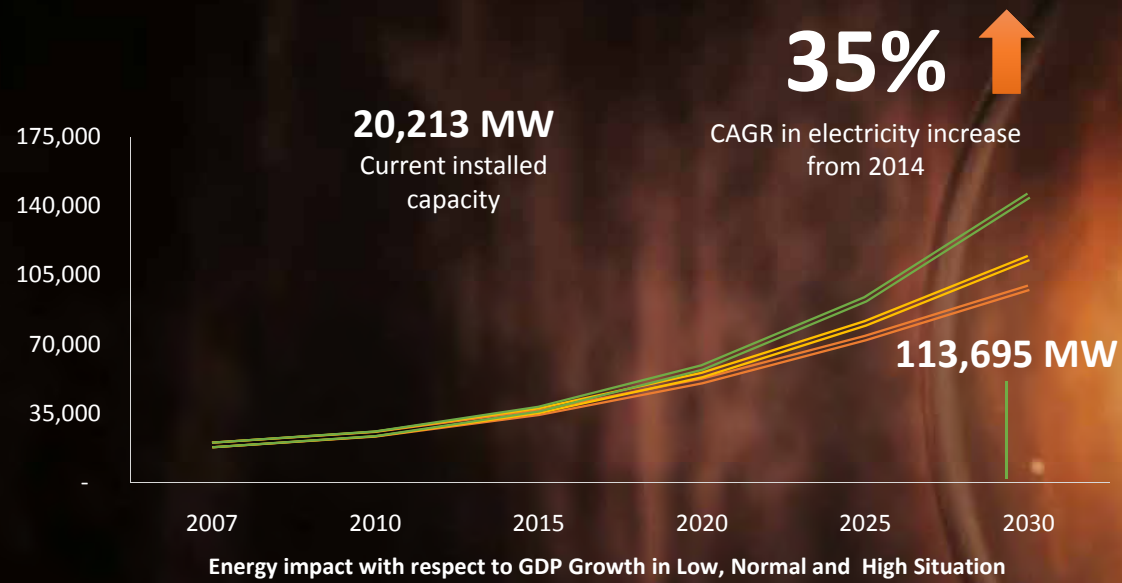


# For The People Of Pakistan & Thar

**“Prosperity is inevitable”**

Pakistan is at a cross road where its prosperity and development  
Is linked with ENERGY. Something which the developed world  
Understood in the "Second Industrial Revolution"



**So What Options Does Pakistan Have? Because of the situation all need to be done; but focus should be on indigenous solution so that affordable electricity can be provided to the people of Pakistan**



Expensive  
8 – 12 Years  
Development  
Time



Circular Debt  
Electricity for  
Pakistan on Profit  
of Others



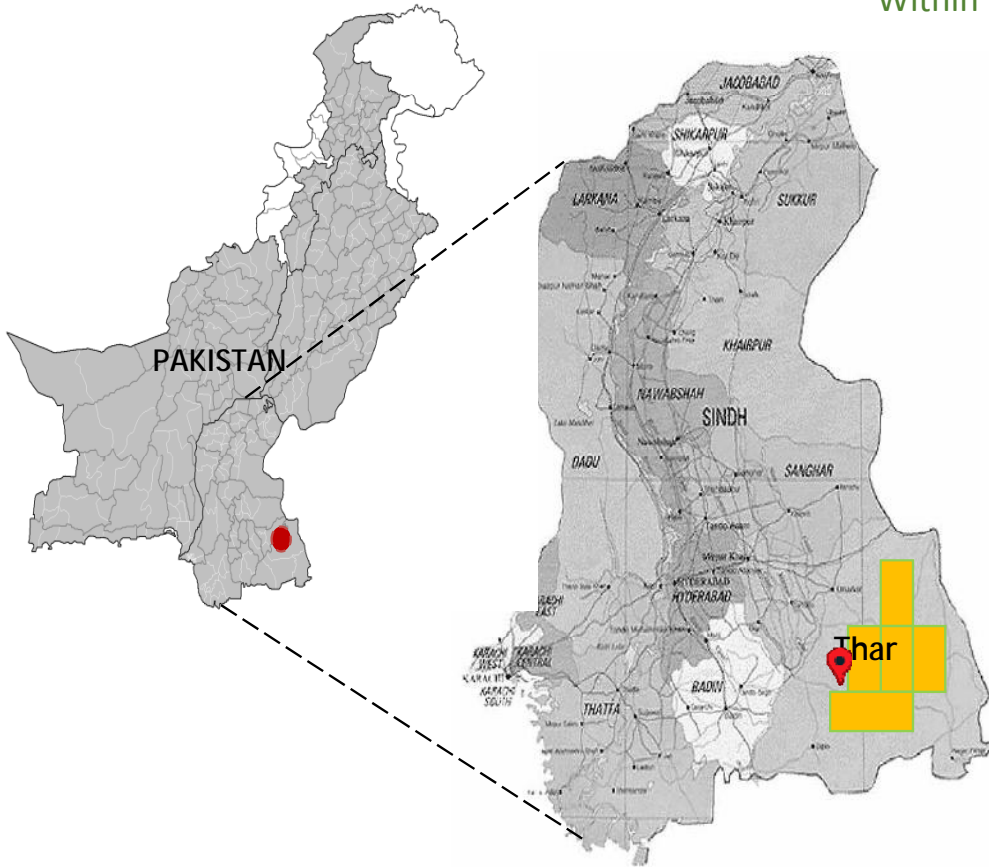
Not adequate  
electricity  
generation



Local Reserves  
41% of Global  
Energy

Just across the border our neighbors , India, have been using their coal reserves for the past 50 years for generation of electricity. **70% of India's electricity comes from COAL**

Within the Sindh Province, Thar contains the largest chunk of Coal Reserves.



**7<sup>th</sup>**  
Largest Coal Reserve in the World

**175**  
Bln Tonnes THAR Reserves

**Coal Lignite Properties**

Heating Value (Net) Kcal/Kg<sup>1</sup>

2770



2600-3000

Sulfur (%)<sup>2</sup>

1.07



3.4-5.9

Ash(%)<sup>3</sup>

7.8



9-12

Moisture (%)

46.46

38-40

Stripping Ratio (m3/t)

6.12

9-14



**Our current location**

For more technical details see page numbers 17 to 21

1 Higher indication is better

2 3 lower indication is better

## Our Vision



**“Energizing Pakistan through world class mining in Thar while ensuring prosperity to the communities around us”**

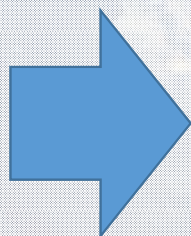


# Our Game Plan

SECMC  
20.6 MT/Anum

51% GoS

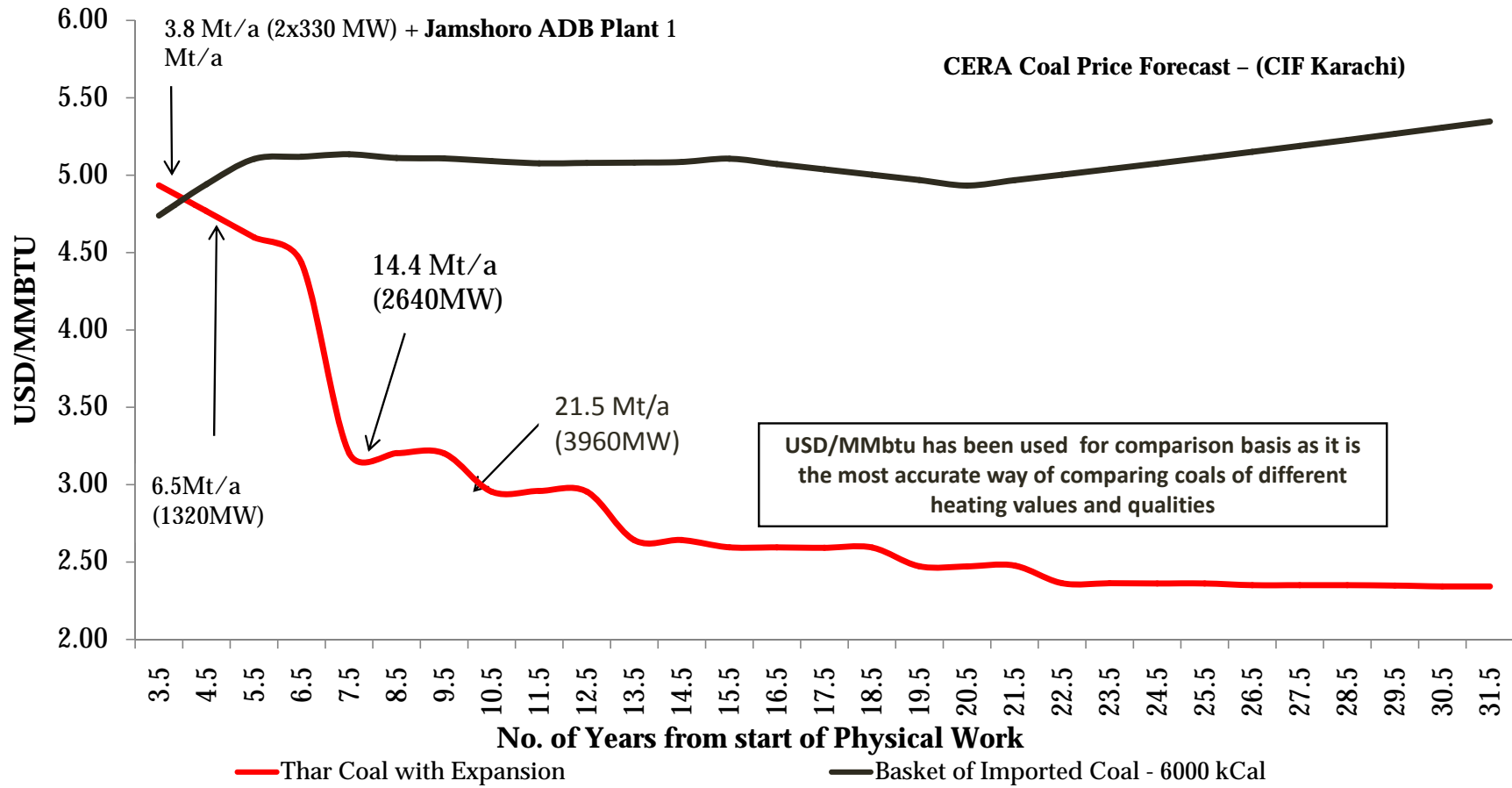
49% ENGRO &  
AFFILIATES



3,960 MW



# Scale Advantage of Thar Coal Mine

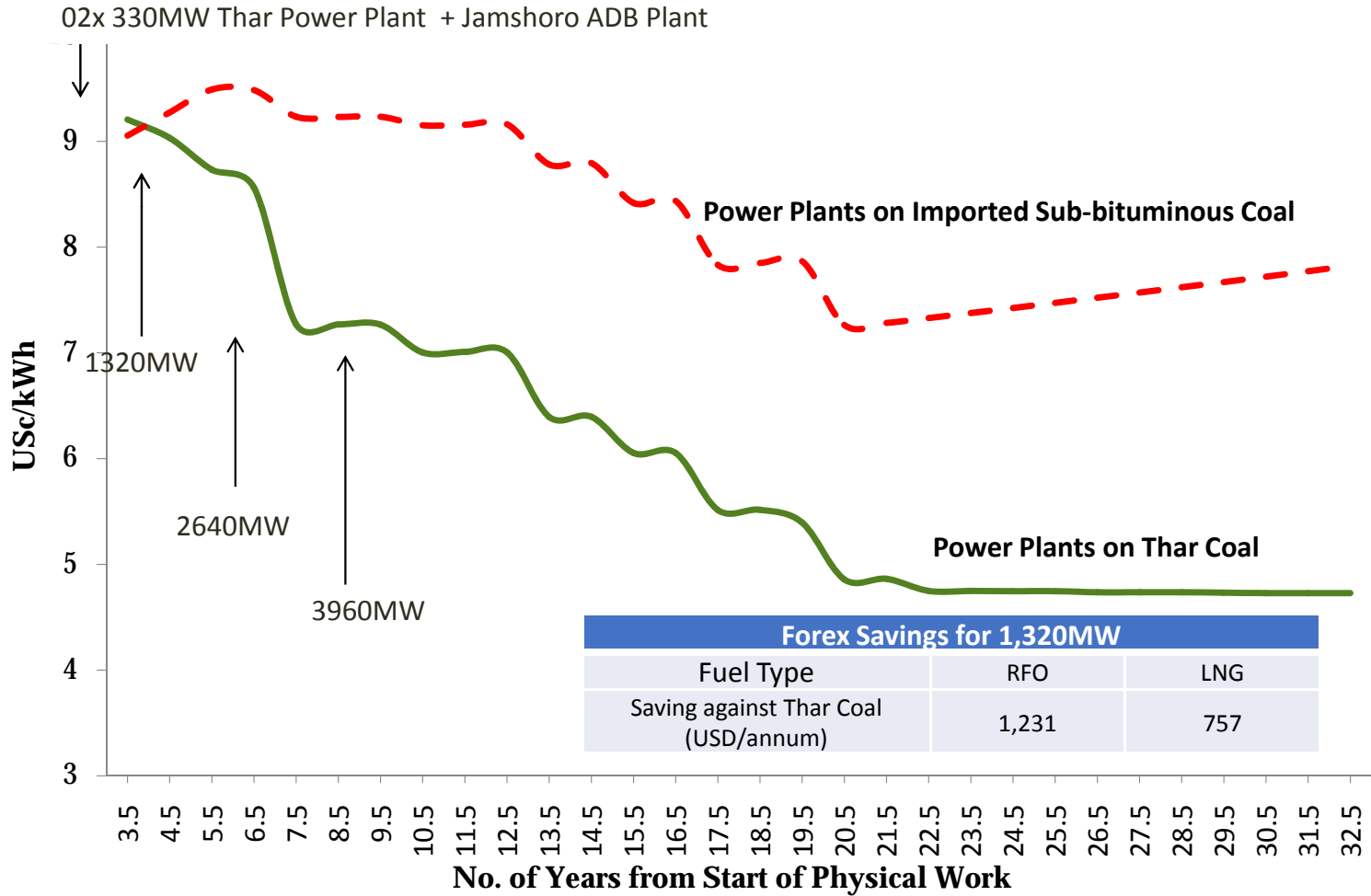


**Coal Price reduces as the Mine Scales Up**

\*Imported Coal Basket Richard Bay (40% - 6300kcal/kg), Newcastle (30% - 6300kcal/kg) and Indonesian Sub-bituminous (30% - 5200 kcal/kg) based on CERA forecast (30<sup>th</sup> July 2014)

\*\*Comparison with Imported coal is based on HHV basis (all values in Real Terms)

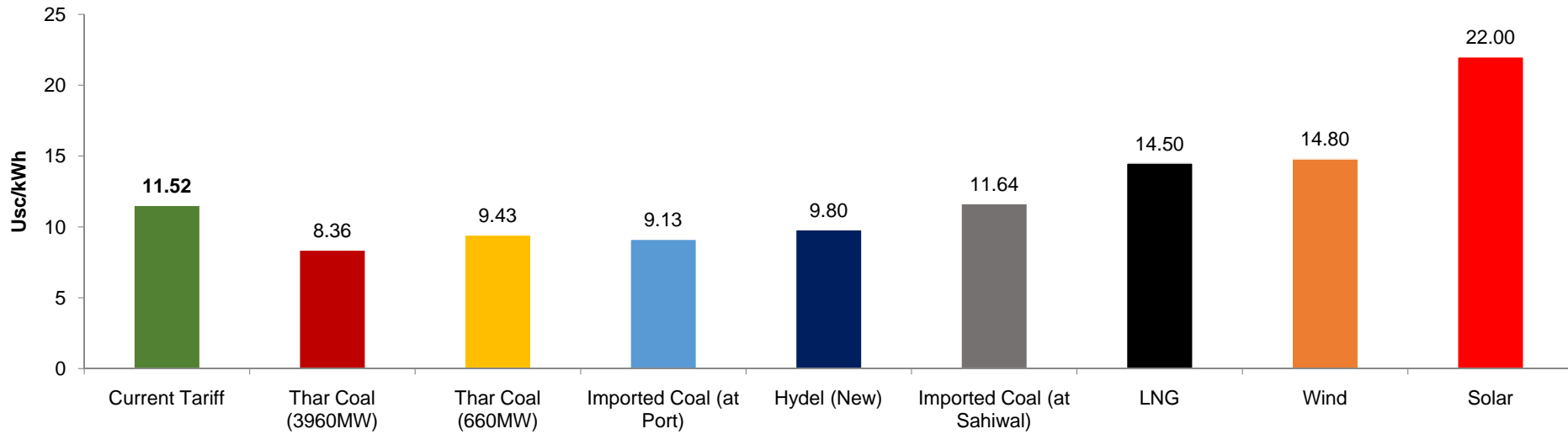
# Promise of Thar to Pakistan



*\*Price of Imported Coal CIF is based on CERA Forecast  
 Graph shows Weighted Average Tariff at 85% Load Factor  
 All values in real terms*



## Existing Fuel Options for Govt. of Pakistan (as per GoP Study)



| Fuel Type                   | Thar Coal    | Thar Coal    | Imported Coal at Port | Imported Coal at Sahiwal | LNG Plant in Punjab |
|-----------------------------|--------------|--------------|-----------------------|--------------------------|---------------------|
| Size                        | 660MW        | 3690MW       | 660MW                 | 660MW                    | 660MW               |
| Debt                        | Foreign      | Foreign      | Foreign               | Foreign                  | Foreign             |
| Tariff Period               | 1 – 10 years | 1 – 10 years | 1 – 10 years          | 1 – 10 years             | 1 – 10 years        |
| Fuel Cost (USc/kWh)         | 2.10         | 1.46         | 4.56                  | 4.56                     | 8.82                |
| CPP (USc/kWh)               | 7.33         | 6.89         | 4.21                  | 4.21                     | 2.96                |
| Jetty (USc/kWh)             | -            | -            | 0.36                  | 0.36                     | 2.72                |
| Railway (USc/kWh)           | -            | -            | -                     | 2.51                     |                     |
| Total Tariff (USc/kWh)      | 9.43         | 8.36         | 9.13                  | 11.64                    | 14.50               |
| Transmission Cost (USc/kWh) | 1.00         | 0.70         | 1.00                  | 0.20                     | 0.20                |

**\$ 0.9 Billion**  
**+**  
**\$ 1.1 Billion**  
**=**  
**\$2 Billion**

No single company can make this a success. Together with Government of Sindh we have the best corporate houses of Pakistan working day and night to make this a success !!!



## Setting up a power plant in Pakistan comes with its own set of challenges



**Coal is dirty fuel** and even though the west relies primarily on this fuel source, Pakistan is denied access to financing.

**Only China is willing to finance coal based projects**



**Pakistan circular debt issues** are a major concern by financial institutes and banks. This is something which sponsors can't do much to solve but only GoP can



Project of such large scale not only requires money from banks but support of investors. Pakistan political and **security concerns have kept international investors at bay**



It is the government's duty to be **very clear on what the plan is to tackle energy crises**. What are long term needs and what are short term needs. Switching between imported coal, Thar, LNG, imported electricity etc. Makes it difficult for all stakeholders





“ It took us time but we overcame hurdles and now feel confident that issues are resolved and we are poised towards achieving substantial financial close in April....”



## 113 Million BCM Target 2.5 Million BCM achieved

PKR 3.8 Bln of equity have been injected by current shareholders

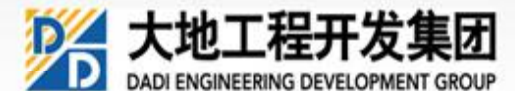
To Make this Project a Success we have used the best international Consultants and expert available.



Hagler Bailly



Our EPC Contractor:



# Equipment at Site

To test the performance of Chinese trucks we have imported Hovo & Tonly dumpers which are being used at site for overburden removal

Two Tonly trucks of 50 & 60 tonnes and two Hovo trucks of 50 & 70 tonnes are being tested at site

These trucks are being run under the supervision of Chinese engineers





**“Project of such scale needs support of the Government to provide infrastructure. Till the start of the project we have been grateful for the support provided by GoS and GoP”**



### **Road Network**



**Work has started on 3 out of 6 segments for road rehabilitation from Thatta to Islamkot**

### **Power Transmission**



**Transmission Line: PC-1 for 500KVA HVDC 250Km Transmission Line has been approved – NTDC has assured timely availability of Transmission Line**

**To help this process move forward GoS has also agreed to provide financing of the transmission lines.**

### **Water and Effluent**




**LBOD water works has already started with 62% of Phase I work completed and 24% work on Phase II completed**

**Effluent disposal site has been selected with pre-construction activities started**

### **Airport**



**Construction of Islamkot Airport is on-going with work on air strip and terminal building being done**



**“Society gives us the right to do business and make profit but not at the cost of people”**

Tharparkar ranks lowest in the socio development Index in Sindh. It is our duty to develop the people as the project gets developed

**10%**

Of Project Cost  
To People of Thar

\* Includes relocation and land purchase

**2%**

Of Profit Before Tax  
To CSR



## Mine Project Key Milestones

|   |   |
|---|---|
| Bankable feasibility  | ✓ |
| ESIA completed with NOC issued from SEPA  | ✓ |
| Equity requirement of the project   | ✓ |
| EPC Contract awarded and signed with CMEC   | ✓ |
| Physical work started at site with approx. 2.5 million BCM overburden removed         | ✓ |
| PKR 3.8 Billion of equity already injected by shareholders for developmental expenses | ✓ |
| Local financing term sheets received  | ✓ |
| Tariff petition filed and public hearing completed                                    | ✓ |
| Chinese financing in progress and with support of GoP closure planned in April 2015   |   |
| Coal supply by 1Q 2018 if financial close is achieved by March/April 2015             |   |

## Power Project Key Milestones

|   |   |
|---|---|
| Bankable feasibility  | ✓ |
| ESIA completed with NOC issued from SEPA  | ✓ |
| Equity requirement of the project   | ✓ |
| EPC Contract awarded and signed with CMEC   | ✓ |
| Local financing term sheet received   | ✓ |
| LOI (letter of intent) issued   | ✓ |
| Generation License issued   | ✓ |
| Upfront tariff accepted   | ✓ |
| Chinese financing in progress and with support of GoP closure planned in April 2015     |   |
| Synchronization with Grid by 1Q 2018 if financial close is achieved by March/April 2015 |   |



“We are targeting Financial Closure of the Project by April 2015. With it we will kick start construction and by 2018 declare commercial operation of Pakistan’s first coal mine and Thar lignite based power plant ....”

We need your support to portray our dream of making Thar a reality ”