OMC, Pipeline & Storage

Introduction

China-Pakistan Economic Corridor is a framework of regional connectivity. CPEC will not only benefit China and Pakistan but will have positive impact on Iran, Afghanistan, Central Asian Republic, and the region. The enhancement of geographical linkages with improved road, rail, air transportation and pipeline system with frequent social exchange through academic, cultural and regional interaction will result into higher volume of trade and businesses. These strategic projects will enable high energy demands and co-operation in Up & Down Stream operations. The China Pakistan Economic Corridor will include rail, road and pipeline links from Arabian Sea Port of Gwadar to South West China which serves as 3,000 KMs overland route for oil and gas exports & imports rather than 12,000 KM sea journey currently being used.

Western, Central and Eastern routes enter the KP Province at Hattar, which is declared as largest economic zone of the province with having area of around 1424 acres. By the passage of time and CPEC, energy demands will also drastically increase in coming years. It is expected that increase in hydro carbons demand will be around 20-25% per year which is around 4-5 Million M.Tons which opens the door of investment in downstream sector of Oil and Gas.

Under the CPEC, the trade route will be commencing from KP Province enabling the need of Oil Marketing Company as a very strategic project for fueling of commercial & private vehicles. This will be followed by Strategic & Commercial Storage at Industrial Zones, New International Airport at D.I.Khan and on CPEC Route. Setting up of strategic & commercial storage facilities in KP Province under CPEC Corridor along with White Oil Pipeline from refinery to storage will be an integrated downstream mix for interested companies. This white oil pipeline with connected strategic and commercial storages will be backbone for our industrial zones and will also fulfill the demand for CPEC. Land can be offered to Parties on lease terms Up-to 99 Years against the Capex Spending, BOT bases.

<u>Silent Features of Investment in Oil Marketing in KP:</u>

Proposed No. of Storages	**3**	**Tarrujabba, Hattar & Kohistan**
Proposed No. of Aviation Storage	1	DI Khan Intl Airport
Proposed Capacity of Storages	66,000 Mtons	
Propsed No. of Retail Sites	100	
Expected Throughput	4,400 Mtons per day	
Capital Investment	4.4 Billion PKR approx.	
Pay back	4 Years approx.	

- Three Storages of 61,000 M.Tons at Tarujabba (35,000 M.Tons), Hattar (22,000 M.Tons) & Lower Kohistan (4,000 M Tons) which is proposed to be constructed in phases.
- Pipeline connectivity of Kohat Refinery with Tarujabba (almost 70KM)
- 5,000 M.Tons Aviation Storage at New DI Khan International Airport.
- Investment US $ 40 Million
- IRR 20%
- Payback 5 Years

<u>Why KP?</u>

- Monopoly on the CPEC route of KP
- One third of CPEC overland route pass through KP
- Global recognition of brand
- Less than 4 years pay back on capital investment
- “One Window Facility” will be offered to investors
- Non Fuel Retail Facility at more than 100 allocated site

<u>KP’s CPEC Route & Proposed Location Map</u>