

AJAKUTA - KADUNA - KANO
PIPELINE PROJECT TEASER



PRIVATE COMPANIES, PUBLIC ORGANIZATIONS, INVESTORS, CONTRACTORS AND
ENTREPRENEURS PARTNER WITH US FOR ADVICE, CAPITAL, INSIGHTS AND SOLUTIONS.

THE A.K.K. PIPELINE
The Ajaokuta, Kaduna, Kano Gas Pipeline Segment

This project consists of 614km, 40 inch gas pipeline that originates from Nigeria's gas rich Niger Delta Region. Starting from the "Steel City" of Ajaokuta the pipeline will be routed through the "Steel City" of Ajaokuta, through the "Federal Capital" in Abuja, the "textile hub" in Kaduna and the heart of "Northern Commerce" in Kano. Outside of direct industrial use the line will also feed 2700MW of Power Plant infrastructure.

This is a strategic gateway investment opportunity, as this pipeline is a key segment of the Trans Nigerian Gas Pipeline, a precursor to the proposed Trans Saharan Pipeline that is envisioned as a means to export Nigeria's enormous gas reserves to Europe.

This project is a major build, own, operate & transfer (B.O.O.T.) project with a profitable economic upside; it also fits comfortably within the core strengths of Oilserv Limited.



Project Description

PROJECT OVERVIEW

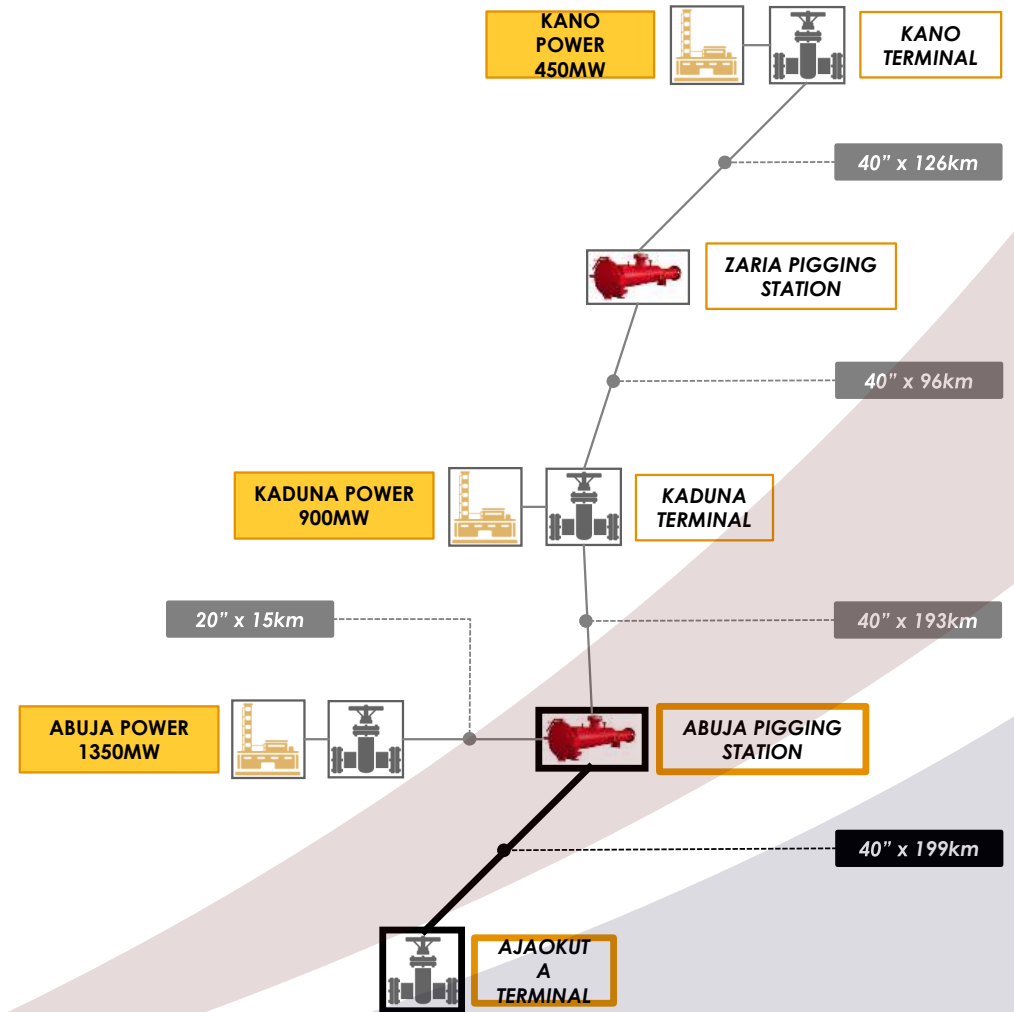
Active Oilserv Group Members - Oilserv Limited & Frazimex Engineering

- ❑ The Nigerian National Petroleum Corporation (NNPC) proposed the Nigerian Gas Master Plan as a vehicle to convert the nation's proven gas reserves of 187 TCF (Trillion Cubic Feet) into a major catalyst for economic growth.
- ❑ This Master Plan calls for the immediate construction of a Trans-Nigerian Gas Pipeline to facilitate local power generation, industrialization and on a grander scale the subsequent construction of a Trans-Saharan Pipeline for commercial export of Nigerian gas to Europe.
- ❑ Industrialization is a critical element for growth in Nigeria and has become the core emphasis for the current Government. Gas distribution and consequently this pipeline is integral to this effort.
- ❑ OILSERV participated in the EOI of AKK project in 2009 and was prequalified by NGC, in 2014 OILSERV participated in EOI for Development of East-North Gas Pipeline system (AKK was part of the EOI) and was prequalified by NNPC.
- ❑ **The NNPC has selected Oilserv Limited as 1 of 3 EPC Contractors of the pipeline and has been assigned the 199km Ajaokuta – Abuja Segment for full EPC works on a B.O.O.T. basis.**
- ❑ **PROJECT SCHEDULE: 24 MONTHS**

SEGMENT	PIPE SIZE AND PIPELINE LENGTH
Ajaokuta – Abuja Gas Pipeline	40-Inch x 199km (Oilserv Scope)
Abuja – Kaduna Gas Pipeline	40-Inch x 193km (2 nd Contractor)
Kaduna – Zaria Gas Pipeline	40-Inch x 96km (3 rd Contractor)
Zaria – Kano Gas Pipeline	40-Inch x 126km (3 rd Contractor)

AKK DESIGN CAPACITY

- ❑ **1.0 Billion Cubic Feet Daily** - Recommended Design Capacity with (1) Compressor Station at KP315
- ❑ **1.5 Billion Cubic Feet Daily** - Optimized Design Capacity with (4) Compressor stations at KP139, 276, 414 & 554



A.K.K. PIPELINE SCHEMATIC

Project Description

PROJECT JUSTIFICATION

- ❑ It is a key component of the Gas Master Plan.
- ❑ It will spur industrialization in the North as the cheap cost of gas will drive power plants, fertilizer and other processing plants.
- ❑ Reduction in overall production cost of goods and services due to cheap transportation cost of energy
- ❑ It will drive Nigeria towards zero gas flare.
- ❑ Reduce/eliminate dependence on fire wood as fuel and cut back on deforestation.
- ❑ Availability of CNG for Vehicular Use, reducing PMS & AGO use.
- ❑ Create enormous employment for the teaming youth in the North

BENEFITS TO THE GOVERNMENT

1. Accelerate the on-going efforts in;
 - ❑ Power Sector improvements
 - ❑ Agriculture
 - ❑ petrochemical
 - ❑ process industries
 - ❑ Fertilizers
2. It will Increase liquidity for the Government to support other pertinent sectors of the Economy.
3. The pay back period will be longer than the construction period
4. It will support Government efforts in achieving it's target of Job creation.

ANCHOR PROJECTS

GAS CONSUMPTION / OFF-TAKE PROPOSED FOR INDEPENDENT POWER PLANT

S/N	POWER PLANT	CONSUMPTION
1	1350MW – Abuja Power Plant	296 MMSCF/D
2	900MW – Kaduna Power Plant	197 MMSCF/D
3	450MW – Kano Power Plant	99 MMSCF/D
TOTAL	2700MW	592 MMSCF/D



Act 1 – HAULAGE



Act 2 - R.O.W. Clearing



Act 3 – Pipe Stringing



Act 4 – Pipe Welding



Act 5 – Excavation – Lowering - Backfill

Project Cost

ESTIMATED PROJECT COST

A balanced mix of several funding sources (Debt & Equity) have been carefully designed to match the risk profile of the project.

The project cost is \$850 Million [Engineering, Procurement & Construction (EPC) of the Oilserv assigned section of the AKK Pipeline system (Ajaokuta – Abuja: 40" x 199km)]

USE OF FUNDS	USD MM
PROJECT CAPEX INCLUSIVE OF VAT & IMPORT DUTIES	850



CONSTRUCTION OF 48-INCH X 67KM GAS PIPELINE USING DIFFERENT OILSERV WELDING STATIONS AND SPECIAL WELDING TENTS





Global Communications Centre

P.O Box 506966
DIFC, Dubai, United Arab Emirates

 +971 4 325 2353

+971 4 386 5544

 +971 4 327 4948

 info@obor-invest.com

 <http://www.obor-invest.com>

