

NEWS RELEASE



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Engconsult Ltd. wins Asian Development Bank (ADB) project in Pakistan

Engconsult Ltd., Canada and Sofregaz, France signed a US\$ 413,500 contract with Asian Development Bank on June 15, 2004 for *Turkmenistan-Afghanistan-Pakistan Natural Gas Pipeline Project (Phase II)* in Pakistan.

The objective of the technical assistance project is to carry out investigations to estimate costs, feasibility, work over, new facilities, construction, and operation and maintenance for the Pakistan underground natural gas storage (UGS) based on depleted hydrocarbon reservoirs. The project consisting of two stages:

(1) Stage 1

- Review the reservoirs available, list all the reservoirs examined, and short-list them, ranking them according to suitability for UGS functionality.
- Investigate how existing and planned infrastructure can be best used in relation to UGS and market location.
- Define the magnitude and timing of the winter service gas load in the medium term to meet peak shaving and security requirements.
- Review the extent to which interruptible gas contracts may induce industrial fuel users to shift from gas to other fuels during supply interruptions and peak load season.
- Report on the selection of reservoirs most suitable for UGS and examine the feasibility of connecting them to the project pipeline systems.

(2) Stage 2

- Prepare a feasibility report on conversion to UGS of the selected fields and estimate its cost. The feasibility study will cover (i) reservoir aspects, (ii) injection and/or extraction facilities, (iii) connections to the project and national gas transmission systems, (iv) environmental aspects of the reservoirs and their related facilities, (v) implementation schedule, and (vi) cost estimates.

Engconsult is responsible for:

- Geological investigation of the underground gas storage reservoir.
- Environmental impact study of the natural gas storage reservoir and related facility in accordance with ADB Guidelines.
- Perform social impact study and prepare resettlement plan.