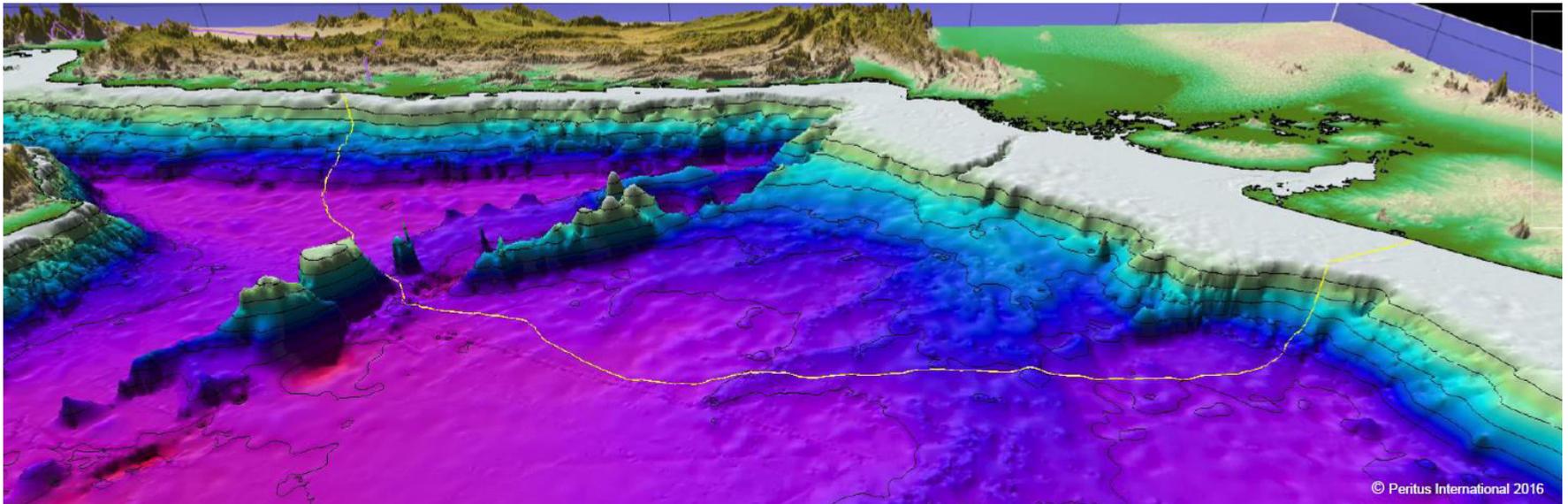


MIDDLE EAST TO INDIA DEEP-WATER GAS PIPELINE PROJECT



PRICE COMPETITVENESS & AFFORDABILITY IN INDIAN MARKETS

Presentation to the Ministry of Petroleum, Iran

Tehran - 6th May 2017

By
SBI Capital Markets

Private & Confidential

AGENDA

NATURAL GAS MARKET IN INDIA

PRICE COMPETITIVENESS & AFFORDABILITY OF NATURAL GAS

MEIDP- *Long Term Solution of Affordable Gas*

TARIFF & GAS PRICING OPTIONS

SUPPORT FROM IRAN

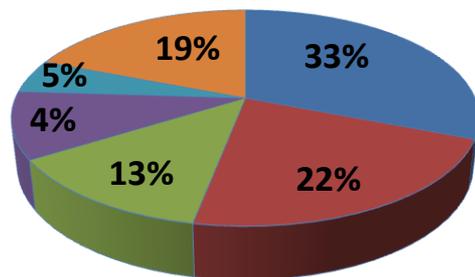
NEXT STEPS

NATURAL GAS MARKET IN INDIA

NATURAL GAS MARKET IN INDIA

- **NATURAL GAS** is the **third major fuel** consumed in India
- During FY 2016, total consumption for Natural Gas was **146 mmscmd** in India
- **Domestic Production of Natural Gas** in India has declined in the recent years from **143 MMSCMD** in **FY2011** to **88 MMSCMD** in **FY2016**
- Power(22%) , Fertilizer (31%) & CGD (13%) Sectors being price sensitive sectors constitute 66% of the total demand in FY 16. However they face challenges in terms of:
 - ✓ Decreasing supply of Domestic Natural Gas
 - ✓ Affordability of Gas (through Imported LNG)

Sector wise consumption of Natural Gas in FY 16

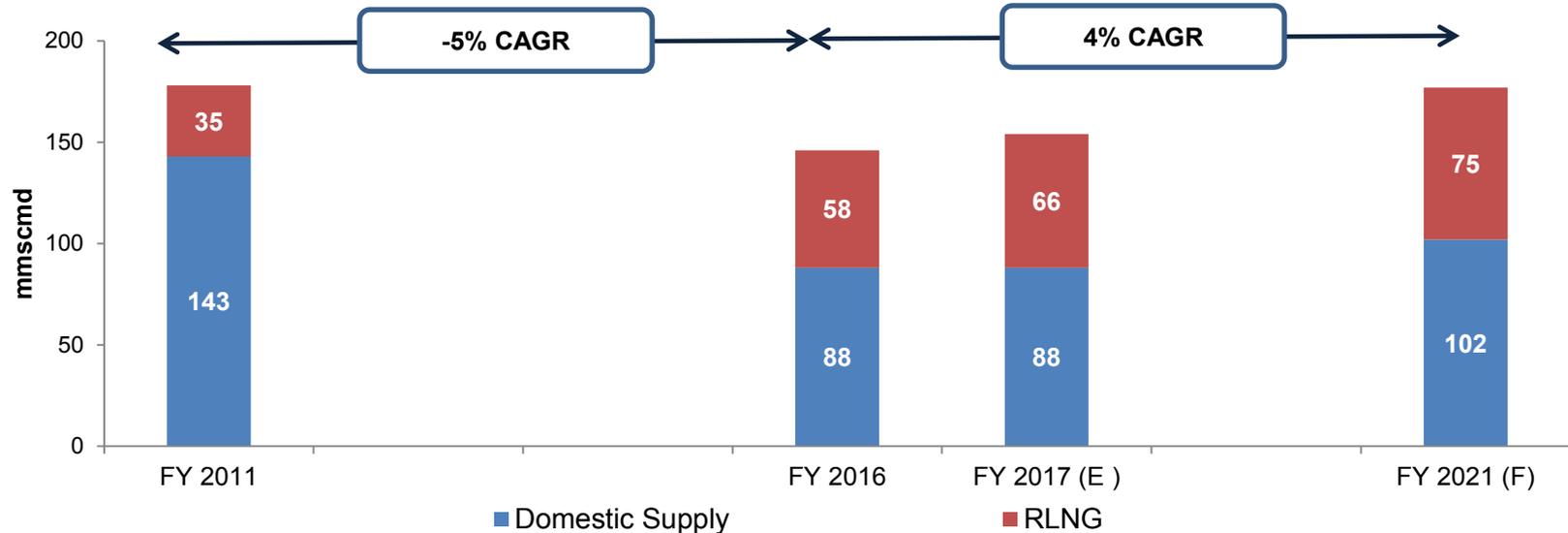


■ Fertilizer ■ Power
■ CGD ■ Refinery

Sector	Demand (mmscmd)
Fertilizer	45
Power	32
CGD	19
Others	50
Total	146

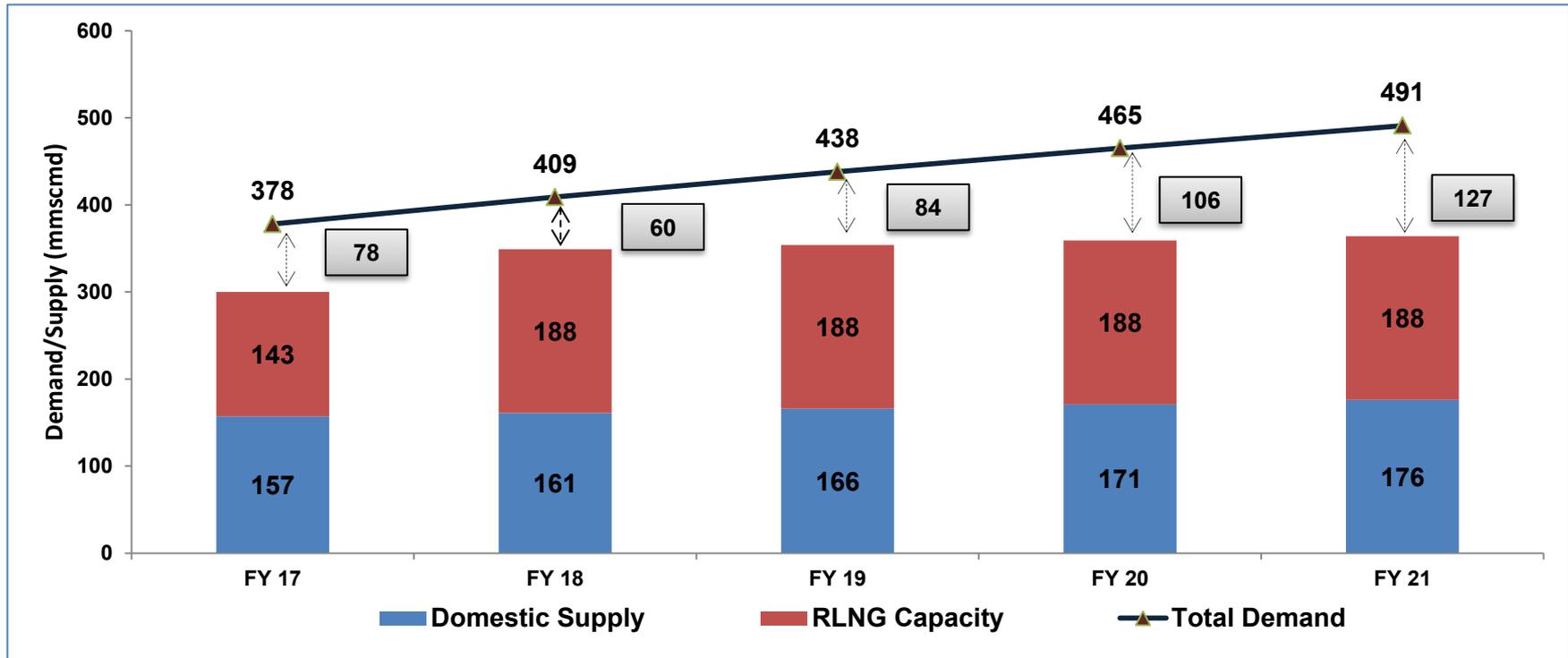
DEMAND-SUPPLY GAP (BASED ON AFFORDABILITY)

Domestic Gas Supply and Demand Projections (based on Affordability)



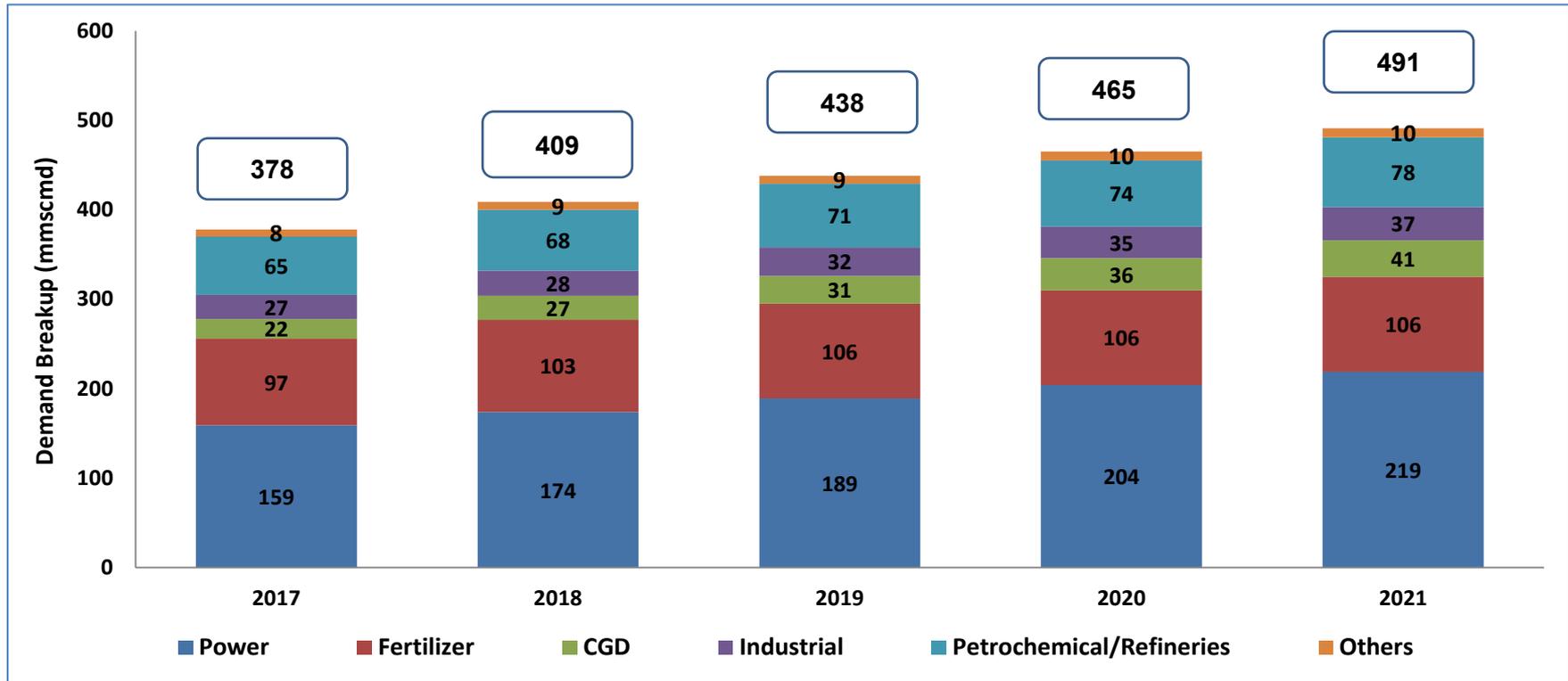
- Based on Affordability, India's natural gas demand is projected to increase at a 4% CAGR over the next 5 years to 177 mmscmd in 2020-21,
 - ✓ The domestic natural gas production is expected to grow at 3%
- Gap between demand and supply of domestic natural gas is expected to widen going forward
- Subject to affordability, shortfall in Gas Supply can be met by a mix of sources viz.
 - ✓ LNG/RLNG ,
 - ✓ Transnational Gas Pipelines

DEMAND-SUPPLY GAP (POTENTIAL DEMAND)



- Total potential demand for natural gas is expected to increase to around 491 mmscmd by 2020-21 (CAGR ~ 6.5%)
- Gap between demand & supply of domestic natural gas is expected to widen going forward
 - ✓ Affordable Gas by Transnational Pipeline can act as a Long Term Solution to bridge this Gap

PROJECTED SECTOR WISE POTENTIAL DEMAND



- Majority of this incremental demand shall be from Power, Fertilizer and CGD sector.
 - ✓ Gas based power generation is expected to contribute in the range of 42% to 45% to overall demand
 - ✓ Demand from Fertilizer & CGD sector is expected to contribute of around 25% to 30% i the total demand

PRICE COMPETITIVENESS & AFFORDABILITY OF NATURAL GAS

Affordability of Natural Gas in India-Power Sector (1/2)

➤ Power Sector: Competition with Power generated with Coal

- ✓ Lower cost of Power generation through coal and improving supply of Domestic Coal
- ✓ Gas based Power plants operated at a low PLF (average of 22.5% for FY 2016) due to shortage of Domestic Gas

➤ Gas Based Power Plants

- ✓ Investment of ~ INR 1.20 Lacs Crore (\$ 18.46 Bn)* has already been made in Gas based Power plants with a combined Power generation capacity of 24150 MW
- ✓ RLNG at prevailing prices not able to compete with Power generated by Coal based power plants. As a result:
 - Stranded Gas based power plants of 14,300 MW had Zero PLF during April 2014 to Jan 2015
 - Additionally about 9,845 MW of Gas based power plants which received domestic gas had average PLF of 32.2%

➤ Availability of Domestic Gas for Power sector

- ✓ 23 mmscmd of Domestic Gas was available to Power sector in 2016
- ✓ Supply of domestic gas to Power sector is expected to remain stagnant over the medium term as domestic supply is constrained and there have been no major Gas discoveries

The total requirement of Gas for the existing Gas Based capacity is ~106 mmscmd.

Affordability of Natural Gas in India-Power Sector (2/2)

- Different source of fuel of Power Generation in India include Coal, Renewable & Nuclear
- Power Generation companies sign PPAs with buyer at different Tariff
 - ✓ Power Tariff is based on the cost of generation of which the fuel cost constitutes a major component
 - ✓ Coal based power is most affordable owing to competitive pricing of Coal
- Coal Based Power plants constitute more than 60% of total installed capacity in India
- Cost of Power generation at Plant from Domestic Coal is ~Rs **2.98/KWh** and **Rs 3.20/Kwh** for Blended Coal (30% Imported from Indonesia and 70% Domestic Coal) ([Annexure](#))
- Coal as a fuel is the major competitor to Gas based Power
 - ✓ On account of Coal being more economical viz. Natural Gas
 - ✓ However Natural Gas is a greener source of Power Generation

Price of Natural Gas needs to be competitive for Power generation from Gas based Power Plants

Competitive Pricing of Affordable Gas with Hybrid of Renewable Energy & Coal

- Cost of Power generation at Plant from Domestic Coal is **~Rs 2.98/KWh** and **Rs 3.20/Kwh** for Blended Coal (30% Imported from Indonesia and 70% Domestic Coal)
- However, Power generated from Gas being a cleaner energy, the cost of Power generation from Gas should be a mix of Power generated from Coal & Renewable energy
- Renewable Power Tariffs are in the range of **Rs 4.5-5/KWh**
- The comparable Tariff for hybrid of Domestic Coal/Blended Coal & Renewable Power works to **~Rs 3.74/KWh & Rs 3.85/KWh**
- Delivered price of gas (at burner tip) required for hybrid of Domestic Coal/Blended Coal & Renewable Power works to **~USD 4.26/mmbtu & USD 4.46/mmbtu** respectively ([Annexure](#))

Transnational Pipelines like MEIDP would provide an Energy Corridor to deliver Gas at affordable price

Affordability of Natural Gas in India-Fertiliser Sector

➤ Fertiliser sector

- Urea is the most widely used fertiliser in India, with a contribution of around 55%
- Total 30 Urea units under operation.
 - ✓ 27 units are based on Natural Gas as feedstock and 3 on Naphtha as feedstock.
 - ✓ 5 new Gas based Urea units are coming up
- Total requirement of Gas from the existing Urea units is around 44 mmscmd
- With addition of new units the demand is likely to go up to **55 mmscmd**
- Currently, out of total requirement of around 44 mmscmd, 55-60% is fulfilled through Domestic Gas and remaining amount is imported RLNG
 - ✓ Share of RLNG will increase significantly to around 50-55 % in the absence of any increase in production of Domestic Gas
- Availability of lower cost Transnational Gas in the country can be a major boost to cater to this demand

Affordability of Natural Gas in India-CGD Sector

➤ CGD Sector

- ✓ Gas for **City Gas Distribution** is a mix of Domestic Gas and LNG
- ✓ The total demand in this sector is expected to be 41 mmscmd by 2021 (CAGR ~8%)
 - 60 Geographical Areas are proposed to have a CGD network by 2021
- ✓ With increased focus on CGD and PNG sector and absence of incremental Domestic Gas will lead to increased reliance on imported LNG
 - Imported LNG makes CGD gas unattractive for industrial and commercial segments owing to availability of cheaper alternate fuel sources
- ✓ Therefore Affordable Gas through Transnational Pipeline to positively impact viability of CGD Companies and affordability of Gas in Industrial /Commercial sector.

Consumption of Natural Gas in Anchor Sectors is governed by Availability & Affordability

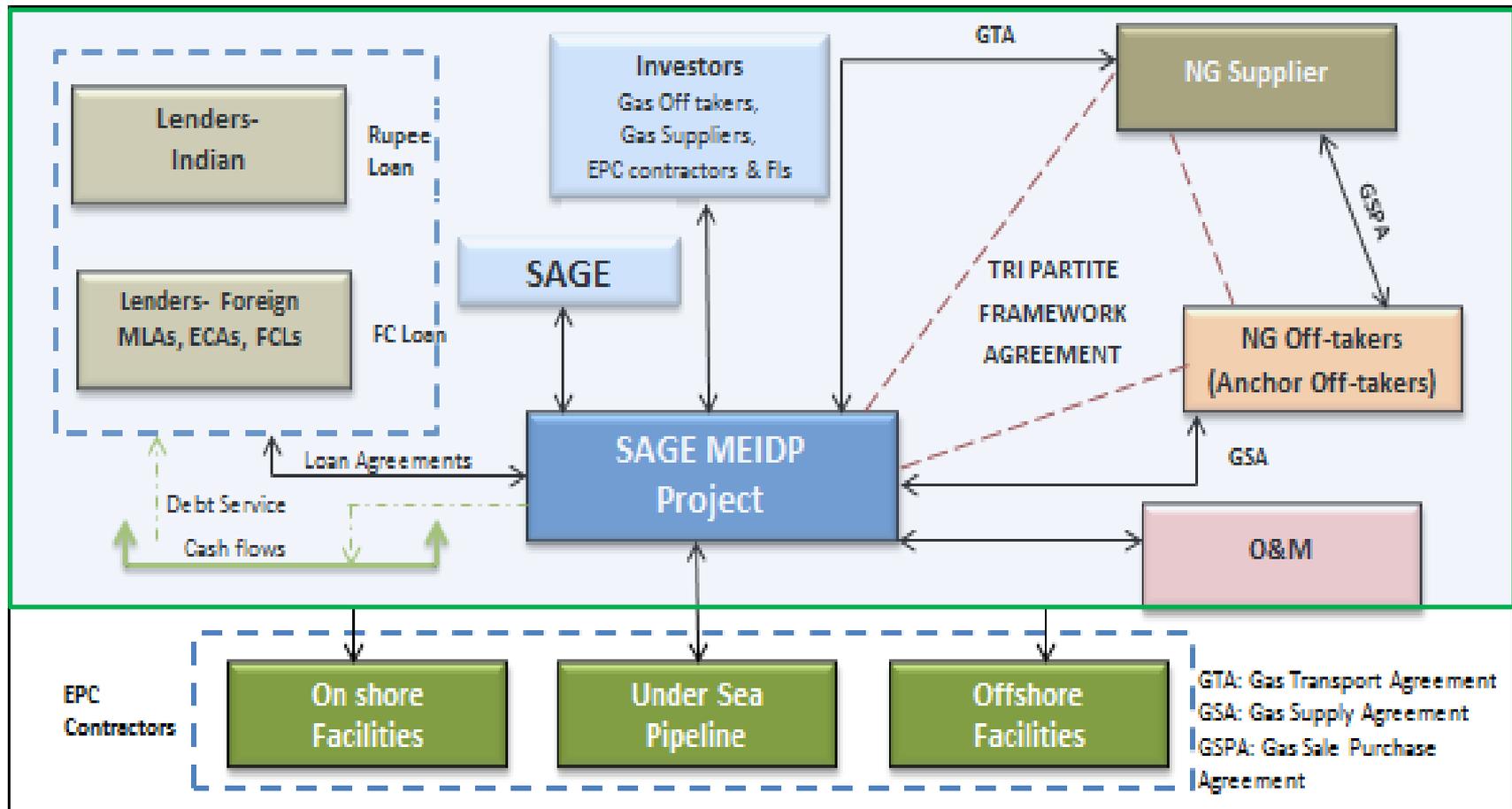
MEIDP-Long Term Solution to Supply of Affordable Gas

MEIDP- SAGE Project Vision

Project	Middle East to India Deep- Water Gas Pipeline Project
Sponsor	South Asia Gas Enterprise Pvt Ltd (SAGE)
Proposal	Development of an Energy Corridor for transportation of gas from Middle East to India by the safest, most economic & reliable means
Proposed Route	Middle East Port to Indian Port (Gujarat) in India, via Arabian Sea
Common Carrier	The pipeline will be laid as a “ Common Carrier ” pipeline whereby SAGE will be the Gas Transporter and will be paid a Tariff for pipeline use
Tri- Partite Agreement	Gas Buyers & Gas Seller will negotiate the Long Term Gas Supply Contract along with SAGE in a Tri-partite Framework Agreement
Global Consortium	SAGE has been working on the Project with Global Consortium for last 6 years

PROJECT STRUCTURE- Proposed

Offshore SPV to be incorporated based on tax implications of different geographies in the world



MEIDP- Specifications & Timeline

Specifications

- **Length:** ~ 1300 km – 1400 km (Base Case)
- **Project Cost :** ~ USD 5.20 Bn
- **Max Depth:** ~ 3500 meters
- **Internal Diameter:** 24" I.D. ; Wall Thickness: 32.9 mm -40.5 mm WT(DNV OS-F101)
- **Flow Rate:** 1.1 BSCFD (31.1 MMSCMD)

Project Implementation Timeline

- **Project Duration:** 5 years



MEIDP- Present Status



Progress so far

- Engagement of DnV, Norway as a Technical Consultant
- Feasibility Study completed- by Peritus International Ltd
- Financial Advisory Services- by SBICAP
- Indian Gas Market Assessment- by CRISIL
- Reconnaissance Survey- by FUGRO
- Significant amount invested by SAGE
- Significant investments in R&D by Pipe Manufacturers
 - ✓ Successful Qualification Trials conducted in Indian Pipe Mills
- Ongoing discussions with Gas Suppliers
- Presentations made to MoEA, MoPNG- GoI
- MoUs signed b/w SAGE and agencies like NIGEC, SAIPEM, WELSPUN, EIL, GAIL .



CastorONE (Saipem SpA) 2013

Outfitting in Rotterdam



Pioneering Spirit AllSeas (2017)

Operational



Aegir (HMC) 2013

Construction



JSD 6000 (Petrofac) 2019

Source: SAGE

MEIDP- *Established Technical Feasibility*

Technical Viability Study conducted by Peritus International Limited (September 2016)

- **Availability of Pipeline Laying Vessels**
 - ✓ Five vessels are capable of installing the pipeline in the maximum water depth of the MEIDP Pipeline. These include:
 - Saipem's 7000 and HMC's Balder & Aegir are currently available
 - Allseas' Pioneering Spirit will be operational in 2017
 - Saipem's Castorone is available.
- **Availability of Pipelines**
 - ✓ Two pipe Mills (Jindal SAW, PCK) have manufactured pipeline specifically for SAGE to MEIDP Dimensions and Specification.
 - ✓ JFE is about to embark on a similar production and testing trial.
 - ✓ PCK (China) are currently undergoing a "Ring Collapse" test program, witnessed by SAGE. Preliminary results are successful.
- **Availability of Improved Design Methods**
 - ✓ Technologically superior design systems and Remotely Operated Vehicles are now rated to function at the depth of MEIDP
 - ✓ Deepwater repair systems along with better survey and positioning capabilities are available

TARIFF & GAS PRICING OPTIONS

MEIDP-Tariff & Gas Price at inlet (1/2)

Tariff Fixation Approach for MEIDP Project (August 2016)

- During the last meeting with NIGEC held in Tehran in July 2016, NIGEC had confirmed their interest to supply Gas on long term basis to the MEIDP Project.
- For the purpose of estimation of final Delivered price of Gas, it was proposed :
 - ✓ To devise a mechanism for fixation of Gas Price & Pipeline tariff
- An Approach paper for of devising the pricing methodology was shared with NIGEC in August 2016
 - ✓ To establish the purchase price of gas from Iran for MEIDP Project
- Purchase price was derived considering the following factors viz.
 - ✓ Commercial Viability of the MEIDP Project and
 - ✓ Affordability of imported gas in different sectors (Power, Fertilizer, CGD) viz. other alternate fuels.

MEIDP-Tariff & Gas Price at inlet (2/2)

- The Pipeline Tariff is estimated based on a specific Target Return of the Project.
- Final Gas price consists of two components viz. Gas Purchase Price & Pipeline Tariff
- Six options have been worked for the calculation of Pipeline Tariff
 - Option 1: Fixed at a Slope w.r.t Crude Price*
 - Option 2: Fixed Tariff*
 - Option 3: Fixed Tariff with escalation*
 - Option 4: Gas Tariff with 50% component linked to slope w.r.t. Crude Price and 50% component linked to Fixed Gas Tariff with escalation*
 - Option 5: Fixed at a Slope w.r.t LNG Price (Henry Hub)*
 - Option 6: Linked to Crude price and Gas Volume*
- Option 4 has been considered for discussion with a Target Project IRR of 14% on account of
 - ✓ The fixed component with escalation shall ensure a stability in the Tariff whereas the Floating Component would link the Tariff to ongoing Crude Prices.
- **Based on the above, the Natural Gas Price at the inlet of the MEIDP Pipeline in Iran is estimated**

Natural Gas Pricing based on its Affordability in India and Project Viability

MEIDP- Tariff Workings

- The working of Natural Gas price at the inlet of Pipeline has been done based on the following broad assumptions viz.
- ✓ Crude price based on Nymex Futures (dated August 2016)
 - ✓ Contract period of Gas supply assumed at 30 years
 - ✓ LNG Price Conversion Factor of 10%
 - ✓ Escalation in Tariff @3% p.a.
 - ✓ Discount on LNG price of USD 1.50/mmbtu

Particulars	Units	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27
Crude Price	USD/BBL	54.84	55.66	55.99	57.11	58.25
LNG Price	USD/MMBTU	5.48	5.57	5.60	5.71	5.83
Regas Charges	USD/MMBTU	0.97	1.02	1.07	1.13	1.18
Effective LNG Price	USD/MMBTU	6.46	6.59	6.67	6.84	7.01
Discount on LNG price	USD/MMBTU	1.50	1.50	1.50	1.50	1.50
Affordable Gas Price in India (at Port)	USD/MMBTU	4.96	5.09	5.17	5.34	5.51
Less: Tariff	USD/MMBTU	2.29	2.34	2.39	2.45	2.51
Less: Custom Duty differential (LNG and Gas)	USD/MMBTU	-	-	-	-	-
Proposed Net Gas Price in Iran	USD/MMBTU	23 2.66	2.74	2.79	2.89	3.00

Other Tariff Options working in [Annexure](#)

MEIDP Gas: Hybrid of Coal Based & Renewable Power (1/2)

- The Gas price should be in the range of \$4.26-\$4.46/mmbtu (at burner tip) to be competitive with the Pricing of Renewable & Coal based Power (working in [Annexure](#))
- The calculated Gas price of \$4.96/mmbtu (at Indian Port) along with Custom duty and Inland cost will cost around \$5.70-5.80/ mmbtu (at burner tip),
 - ✓ At this price the Gas will not be Affordable for the Power Sector
- Purchase price MEIDP Gas at Iran Port to compete with Power generated by Hybrid of Renewable Sources and Domestic /Blended Coal works in the range of **USD 1.65-1.84/mmbtu**(working in [Annexure](#)), Therefore ,
 - ✓ **Backward integration** is necessary to realise **Economic Synergy** from the Project
 - To ensure reduction in the Gas Supply Price in Iran making it affordable in India

MEIDP Gas: Hybrid of Coal Based & Renewable Power (2/2)

- The following table highlights the working with revised Crude Pricing (based on Nymex Futures dated 02 May 2017).
- Discount on the LNG prices increased from \$1.50/mmbtu to \$1.75/mmbtu
 - ✓ To make the MEIDP Gas price comparable to the cost of Gas required for the generation of Gas based Power at competitive prices.

Particulars	Units	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27
Affordable Gas Price	USD/MMBTU	4.46	4.61	4.74	4.90	5.06
Less: Tariff*	USD/MMBTU	1.92	1.96	2.01	2.06	2.11
Less: Custom Duty	USD/MMBTU	0.20	0.21	0.22	0.23	0.24
Less: Inland Cost	USD/MMBTU	0.50	0.50	0.50	0.50	0.50
Proposed Net Gas Price*	USD/MMBTU	1.84	1.93	2.01	2.12	2.22

*Based on Project IRR of 12% (30 years)

Proposed Delivered Gas price (at Burner tip) needs to be in range of \$ 1.84-\$2.22/mmbtu to be affordable for Gas based Power generation

SUPPORT FROM IRAN

MEIDP- Support from Iran



SAGE requests NIGEC/NIOC for the following:

- **Consider allocation of dedicated Gas Fields for the Project**
 - ✓ Lead to enhanced Project Viability & affordable Gas supply to India
 - ✓ Encourage investment by Indian Stakeholders in the Iranian Gas Fields
 - ✓ Enable the Project to operate as an integrated Gas Production-Supply Project,
 - To mitigate the risk relating to Pricing cycle
 - ✓ Guaranteeing Long term supply of Gas at a lower cost
 - Strengthen the competitive advantage of the MEIDP Gas viz. other sources of Gas
 - ✓ Realization of Financial Synergies by virtue of reduction in certain cost components & greater control of Gas Prices.
- **Consider equity stake in the MEIDP Project**
 - ✓ Majority of cross border pipeline in the world have **Producer driven Commercial Structures** wherein Producers are Equity stakeholders in such Transnational Projects
 - SAGE requests NIGEC/NIOC for equity participation in the Project
 - ✓ Vertically integrated structure with equity participation from stakeholders in the entire value chain would ensure
 - Realization of improved returns & lower risk for the Consortium of Investors
 - ✓ Will also help in Funding of the Project

NEXT STEPS

NEXT STEPS

SAGE proposes the following steps for successful implementation of the Project

- **Vetting of Tariff & Gas Supply Price workings**
 - ✓ Finalization of Tariff & Gas Purchase Price between NIGEC & SAGE based on the Price & Tariff Options submitted to NIGEC
 - ✓ Submission of In-principle offer for Gas Supply Price to Govt. of India and Gas Off-takers for further discussions
- **In-principle Offer for Equity Participation from NIGEC/NIOC**
 - ✓ NIGEC/NIOC to associate with MEIDP Project as a Strategic Equity investor which will
 - Demonstrate commitment of Iran to Indian Gas Off-takers
 - Give additional business to Iranian Companies (Construction, EPC, etc.)
- **Request Iranian Stakeholders to visit India**
 - ✓ For discussions & meetings with Government of India & Gas-Off takers to deliberate on the various Geo-Political & Commercial aspects of the Project
- **Explore options for Vertical Integration**
 - ✓ Consider allocation of dedicated Gas Fields for this Project
 - Lead to Rationalization of the Delivered Price of Gas in India owing to the realization of the Economic Synergies

THANK YOU



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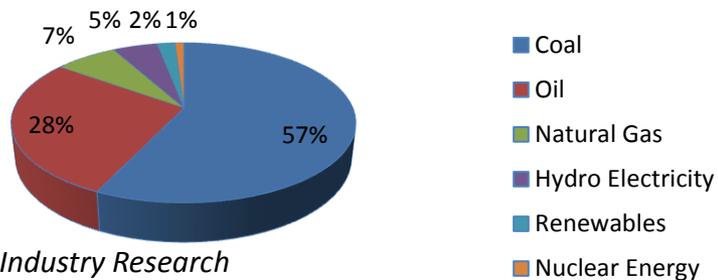
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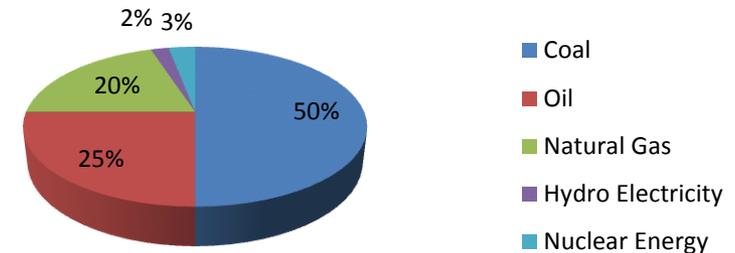
INDIA'S ENERGY SCENARIO (Annexure)

- India is the 4th Largest Energy Consumer in the World (NG constitutes 7% of India's Energy Basket)
- Energy Demand to grow with GDP; Indian Economy projected to grow over 7% for FY 18 (IMF)
- Natural Gas expected to constitute 20% of India's Energy Basket by 2025 PNGRB Vision-2030

Energy Mix of India (Current)



Energy Mix of India (Projected-2025)



Energy Sources in India

COAL: Coal is the dominant energy source contributing **57%** of the total energy consumption

CRUDE OIL: Second major fuel consumed in India; Import Dependency: 78% of Consumption

NATURAL GAS: Third major fuel consumed in India;

- ✓ **Domestic Production of Natural Gas** in India has declined in the recent years from **143 MMSCMD** in **FY2011** to **88 MMSCMD** in **FY2016**
- ✓ India has **Low reserves of Natural Gas** (Proven Reserves of 1.4 TCM, 0.8% of World Reserves)

Competitive Pricing of Affordable Gas with Coal (Annexure)

- Power generated from Domestic Gas is ~Rs 3.49/KWh, which is comparable to coal based power
- Cost of Power generation from Imported RLNG is ~Rs 6.47/Kwh, making imported LNG un-affordable
- In the absence of sufficient supply of Domestic Gas, an alternate source of affordable gas needs to be explored for Gas based power plants.

Delivered price of Affordable Gas compared with Power from various Coal sources

Particulars	In comparison to		
	Imported Coal	Domestic Coal	Blended Coal
Tariff(Rs./kW-h) (to match coal based Power)	4.46	2.98	3.20
SHR(in Kcal/KWh)	1900	1900	1900
Variable Tariff (Rs./kW-h)	2.96	1.48	1.70
Fixed tariff(Rs./kW-h)	1.50	1.50	1.50
Delivered Price (USD/mmbtu) in India at Burner Tip	5.63	2.82	3.24

Delivered Price for Affordable Gas should be in the range of \$3.24-\$5.63/mmbtu

Competitive Pricing of Affordable Gas with Hybrid of Renewable Energy & Coal (Annexure)

Delivered price of Affordable Gas compared with Hybrid Power

Particulars	In comparison to Hybrid of	
	Domestic Coal & Renewable Power	Blended Coal & Renewable Power
Total Tariff(Rs./kW-h)*	3.74	3.85
SHR(in Kcal/KWh)	1900	1900
Variable Tariff (Rs./kW-h)	2.24	2.35
Fixed tariff(Rs./kW-h)	1.50	1.50
Delivered Price (USD/mmbtu) in India at Burner Tip	4.26	4.46

**50% of the Renewable Power based Tariff Component (i.e. Rs 4.5 per kwh) and 50% of the Domestic/Blended Coal based Power Tariff Component (i.e. Rs 2.98/3.20 per kwh) has been used.*

Affordability of Natural Gas in India-Power Sector (Annexure)

Cost of Power Generation from different types of Coal

Particulars	Units	Imported Coal (Indonesia)*	Domestic Coal	30% Imported + 70% Domestic
Landed Price at Plant	USD/tonne	USD 76.23	USD 40.49	USD 51
Calorific value	Kcal/Kg	4,200	4,450	4,915
Station Heat Rate	Kcal/Kwh	2,400	2,400	2,400
Energy Value of 1 Unit	Rs./Kcal	0.00123	0.00062	0.00071
Variable Tariff	Rs./KW-h	2.96	1.48	1.70
Fixed tariff	Rs./KW-h	1.50	1.50	1.50
Total Tariff	Rs./KW-h	4.46	2.98	3.20

*Indonesian coal considered as imported Coal. "F" grade coal considered as domestic coal.

MEIDP- Tariff Workings (Annexure)

➤ The Tariff working for other Options (other than Option 4) are given in the table below

	<i>USD/mmbtu</i>				
Particulars	Mar-23	Mar-24	Mar-25	Mar-26	Mar-27
Option 1: Fixed at a Slope w.r.t Crude Price	2.39	2.43	2.44	2.49	2.54
Option 2: Fixed Tariff	2.68	2.68	2.68	2.68	2.68
Option 3: Fixed Tariff with escalation	2.20	2.26	2.33	2.40	2.47
Option 5: Fixed at a Slope w.r.t LNG Price (Henry Hub)	1.96	2.06	2.16	2.26	2.36
Option 6: Linked to Crude price and Gas Volume	1.87	1.96	2.03	2.13	2.24

MEIDP Gas: Hybrid of Coal Based & Renewable Power (Annexure)

Price of Gas at inlet to compete with Power from various Coal Based & Renewable Sources

USD/mmbtu

Particulars	Domestic Coal & Renewable Power	Blended Coal & Renewable Power
Delivered Price	4.26	4.46
Less: Local Transport	0.50	0.50
Less: Custom Duty	0.19	0.20
Less: Pipeline Tariff*	1.92	1.92
Gas Price at Inlet of MEIDP pipeline	1.65	1.84

* Considering As built cost of Project of ~USD 5.2 Bn & Project IRR of 12%

COST COMPETITIVENESS- MEIDP vs RLNG (Annexure)

RLNG and Transnational Gas Pipelines

- Transnational Gas Pipelines aid in development of a permanent International Gas Transport Corridor
 - Tariff based on Target Return on Project works to **USD 2.00-2.50/mmbtu**
- Additional Cost Component attributable to Imported LNG include:
 - Liquefaction, Regasification & Transportation of gas: ~ **USD 3– 4/mmbtu**

(USD/mmbtu)

MEIDP Pipeline Tariff		Contracted LNG	
Particulars	Pipeline Tariff	Particulars	Contracted Tariff
Price of Natural Gas	1.84	Price of Natural Gas*	1.84
Pipeline Tariff	1.92	Liquefaction Charges	2.50
		Transportation Charges	0.75
Ex-Port Price	3.76	Regasification Charges	0.80
Custom Duty	0.19	Custom Duty	0.30
Landfall Price	3.96	Landfall Price	6.19

* Based on the assumption that Contracted LNG price & MEIDP inlet price are same

Potential for attractive Equity Returns as the Gas from MEIDP pipeline would be cheaper compared to LNG by around USD 2-2.5/mmbtu

MEIDP- Engagement with GoI & Other Stakeholders (Annexure)

Discussions with Gas Suppliers (NIGEC)

▪ NIGEC - July 2016

NIGEC confirmed availability of 31 MMSCMD of gas for long term agreement of 25-30 years. NIGEC proposed to have closer interaction with Indian Gas Buyers & finalization of Pipeline Tariff.

Presentations/ Meetings with various Ministries/ Forums

▪ Ministry of Power - March 2015

Presentation made to Secretary, Ministry of Power; Positive Outlook for the Project; Importance of certainty of affordable natural gas emphasized for energy security of India

▪ Minister- MoPNG - May 2014

Presentation made to Hon'ble Minister- MoPNG; Positive Outlook for the Project with acceptability of technical & financial feasibility; SAGE was advised to pursue the Project further

▪ Visit to Tehran for Finalization of Tripartite Agreement - December 2013

MOU Partners IOC/GSPC/GAIL along with SAGE & EIL visited Tehran to finalise Tripartite Framework Agreement for long term Gas supplies; OVL & Indian Embassy (Tehran) also participated.

▪ Dr Kelkar Committee - August 2013

Project brief presented; Project was appreciated & SAGE was advised to pursue the project further.

▪ Member (Energy) Planning Commission - June 2013

The forum agreed that project is technically feasible and needs to be pursued further .

Project has found acceptability & support by GoI, Supplier & other Stakeholders