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USAID ENERGY POLICY PROGRAM

MONTHLY PROGRESS REPORT SEPTEMBER 2014

COMMERCIAL ADVISORY SUPPORT FOR
LNG PROCUREMENT

October 2014

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FGE SEPTEMBER 2014 MONTHLY PROGRESS REPORT

During the month of September, FGE worked on three different task orders as follows:

1. Market Study Part II

The second part was completed in mid-September covering the following areas:

- Overview of LNG Development in Pakistan
- Peer Country Comparison
- LNG Commercial Agreements
- Recent Trends in Contractual Pricing
- Recent Trends in Contractual T&Cs

2. LNG Procurement Strategy

Incorporating the work on the Market Study, the LNG procurement strategy has been informed by it as well as meetings with the various parties in Pakistan. It was delivered in mid-September and amended with input from the GoP and AEAI. It covered the following areas:

- Objectives
- LNG Procurement Options
- Potential Supply Sources - Term/Spot LNG
- Shipping
- Sales and Purchase Agreement (SPAs)
- Key Recommendations for LNG Procurement - Target contractual terms
- General Operational Guidelines

1. Ongoing LNG Support to the Government of Pakistan

- a. Qatari HOA/SPA review: Begun in late July and completed in August. Final comments sent on 10 September. FGE assessed what was being offered in relation to today's LNG markets.
- b. Government to Government report and negotiations and discussions: A report was sent on 10 September delivery and FGE discussed potential availability with government candidates.
- c. Ongoing strategic discussions and planning with AEAI and the Government of Pakistan stakeholders with efforts directed towards LNG procurement.
- d. Drafting of MSA with WFW and further development of the RFP process, including further meetings with WFW in Singapore during the week of 29 September.
- e. Government meeting planned and arranged with PETRONAS in Malaysia on 29 September. Met with senior people and there is an interest on the part of PETRONAS. FGE is currently working with the GoP to set up the government to government arrangement so that negotiations can begin.

- f. LNG Supplier Road Show in Singapore planned and arranged. Event took place on 30 September. Good turnout and it was helpful for Pakistan to hear the concerns of potential suppliers.

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