartoum - P.O.Box: 321,
Khartoum - Sudan.
Phone: 73528.

EDUCATION:

Ph. D. Indiana University, Bloomington, IN. 47401
October 1984.
Major: Business Economics & Public Policy.
Minor: Finance.
Supporting Field: Quantitative Business
Analysis.

MBA Indiana University, January 1981.
Major: Finance.

B.Sc. (Honours): University Of Khartoum, Second Class -
Division One.
Major: Business Administration.

PROFESSIONAL
EXPERIENCE WORK
EXPERIENCE:

1985 - Now Assistant Professor, Department Of Account-
ing and Finance, University Of Khartoum.

This job involves teaching at the graduate
and undergraduate levels, in the areas of:
Finance and Investments
Managerial Finance
Statistics
Management
Business Economics.

1977-1985: Teaching and Research Assistant, University
Of Khartoum & Indiana University.

1976-77 Financial Manager, Khartoum Central Foundry.

This job involved the supervision of the
Departments Of Accounts, Finance, Procurement
& Sales of this small industrial parastatal.
The responsibilities of this job included
financial planning and control, in addition
to the responsibility for marketing. The
total number of personnel under my supervi-
sion were 20.

1975-1976:

Assistant Underwriter, United Insurance Company Limited - Accidents Department.

This job involved the responsibility of assessing risks and premiums for Company clients, as well as in policy making and implimentation.

1973-1975:

Assistant Consultant, industrial Research Institute, Khartoum - Sudan.

This job involved participation in consulting and conducting feasibility studies for enterprises in the public and private sectors.

RESEARCH:

El-Bashir, H.A.:

"The Monetary Approach to the Balance of Payments Under Fixed Exchange Rates, The Case of Sudan". Unpublished Ph.D. Thesis, Indiana University, Blooming In 1984.

El-Bashir, H.A.:

"The management of Joint-Ventures in the Sudan" Conference on the Management of Sudanese Economy, Development Studies and Research Center, january 1987.

REPORTS AND CONSULTING:

1. : "Report on the implications of the February 1986 Foreign Exchange market Regulation". Commissioned by Sudanese Businessmen and Employers Federation, jointly prepared with Dr. D.A. Gabir, Dr. Salah E.H. Abbas. February 1986.
2. : A newspaper article on "Sudanese Working Abroad" 1985, with H.A. Gad-Kareem of the ESRC.
3. : Participation in the World Bank-Sudanese Treasury "Parastatal Study", conducted during 1978.

This study was subsequently followed by a summer intership at the World Bank head office, Washington in the summer of 1978. This job involved research and administrative assistance duties with East Africa Front Office.

4.

Financial & Management Consultant in the "Kordofan Rainfed Agricultural Project-Korag-Credit Component - Elobeid Baseline survey" August 1987.

This study was conducted by Technoserve INC., under the supervision of USAID and the Agricultural Bank Of The Sudan.

The study undertook the task of evaluating credit delivery systems to the traditional farming sector in Kordofan - sudan. More specifically the study focussed on studying the supply and demand for credit in Kordofan, as well as developing ways and means for strengthening the role of ABS, the leading institution specialised in extending agricultural credit in the Sudan.

AREAS OF PROFESSIONAL INTEREST:

Current research in progress includes:-

- 1. : "The structure of Non-Bank Financial Intermediaries in the Sudan" - Co-sponsored by Bank Of Khartoum & bank Of sudan.
- 2. : "Business Failure In The Sudan". This is a joint research in progress conducted with Dr. D. A. Gabir of the School Of Business & Administrative Science, University Of Khartoum.

OTHER AREAS OF INTEREST:

- 1. : Computer Simulation in Business Financial Analysis.
- 2. : The appropriate technology for the Third World.
- 3. : Issues in the regulation of specific industries.

This involves issues such as price regulation for private sector and public sector utilities.

- 4. : The evaluation of the Financial Institutions and markets in the Sudan and the Third World.

5. : Project Evaluation.

MEMBERSHIP IN
COMMITTEES:

1. : Member of the National Economy Conference Steering Committee - convened 1986.
2. : Member of the Financial & Monetary Policies Committee. This is a Committee to advise the Minister Of Finance & National Economy on policy issues concerning the broader financial sector and its performance. Report released on January 1978.
3. : Cultural Secretary Of The University Of Khartoum - Business & Accounting Alumni Society - 1986-1987 term.
4. : Member of the Ministry Of Housing Projects Committee. This is standing committee which is set up to advise the Minister on Policy issues regarding National Housing Projects.

LANGUAGES: Arabic, English.

PERSONAL
DATA:

Date of birth :

Place of birth :

Marital status : Married (3 children, 8,6,4).

Travel : Africa (Sudan, Uganda, Kenya, Tanzania & Egypt).
Western Europe (U.S. & U.K).

Hobbies : Sports (Volleball, Swimming, Sailing & Soceer). Music and reading.

REFERENCES:

Professor/Ibrahim Hassan Abdel-Galil, Formerly Dean, School Of Business & Administrative Sciences, University Of Khartoum.

Currently: Minister of Commerce, Cooperation & Supply.

Professor/Ahmed Hassan El Jack, School Of Business & Administrative Sciences, University Of Khartoum.

Professor/Lawarence Davidson, Indian Univer-
sity, Bloomington, India 47402 U.S.A.

Professor/Bruce L. Jaffee, Indian Uniceweairy,
School Of Business, Bloomington, India 47402
U.S.A.

CURRICULUM VITAE

NAME: Osman Ahmed El-Berier

NATIONALITY: Sudanese

SOCIAL STATUS: Married - Four Children.

ACADEMIC
QUALIFICATION:

- 1967 : MBA St. Gallen Graduate School Of Economics,
Business & public Administration/Switzerland.
- 1971 : Diploma/distribution management I.L.O. Centre
Turin/Italy.
- 1974 : Diploma/General Management.
Management Centre/New York.
Sudan Academy/Khartoum.
- 1981 : Diploma/Managerial Planning & Control -
West Germany.

PROFESSIONAL
EXPERIENCE :

- 1986 : Director Of Executive Development Programme
Trinity College Dublin/Management Dev. Centre -
Khartoum - Chief/Marketing Section.
- 1982 : Director Of Training Programmes.
Chief/marketing Section.
Management Development Centre - Khartoum.
- 1973-1982 : Gulf International Group Of Companies (Sudan):
1971-1973 Sales Manager
1973-1975 Planning & Follow-Up Manager.
1975-1982 General manager.
Khartoum Publicity Co. (Gulf Group).
- 1969-1971 : Lecturer/Management Development
management Development Centre - Khartoum
- 1967-1969 : Area Sales Representative
Shell Company Of The Sudan.

LANGUAGES: English, Arabic & German.

MEMBERSHIP OF
PROFESSIONAL
BODIES: Sudanese American Businessmen Council.
Sudanese Association Of Industries.

CLUB MEMBERSHIP: Rotary Club International (Khartoum)

ANNEX # 1

FOUNDERS GROUP MEMBER PROFILES

FOUNDING MEMBERS

1. ELAMINE ELSHEIKH MUSTAFA ELAMINE
2. FATH ELRAHMAN ELBESHIR
3. HASSAB ELRASOUL MOHAMED ELTAYEB
4. HASSAN IBRAHIM MALIK
5. KAMAL IBRAHIM AHMED

. Elamine El Sheikh Mustafa Elamin.

Sheikh Group of Companies established in 1908.

The group is owned 100% by EL SHEIKH MUSTAFA ELAMIN FAMILY.

Before 1934 the main activity of the group was Oil Milling through animal driven facilities.

In 1934 the company established the first Mechanical Oil Expelling in the country, having a capacity of 30 tons of Sesameseed input per day.

In 1956 the activity was shifted to peanuts pressing and the company constructed its first Peanut Shelling Equipments.

From 1956 onward the group made wide steps in the field of vegetable oils and established diversified lines of production.

At the present the group owns and operate the following activities:-

PORT SUDAN: This branch operates under the name: EL SHEIKH OIL MILLS. Its main objective is to process Groundnuts, Sesameseed and Sunflower seed through an advanced solvent extraction system, at a daily capacity of 500 tons of seed. In addition the branch is equipped with electronic means to produce high quality of selected peanuts that meets the international standards of this commodity.

The branch also operate seed cleaning devices having a daily capacity of 400 tons.

For the local and domestic market the branch also operates soap facilities that cover the Red Sea Province demand.

The annual turn over in average depend on the international prices of groundnuts oils and cakes, 1987 proceeds were:

Export Revenue - 21 Million Dollars.

Local Sales Revenue - 13 Million Pounds.

Services Revenue - 6 Million Pounds.

ABA EL MUTASIM ENT. LTD:

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Location 35 Kilometers Sout of Khartoum, under this name the group operates an Agro-Industrial Complex, aiming to cover 30/35% market shares in the products it produces.

The complex is designed to:-

Receive oil crops, clean, prepare, grade and convert them to finished products. Also to manufacture all the packaging containers needed.

The major activities are:-

- Peanut shelling 20 tons per hour.
- Cottonseed delinting 10 tons per hour.
- Oilseeds screw pressing and expelling 17.5 tons per hour.
- Oil refining equipments 6.25 tons per hour.
- Vegetable ghee production 1.25 tons per hour.
- Plastic blow moulding enough to pack 7.5 tons per hour of oil.
- Tin cans factory to pack 25 tons per hour of oil.
- Corrugated cartons boxed 75 meter per minutes, complete with printing folding and gluing.
- Soap production 8 tons per hour.
- Glycerine recovery and distillation 0.5 tons per hour.
- Power detergent 2 tons per hour.
- Liquid detergent 1 ton per hour.

In addition the company generates its 100% of electrical power needs market shares:-

- 30% of vegetable oils.
- 35% of laundry soap.
- 45% of toilet soap.
- 20% of powder detergent.
- 45% of liquid detergent.

Sales revenue in 1987, 340 Million Pounds.

3- EL SHEIKH TRANSPORT COMPANY:

Under this name, the group operates a transportation fleet consisting of 86 Renault Trucks, having a capacity of 50 metric tons each. The fleet is more concerned of liquid bulk handling of oils, fats, petroleum products, etc..

The fleet handled in 1987 about 220,000 tons and generated about 28 Millions Pound, the bulk of that was inside the group.

4- EL SHEIKH AGRICULTURAL COMPANY LTD:

Under this name, the group runs it's agricultural activities. In 1985 we experimented sunflowerseed in rain fed area.

...../3

In the season of 1987 the area handled was 135,000 acre, this season 1988 the group is planning to handle 180,000 acres directly and under its management and is going to assist small farmers to grow an area of 35,000 acres.

In this regard the group invested in the last three years about 12 Million Dollars in terms of Agricultural Machinery & Equipments.

5- EL SHEIKH SHIPPING AND INSPECTION CO. LTD:

This company is acting as a forwarding body for the group. In the meantime it is an agent of various active shipping lines that call at Port-Sudan and the Red Sea.

6- EL SHEIKH LOGESTIC:

This branch is handling all the constructional side of the group activities. Reference of it's work is the construction of Baghair Complex, of agro-industrial activities. It owns nine aeroplanes for the aerial spraying.

7- EL SHEIKH MUSTAFA EL AMIN & SONS:

This branch runs export, imports and commission agents. It owns also a terminal for liquid bulk handling at Port Sudan capacity 14,000 metric tons for the handling of oils and fats.

8- OSMAN EL SHEIKH MUSTAFA & BROTHERS:

Under this name, the group runs real state buildings, and small farms for the production of fruits and vegetables.

<u>TOTAL INVESTMENTS</u>	<u>PAID UP CAPITAL</u>	<u>INVESTMENTS</u>
El Sheikh Oil Mills	21,000,000	15 M. Dollars
Aba Elmutasim Ent.	30,000,000	35 " "
El Sheikh Transport	5,000,000	10 " "
El Sheikh Agriculture	5,000,000	18 " "
El Sheikh Shipping	1,000,000	1 " "
El Sheikh Logestics	1,000,000	4 " "
El Sheikh Mustafa El Amin & Sons	1,000,000	3 " "
Osman El Sheikh & Brothers	1,000,000	5 " "

T R A D E M A R K : S . M . A .

9- OTHER ACTIVITIES:

- 1- Share holder of Sudanese International Bank 5%.
Sudanese Savi Bank 10%, El Nilein Insurance Co.
40%.
- 2- Share holders of Industrial Concerns, Union
Dolinting Factory 5%.

Projects under construction:-

A- El Sheikh Pharmaceutical Company -
Khartoum North.

B- Seeds & Hybrids Production - Blue Nile Province.

MR. FATH EL RAHMAN EL BESHIR:

- I- Chairman Sharaf Int. Ltd.
- II- " Sudanese Businessmen Association.
- III- " Association Of Sudanese industries.
- IV- " Damazine Agricultural Project.
- V- Deputy Chairman - Baraka Bank.
- VI- Promoter & Member of Board Of Directors Of The Arab Company For Agricultural Inc. (Bahrain).
"Shareholder from different Arab countries".

A- <u>WHOLLY OWNED COMPANIES:</u>	<u>Equity & Reserve</u> <u>Million Pounds</u>	<u>Assets</u> <u>In Million</u> <u>Pounds</u>
1- Sharaf Chemical Ind.		
2- Sharaf Int'l - Holding Co.		
3- Sharaf Metals Co. Ltd.		
4- Gezira Flour Mills Co. Ltd.		
5- Biryab Agricultural Project Co. Ltd.		
6- Blue Nile Spinning Co. Ltd.	272	278
7- WadMedani Textile Co. Ltd.	48	56
8- El Huda Textiles Co. Ltd.	91	355
9- Red Sea Spinning	<u>7</u>	<u>38</u>
	418	727
	===	===

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B- SUBSIDIARIES & OTHER MAJOR SHAREHOLDING:

- 1- Sigma Tau Sudan Ltd. 51%
- 2- The Yeast Factory Ltd. 27%
- 3- Damazine Agricultural Co. 10%
- 4- Fal Advertising 33%
- 5- Gezira Transport Co.Ltd. 10%
- 6- Nile Fooder Co. 50%

C- INVESTMENTS:

1- El Baraka Bank

- Over \$: 100,000 Shares.

2- Islamic Development Co.

"

3- Sudanese Islamic Bank

"

4- Faisal Islamic Bank

"

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MR. HASSAB EL RASOUL MOHD EL TAYEB:

Managing Partner - Hassabo & Company - Certified Accountants.
" " " " - Management Consultants.
Chairman - Eseilat Agricultural Co. Ltd.

A- FORMATION OF COMPANIES:

Hassabo & Company - as a leading auditing and management consultancy firm in Sudan, has taken part in the formation of most of the industries and ventures which were established in the last 20 years such as:-

- 1- International Tyres Manufacturing & Distribution Co. Ltd.
(The only tyre factory in the country).
- 2- Textile Industry - Cotton Textile Mills - Red Sea Spinning & Weaving, Wad Medani Textile, International Spinning & Weaving Co., and El Huda Textile Co. Ltd.
- 3- Banking - Citi Bank, Blue Nile Bank, National Bank Of Sudan, Middle East Bank and Habib Bank Ltd.
- 4- Insurance - Middle East Insurance.
- 5- Food & Beverage - Arak Food Industries, Mamoun El Berier Food Industries Co. Ltd, Mohamed A/Rabo Flour Mills.
- 6- Agricultural & Cattle Breeding - Seleit Food Industries Co. Ltd, Wad Berry Agricultural Project, and The Sudanese Life Stocks & Agricultural Co.

The above work involved bringing many enterpreneuers who are interested in the said projects, either Sudanese or non-Sudanese together to establish such projects, and Hassabo & Co., is still playing this role.

B- PRIVATE INVESTMENT:

- 1- Private farming, which include sheep breeding.
- 2- A private nine story building in center of Khartoum town which is under construction.
- 3- Share-holder In:-
 - I- Eseilat Agricultural Co. Ltd.
 - II- Management & Information System Co.
 - III-Systems Technology Co. Ltd.

FOUNDING MEMBER

MR. HASSAN IBRAHIM MALIK:

Chairman - Arak Group.

" - The Sheet Metal Industries.

A- WHOLLY OWNED COMPANIES:

1- Arak Food Industries Co. Ltd. "Bottlers of Pepsi Cola".

2- Arak Hotel Co. Ltd:-

 Khartoum Hotel - 200 Rooms Four Stars.

 Port-Sudan Hotel - "Under Construction" 150 Rooms Four Stars.

3- The Sheet Metal Industries Co. Ltd:-

 Manufacture of desert coolers and Admiral Refrigerators
 "Under Licence" and Normande T.V. "Under Licence".

4- Capcon Sudan Ltd - "Construction Co".

B- INVESTMENTS:

1- National Bank Of Sudan - 5% holding.

2- Middle East Insurance Co. Ltd - 5% holding.

3- General Insurance Co - 2% holding.

C- ESTATE OWNER:

Syd. Hassan Malik is the owner of several building and land plots in the central of Khartoum which worth at to-days price several millions of Sudanese Pounds.

MR. KAMAL IBRAHIM AHMED:

Chairman - Waliab Group.

" - Sudan International Bank.

A- WHOLLY OWNED COMPANIES:

1- Waliab Oil Mills - Holding Co:-

I- Waliab Trading & International Services.

II- Waliab Agricultural Projects.

2- Chemimport Co. Ltd.

3- Sami Oil Mills Ltd.

4- Rahad Engineering.

5- Bohein Commercial.

B- INVESTMENTS:

I- Sudan International Bank.

II-Arab Group For Oil & Fats Co. - Egypt.

ANNEX # 2

DRAFT FOUNDERS GROUP AGREEMENT

FOUNDERS AGREEMENT

This Agreement is made the . day of 1988 between (collectively hereinafter called "The Sudanese Partners") which term shall include collectively, the successors, assigns and executors of each of them of the one part and BCI GEONETICS INC., a corporation organized and existing under the laws of the state of , the United States of America (hereinafter called "BCI") which term shall include its' successors, assigns and liquidators of other part.

Whereas the parties agreed to participate in a company to be incorporated in Sudan (hereinafter called "The Company") for the purpose of developing economic resources in Sudan including, but not limited to, minerals and industrial products through the employment of water that would be developed by BCI Geonetics INC. of U.S.A.

And whereas, in order to reach the above objectives, the parties hereto undertake to cause the company to execute, ratify and confirm the Technical Services Agreement/management Services Agreement concluded between the Sudanese Partners and BCI.

Now this Agreement witnesseth as follows:-

- 1/ The above preamble is to be considered as an integral part of this Agreement.
- 2/ The parties hereto agree to incorporate, in Sudan, as soon as possible hereafter the company, under the name of "The Sudanese Company For Water & Economic Development Ltd", as a private Company Limited under the Sudanese Companies Act.
- 3/ The authorised capital of the company shall be Sudanese Pounds to be divided into ordinary shares of LS: each.
- 4/ The share capital of the company will be subscribed for and shall be allotted in the following manner:

<u>NAME</u>	<u>NO. OF SHARES</u>
-------------	----------------------
- 5/ The value of the shares shall be payable at the time and in the form decided by the Board of Directors of the company.
- 6/ Each of the Sudanese Partners and BCI agree not to sell, charge or otherwise dispose of the legal or beneficial interest in all or any portion of their shareholding prior to the expiration of the exploration stage.

7/ The number of the Board Of Directors shall be and shall be nominated in the following manner:-

<u>PARTY NOMINATING</u>	<u>NO. OF DIRECTORS</u>
Sudanese Partners	-
BCI	-

The Sudanese Partners BCI shall nominate a Managing Director from among the directors nominated by them/it.

8/ The parties hereto agree that they shall cause the memorandum and Articles Of Association of the company to include a provision which empowers the company to accept and give effect to the provisions of this agreement and any amendment thereto.

9/ Subject to the conditions set forth herein the parties hereto agree to enter into and execute any further documents and to perform and carryout any other actions that may be necessary to give full effect to or amplify the provisions hereof.

10/ This Agreement and the provisions hereof shall be construed and governed by Sudanese law and all disputes arising in connection therewith shall be finally settled under the rules of conciliation and arbitration of the International Chamber Of Commerce by three arbitrators appointed in accordance with the said rules.

The Arbitration shall be held in

11/ Each of the Sudanese Partners and BCI shall cause the company to do execute ratify and confirm this agreement and the Technical Services Agreement/Management Services Agreement or any other agreement whether concluded between the parties hereto or between the parties hereto and any third person, acts and things necessary for giving effects to the objects declared herein with the end and intent that the rights and duties of the Sudanese Partners and BCI in relation to the company and of the company to the parties shall have full force and effect after the formation of the Company.

In witness whereof the parties have hereinto set their names this day of 1988.