

Submarine Pipeline

Onshore Process Plant:

Operating plant

Maintenance

Estimated costs for each classification are included in Tables 2.6 and 2.7.

2.8.8 Production

The product streams derived from supplying a constant gas market are included in Tables 2.6 and 2.7. The sales gas is shrunk by 7% as allowance for fuel gas while other product streams relate to the BMR Record and the timing of well commissioning.

2.8.9 Net Present Values

The pre-tax Net Present Value resulting from the investment schedules and production profits of Tables 2.6 and 2.7 are:-

<u>(\$ x 106)</u> Discount Rate *	<u>Option 1</u>	<u>Option 2</u>
22%	+ 146.5	+ 312.7
27-1/2%	+ 2.6	+ 142.6
33%	- 73.5	+ 45.9

* The discount rates correspond approximately to 20%, 25% and 30% before 10% royalty.

Under the assumptions of an initial well deliverability of 5 MMCFD and an investment of \$1,300,000, the Option 1 indicates marginal profitability. With increased well deliverability, the investment cost in platforms and wells is decreased and