

Nigerian National Petroleum Corporation

NNPC Towers, Herbert Macaulay Way, Central Business District, P.M.B. 190, Garki, Abuja – Nigeria

Invitation for Expression of Interest (EOI) for Development of East-North Gas Pipeline Transmission Systems

1. Pursuant to the delivery of the last leg of the gas master-plan infrastructure blueprint, NNPC on behalf of the FGN wishes to invite interested parties to express interest in the co-development of the Northern and Eastern pipeline network comprising;

1.0 Northern Network Ajokuta-kaduna, Kano (AKK) Pipeline:

- 40" x 187 Km pipeline from Ajaokuta – Abuja
- 40" x 196 Km pipeline from Abuja – Kaduna
- 40" x 65 Km pipeline from Kaduna – Zaria
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- 40" x 238 Km pipeline from Zaria – Kano

Total = 40" x 683 Km

2.0 Eastern Network: Qua Ibo/Calabar Ajaokuta Pipeline (CAP) system

- System (a): QIT – Obigbo – Node – o6/o8:
 - 36" x 58 Km pipeline QIT to Ikot Abasi
 - 36" x 37 Km pipeline from Ikot Abasi – Ukanafun
 - 36" x 44 Km pipeline from Ukanafun – Obigbo Node

- 36" x 81 Km pipeline from Obigbo Node to Ob/Ob

Total = 36" x 220 Km

System (b): Obigbo Node – Ajaokuta:

- 36" x 114 Km pipeline from Obigbo Node to Umuahia
- 36" x 124 Km pipeline from Umuahia – Enugu
- 36" x 180 km pipeline from Enugu – Ajaokuta

Total = 36" x 418 Km

System (c): QIT – Umuahia

- 24" x 43 Km pipeline from QIT to Okopedi
- 24" x 18 Km pipeline from Okopedi to Uyo
- 24" x 38 Km pipeline from Uyo to Ikot Ekpene
- 24" x 75 Km pipeline from Ikot Ekpene – Umuahia

Total = 24" x 174 Km

2. Overview: The Nigerian gas sector is undergoing a major expansion, growing from less than 500mmcf/d a few years ago to over 5,000mmcf/d by 2018. This expansion has necessitated a major revamp and growth of gas infrastructure. The EOI refers to a critical element for extending the network to the North and East, potentially extending in the future into the Sahara enroute Europe. The proposed pipeline network will thus serve existing customers along the network including cement, Power and other industrial sectors. More importantly, the expanded network will provide robustness for serving new customers in the North and East as well as bridge the shortfall in the ELPS network in the Western area. Customers in the network will include Power plants, Industrial customers, CNG off takers and will also augment supplies to West African Gas Pipeline.

3. Investment Principles: For the purpose of this expression of interest, the following assumptions/principles will apply;

- a. Total estimated cost of the entire pipeline network is \$5bn
- b. It is intended that pipeline will be funded preferably, through a combination of debt/equity 60/40 ratio. Consequently, interested parties desire to provide both equity and debt will be preferred.
- c. NNPC, on behalf of the FGN, will co-invest, providing equity and debt from a combination of planned sources including annual appropriation through FGN budget process and other sources such as the ongoing Ministry of Finance Eurobond issue.
- d. Although the pipeline construction is to be implemented commercially in segments, the pipeline will operate as an integrated network i.e. revenues from any part of the segment will be consolidated in one pot, from which liabilities will be serviced.
- e. The network is intended to operate commercially, with revenues coming in the form of commercially determined gas transmission tariff embedded in the Gas Transmission Agreements (GTAs) that will underpin the pipeline flows.
- f. The GTAs will indicate the appropriate revenue securitization scheme applicable for the type of customer
- g. The pipeline network currently exists in parts, much of which will be expanded and extended. However, the existing segments serve customers; hence there is cash-flow in the system.
- h. It is anticipated that by the end of 2018, effective throughput across the network will be about 1.5bcf/d.
- I. Conceptual engineering has been completed for the network and FEED about to start.
- j. Construction will be implemented in segments leveraging an optimum number of EPC contractors to enable speedy completion of the pipeline. It is planned that construction will commence by Q1 2014.
- k. If final structure is based on selection of interested parties that are willing to invest equity, the pipeline will be developed and operated by an SPV comprising NNPC and the selected parties. The SPV will operate on a Built Own and Operate (BOO) basis.
- I. In the event that selected investors are all providing debt and EPC only, then the pipeline will be operated by NNPC and the default scheme will be on a Built and Transfer (BT) basis. As mentioned, preference is for SPV construct as above, but all options will be considered

4. Expression of Interest (EOI)

EOI is invited from the following entities to indicate interest in providing funding either as financiers providing debt financing, equity holders, contractor financing, project financing as well as project EPC execution.

- Reputable Engineering, Procurement and Construction (EPC) companies with capacity to raise financing for the project.
- Financial Institutions
- Export Credit Agencies
- Third parties equities
- Consortium made of entities in the above categories
- And any other interested party

The EOI is divided into two parts; Part A is for companies to provide their company profile. Part B is for companies to indicate their scope of interest either for the entire pipeline segments or part thereof or financing only as well as to provide specific information about the pre-qualification criteria upon which the company's submissions will be evaluated.

5.1 PART A: General Requirement:

5.1.1 Interested company shall provide their company profile detailing the following;

- Name of Company
- Registered Business Address
- Country of Incorporation
- Country of Domicile / HQ
- Date of Incorporation
- Shareholding Structure of Company; (please attach details)
- Core Business of company
- Name of Principal contact with appropriate authorization
- Contact e-mail Address

- Contact Telephone Number

5-2 PART B: Specific Requirement:

1. Investors to clearly state out of the following the particular scheme of interest;
 1. EPC with Financing (ECA)
 2. Procurement with financing
 3. Construction with financing
 4. Equity financing
 5. Debt financing

1. Investor to attach a full description of the following items in separate sheet(s);
 1. Proposal, including conditions precedent applicable for own scheme
 2. Planned source of funds for equity and supporting documentary evidence of ability to provide stated level of equity
 3. Planned source of debt and supporting documentary evidence of ability to raise such debt, including, where possible, valid letters from credit source including applicable conditionalities, tenor etc.
 4. Planned strategy for EPC with financing options where applicable and state examples of similar projects handled in the past.
 5. Strategy to maximize local content in overall proposal
 6. Other suggestions that may be relevant to enhancing the bankability of the project or overall success (state supporting investment type if any; such as power plants, gas base industries etc)
 7. Provide 3-year company(ies) audited account

All responses shall conform to the specified requirements given above; otherwise your submissions may be disqualified.

The requested information and any supporting documentation in respect of this pre-qualification process should be submitted in one (1) original plus three (3) copies not later than 7th August, 2013. The documentation should be sealed and clearly marked “EOI FOR DEVELOPMENT OF TRANS NIGERIA GAS PIPELINE SYSTEM”

The submission address is as indicated below:

The Group General Manager,

Gas Infrastructure Division,

Block A, Room 023, NNPC Towers

CBD Abuja, FCT.

This invitation does not constitute a commitment on the part of NNPC to award Contract to any company expressing interest in the work, and the submission of documents shall not entitle any of the companies to any claims whatsoever from NNPC by virtue of such Company having responded to the invitation.

All costs incurred by respondents as a result of this pre-qualification invitation and any subsequent request for information shall be to the respondent's account.

Signed:

NNPC Management