

Report for Team

2

- What was
 - Carbon price: 50
 - Facilities cost: 475
- Was the decision to develop the Soda Water field?
YES
- If so, what are the terms that were reached?
 - Carbon toll: 46 with 100% profit to contractor
- If not, what else might be done given more time:

- What were the key issues and drivers for the Government?
 - Positive for the country (jobs, etc.)
 - Money stays in the country
 - US\$/ton saved for creating a liability fund
 - Risk acceptance

- What were the key issues and drivers for the Contractor?
 - IRR of at least 15%

- Any key assumptions that you made?
 - Contractor paid \$30M for wells, so we were confident in facilities cost estimate
 - Gov't would take long-term liability
 - Actual cost of carbon credits
- Other costs/revenues taken into account
- Other ideas, issues or learning that the team wants to discuss.
 - Contractors started high, but ended up at our lowest acceptable price
 - Negotiations almost broke down, but then government reconsidered when contractors willing to walk away