

Overview

On 18 March 2000 a rough draft of the Sections contained herein was sent to the MEMR for their review and comment. This was expedited to allow the MEMR to review preliminary findings of the consultant prior to a visit from the United States' President Clinton. That draft contained raw data that had not been previously discussed among the TAC team members nor between the TAC and MEMR.

On 3 May 2000 a fax was received from the MEMR listing their comments concerning discussions on BOO versus BOT, the formalization of a Risk Allocation Matrix, and the absence of the Gas Transmission Tariff model.

In response to MEMR's comments, the consultant has taken the following actions:

- A narrative of the advantages and disadvantages of BOO versus BOT has been completed and included as Section 4 in this report.
- A risk allocation narrative and tabular display has been created and included as Appendix C to Section 4 (Financial Review).
- The MEMR was notified in a responding fax that the Gas Transportation Tariff model was proprietary to its creator. The consultant discussed the idea of providing the model to MEMR with it's owner and he was unwilling. However, the detailed results of that model are included in this report as Appendix A to Section 4 (Financial Review).

Additionally, it is recognized that all of the project documents supplied to the consultant for use during this review are the product of years of give and take negotiations between MEMR, BPDB, Petrobangla, and UNOCAL. Given this history, the consultant recognizes that many of the recommended terms and conditions have been previously negotiated and modified to the present language. It is not the intent of the consultant to recommend that the negotiated language be rejected or to bias against UNOCAL in this report. Rather the recommendations are intended to provide the MEMR with a clearer view of their exposure under the provisions set forth in the WRIP project documents as per their request.