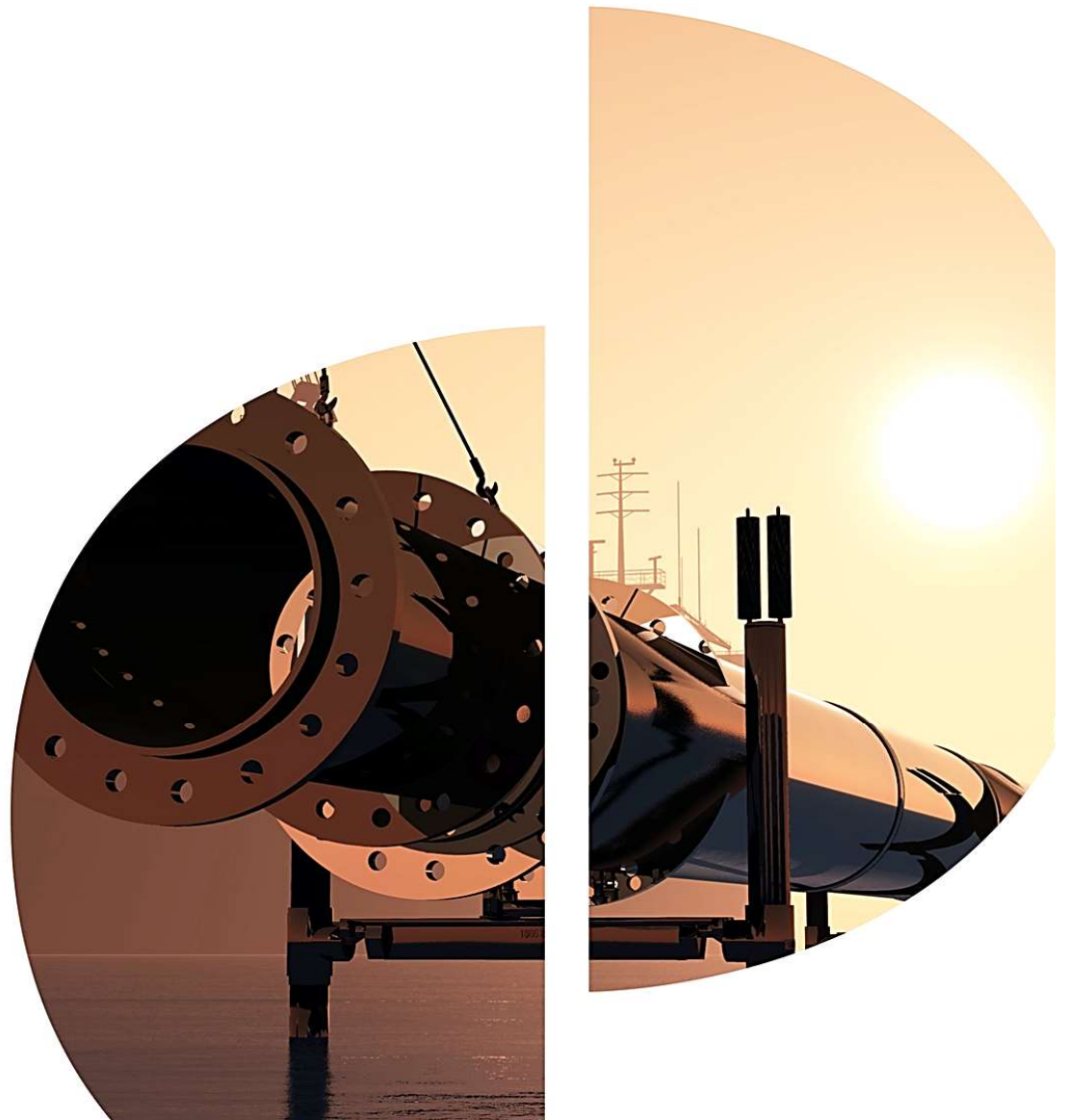
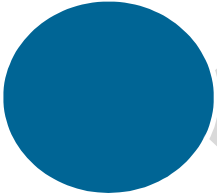


TAPI Pipeline Project

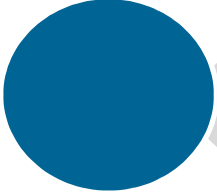
Presentation to ECO Chamber of
Commerce and Industry (ECO CCI)
16 October 2018



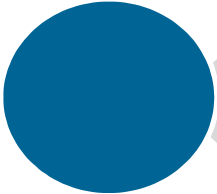
Introduction to the Project



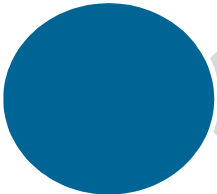
TAPI Pipeline Project was originally conceived in the 1990s with a view to monetise Turkmenistan's natural gas reserves through gas exports to Afghanistan, Pakistan and India. The source of natural gas is the "Galkynysh" gas field with proven gas reserves of approximately 27.4 tcm.



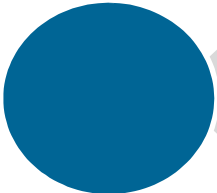
The project is being developed by TAPI Pipeline Company Ltd (**TPCL**), a company incorporated in the Isle of Man with its head office in Dubai.



The development of the "Galkynysh" gas field and the construction of the 56" gas pipeline of approximately 214 km from this gas field to the Turkmenistan/Afghanistan border is being undertaken by Turkmengas, not TPCL.



Delivery to India will be at the Pakistan/India border and TPCL will not own any assets in India.



The length of the 56" gas pipeline to be constructed by TPCL in Afghanistan and Pakistan is approximately 1634 km.

Introduction to the Project – Sponsors and Government Support

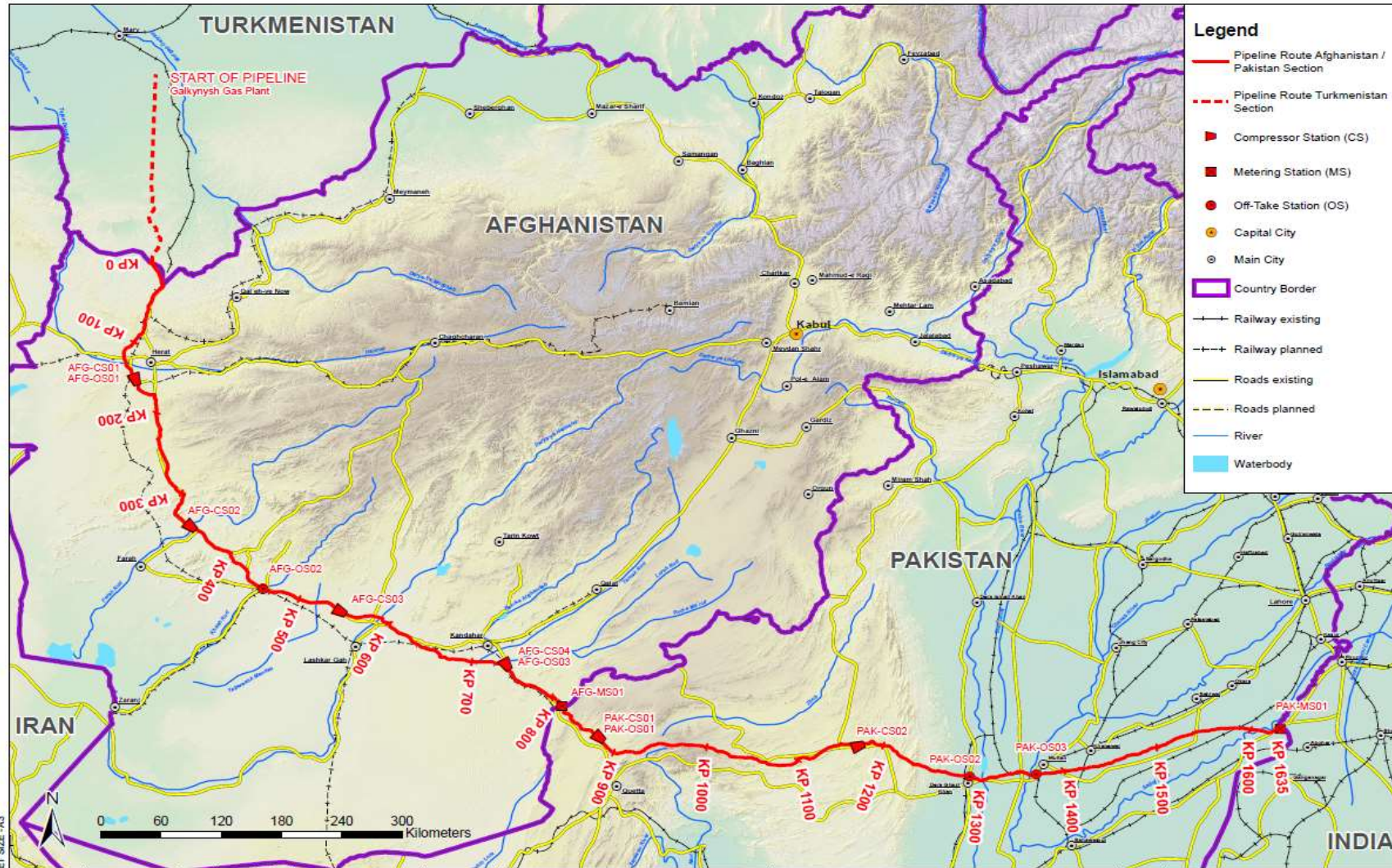
The Governments of Turkmenistan, Afghanistan, Pakistan and India are fully supportive of the TAPI Pipeline Project and have nominated the following state owned gas companies as Sponsors to promote and invest in the TAPI Pipeline Company Limited (**TPCL**):

SPONSOR	TPCL SHAREHOLDING (%)
State Concern “Turkmengas”	85
Afghan Gas Enterprise	5
Inter State Gas Systems (Private) Limited	5
GAIL (India) Limited	5

Introduction to Project - Sponsors

Sponsor	Description
State Concern “Turkmengas”	<ul style="list-style-type: none"> • Wholly owned by the State of Turkmenistan. • Sole operator of all onshore gas fields in Turkmenistan and is authorized to manage the State’s gas fields. • Produced 62 billion standard cubic meters (BCM) of natural gas in 2017 (and exported more than 33 BCM abroad) and operates a network of 9,000 kilometers of high pressure gas transmission pipelines.
The Afghan Gas Enterprise (AGE)	<ul style="list-style-type: none"> • Wholly state-owned enterprise under the Afghan Ministry of Mines and Petroleum. • AGE carries out activities such as the exploitation, development, production and processing and provision of natural gas to its clients. • AGE is the largest state-owned natural gas processing and distribution company in Afghanistan and operates four gas fields producing approximately 160mmcm/year of natural gas.
Inter State Gas Systems	<ul style="list-style-type: none"> • Wholly owned enterprise by the State of Pakistan. • Responsible for managing the Government of Pakistan’s interests in gas fields and administering the Pakistani gas sector by importing natural gas into Pakistan on behalf of the Government of Pakistan and attracting foreign investment into Pakistan’s gas industry.
Gas (India) Limited	<ul style="list-style-type: none"> • Majority owned by the State of India. • Largest natural gas processing and distribution company in India. • Operates approximately 75% of the total gas transmission system in India and contributes 60% of the natural gas sold in India. • It has the following business segments: natural gas, liquid hydrocarbon, liquefied petroleum gas transmission, petrochemical, city gas distribution, exploration and production, GAILTEL and electricity generation.

Introduction to the Project - Route



PROJECT No. K358
ORIGINAL SHEET SIZE - A3

REV	DATE	DESCRIPTION	DRAWN	CHECK	APPR.
2	26.07.2017	APPROVED BY COMPANY	Unterwiesing	Muehling	Pfister
1	30.05.2017	APPROVED BY COMPANY	Schwaiger	Muehling	Pfister
0	30.05.2017	ISSUED FOR REVIEW	Schwaiger	Muehling	Pfister



PROJECT: Project Management & FEED Consultancy Services

DRAWING TITLE: OVERVIEW MAP

PROJECT NO.	DRAWING NO.	SCALE	SHEET OF
K358	K358-ILF-OVA-GEN-GE-MAP-001	1:3,000,000	01 01

Phasing of the Project

The construction of the TAPI Pipeline will be split into two phases

Phase 1

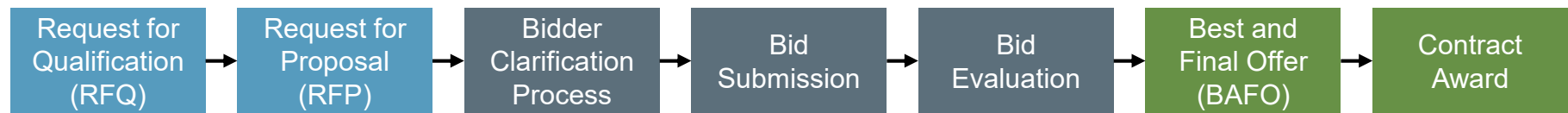
A “free flow” pipeline with 2 compressor stations (in Turkmenistan) resulting in a capacity to deliver approximately 11 BCM per year

Phase 2

The addition of 6 compressor stations (in Afghanistan and Pakistan) increasing the capacity to deliver approximately 33 BCM per year

Project Implementation – Procurement Process

Key project contracts have been awarded using a **fair and transparent procurement process** consistent with **international best practice**:



ALLEN & OVERY



Project Management Consultant – Currently in a tender phase.

Project Procurement & Construction Status






The procurement and construction comprises primarily of three packages:

Package	Status
<p>Long Lead Item (LLI) – Line Pipe & Hot Bends</p> <ul style="list-style-type: none"> Two contracts are expected to be awarded in order to mitigate single supplier risk. 	<ul style="list-style-type: none"> Competitive tender process launched in 2017. Best and Final Offer (BAFO) round launched in March 2018. Two European bidders have been awarded preferred bidder status. The final decision will be based on the export-credit financing support they have from their home countries. Contracts are expected to be awarded in <u>Q4 2018</u>
<p>LLI – Large Valves</p> <ul style="list-style-type: none"> Two contracts are expected to be awarded in order to mitigate single supplier risk. 	<ul style="list-style-type: none"> Competitive tender launched in 2017 and BAFO round in March 2018. Two Italian bidders have been awarded preferred bidder status. Contracts are expected to be awarded in <u>Q4 2018</u>.
<p>EPC</p> <ul style="list-style-type: none"> Two contracts are expected to be awarded in order to mitigate single supplier risk. 	<ul style="list-style-type: none"> Competitive tender process launched in 2017. Tender evaluation is complete. BAFO bids received on 21 September 2018. Contracts are expected to be awarded in <u>Q4 2018</u>.

Importance of the Project – Economic Impact

The Project will provide a significant economic boost to the three developing country buyers:

Country	GDP (per capita)*	Impact
Afghanistan	USD1,900 (210 th in the World)	
Pakistan	USD5,400 (170 th in the World)	
India	USD7,200 (156 th in the World)	

1. Natural gas power generation is significantly cheaper than diesel and fuel oil.
2. Access to natural gas will stimulate industrialization and investment.
3. Afghanistan and Pakistan will benefit from billions of dollars of transit fees.
4. Project contracts (eg. EPC and LLIs) will be awarded to lead international contractors mainly from Europe providing further economic benefits to those nations.

* data sourced from US central intelligence agency (CIA) website – “The World Fact Book for 2017”.

Importance of the Project – Supply and Demand Gap

Offtake	Natural Gas Supply (2025 forecast)	Natural Gas Demand (2025 forecast)	Supply and Demand Gap (2025 forecast)	TAPI Pipeline Gas Delivery
India	45 BCM	95 BCM	-50 BCM	14 BCM
Pakistan	20 BCM	73 BCM	-53 BCM	14 BCM
Afghanistan	Data not available	Data not available	Data not available	5.0 BCM
		TOTAL:	> 103 BCM	33 BCM

- TAPI Pipeline is a major part of the solution to reduce India and Pakistan’s natural gas deficit.
- TAPI Pipeline will be the only source of pipeline gas to each of the three nations.
- Without the TAPI Pipeline, these countries are dependent on coal, oil and expensive LNG.

Importance of the Project – Indirect Economic Impact

The TAPI Pipeline Project will:

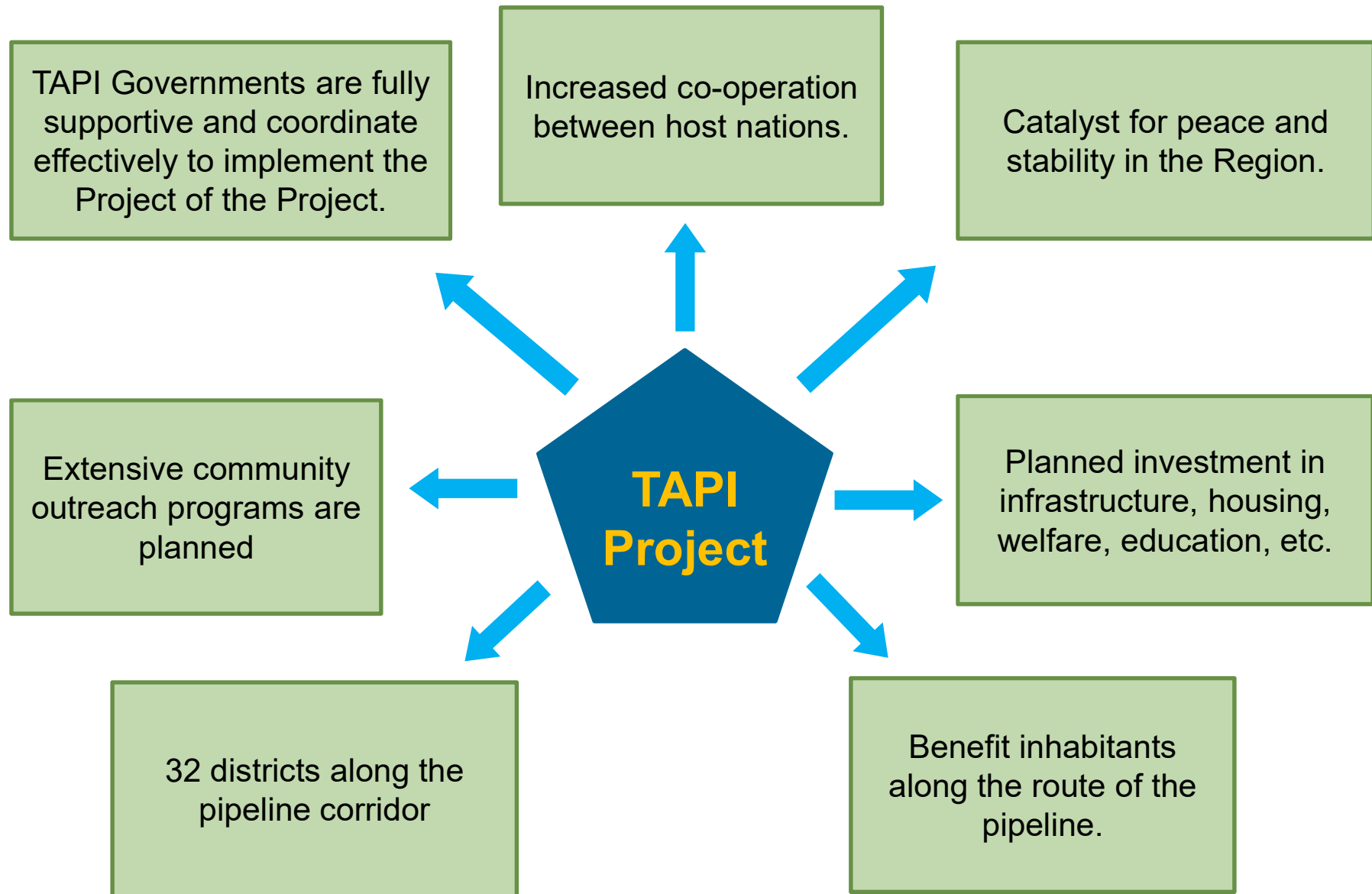
Create approx. 40,000 jobs in Afghanistan and Pakistan (EPC, O&M, security services and other services contracts).

Significantly increase electrification for general population (currently only 43% of Afghans and 73% of Pakistanis have access to electricity).

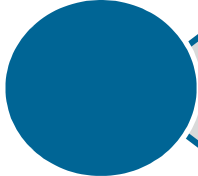
Provide industrials with access to a cheaper and cleaner source of energy.

Significantly increase cross-border commercial activity.

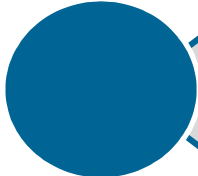
Importance of the Project – Political & Social



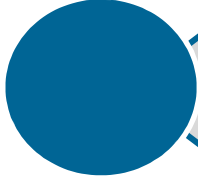
Importance of the Project – Environment



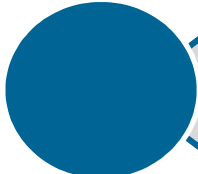
India and Pakistan are among the World's largest contributors of CO₂ emissions (4th and 33rd, respectively).*



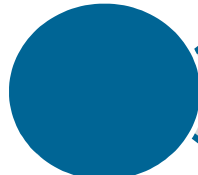
Natural gas offers a cheaper, safer and cleaner alternative to coal and diesel fired power generation.



Environmental and Social Impact Assessment undertaken by a world class consultant.



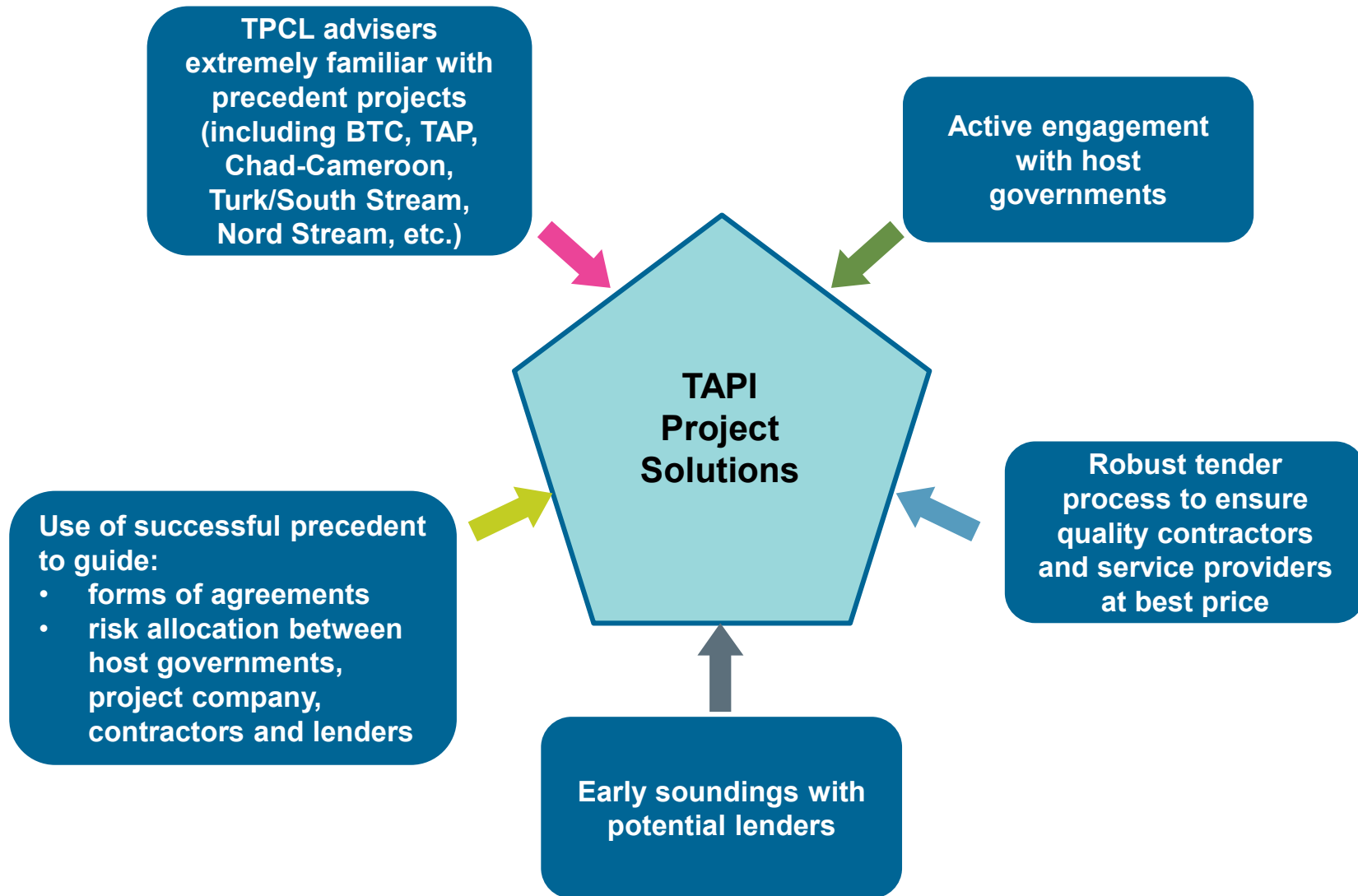
The Project will be executed in accordance with World Bank EHS Guidelines and IFC performance standards.



TPCL has finalized several survey works in Afghanistan and Pakistan such as Geotechnical, LIDAR, Non-technical and Land Acquisition Plan surveys.

* data sourced from US central intelligence agency (CIA) website – “The World Fact Book”.

How is TPCL navigating challenges of project risks and mitigations?



Summary

- The Project has the full support of the Governments of Turkmenistan, Afghanistan, Pakistan and India.
- The Project is strategically important for the region.
- The Project brings many direct and indirect social, economic, political and environmental benefits to the region.
- Beacon for peace and stability.
- The Project is being implemented in accordance with the highest international standards.
- Guided by a world-class advisory team.

TPCL and the Sponsors thank you for your time

**Please contact TPCL in case you have any
further queries**

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