MDGIF PROPOSAL TEMPLATE AND FORMAT

ISSUED BY

MIDSTREAM AND DOWNSTREAM GAS INFRASTRUCTURE FUND

2024

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Table of Contents

1 INTRODUCTION 5
1.1 Purpose of document 5
1.2 Important Notices 5
2 STANDARDS FOR PROPOSAL TEMPLATE TO MDGIF 6
2.1 General Requirement 6
2.2 Proposal Consideration 6
3 PROPOSAL FORMATS 6
3.1 Introductory Overview 6
3.1.1 Project Overview: 6
3.1.2 Proposal Checklist 7
3.2 Company Profile, Legal, management and General Information 7
3.2.1 Company Information Form 7
3.2.2 Ownerships Structure and management Standard Information 7
3.2.3 Management Structure and Operations Team: 8
3.2.4 Legal Structure, Affiliation and Agreements: 8
3.2.5 Financial Standing 8
3.2.6 Health, Safety and Environmental Records 8
3.3 Technical Information. 9
3.3.1 Overall Project Concept 9
3.3.2 Preliminary Project Implementation Plan 9
3.3.3 Relevant Experience 10
3.3.4 Operations Plan 10
3.4 Commercial Plan, Market demand and Financial projections 10
3.4.1 Business Plans 10
3.4.2 Economic/Financial Plan 10
3.4.3 Market Analysis: 11
3.4.4 Equity Investment Terms: 11
3.4.5 Project Scalability: 12
3.5 Sustainability and Socio-Economic Analysis 12

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3.5.1 Local Capacity & Development Plan 12
3.5.2 Training of Nigerians 12
3.5.3 Other CSR Plans 12
3.6 Externalities and Risk Analysis 12
3.7 Statutory Declarations 13
3.7.1 Declaration of Good Standing 13
3.7.2 Declaration of Change of Information 13
3.7.3 Conflict of Interest Statement 13
3.8 Other Relevant Information 13
4 APPENDIXES 14
4.1.1 Attachment 1: Checklist 14
4.1.2 Attachment 2: Format for Declaration of Good Standing 15
4.1.3 Attachment 3: Format for Declaration of Change of Information 16
4.1.4 Attachment 4: Format for Conflict-of-Interest Statement 17
5 GLOSSARY 18

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1 INTRODUCTION

1.1 Purpose of document

The purpose of this document is to provide the standard template and format for the submission of proposals, for Project Promoters interested in partnering with MDGIF and to assist them in submitting detailed proposals.

1.2 Important Notices

i. All proposals shall be submitted to the MDGIF strictly in line with this proposal format and template.

ii. MDGIF reserves the right to reject any proposal without incurring any liability.

iii. The MDGIF, makes no warranty, as to the completeness of the information contained herein, on the Portal, or any information otherwise provided, whether orally or in writing, other than such representations or warranties as may be contained in the Investment Agreements.

iv. Any Project Promoters undertaking to submit a proposal assumes all risks associated with such undertaking and no adjustments whatsoever will be made based on such Project Promoter's interpretation of the information provided.

v. Neither the receipt of this document, nor any information contained herein or supplied herewith or subsequently communicated to any Project Promoters, whether orally or in writing, in connection with a proposed investment under the MDGIF, is to be taken as constituting the giving of investment, legal, technical, or other advice.

vi. Neither this document nor any other written or oral information made available to any Project Promoters will form the basis of any offer or contract. A Proposal under the MDGIF or any part thereof will give rise to contractual obligations only if and when the Investment Agreements related thereto have been executed in writing by MDGIF and an Project Promoters that has become successful in the MDGIF investment process.

vii. Any proposal submitted to MDGIF shall become the property of the MDGIF.

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2 STANDARDS FOR PROPOSAL TEMPLATE TO MDGIF

2.1 General Requirement

The following shall apply:

i. All letters and correspondences shall be submitted on company letterhead with name of the Chairman, the full list of Directors and Company Registered Office Address.

ii. All letters, undertakings, declarations, and statements must be signed by the Managing Director and Secretary or two (2) directors of the Project Promoter.

iii. Every Project Promoters must complete and submit all the mandatory information in the proposal template.

2.2 Proposal Consideration

Each proposal template is submitted under the following broad terms:

i. Company profile, management, legal and general Information

ii. Technical viability of project

iii. Commercial viability proposal covering project Value, Viability, Funding Mechanism, Growth Potential and Investment Model and Success Factors

iv. Sustainability and Socio- economic provisions of project

v. Externalities and Risk analysis of the projects

3 PROPOSAL FORMATS

3.1 Introductory Overview

The investments proposal must be indexed and organized strictly in the following order.

3.1.1 Project Overview:

The following should be included.

i. Project name.

ii. Project Location: Specific address and coordinates of the project location should be stated.

iii. Executive Summary: Target sector, purpose of project and capacity, estimated cost of project and fund requested, and clearly specifying key point such as

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scope, gas supply source, key markets, project duration, value to the economy, license, permits and approvals obtained so far etc.

3.1.2 Proposal Checklist

Each Project Promoters must complete and submit the Proposal Checklist form Appendix 1

3.2 Company Profile, Legal, management and General Information

3.2.1 Company Information Form

Each Project Promoters must complete, sign, and submit the Information form below:

Basic Information
1. Name of Project Promoters:
2. Type of Project Promoters (PLC, LTD etc):
3. Jurisdiction of Incorporation:
4. CAC Registration Number:
5. Address of Principal Office:
6. Operational Base(s):
6. Telephone Number:
7. Email Address:
8. Web Address:
9. Name of Primary Contact Person:
10. Designation of Primary Contact Person:
11. Telephone Number for Person:
13. Email Address for Person:

3.2.2 Ownerships Structure and management Standard Information

Each Project Promoters shall submit information in the table below:

Ownership and Management Information
A. Shareholders list and percentage of holdings

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2. If the Project Promoters is a publicly traded company: 2.1 Name of stock exchange where traded 2.2 Year listed: 2.3 Stock symbol of Project Promoters:
3. Name of the Project Promoters' bankers:
4. Name of the Project Promoters' auditors:
5. Directors:

3.2.3 Management Structure and Operations Team:

The following should be included.

i. The organizational structure – Project Promoters must submit an organizational chart, which outlines the Project Promoters' principal structure and key personnel, including divisions and business units.

ii. Brief profiles of key members of the management team, highlighting their nationality, qualification, relevant experience, and technical expertise.

3.2.4 Legal Structure, Affiliation and Agreements:

The following should be included.

i. Outline the Holding structure.

ii. Legal structure: Certificate of Incorporation, Memorandum and Article of Association, Particulars of Directors form, Share Allotment Form, Annual Returns Filings, FIRS Tax Clearance Certificates (last 3 years), and others.

iii. Overview of key contractual agreements relevant to investment in view. E.g. partnerships, bankers, and other relevant collaborations etc.

3.2.5 Financial Standing

i. Audited financial statement (3 years) of the Project Promoters, including the Income Statement/Profit or Loss Account, Balance Sheet, Cashflow Statement and Bank Account Statement.

3.2.6 Health, Safety and Environmental Records

The following should be included.

i. Summary of HSE Policy statement

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ii. Records of LTI, fatality leading and lagging indicators operations handled by the company.

3.3 Technical Information.

The investments proposal must be indexed and organized strictly in the following order.

3.3.1 Overall Project Concept

The following should be included.

i. Outline of key project goals and objectives.
ii. Project Overview/Outline Business Case (OBC):
iii. Project Description including Process Flow Diagram and Process description, nature of feedstock and gas products.
iv. Project location and infrastructure – proposed project location and associated infrastructure including proximities to existing receiving or evacuation infrastructure, major transportation facilities, road network.
v. Assurance of source of gas (relevant gas supply agreements / purchasing agreements)
vi. Overview of the technical aspects of the project, including target sectors for gas utilisation, applicable technology, provision for product evacuation and distribution etc.
vii. Flare site(s) to be developed for flare gas elimination project (if applicable)
viii. Details of licenses, permits and approvals obtained so far from relevant government agencies.
ix. Highlight any innovative or unique features of the project.

3.3.2 Preliminary Project Implementation Plan

The following should be included.

i. Project Implementation Schedule (level 1)
ii. Design Philosophy,
iii. Logistics & Construction Strategy
iv. Project Risk Register and Mitigation Strategy
v. Project Capital Expenditure and Estimation Strategy
vi. Vendor and Contracting Strategy

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vii. Procurement Plan

viii. Local Content Strategy

ix. Stakeholder Management Plan

x. Quality Assurance Plan

xi. Project Management Structure - Organisation, Roles & Responsibilities

xii. Principal Project Team members

3.3.3 Relevant Experience

The following should be included.

i. Project Promoters (company) Previous Project/investments executed.

ii. Project Promoters (promoter) Strengths and previous experience.

iii. Principal officers/ directors Previous Project/investments executed.

3.3.4 Operations Plan

The following should be included.

i. Operations and maintenance Strategy

ii. Asset Management Strategy

iii. Project staffing and training plan

3.4 Commercial Plan, Market demand and Financial projections

3.4.1 Business Plans

The following should be included.

a) Project Economics

b) Assurance of source of gas (relevant gas supply agreements / purchasing agreements)

c) Sales and Marketing Plan (established or new)

d) Product Price or tariff rates (proven or forecast)

e) Growth Rates (basis of assumption)

f) Estimated Development and Operating Costs (Class 4)

g) Competition

3.4.2 Economic/Financial Plan

The following should be included:

i. Strength and Credibility of Financial Plan

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ii. Letter of Support from Banks (indicative terms)

iii. Availability and Strength of Equity Commitments.

iv. Cost-Benefit Analysis – including infrastructure development, revenue streams, detailed revenue projection, operational costs, and investment costs.

v. Updated version of Financial Model/ Financial Metrics – financial ratio analysis and capital budgeting of the project such as Pay Back Period (PBP), Internal Rate of Return (IRR), Net Present Value (NPV), Return on Investment (ROI), Return on Equity (ROE) etc to assess the investment.

vi. Sensitivity Analysis – evaluate the sensitivity of key financial parameters to changes in assumptions, such as gas prices, supply and demand assurance, cost of capital/funds, FOREX rates, and projections etc.

3.4.3 Market Analysis:

The following should be included:

i. Comprehensive analysis of the market, including current and projected demand, market structure etc.

ii. Competitive landscape and market positioning.

3.4.4 Equity Investment Terms:

The following should be included.

i. Total estimated cost of the project (Naira and US Dollar Components)

ii. Clear statement of the total amount of MDGIF equity funding.

iii. Cost at each project phase/milestone

iv. Timeline for funding milestones.

v. Pattern of disbursement of funds per milestone.

vi. Breakdown of the funding requirements.

vii. Completion date of the Project – Planned timeline for the project and deadline.

viii. Cash Flow Projections – detailed cash flow projections for the equity investment over the project's life cycle including the income statement, cashflow, balance sheet, etc.

ix. Evidence of Counterpart funding including the funds from other creditors and the cost.

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3.4.5 Project Scalability:

i. Scalability: Assess the scalability of the project, considering the potential for future expansion and increased demand.

ii. Flexibility: Evaluate the flexibility of the project to adapt to changes in technology or market conditions.

3.5 Sustainability and Socio-Economic Analysis

3.5.1 Local Capacity & Development Plan

i. Plan/document that demonstrates commitment to develop and engage Nigerians, and use of equipment and materials made in Nigeria.

ii. Health, Safety, Environment and Community (HSEC) stewardship

3.5.2 Training of Nigerians

Plan for provisions of training for Nigerians in all aspects of the project.

3.5.3 Other CSR Plans

Details of CSR Plans for the project, host community engagement, and environmental remediation where applicable.

3.6 Externalities and Risk Analysis

The following should be included.

i. Risk analysis methodology

ii. Identification of potential risks, challenges and Mitigation strategies for each identified risk:

   a. Risk Identification and Analysis – identification and assessment of potential risks associated with the gas projects, including market risks, regulatory risks, technical risks, etc.

   b. Risk Mitigation Strategies – strategies to mitigate identified risks, such as insurance coverage, contractual agreements, response/contingency plans, etc.

iii. Uncertainty Analysis – Project Promoters to provide, where applicable, document or narrative to indicate, mitigate or address uncertainties, as follows:

   a. Burdens from accumulated unpayable (defaulting) bad debts, liabilities, assets on lien, and related obligations not paid.

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b. Potential for business to be impacted by climate change-related impacts (higher cost of funding and carbon tax on products)
c. Dependence on third-party infrastructure or shared services (common carrier networks) for supply or evacuation
d. Constraints from regulatory provisions on waste (all phases) disposal and by-products re-use/recycle.
e. Service / product market or feedstock (natural gas) in a conflict-prone community or domain.

3.7 Statutory Declarations

3.7.1 Declaration of Good Standing

i. Project Promoters must complete, sign, and submit the Declaration of Good Standing.
ii. This document must be supported by an affidavit.
iii. see Attachment 2: Format for Declaration of Good Standing.

3.7.2 Declaration of Change of Information

i. Project Promoters must complete, sign, and submit the Declaration of Change of Information.
ii. This document must be supported by an affidavit.
iii. see Attachment 3: Format for Declaration of Change of Information).

3.7.3 Conflict of Interest Statement

i. Project Promoters must complete, sign and submit the Conflict-of-Interest Statement.
ii. This document must be supported by an affidavit.
iii. see Attachment 4: Format for Conflict-of-Interest Statement.

3.8 Other Relevant Information

Kindly include any other relevant information, technological innovation applicable to your project which may not have been captured in the template above.

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4 APPENDIXES

4.1 Attachment 1: Checklist

Section	1. Introduction	Location in Proposal Section	Page	Check
	A. Project name.			
	B. Project Location			
	C. Executive Summary			
Section	**2. Investment Proposals**	**Location in Proposal** Page		Check
	A. Company profile, management, legal and general Information			
	B. Technical Viability of project			
	C. Commercial viability proposal			
	D. Sustainability and Socio- economic provisions of project			
	E. Externalities and Risk analysis of the projects			
Section	**3. Statutory Declarations**	**Location in Proposal** Page		Check
	A. Declaration of Good Standing			
	B. Declaration of Change of Information			
	C. Conflict of Interest Statement			

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4.2 Attachment 2: Format for Declaration of Good Standing

Project Promoters shall provide a schedule, which outlines the items below. If the Project Promoters is a Consortium, each member of such Consortium shall each provide this schedule, detailing:

i. Any and all past or pending litigation prior to submission of the Proposal, including but not limited to any proceedings of any regulatory body, against the member (if any) including the outcome of such litigation;

ii. Any pending litigation that could materially adversely affect the financial or other standing of the firm, or the ability of the firm to implement the project, including but not limited to any proceedings of any regulatory body, against any shareholder owning more than 10% of the member's shares or director of the member, including the outcome of such litigation prior to the submission of the Proposal;

iii. Any and all bankruptcies, insolvencies, liquidations, schemes of arrangement with creditors or debtors or any other adverse financial event whatsoever involving the member prior the submission of the Proposal, including the outcome of any such events;

iv. Any and all taxes, charges, pension contributions, or social security contributions due under the Laws of Nigeria but unpaid except those which are being contested in good faith by appropriate legal proceedings and for which adequate reserves have been established; and

v. Any and all public procurements under which the member has had an obligation to perform during 5 years prior to the submission of the Proposal.

_____	_____
Name/Signature:	Name/Signature:
MD/CEO	Company Secretary

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4.3 Attachment 3: Format for Declaration of Change of Information

[Date]

We, the undersigned, hereby declare that we shall inform MDGIF immediately and in writing, setting out all relevant details, about any material change in the information provided in this Proposal, including but not limited to:

i. Any change of name due to merger, acquisition or otherwise;

ii. Any change of address;

iii. Any litigation, including but not limited to any proceedings of any regulatory body, against the member;

iv. Any litigation that could materially adversely affect the financial or other standing of the firm, or the ability of the firm to implement the Project, including but not limited to any proceedings of any regulatory body, against any shareholder owning more than 10% of the member's shares or director of the member, including the outcome of such litigation;

v. Any bankruptcy, insolvency, liquidation, scheme of arrangement with creditors or debtors or any other adverse financial event whatsoever involving the member;

vi. Any taxes, charges, pension contributions, or social security contributions due under the Laws of Nigeria that have gone unpaid except those which are being contested in good faith by appropriate legal proceedings and for which adequate reserves have been established.

vii. The most recent financial statements or financial standing of the firm; and

viii. Any assignment of major assets by the firm or other financial impropriety committed or suffered by the firm during the last 2 years.

Yours Sincerely,

_____ _____

Name/Signature: Name/Signature:

MD/CEO /Director 1 Company Secretary /Director

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4.4 Attachment 4: Format for Conflict-of-Interest Statement

[Date]

Except as set forth below, we, the undersigned, hereby state that we are not aware of any conflict of interest or potential conflict of interest involving the Project Promoters [company] or any of its directors, officers, employees, substantial shareholders, agents, advisors, attorneys, consultants and representatives with MDGIF, its Governing Council and Transaction Adviser.

In particular, other than as disclosed below, we have no prior or existing contracts, negotiations or relationships with Directors or Employees of the MDGIF, Transaction Adviser and their other agents or persons, officials, representatives, advisors or consultants, nor is any former or present director, shareholder, or any other individual holding a pecuniary interest in Project Promoters [company].

Yours Sincerely,

_____ _____

Name/Signature: Name/Signature:

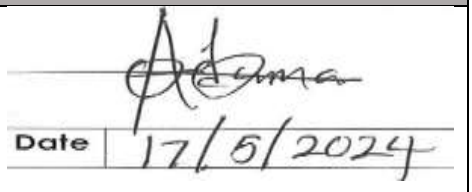
MD/CEO Company Secretary

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5 GLOSSARY

Abbreviations, terms and references used in this document are explained hereunder:

Abbreviations	Meaning
CAC	Cooperate Affair commission
CSR	Corporate social responsibility
FIRS	Federal Inland revenue services
FOREX	Foreign Exchange
HSE	Health safety and Environment
HSEC	Health safety and Environment and Community
IRR),	Internal Rate of Return
KPI	Key Performance indicators
LTD	Limited liability company
LTI	Loss time Injury
MDGIF	Midstream and downstream gas infrastructure funds
(NPV),	Net Present Value
NMDPRA	Nigeria Midstream and Downstream Petroleum Regulatory Authority
OBC	Outline Business Case
PBP	Pay Back Period
PIA	Petroleum industry Act 2021
PLC	Public Limited Company
ROE	Return on Equity
ROI	Return on Investment

MDGIF INVESTMENT POLICY STATEMENT (MIPS)	
Approved by	
Oluwole Adama **Executive Director, MDGIF**	

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