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USAID ENERGY POLICY PROGRAM

MONTHLY PROGRESS REPORT FEBRUARY 2015

COMMERCIAL ADVISORY SUPPORT FOR
LNG PROCUREMENT

March 2015

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FGE FEBRUARY 2015 MONTHLY PROGRESS REPORT

During the month of February, FGE worked on one task order as follows:

I. Ongoing LNG Support to the Government of Pakistan

- a. Review further Doha SPA drafts and strategy, including FSRU compatibility and liaise with Excelerate.
- b. We are working with the GOP on the SPA, but the GOP is making the decisions on various commercial clauses that FGE does not always recommend, support or advise.
- c. Travel to Islamabad on 30 January to continue Qatargas negotiations, specifically helping the GoP to finalize a supply contract.
- d. In Islamabad, meet with PSO, GoP, the Minister, the Maverick consultants and Qatargas. FGE feels that the Maverick consultancy was brought in to push for items that the GoP wanted, but were advised against. FGE notes that bringing up such issues only embarrasses the GoP in the eyes of Qatargas and prolongs the process. On February 4, 2015, the GoP does not have the luxury to push for such items if they want to begin importing LNG in March 2015. The head of the QG delegation has already politely reiterated that such items cannot be accepted. QG will politely say that they note the comments and will ask, but QG has also said that the negotiations will then be pushed back and we will find ourselves in the same negotiation position once again later this month.

The challenge with having the “Mavericks” jumping in and everyone else sit quiet is that there is no appreciation for the fact that FGE, WFW and others have explained that QG will not change its positions on various points and we now seriously risk delaying the project to placate their desire. Furthermore, they are neither qualified lawyers nor LNG consultants in spite of any one-time prior experience.

- e. Prepare new draft SPA for QG, drafting clauses that are not advised and will only prolong the negotiations.
- f. Travel to Doha to discuss SPA with QG, during meetings, see WFW’s email.
- g. Forecasting and writing of Pakistan LNG pricing report for LNG Pricing Committee.
- h. Liaising with potential other suppliers such as CNOOC, Gazprom, Petronas, and other IOCs.

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