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Oil & Gas
Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN

LICENCE

FOR

**CONSTRUCTION & OPERATION OF PIPELINE CONNECTING
TABEER ENERGY (PRIVATE) LIMITED (TEPL) TERMINAL TO
SSGC TIE-IN POINT AT PORT QASIM, KARACHI FOR
TRANSMISSION OF NATURAL GAS/ RLNG**

TO

TABEER ENERGY (PRIVATE) LIMITED (TEPL)

UNDER

OIL AND GAS REGULATORY AUTHORITY ORDINANCE,

2002

AND

NATURAL GAS REGULATORY AUTHORITY

(LICENCING) RULES, 2002

Licence No. NG -28 /2021

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July 28, 2021

License No. NG - 28/2021

The Licence

The Oil & Gas Regulatory Authority (hereinafter referred to as '**the Authority**') established under the Oil & Gas Regulatory Authority Ordinance, 2002 (Ordinance No. XVII of 2002) (hereinafter referred to as '**the Ordinance**'), in exercise of its powers conferred by Section 22 (1), 23(1)(a), 23(1)(d) and 23(6) of the Ordinance and Rule 3(3) of Natural Gas Regulatory Authority (Licencing) Rules, 2002 (the 'Licencing Rules') read with Rule 3(1) of OGRA Gas (Third Party Access) Rules, 2018 hereby grants a License to **M/s Tabeer Energy (Private) Limited**, having its registered office at , **14th Floor, The Harbour Front, HC-3, Dolmen City, Block-4, Scheme-5, Clifton, Karachi, Pakistan** (the 'Licensee') to undertake the following regulated activities subject to the terms and conditions given hereinafter:-

Construction and Operation of Natural Gas Transmission Pipeline

- (i) Construction and operation of 28" diameter x *approx.* 24 Km long Natural Gas Pipeline along with ancillary / connected facilities for the purpose of transmission of Natural Gas/ RLNG from Tabeer Energy's Regasification Terminal located at, Chann Wadoo Creek, Port Qasim, Karachi to SSGC's Tie-In point/ Custody Transfer Station (CTS) located at Bin Qasim, Karachi.

Validity

The Licence shall be valid from July 28, 2021 (effective date) for a period of 25 years, unless revoked earlier.



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Part – A
Terms and Conditions Applicable to the Licensee

1. Definitions

1.1. Words and expressions used in the Licence but not defined herein shall have the same meaning as are assigned to them in the Ordinance and the Rules.

1.2. In this Licence, unless there is anything repugnant in the subject or context, -

1.2.1. "**Agreement**" means Gas Supply Agreement with LNG Importer/ Sale License Holder, or any other agreement to be entered by the licensee under Natural Gas Regulatory Authority (Licencing) Rules, 2002, OGRA Gas TPA Rules, 2018.

1.2.2. "**consents**" means all such acknowledgements, agreements, approvals, authorizations, concessions, consents, decisions, licences, notifications or permits required to be obtained by the Licensee to carry out the regulated activities;

1.2.3. "**dispute**" means any dispute or difference arising between the Licensee and shipper, or a connected system operator, in relation to the regulated activities;

1.2.4. "**Ordinance**" means Oil and Gas Regulatory Authority Ordinance, 2002 (Ordinance No XVII of 2002);

1.2.5. "**party**" means the Licensee, shipper or a connected system operator who has entered into an access arrangement or the interconnection and operation arrangement under the Rules;

1.2.6. "**regulated activities**" of the licence means the scope of activities defined in this Licence as per the OGRA Ordinance, 2002; and

1.2.7. "**Rules**" means the Natural Gas Regulatory Authority (Licensing) Rules, 2002, OGRA Gas (Third Party Access) Rules, 2018, Natural Gas Tariff Rules, 2002 and any other applicable rules framed under the Ordinance;

1.2.8. "**transporter**" means a person holding a valid licence issued by the Authority for construction and operation of pipeline for transmission, distribution or sale of gas through a gas pipeline transportation system.

1.3. Any reference to a statute or a delegated legislation shall be deemed to mean and include its modification, amendment, replacement or substitution by a subsequent law.

2. Compliance with Laws/ Standards

2.1. The Licensee shall ensure that it complies at all times with the applicable laws, including the provisions of the Ordinance and the Rules as amended from time to time.

2.2. The breach of any law, including the breach of any provision of the Ordinance or any Rules or Regulations framed there under, any decision of the Authority shall be deemed to be a breach of the terms and conditions of the Licence and vice versa.

2.3. The Licensee shall locate, design, construct, operate and maintain its facilities in strict accordance with the technical and other standards prescribed by the Authority and in a manner so as not to endanger public health or safety. The Authority may appoint, at any stage, its designated Third-Party Inspector and/or its officers to ensure compliance of the relevant technical standards.

2.4. The Licensee shall apply for obtaining and maintaining all consents necessary under applicable laws including requirements of the Pakistan Environmental Protection Act, 1997 (XXXIV of 1997), as amended from time to time for carrying out the regulated activities properly and in a timely manner and shall diligently pursue all such applications.

3. Renewal, Modification and Revocation of Licence

3.1. On an application by the Licensee to the Authority, the Authority may renew, modify, amend the Licence in accordance with the provisions of the Ordinance and the Rules.

3.2. Licence or any of its term and condition may be amended, varied, modified or revoked by the Authority in accordance with the provisions of the applicable laws.

4. Early Termination of Licence

The Authority may, on an application made by the Licensee at least one (01) year prior to the proposed termination date or the expiry of the Licence, whichever is earlier, terminate the Licence in accordance with the provisions of the Ordinance and the Rules.

5. Assignment, Sale and Transfer of licence

The Licensee shall not assign, sell, transfer this License or change the ownership, controlling interest, rights or obligations thereunder without prior written approval of the Authority.

6. Transmission Pipeline Capacity allocation

The Licensee shall not enter into access arrangement with any 3rd party without obtaining prior necessary approval(s) from the Authority, in accordance with the provisions of the Ordinance and the Rules.

7. Acquisition and Transfer of Shares

The Licensee shall not directly or indirectly acquire or hold any controlling interest or shareholding in any other transporter without the prior written approval of the Authority.

8. Maintenance of Records

8.1 The Licensee shall keep complete and accurate records and data regarding the regulated activities, as may be required for the purpose of this Licence.

8.2 The Licensee shall provide to the Authority promptly upon its request such documents, records or information regarding the regulated activities as the Authority may require pursuant to the Ordinance, the Rules and the Regulations made thereunder.

9. Audit, Enforcement and imposition of fine

9.1. Where the Authority requires any type of audit with respect to the regulated activities, the Licensee shall arrange or pay fee for such audit to the Authority.

9.2. If the Licensee contravenes any provision of the Ordinance, Rule, condition of the Licence or the Authority's decision, without prejudice to any other legal action taken, the Authority may take such action as may be prescribed by the Ordinance and applicable Rules, including imposition of fine and/ or suspension or revocation of the Licence in accordance with the Ordinance and Rules.

10. Inspection by Authority

The Licensee shall permit any person duly authorised by the Authority to carry out such inspection and examination of any of its assets or records as may be required to be undertaken by the Authority to comply with its functions or to exercise its powers under the Ordinance and Rules.

11. Payment of Fee

11.1 The Licensee shall promptly and regularly pay the fees prescribed in the Rules.

11.2 Unless otherwise prescribed in the Rules, the Licensee, from the effective date throughout the terms of the License including any renewal thereof, shall pay annual fee of 0.5 percent of the annual turnover (as defined in the Licencing Rules) of the Licensee from the transmission of natural gas/RLNG from proposed Tabeer Energy Terminal, Chan Wadoo Creek, Port Qasim, Karachi to SSGC's Tie-In point/ Custody Transfer Station (CTS), Bin Qasim, Karachi in respect of the most recent completed financial year.

11.3 If the turnover for the most recent completed financial year is not certain then the Licensee shall use a reasonable estimate of the annual turnover for calculation and payment of the annual fee under condition 11.2.

11.4 The Licensee shall, if it has used an estimate of the annual turnover under Condition 11.3, file with the Authority a revised account showing the actual annual turnover and the annual fee on the basis of such actual amount within one month of completion of Audit accounts, or any other date approved by the Authority.

11.5 The Authority shall, if it has received overpayment of annual fees, refund the amount equal to the amount by which it was overpaid or adjust the same against such future fee.

12. Abandonment

The Licensee shall not abandon any facility or pipeline or regulated activity without the prior consent of the Authority.

Part – B

13. Emergencies

13.1 The Licensee shall maintain or cause to be maintained emergency services and all emergency calls shall be responded as stipulated in the performance and service standards specified by the Authority, from time to time.

13.2 The Licensee shall, within ninety (90) days of the date of issue of the License or at such later date as may be approved by the Authority, submit to the Authority for approval the Licensee's plan and procedures for handling any emergency concerning or arising out of the regulated activities.

13.3 The Licensee shall submit a report to the Authority not later than one hundred and eighty days (180) from the date of issue of License and, thereafter, every ninety (90) days, providing information specified in Condition 13.4 regarding the emergencies that had occurred in the preceding ninety (90) days and the actions taken by the Licensee.

13.4 The report shall include:

13.4.1 Number of emergencies and their specific locations;

13.4.2 Causes of emergencies;

13.4.3 Any injury and estimate of damages;

13.4.4 Action taken by the Licensee;

13.4.5 Average time taken to respond to an emergency and to handle the emergency;

13.4.6 Any action taken to prevent such emergencies in future; and

13.4.7 Any other information specified by the Authority.

13.5. In addition to the report required from the Licensee under Condition 13.3:

13.5.1 The Licensee shall inform the Authority promptly but not later than twenty-four (24) hours of any serious emergency having taken place and provide daily update on the emergency and action being taken by the Licensee until such time the emergency has been completely addressed;

13.5.2 For the purpose of this Condition, 'serious emergency' means:

13.5.2.1 Injuries to or death of an individual;

13.5.2.2 Major damage to the property;

13.5.2.3 Damage to or rupture of transmission pipeline;

13.5.2.4 Suspension of natural gas to a shipper or a city;

13.5.2.5 Any other factor prescribed by the Authority.

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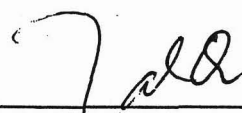
14. Notices


14.1. All notices to be given under any Condition shall be given in writing and shall be deemed to have been properly served if delivered in person or sent by registered mail or transmitted by facsimile to the relevant party at the address set out below or at such other address as that party may from time to time specify in writing to the other:

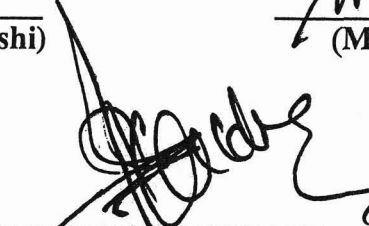
Licensee: Chief Executive Officer,
Tabeer Energy (Pvt.) Limited
14th Floor, The Harbour Front, HC-3,
Dolmen City, Block-4, Scheme -5,
Karachi, Pakistan.
Telephone No: 021-3594361, Fax: 021-35294380


Authority: Registrar,
Oil and Gas Regulatory Authority
54-B, Fazal -e-Haq Road, Islamabad
Phone: 051-9244296, 051-9244090-98 (Ex-157)
Fax: 051-9244379
Website: www.ogra.org.pk

14.2. Any notice given under the provisions of Condition 14.1 shall be deemed to have been duly served and received at the actual time of delivery, if delivered personally, seven (7) working days subsequent to the date of postage, if sent by registered mail; and at the time of receipt, if transmitted by facsimile or e-mail where there is confirmation of uninterrupted transmission by a transmission report and provided that the original of the notice is then delivered personally or sent by registered mail as soon as reasonably practicable.


(Zain Ul Abideen Qureshi)
Member (Oil)


(Muhammad Arif)
Member (Gas)


(Masroor Khan)
(Chairman)


REGISTRAR
Oil & Gas Regulatory Authority
Islamabad

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Oil & Gas
Regulatory Authority

Case No. OGRA-6(1)-NGTL(TEPL)/2020

License No. NG-28/2021

IN THE MATTER OF

DECISION

TABEER ENERGY (PRIVATE) LIMITED (TEPL)

LICENCE TO UNDERTAKE REGULATED ACTIVITY RELATED TO CONSTRUCTION AND OPERATION OF PIPELINE OF (24 KM) FROM TABEER ENERGY'S REGASIFICATION TERMINAL LOCATED AT CHANN WADOO CREEK, PORT QASIM TO SSGC'S TIE-IN POINT /CUSTODY TRANSFER STATION (CTS) AT PORT QASIM, KARACHI FOR TRANSMISSION OF NATURAL GAS/RLNG

UNDER

OIL AND GAS REGULATORY AUTHORITY ORDINANCE, 2002,
NATURAL GAS REGULATORY AUTHORITY (LICENCING)
RULES, 2002

JULY 14, 2021

Mr. Masroor Khan, Chairman

Mr. Muhammad Arif, Member (Gas)

Mr. Zain Ul Abideen Qureshi, Member (Oil)

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AUTHORITY'S DECISION

BRIEF FACTS:

1. Tabeer Energy (Private) Limited, Karachi (TEPL) (the applicant) has applied under OGRA's Natural Gas (Licensing) Rules, 2002 for grant of license for Transmission of Natural Gas/RLNG in Pakistan. Tabeer LNG Project import Terminal involves a Floating Storage and re-gasification unit (FSRU) moored at a jetty, and delivering from 750 mmcf/d up to 1000 mmcf/d of re-gasified LNG (RLNG) to an onshore receiving facility (ORF) connecting to the National Pipeline infrastructure. TEPL has strategically proposed /chosen Chann Wadoo Creek, Port Qasim as the location for the FSRU and Jetty. 28" diameter, 24 Km long offshore & onshore gas transmission pipeline is required to be constructed from Tabeer Energy's Regasification Terminal located at Chann Wadoo Creek, Port Qasim Karachi to SSGC Tie in Point on Custody Transfer Station (CTS) at Bin Qasim, Karachi. Pipeline shall be in conformance with ASME B31.8 Gas Transmission Pipeline Standards with a pipe grade of API 5L Grade X60 or 65, design life of 25 years and design pressure of 1667 Psig. pressure of 122.5 Bar, design Temperature (Min./Max.) -5°C /50°C, Operation Pressure 46.~98.0 Bar, Operation Temperature (Min./Max.) 5°C/37.5°C, Pipe Wall Thickness 15.88mm~19.05mm, Anti-corrosion Coating 3LPE Coating (Min.2.5mm) and External Weight Coating 50mm Concrete Weight Coating.

ADMISSION OF THE APPLICATION:

2. After a thorough deliberation by concerned Departments. of OGRA and completion of the requisite data / information by the applicant, the application was presented before the Authority for consideration and admission, accordingly the Authority admitted the application under Rule 5 of Natural Gas Licensing Rules, 2002 on 16-06-2021. Therefore, under Rule 5 of Natural Gas Licensing Rules, 2002, the Authority invited all the interveners and interested / affected persons and parties to furnish their comments / interventions / views, if any, on the application filed by the applicant through publication of Public Hearing /comments Notice published in leading newspapers on June 18 & 19, 2021. Furthermore, to provide an opportunity of hearing the Authority fixed the instant case for Public Hearing on June 28, 2021 at Karachi.


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PUBLIC HEARING PROCEEDINGS AT KARACHI ON 28-06-2021:

Participants of Public Hearing:

a) Representatives of the applicant (Tabeer Energy (Pvt.) Limited)

- i) Mr. Kosuke Makino, Chief Executive
- ii) Mr. Shigeki Terada, Chief Marketing Officer
- iii) Mr. Akio Miyazaki, Senior General Manager Mitsubishi Corporation Tokyo
- iv) Mr. Jawad Majeed, General Manager
- v) Mr. Saad Qazi, Head of Regulatory Affairs, Tabeer Energy, Karachi
- vi) Ms. Kinza Hanif, Assistant Manager Regulatory Affairs, Tabeer Energy, Karachi
- vii) Mr. Koshu Fujita-Head of Technical Team (Tokyo)
- viii) Mr. Wataru Fukuda- Head of Commercial Affairs (Tokyo)

b) Representative of other parties

- i) Mr. Asad Abbas, Manager (Private Sector Projects) (PSP) from Port Qasim Authority (PQA), Karachi.

PRESENTATION BY THE APPLICANT (TEPL):

3. Initially, the Registrar OGRA presented a brief of the instant project and sought permission of the Authority to invite the applicant to present their application which was acceded to and Mr. Saad Qazi, Head of Regulatory Affairs Tabeer Energy (Private) Limited, stated that Tabeer has applied under OGRA's Natural Gas (Licensing) Rules, 2002 for grant of license for Construction and Operation of pipeline for Transmission of Natural Gas/RLNG. Following are the main features of this project:

- i) Mitsubishi Corporation is the largest Trading & Investment House in Japan, founded in 1870, which is a global integrated business enterprise that develops and operates businesses in a range of industries, including, Industrial Finance, Energy, Metals, Machinery, Chemicals, Foods, and environmental businesses. Further the Mitsubishi Corporation established in July 1, 1954 in Pakistan and enjoys presence in a series of businesses in the country such as Metals, Chemicals, Living Essentials and Energy, Machinery & Infrastructure are some prominent business fields in which Mitsubishi Corporation has been active in Pakistan.
- ii) Moreover, current activities have expanded beyond traditional trading operations to include: Natural Resources Development, Investment in retail businesses,

Infrastructure, Financial products, Manufacturing of Industrial goods and over 200 offices and subsidiaries in approximately 90 countries, a network of over 1200 group companies with a consolidated global workforce of over 77,000.

iii) Furthermore, the Tabeer project based on the following Terminal Components i.e. Charter FSRU Vessel, Jetty Pipeline and onshore Receiving Facility (ORF: Metering Facility) and its LNGC Arrival Frequency is 70-90 Cargos/year (Base), Base Regas Out 3x250: 750 MMCFD and Peak Regas out 4 x 250: 1000 MMCFD. In addition, Tabeer Technical and Financial Proposals are as under:

- a) Hazard distances from gas release as such not to impact other installations or any populated area.
- b) Proposed jetty location acceptable to call the large LNG carriers, full cargo lot of Q-FLEX. This is a first for Port Qasim as the main channel does not allow it.
- c) Detailed site selection identified Chann Waddo as most appropriate for LNG terminals. Traffic Congestion analysis concluded that additional terminal in the main channel will choke PQA traffic, Chann Waddo has zero impact to current and future traffic in PQA.
- d) Tabeer Energy is the first LNG Project to procure mandatory Sindh Forest Department NOC and will plant as well as maintain 1000 hectare of mangroves.

OBSERVATIONS / DECISION OF THE AUTHORITY:

4. The Authority, after scrutiny of the application, hearing the arguments of the Applicant and the participants at length as well as on the basis of all available information, has arrived at the conclusion that the Applicant fulfills the legal requirements and is entitled to the requisite license. During the proceedings the Hon'ble Authority observed that the subject project is of much importance and that should be completed well in time to mitigate the gas shortfall in the country. Therefore, the Authority, in exercise of its powers conferred under Sections 22(1), 23(1)(a)(d) and 23(6) of the Oil and Gas Regulatory Authority Ordinance, 2002 read with Rule 3(3) of Natural Gas (Licensing) Rules, 2002 and Rule 3(1) of OGRA Gas (Third Party Access) Rules, 2018, hereby grants a license subject to terms and conditions mentioned in the License Document to the applicant in the name and style of **Tabeer Energy (Private) Limited, Karachi**


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(TEPL) [the licensee] to undertake the following activities subject to the terms and conditions given herein:

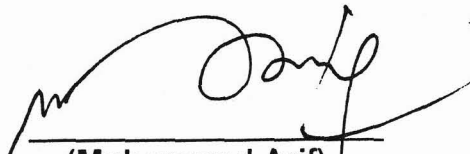
Construction and Operation of 28" diameter x approx. 24 Km long Natural Gas Pipeline alongwith ancillary / connection facilities for the purpose of transmission of Natural Gas / RLNG from Tabeer Energy's Regasification Terminal located at, Chan Wadoo Creek, Port Qasim, Karachi to SSGC's Tie-In point / Custody Transfer Station (CTS) located at, Bin Qasim, Karachi.


5. The License shall be valid for an initial term of 25 twenty-five years with effect from July 14, 2021 unless revoked earlier or modified or amended by the Authority.
6. The licensee shall be liable to pay annual fee under the relevant provisions of Natural Gas Regulatory Authority (Licensing) Rules, 2002.
7. The Licensee shall be liable for promptly and regularly payment to the Authority the fee, if applicable under the OGRA Gas (Third Party Access) Rules, 2018.
8. The terms and conditions imposed on the licensee are contained in the **License Document** consisting of ----- pages which must be implemented by the Licensee in its true letter and spirit.

July 14, 2021


(Zain Ul Abideen Qureshi)
Member (Oil)


(Masroor Khan)
Chairman


(Muhammad Arif)
Member (Gas)


REGISTRAR
Oil & Gas Regulatory Authority
Islamabad