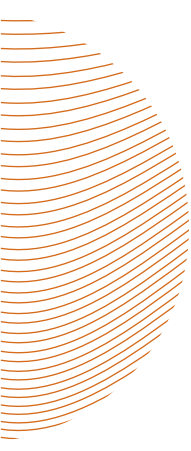
A photograph of an industrial facility, likely a gas processing plant, at night. The scene is illuminated by warm yellow lights, showing complex piping, scaffolding, and storage tanks. In the background, there are hills under a dark sky. A stylized graphic of a globe, composed of white concentric lines, is overlaid on the left side of the image. A large, solid orange semi-circle is positioned at the bottom left, partially overlapping the industrial scene.

MASSIFICATION OF THE USE OF NATURAL GAS: DISTRIBUTION OF NATURAL GAS THROUGH A PIPELINE NETWORK



ProInversión

Private Investment Promotion Agency - Peru



MASSIFICATION OF THE USE OF NATURAL GAS: DISTRIBUTION OF NATURAL GAS THROUGH A PIPELINE NETWORK IN THE REGIONS OF APURÍMAC, AYACUCHO, HUANCAVELICA, JUNÍN, CUSCO, PUNO, AND UCAYALI

PURPOSE OF PROJECT

Design, finance, build, operate, and maintain Systems for the Distribution of Natural Gas through a Pipeline Networks in the Regions of Apurímac, Ayacucho, Huancavelica, Junín, Cusco, Puno, and Ucayali. At the end of the concession, the systems shall be transferred to the Peruvian government.

PROJECT DESCRIPTION

The Project consists of the provision—in accordance with the standards established in the Distribution Regulations, the Agreement, and all Applicable Laws, so as to guarantee the quality, efficiency, and continuity of the Service—of the Natural Gas Distribution Service for different users. For such purpose, it will be necessary to implement all infrastructure indispensable to the provision of said service in each one of the cities included within the Project scope.

The minimum infrastructure to be implemented as part of the concession, in each city, shall be:

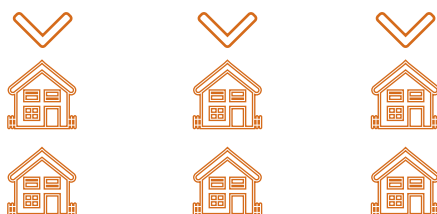
- Main Reception and Regulation Station
- High-Pressure Steel Network
- District Regulation Stations
- Medium-Pressure Polyethylene Network



NG SUPPLY



CITY GATE



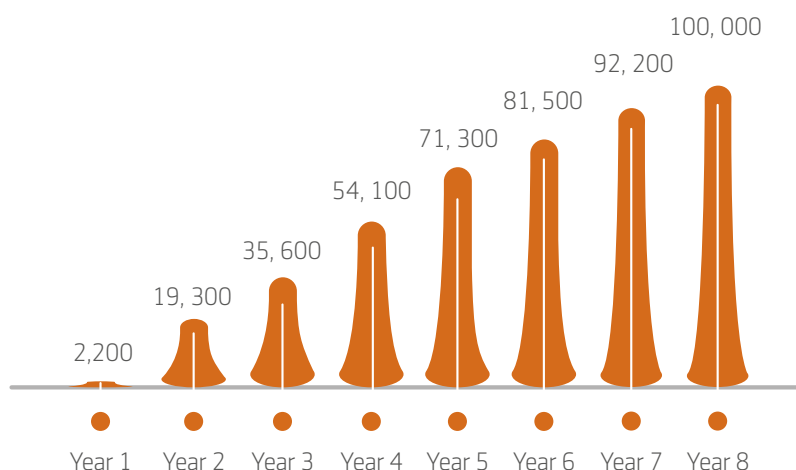
The investor may obtain a supply of natural gas using technologies such as compressed natural gas (CNG), liquefied natural gas (LNG), and/or directly through pipeline infrastructure connected to a specific transport or production system.

The investor undertakes to install and operate the equipment necessary to measure the variables and parameters to ensure the quality, efficiency, and continuity goals.

As from the commercial start-up date of the Distribution System, the investor shall undertake to provide the Service to whomever requests it within the Concession Area, within the term and under the conditions established in the Distribution Regulations.

MINIMUM CONNECTIONS PLAN

Connected Consumers Obligation: The Minimum Connections Plan per Year of Operation is as follows:



The compliance with the Minimum Connections Plan shall be verified by OSINERGMIN at the end of each Year of Operation.

The Project shall be carried out as a Public-Private Partnership, via the execution of a concession agreement to be entered into by and between the Peruvian government and the South Central Peruvian Massification Concessionaire.



- Scheme: BOOT (build, own, operate and transfer)
- Modality: Self-financed
- Skill factor: To be defined.
- Concession term: Thirty-year (32) years, as from the execution of the concession agreement on the closing date.

The area of influence of the South Central Massification Project will include the Regions of Apurímac, Ayacucho, Huancavelica, Junín, Cusco, Puno, and Ucayali.

Figure 1:
Project's Area of Influence



QUALIFICATION REQUIREMENTS

To be considered as a Bidder, the following requirements shall be met:

A) FINANCIAL REQUIREMENTS:

The Acquirer or the Consortium to which it belongs, or the Related Companies, whose figures or experience are offered for purposes of qualification, shall have, individually or collectively, in the last two (2) concluded fiscal years:

- A minimum Net Equity of US\$ 93,000,000.00 (Ninety-Three Million U.S. Dollars); and
- Minimum Total Assets worth US\$ 280,000,000.00 (Two Hundred Eighty Million U.S. Dollars).



B) FINANCIAL REQUIREMENTS:

The Operator or its Related Companies, in either case with the capacity of owner or concessionaire, shall prove that they directly operate distribution systems through a pipeline networks that meet the following conditions:

- Number of connected consumers: no less than 100,000 (one hundred thousand).

INVESTMENT AMOUNT

Approximately US\$ 350 million (not including VAT).

INVESTMENT REMUNERATION

The CONCESSIONAIRE will receive the following revenues:

- The revenues for the provision of the Service through the Distribution System.
- The revenues from other services arising as a consequence of the Exploitation of the Concession Assets.
- The revenues from the corresponding fee, in accordance with the respective procedure.

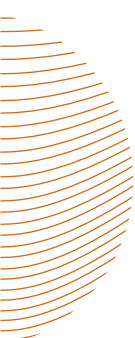
SUPERVISING ENTITY

Supervising Agency for Energy and Mining Investment – OSINERGMIN

SPECIFIC DESIGN PARAMETERS

QUALITY CONTROL	A Quality Management program covering all phases of the project shall be established: engineering, design, procurement and manufacture of materials and equipment, construction, installation, testing and start-up, operation, and maintenance. The program shall include quality checks, inspections, and audits in order to ensure compliance with the required quality specifications.
FLOW AND PRESSURE TO BE SUPPLIED	The Distribution System shall be designed pursuant to Annex I of the Distribution Regulations.
DESIGN VELOCITY	The velocity of the Gas in the steel networks shall not exceed 20 m/s; while in the polyethylene networks, it shall not exceed 40 m/s.





Distribution System Availability	The System shall be designed, built, maintained, and operated to limit unscheduled shutdowns and provide an availability of 99% for a continuous year.
Useful Life of the Design	The Distribution System shall be designed for a useful life no shorter than the concession period.

SCHEDULE



Estimated award date: first half of 2018



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