

## ORIENT OPERATING COMPANY PRIVATE LIMITED

### PROFILE

Orient Operating Company Private Limited is an affiliate of the Orient Group and operates in the energy sector i.e. power generation and oil exploration.

The other affiliates of the group are:

1. Orient Power Company Private Limited
2. Saba Power Company Private Limited

### Company Background

The company was incorporated as private limited company in January 2007. Initially the company was incorporated by the name of Quetta Operating Company Private Limited which was later changed to Orient Operating Company Private Limited in March 2008.

### Business

The main business area of the company is Operations and Maintenance Services for power generation facilities. The company has entered in to Operations and Maintenance Contract with Saba Power Company Private Limited (Saba) which is another affiliate of the group.

Saba is an IPP located in Sheikhpura, 40 km from Lahore. The project achieved commercial operations in December 1999. Power is sold to WAPDA under a thirty years power purchase agreement.

The plant consists of a single RFO-fired high efficiency boiler, with a steam capacity of approximately 900,000 lb/hour, feeding a single reheat steam turbine generator set rated for a maximum gross generating capacity of 134 MW.

The project uses RFO as the primary fuel and HSD as back up fuel. The fuel is supplied to the company by PSO under a long term fuel supply agreement.

The company is also a joint venture partner in oil and gas consortium comprising of the partners as follows:

1. Pyramid Pakistan Petroleum Inc.
2. Orient Operating Company Private Limited
3. RDC International Private Limited
4. Nativus Resource Limited
5. Paige Limited

### Equity

The authorized capital of the company is PKR 50 million and paid up capital is PKR 21.5 million. The total equity of the company as per last audited accounts is PKR 21.764 million.

### Employees

The company employs more than 60 people both at plant site and head office.

### Sponsors

Following are the sponsors of the company:

1. Mr. Nadeem Babar
2. Mr. Ilyas Chaudhry

### **Nadeem Babar**

Mr. Babar is a well known and seasoned executive with worldwide experience in energy sector. While Mr. Babar has previously implemented two power projects under the 1994 Power Policy as well achieving financial close for the third in December 2008 under the 2002 power policy. The current project is under construction and is expected to be operational by first quarter of 2009.

Mr. Babar has extensive worldwide experience in development, financing and management of power generation assets worldwide. For fifteen or so years, he has worked in the global power generation business and has developed, financed and/or managed generated projects based on coal, waste coal, natural gas, low BTU gas, residual oil, diesel, wind, hydro, waste-to-energy, biomass, and nuclear technologies. In his career, he has managed over 150 power plants and has been involved in financing in excess of \$10 billion of capital for this sector and conducted business in over 25 countries.

After almost six years of service, he left El Paso Corporation ("El Paso") in early 2003, where he was the Senior Managing Director of the International Power Division. Prior to joining the corporate sector in 1994, Mr. Babar was an investment banker working in the Energy Finance area.

### ***El Paso Corporation/The Coastal Corporation***

El Paso Corporation of Houston, Texas is a Fortune 500 company which is the largest integrated gas pipeline company in the world. It is involved in every part of the gas chain as well as some affiliated businesses including Exploration and Production, Natural Gas Gathering and Processing, Pipeline Transmission, Trading of Gas, Petroleum Products and Electricity, Power Generation, Refining & Petrochemicals as well as Liquefied Natural Gas. In 2002, the Power Generation business consisted of ownership interests in 101 plants with slightly more than half being in the United States and the balance being outside.

In this capacity, Mr. Babar had full responsibility for 32 operating power plants, as well as all development and privatization initiatives in most countries around the world outside of North America. These operations had a gross capacity of 6,500MW, and net ownership of 3,100MW by El Paso, with plants in 18 different locations through 14 different project companies in Asia including Bangladesh, China, India, Indonesia, Korea, Pakistan and Philippines. This group of assets represented an asset value of in excess of \$4.5 billion with equity investments of \$1.2 billion and debt of approximately \$3.3 billion. While Mr. Babar had the full management responsibility for the entire portfolio, and was as such involved in each project on behalf of El Paso, he personally developed and arranged financing for many of the projects in this portfolio.

Prior to the responsibilities described above, Mr. Babar was the Chief Operating Officer of Coastal Power Company, the power generation division of The Coastal Corporation ("Coastal") which merged with El Paso on January 29, 2001. Unlike El Paso, Coastal's power activities were not split between domestic United States activity and international activity. As such, Mr. Babar had full responsibility for all operations of the division which reported almost \$140 million of earnings for the last full year (Year 2000) prior to the merger.

This portfolio of assets includes three power plants implemented successfully in Pakistan: (a) 140MW Habibullah Coastal project in Quetta, (b) 125 MW Saba Power project in Farooqabad, and (c) 157 MW Fauji Kabirwala project in Kabirwala. Mr. Babar was directly involved with the development, construction, finance and management of the first two project, but only in an oversight role at the Joint Venture level with Fauji Foundation for the third project. These three projects represent approximately \$480 million of capital investment in Pakistan under the 1994 Power Policy.

#### ***Cogen Technologies Energy Group***

Prior to joining The Coastal Corporation, Mr. Babar was Vice President, Development and Finance, at this privately held power generation company based in Houston. After having been its banker for several years, Mr. Babar joined this company in late 1993. He was involved in financings, either as a banker or a principal, totaling over \$1.6 billion for the company's various projects.

Through a series of transactions, most of the assets of this company were eventually sold to El Paso or its subsidiaries and are currently in the process of being sold onwards. Included in them was the Saba Power project in Pakistan which was started by Mr. Babar at Cogen Technologies.

#### ***Investment Banking***

Mr. Babar started his career as in investment banker in the Project & Lease Finance Group at the investment banking firm of Drexel Burnham Lambert.

After a few years with a boutique investment bank specializing in the energy sector, where he as a partner, Mr. Babar ended his investment banking career at Credit Suisse First Boston, based in New York, where he was Vice President for International Project Finance.

During his career he has participated in some of the most complicated transaction ever completed in the sector. A few of these notable transactions include (a) conversion and financing of a partially built nuclear facility into a 1300 MW combined cycle plant through a sale-leaseback arrangement, (b) first ever municipal bond financing with junk credit for a power plant, (c) first ever non-recourse financing of an international merchant power plant. He has raised capital through most structures including private equity, venture capital, institutional equity, rated public debt, mezzanine financing, tax-exempt municipal bonds, high yield debt, commercial bank debt, working capital lines and letters of credit. In addition he has advised on numerous mergers, acquisition, and divestitures.

#### *Academic*

Mr. Babar has lectured at numerous global conferences for the electric sector both in five countries regarding financing and development of power plants. He has also conducted free educational seminars for government officials in three countries on privatization and deregulation of the electric sector. In addition, he has lectured at the Haas School of Business, University of California, Berkeley as well as Lahore University of Management Sciences, both to the MBA class as a guest industry expert. He has also addressed the annual IFC conference of bankers.

Mr. Babar holds a M.S. in Civil Engineering Management from Stanford University, a B.A. in Economics from Columbia University and a B.S. in Civil Engineering from Columbia University, all in the United States.

#### **Ilyas Chaudhry**

Mr. Chaudhary has 35 years of oil and gas industry experience of working with various public and private oil and gas companies. Mr. Chaudhary has an engineering degree from the University of Alberta.

#### **Other Affiliated Companies**

Mr. Babar's family has several agro-industrial facilities in Pakistan in the Punjab province. This group is the largest grain/oilseed processing concern in Pakistan and is involved in flour milling, animal feed milling, oilseed processing, poultry farming, chicken hatcheries, edible oil manufacturing and several allied businesses. These businesses are conducted through several individual corporations with common shareholding pattern by Mr. Babar's family members. Various companies within this group have received several industry awards over the years for their performance.

Most of these businesses have been built with equity funding. In some instances where small amounts of term debt were taken, they have been paid off and none has ever been rescheduled or written off. For tax reasons, in certain cases, non-interest bearing shareholder loans have been advanced, which are effectively additional equity by shareholders. As such the group has very little third party long term debt. The group utilizes short term credit through several major banks for working capital needs.