Calculation NPV of alternatives	Discount rate	10.00%

Scenario 2: Receiving power from KEPCO

	Unit	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
A. Cost	KRW/year	-	-	-	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442
a) Cost of operation	KRW/year	-	-	-	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442
− Cost of receiving power per year from KEPCO [1]	KRW/kWh	-	-	-	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25
− Power received from KEPCO[2]	MWh/year	-	-	-	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018
Gross generation capacity of the FINEX power plant	MW				145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9
Capacity for internal consumption	MW				4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
Annual plant load factor[3]	%				74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%
B. Sum of cost	KRW/year	0	0	0	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442

NPV	-315,944,255,321

1) The cost of receiving power per year from KEPCO is derived from data of POSCO, 2000-2004.
2) According to ACM0004, It is assumed that power generation of FINEX power plant is equivalent with power received from KEPCO.
3) Plant load factor means total operating hours divided by 8760 hours (365 days ×24 hours).

Scenario 3: Construction of 150MW LNG power plant

	Unit	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
A. Cost	KRW/year	19,200,000,000	76,800,000,000	96,000,000,000	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684
a) Capital Expenditure	KRW/year	19,200,000,000	76,800,000,000	96,000,000,000									
b) Cost of operation	KRW/year				71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684
− Cost of fuel	KRW/year				64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684
LNG consumption	Nm3/Year				235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426
Price of LNG	KRW/Nm3				274	274	274	274	274	274	274	274	274
c) Maintenance cost	KRW/year				4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000
d) Others	KRW/year				2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000
B. Sum of cost	KRW/year	-19,200,000,000	-76,800,000,000	-96,000,000,000	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684

NPV	-639,594,025,066

Scenario 4: Scenario 2(20%) + Scenario 3(80%)

NPV[1]	-574,864,071,117

1) Derived from weighted average of scenario 2's NPV(20%) + scenario 3's NPV(80%).

Scenario 1: Construction of FINEX power plant

	Unit	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
A. Cost	KRW/year	34,800,000,000	139,200,000,000	174,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000
a) Capital Expenditure [1]	KRW/year	34,800,000,000	139,200,000,000	174,000,000,000									
− Equipment													
FINEX combined cycle power plant													
Installation of Substation													
− Cost of construction													
FINEX combined cycle power plant													
Others(Pile extension, waste treatment etc)													
Gas Holder													
General Frame(Base)													
− Overhead													
b) Cost of operation [2]	KRW/year				12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000
− Material Cost	KRW/year				1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000
− Labor Cost	KRW/year				780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000
− Maintenance Cost	KRW/year				6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000
− General Cost	KRW/year				320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000
− Common Cost(Utilities)	KRW/year				2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000
B. Sum of cost	KRW/year	-34,800,000,000	-139,200,000,000	-174,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000

NPV	-359,243,035,476

1) This data is derived from the document submitted to the Board meeting of POSCO(22.07.2004)
2) Estimated by power generation sec of POSCO

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442
46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442	46,328,076,442
50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25	50.25
922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018	922,018
145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9	145.9
4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6	4.6
74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%
-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442	-46,328,076,442

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684
71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684	71,343,482,684
64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684	64,488,482,684
235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426	235,359,426
274	274	274	274	274	274	274	274	274	274	274	274	274	274	274	274
4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000	4,200,000,000
2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000	2,655,000,000
-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684	-71,343,482,684

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000
12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000
1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000	1,800,000,000
780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000	780,000,000
6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000	6,400,000,000
320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000	320,000,000
2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000
-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000	-12,000,000,000