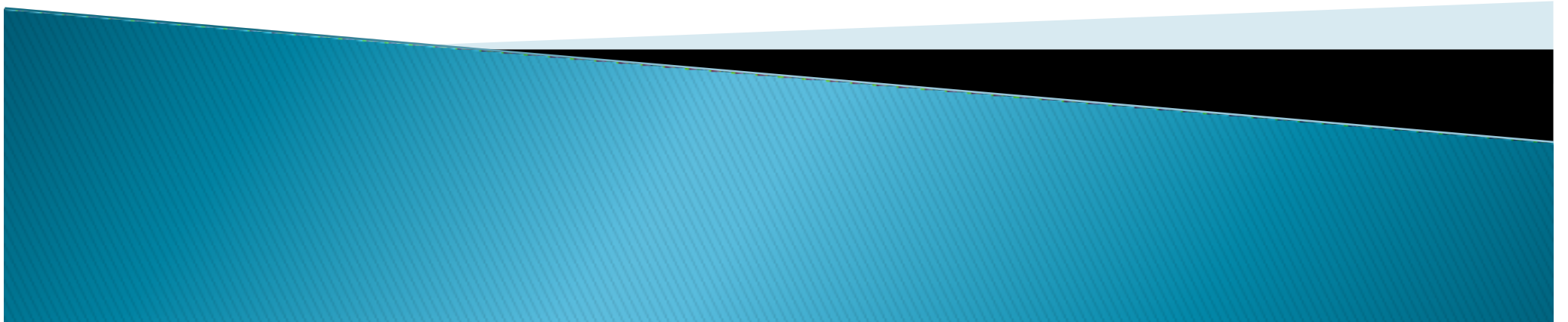


Gas Infrastructure Financing: LPG Options

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Outline

- ▶ Introduction
- ▶ Market opportunity
- ▶ LPG Sources
- ▶ Investment opportunity chain
- ▶ Market Development Challenge
- ▶ Project Bankability



Introduction

- ▶ Liquefied Petroleum Gas (LPG) is a mix of hydrocarbons gases (Propane and Butane).
- ▶ LPG can be obtained from Natural Gas processing and Crude Oil refining.
- ▶ The Country LPG consumption is still largely very low compared to the continent's average, hence growing market opportunity.
- ▶ The Liquefied Petroleum Gas (LPG) provides immense investment opportunity in the petrochemical Industry. The Industry caters for the Nation's vibrant middle-upper class which has become increasingly more sophisticated with stronger purchasing power that affords them improved lifestyle options. Most households now depend on Gas for cooking.



Market Value chain opportunity

LPG Industry Comprises the under listed Value chain:

- ▶ Marketing and Distribution
- ▶ Traders and shippers (Bulk supply)
- ▶ Manufacturers of LPG Cylinders
- ▶ Manufacturers of tanks/ appliances
- ▶ Gas processing aggregation partnerships



Market Development challenges

- ▶ Supply chain constraint for bulk LPG investment.
- ▶ Inadequate storage Infrastructure.
- ▶ Import high cost impact on retail price.
- ▶ High switching cost.



Funding support consideration

- ▶ Adequate project feasibility studies.
- ▶ Environmental Impact assessment
- ▶ Ease of distribution/accessibility to consumers.
- ▶ Proper Equity/Debt mix.
- ▶ Competence of project promoters.
- ▶ Acceptable financial model indicating positive indices.
- ▶ Sustainability of supply options/contracts.



LPG investment Funding consideration

- ▶ IFF line for Bulk Importation.
- ▶ Partnership with Bank of Industry to Fund production of cylinders and Fabrication of storage tanks.
- ▶ LPG transportation/ Distribution fleet Funding.
- ▶ Gas field partnership funding.



THANK YOU

