

Oil and Gas Sector

Projects

 Sheberghan to Kabul Gas Pipeline and Generating Plant (Ministry of Mines and Industries)







Project Outline

The Ministry of Mines and Industries (MMI) would like to expand the supply of power to the city of Kabul with new generating capacity based on domestic natural gas reserves.

This would require the construction of a new generating facility located either at the gas fields near Sheberghan in the north, or in Kabul.

If the new generating facility were to be located in Kabul, it would be necessary to construct a 300-mile gas pipeline between Sheberghan and Kabul.







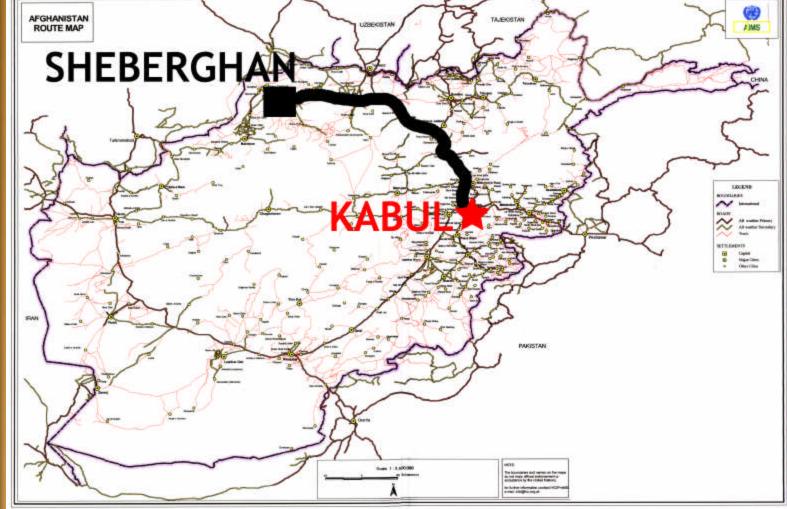


















Technical Description

The U.S. Trade and Development Agency (USTDA) is funding a feasibility study to look at the two options of constructing a power generating station either at Sherberghan or Kabul.

If the station is built in Sherberghan, then transmission lines to Kabul will be necessary. If the second option is found to be more feasible, then the station will be built in Kabul along with a gas pipeline originating from Sherberghan.





Technical Description (cont.)

The study will determine:

- > Gas demand for the various options,
- Natural gas production facilities, additions, and modifications needed to satisfy the new demands,
- Potential routing options and cost for the pipeline to Kabul, and
- Define the potential natural gas demand requirements both for Kabul and the immediate pipeline route areas.

The objective of the feasibility study will be to prepare a bankable document that will allow MMI to approach potential investors for funding of one of these options.







Project Site

The project sites will be Sherberghan (in North West Afghanistan) and Kabul.

Project Status/Timeline

The USTDA funded feasibility study was undertaken in the first quarter of 2003. Funding for the main project will need to be secured once an option is agreed upon.







Equipment & Services

The following equipment is required for this pipeline project:

- Pipe and freight;
- Coatings and materials;
- > Compressors;
- > Controls and SCADA;
- > Generators;
- > Transmission lines; and
- Construction equipment.







Project Financing

The total estimated project cost is \$333 million.

The World Bank has recently approved a \$33 million grant for Emergency Infrastructure Reconstruction in Afghanistan. This loan has an oil and gas component.

Through the grant, the World Bank plans to fund policy-related technical assistance in this sector directed at developing an institutional framework conducive to private sector development.