

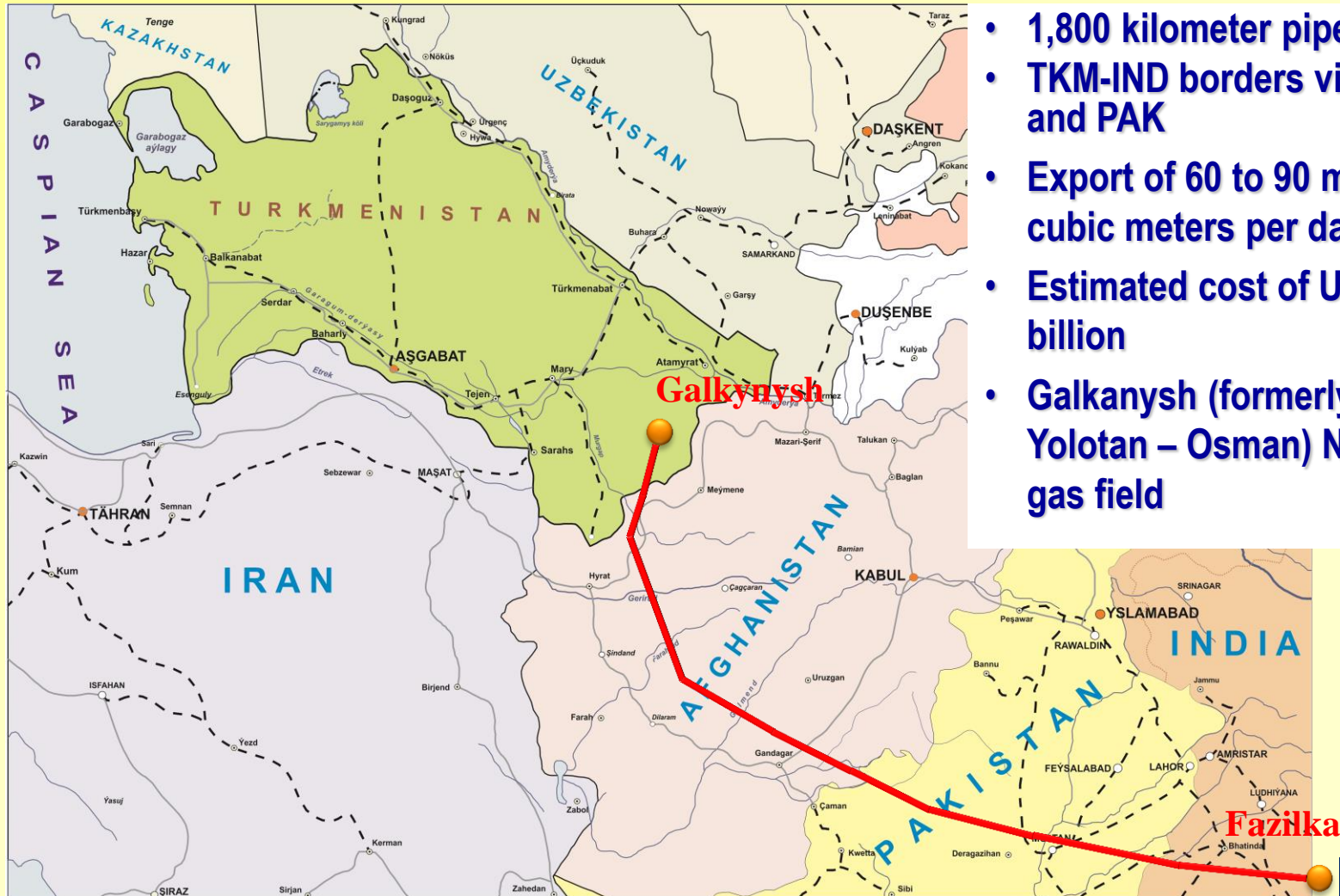
# **Turkmenistan, Afghanistan, Pakistan, India (TAPI) Natural Gas Pipeline**

**EURASIA Gas New Game Changers**  
**5 June, Washington, DC**

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Central and West Asia Department



# TURKMENISTAN-AFGHANISTAN-PAKISTAN-INDIA GAS PIPELINE



- 1,800 kilometer pipeline
- TKM-IND borders via AFG and PAK
- Export of 60 to 90 million cubic meters per day
- Estimated cost of USD 7.8 billion
- Galkanysh (formerly South Yolotan – Osman) Natural gas field

# Supply vs. Demand

## BUYERS' ENERGY DEMAND (mmcd)

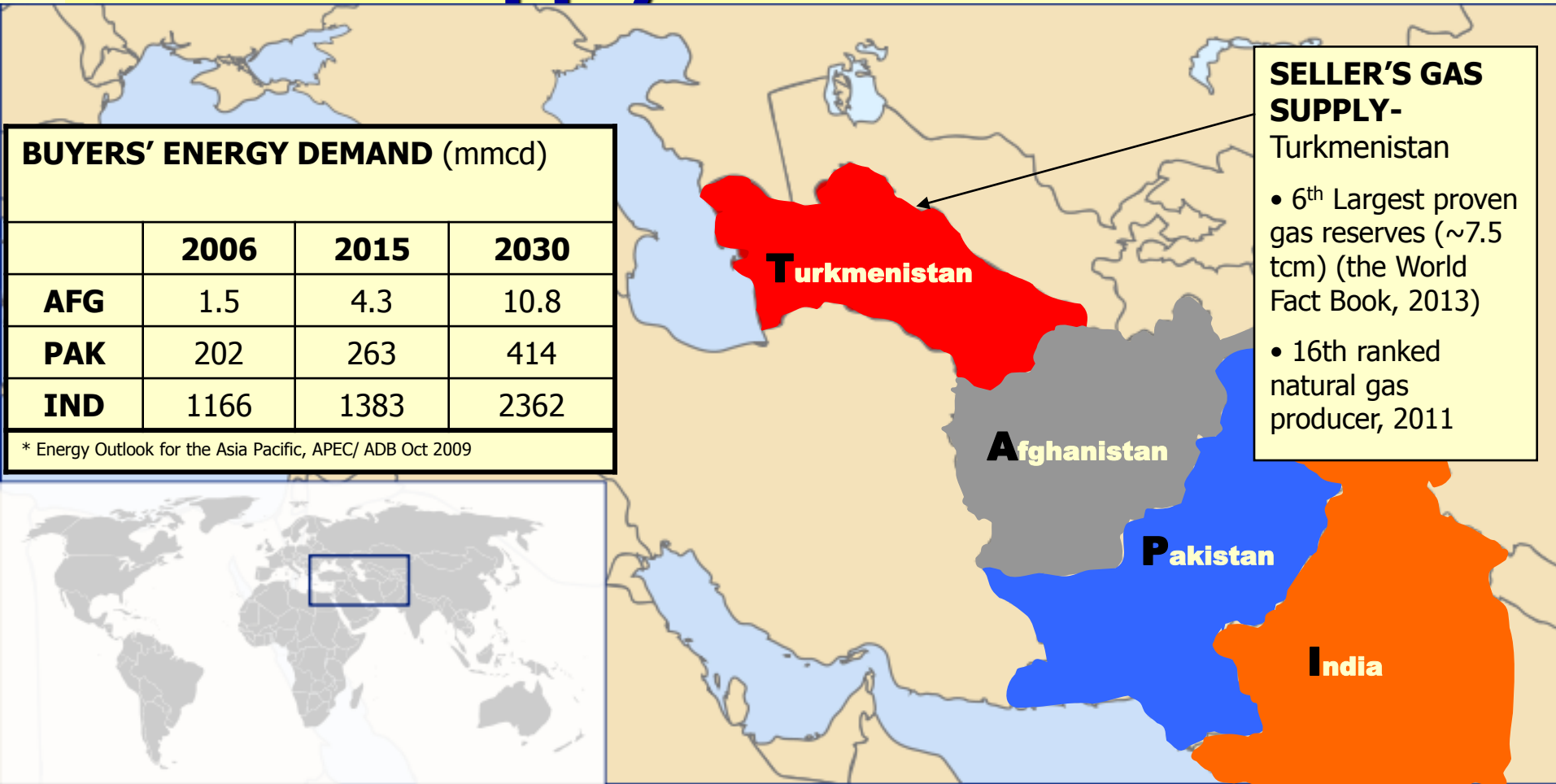
	2006	2015	2030
<b>AFG</b>	1.5	4.3	10.8
<b>PAK</b>	202	263	414
<b>IND</b>	1166	1383	2362

\* Energy Outlook for the Asia Pacific, APEC/ ADB Oct 2009

## SELLER'S GAS SUPPLY-

Turkmenistan

- 6<sup>th</sup> Largest proven gas reserves (~7.5 tcm) (the World Fact Book, 2013)
- 16th ranked natural gas producer, 2011



# Potential Timeline

## PHASE 1 – GOVERNMENT AGREEMENTS (Completed)

Gas Pipeline Framework Agreement Inter Government Agreement	Ended	Agreements signed December 2010, TAPI Heads of State Summit, Ashgabat
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## PHASE 2 – BUY/SELL AGREEMENTS (Completed)

Heads of Agreement	APR 2011	HoA signed September 2010, Ashgabat
Gas Sales and Purchase Agreement	MAY 2012	100% of gas sales finalized

## PHASE 3 – PIPELINE COMPANY ESTABLISHMENT (On-going)

Transaction Advisor Engagement	SEP 2012	Target
Operations Agreement	JAN 2013	Target
Sponsor Engagement	JUN 2013	Target
Consortium Agreement	FEB 2014	Target

## PHASE 4 – PROJECT PREPARATION

FEED and Network Code,  
Transportation Agreement, Host  
Government Agreement, Financial  
Close, EPC

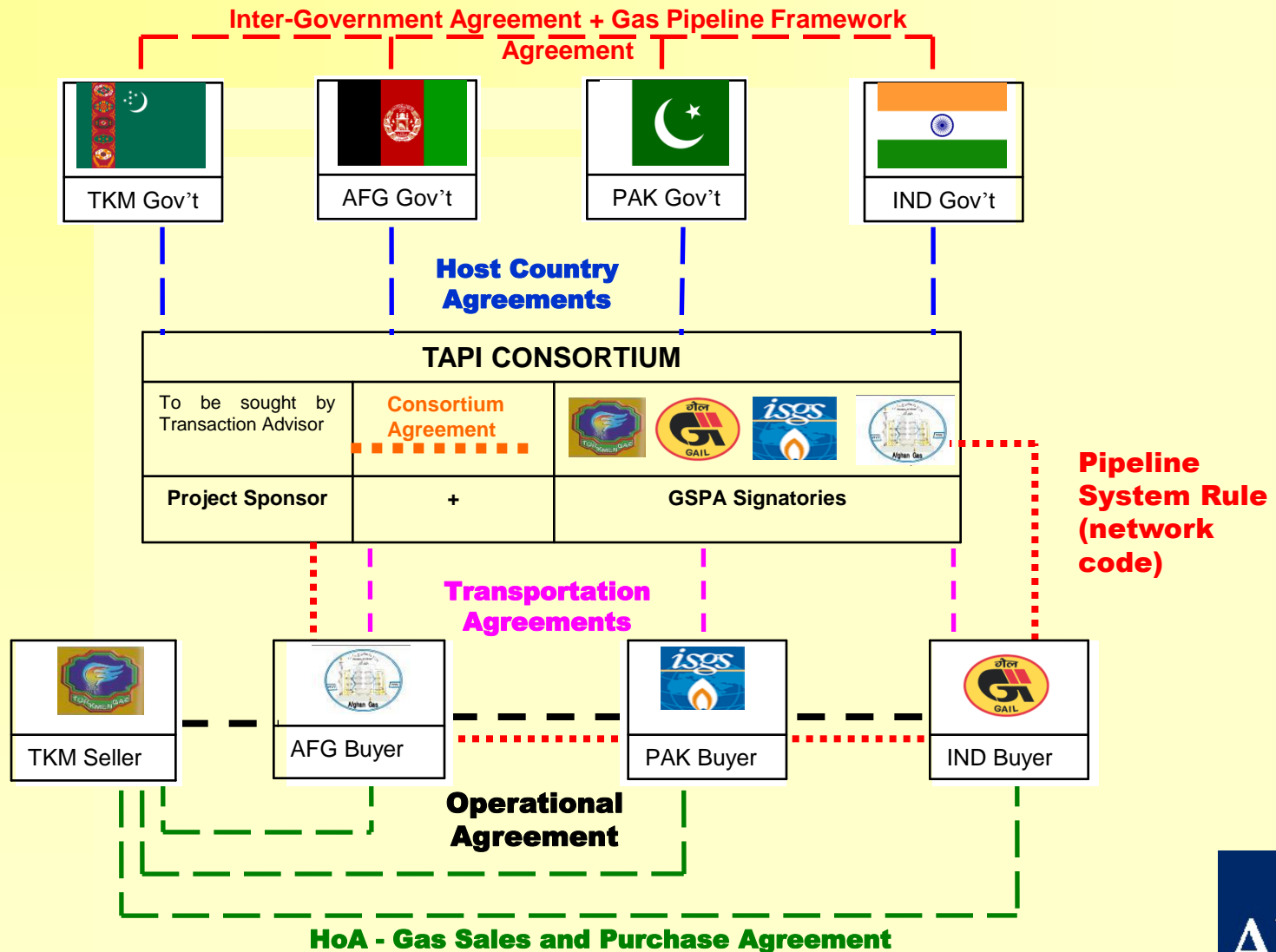
AUG 2015

## PHASE 5 – PROJECT IMPLEMENTATION

Construction and Commissioning	AUG 2017	Gas Flow
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**ADB**

# TAPI Agreements Framework



# TAPI Consortium Development

- In GPFA Governments agreed
  - Each state gas company can participate in the Consortium
  - Consortium will design, construct, finance, operate and maintain the pipeline
  - Consortium leader selected through competitive solicitation – the best offer for realization of the project
- Each Government will
  - Enter into a Host Government Agreement with the Consortium. Each HGA will be providing the legal, regulatory and fiscal framework for the development, finance, construction, operation and maintenance of the Project
  - Promptly and properly enact regulatory documents necessary to make effective all rights, obligations and undertakings necessary for the project
  - Ensure allocation of land for the project at fair value
  - Ensure the free movement of gas through its territory
  - Permit free movement of goods, materials, technology and personnel for the project
  - Conduct project business in US\$ and permit import and export of currency
  - NOT expropriate, requisition or nationalize any part of the project

# What is Next

- Complete and sign Operations Agreement
- Complete and sign Transit Fee Agreements
- Establish TAPI pipeline consortium
- Prepare Feasibility Study and Information Memorandum
- Marketing to eligible parties
- Conduct bidding to select consortium leader

# Major Challenges

- Security in AFG and PAK
- Attracting consortium head
- Financing and credit enhancement
- Supply reliability
- Construction material price volatility



# **Thank you!**

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<http://www.adb.org>

