



Government of Punjab



Quaid-e-Azam Solar Power (Pvt.) Limited

QUAID-E-AZAM SOLAR PARK

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PAKISTAN



Quad-e-Azam Muhammad Ali Jinnah
1876 - 1948

“Few individuals significantly alter the course of history. Fewer still modify the map of the world. Hardly anyone can be credited with creating a nation state. Muhammad Ali Jinnah did all three.”

-Stanley Wolpert in his book ‘Jinnah of Pakistan’

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QUAID E AZAM SOLAR PARK

Named after the great leader, Muhammad Ali Jinnah, Quaid e Azam Solar Park is all set to emerge as a hub of solar energy and a global attraction in terms of technology and investment. The Government of Punjab, under the Vision of Chief Minister Shahbaz Sharif, has dedicated 6,500 acres of land near Lal Sohanra, Cholistan, Bahawalpur for the purpose of establishing a Solar Park for 1000 MW. 500 acres have been reserved to set up the first 100 MW PV Solar Power Plant. This Flagship project shall be fully owned by the Government of Punjab; marking the beginning of the Province's journey towards generation of renewable energy for a greener future.

Quaid-e-Azam Solar Power (Pvt.) Ltd. has been set up by the Government of Punjab with the purpose of launching the first 100 MW PV Solar Power Plant as a Flagship project.

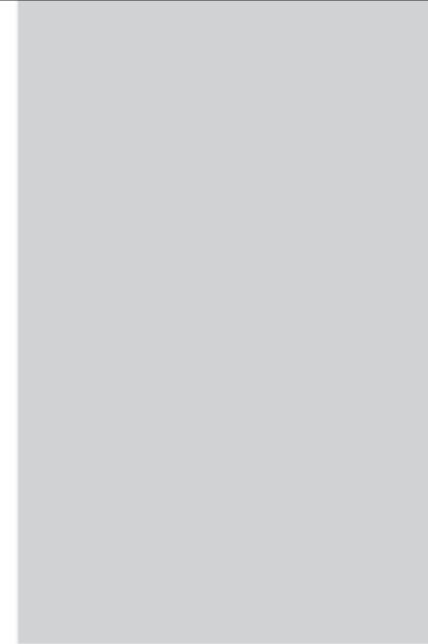


PAKISTAN - THE NEXT BIG INVESTMENT ENVIRONMENT

Pakistan is located at the crossroads of South and Central Asia, China & the Middle East. Its strategic location with huge development opportunities in a regional market with a vast population, large and diverse resources and untapped potential for trade makes Pakistan an attractive location to invest.

Punjab being Pakistan's heartland and with its large pool of skilled professionals, adequate infrastructure and affordable rates makes it an obvious destination of choice for investors.





INVESTMENT CLIMATE

Pakistan is currently ranked as the most investment-friendly nations in South Asia where business regulations have been profoundly overhauled along liberal lines and most barriers to the flow of capital and international direct investment have been removed. Foreign investors do not face any restrictions on the inflow of capital and investment of up to 100% of equity participation is allowed in most sectors. Unlimited remittance of profits, dividends, service fees or capital is now the rule. This liberal investment regime is hard to beat.



OVERVIEW OF REGIONAL MARKET

The Government of Pakistan in its outline policy to overcome the energy crisis, has formulated a conducive business investment environment in the energy sector, with a sincere focus on environmental concerns including reduction in carbon footprint.

Pakistan is all set to provide attractive opportunities to industrially developed regions by introducing their time tested successful solar energy technology and thereby establishing markets for mutual trade on a long-term basis.



INVESTMENT POLICY 2013

The Government of Pakistan has introduced Investment Policy 2013 to enable business-friendly environment by:

- Reducing the cost of doing business.
- Streamlining the Business Processes.
- Creation of industrial clusters and Special Economic Zones.
- Linkages of trade, industrial and monetary policies.

OPPORTUNITY IN PUNJAB

Punjab, the land of five rivers, is the heartland of Pakistan where 51 million acres are cultivated and another 9.05 million acres are classified as cultivable waste in different parts of the province. With 55% of Pakistan's population and 60% contribution to national GDP, Punjab is Pakistan's largest power consumer (68%). The reasons for Punjab's dynamic urban and industrial activity are its good infrastructure, peaceful industrial relations, flexible labor market conditions and efficient administrative machinery; the attributes that make Punjab an ideal destination for investors.



ENERGY SCENARIO

Pakistan's Power Sector – The Situation at a glance:

- The current Power shortfall is approximately 6,000 MW.
- Punjab's current power deficit stands at around 3500 MW (avg.) and is estimated to cost the economy 2% of GDP each year, with power demand growing at about 8% per annum
- Approximately 4.1 million jobs and employment opportunities stand lost since 2008 – which is roughly 7.5 percent of the workforce

Power Sector Reforms- The Government's Intervention

Cognizant of the large deficit and rising cost of power, Government of Pakistan is encouraging private sector investment in power projects to rationalize power cost and make the energy mix sustainable along with the following reforms:

- Inauguration of Bong Hydroelectric Project (84 MW)
- Revival of Nandipur Power Project (425 MW)
- Addition of 2,000 MW wind generation capacity by 2016
- CASA-1000 project of 1,000 MW by 2017
- 6,600 MW coal fired plants at Gadani (10x660 MW)
- 1,980 MW coal fired plant at Port-Qasim (3x660 MW)
- 1000 MW Solar Power Park at Lal Suhanra, Cholistan



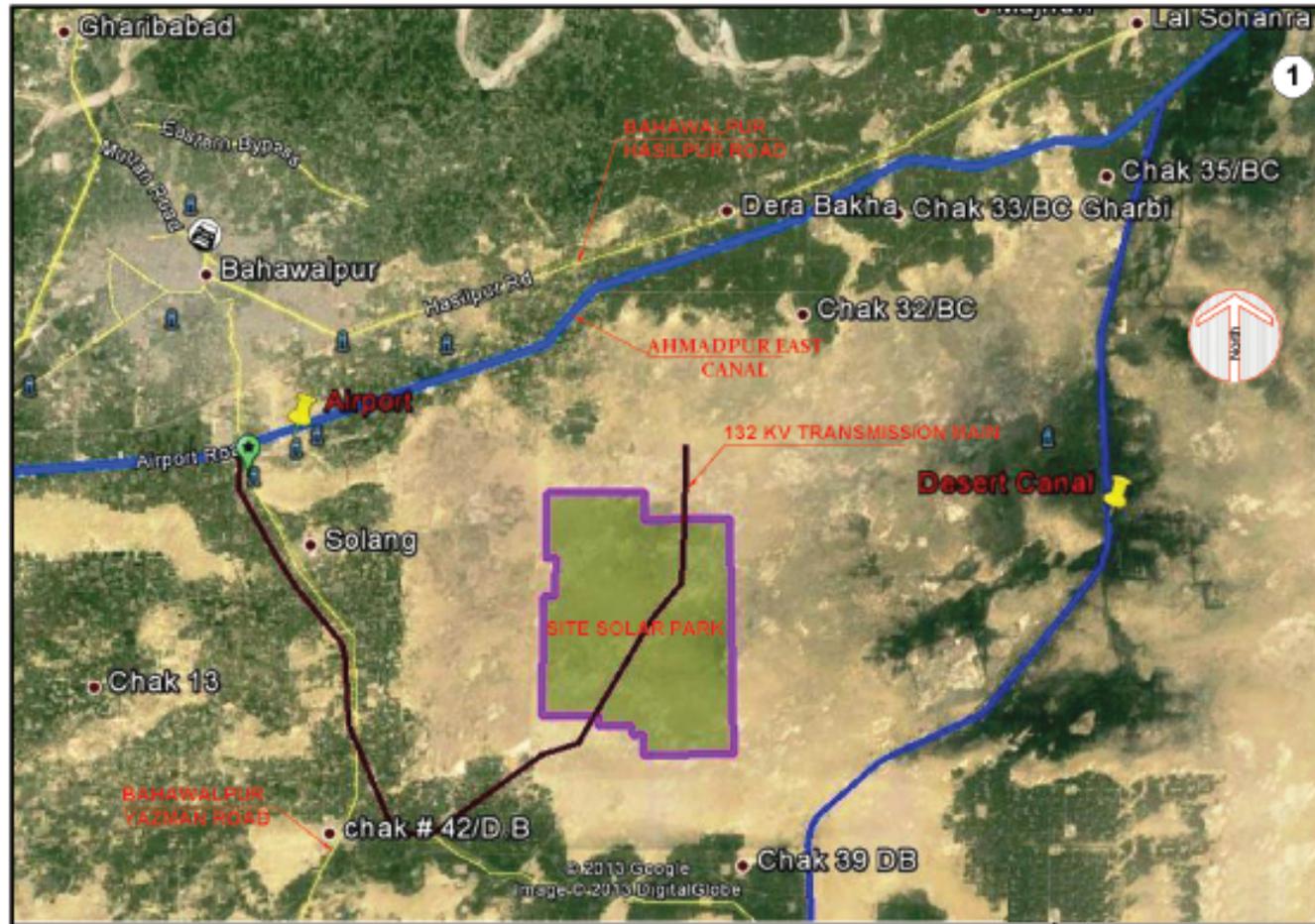
SOLAR POTENTIAL IN PUNJAB, PAKISTAN



Overview of Investment in Solar energy sector

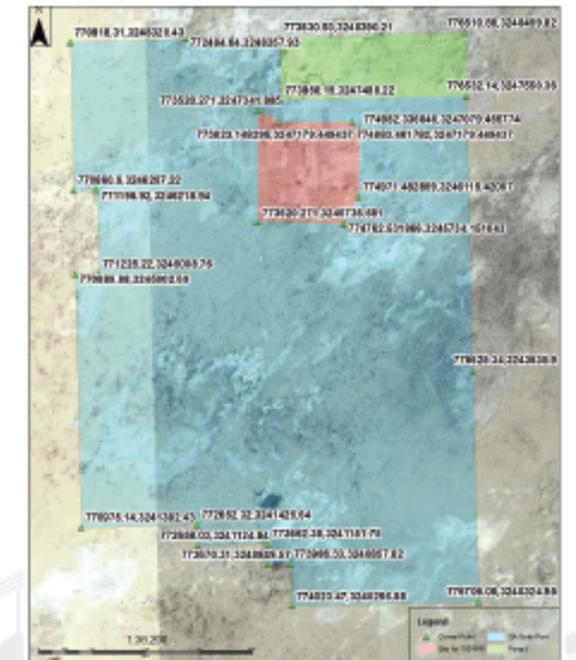
- Solar energy has excellent potential in Punjab, which is strategically located in the zone of highest solar irradiation in the world
- Average daily irradiation amounts to 5-7 kWh/m² with 3000 hours of sunshine available annually
- Government of Punjab has allocated 6,500 acres of land in Southern Punjab for “Quaid-e-Azam Solar Park” (QA Solar Park).
- The solar park has a total potential of more than 1,000 MW. The Government of Punjab is launching its flagship project of 100 MW Solar PV Power to set the ball rolling.
- Solar power projects are exempted from custom duty, sales tax, income tax, turnover tax and withholding tax on imports

LOCATION MAP



SALIENT FEATURES OF QA SOLAR PARK

- Master Planning for 20 x 50 MW solar power plants
- Necessary infrastructure available such as roads, airport and grid stations near the solar park site.
 - A 100 feet wide, dual carriageway, metalled road is under construction and will be completed by February 2014
 - Sweet water supply through tube wells from sustainable aquifer
- Power Evacuation Arrangements -
 - A 132 KV line having capacity to evacuate up to 400MW is readily available whereas an additional 220 KV line is in the project planning phase for future evacuation needs
- Safety and security -
 - 28 km long boundary wall is being erected. The perimeter security shall be ensured by the Government of Punjab.



INVESTMENT RATIONALE AND FISCAL INCENTIVES

OVERVIEW

- Solar Power Park with the capacity to house up to 1000 MW Solar PV Plants is ready to be populated on concessional lease rate of USD 1 per acre per annum.
- Transparent and competitive market due to enabling policies and vertical unbundling
- Secure investment environment
- Mandatory purchase of power generated by Independent Power Producers (IPPs), backed by sovereign guarantee of Government of Pakistan



ATTRACTIVE RETURNS

- 17% Return on Equity (indicative) in dollar terms i.e. protected against foreign exchange risk, guaranteed for energy projects

TAX EXEMPTION

Power plants (and income thereof) is

- Exempt from Income tax
- Exempt from Turnover tax
- Exempt from Withholding tax on imports

CUSTOMS DUTY EXEMPTION

- No Duties on import of Renewable Energy Plants & Equipment Enabling Policies

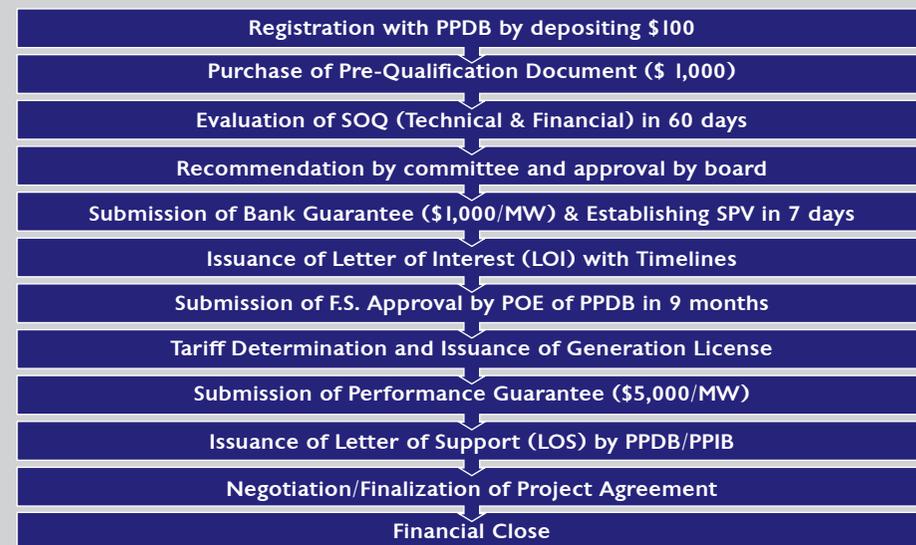
CONTRACTUAL MECHANISM

- Guaranteed power purchase from IPPs
- Upfront tariffs
- Sovereign Guarantees
- Standardized Implementation Agreements (IAs), PPAs/EPAs etc.

INCENTIVES

- Repatriation of equity and dividends freely allowed
- Independent Power Producers (IPPs) allowed to issue corporate bonds and shares at discounted prices
- Government of Pakistan to guarantee terms of executed agreement including payment terms
- Foreign banks allowed to under-write stocks and bonds issued by private power companies

INVESTING IN PUNJAB'S POWER SECTOR - STEP BY STEP PROCESS



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