

SAKHALIN ENERGY INVESTMENT COMPANY LTD.

INVITATION TO TENDER

For the purchase of drilling equipment

All goods being offered for tender are located at:
24-A/1 Shlakoblochnaya Street (Baker Hughes Yard), Yuzhno-Sakhalinsk;
20-A Vostochnaya Street (Schlumberger Yard), Yuzhno-Sakhalinsk;
Sadovniki Yard, Kholmsk District, Sakhalin Region.

General Terms

Tender Reference: DRF_730_652_Drilling equipment

Bid closing date: all interested parties to submit their bids no later than **30th of September 2019**, 10:00 hrs Sakhalin time (GMT+11).

1. All tender submissions are to be sent to the Contracting Tender box by emailing the Bid Submission Form (Appendix № 2) to: contracting-tenderbox@sakhalinenergy.ru

All tender submissions, communication and additional documentation are to be clearly marked with the Tender Reference number. The Tender Reference number must be mentioned in SUBJECT field of the e-mail message in which the bid is submitted.

It is not permitted to send financial offers to any other party in Sakhalin Energy, including the nominated Company's representatives. Failure by bidders to observe this instruction will lead to disqualification of such bids.

2. Review and evaluation of bids may take several weeks after the tender completion date.

Technical inquiries and clarification contacts:

e-mail: Seic-surplus-disposal-team@sakhalinenergy.ru

Inspection of the Assets on offer:

All goods (hereinafter referred to as the "Asset") being offered for sales are located at (hereinafter referred to the "Site"):
- 24-A/1 Shlakoblochnaya Street (Baker Hughes Yard), Yuzhno-Sakhalinsk,
- 20-A Vostochnaya Street (Schlumberger Yard), Yuzhno-Sakhalinsk;
- Sadovniki Yard, Kholmsk District, Sakhalin Region

Access to the Site is restricted and inspection of Assets on offer can be arranged only via Sakhalin Energy representatives.

Terms and conditions of sale:

1. Description of the Asset on offer:

1.1. The Assets being offered for sale are drilling equipment.

The equipment is new but stored at warehouse for more than 5 years.

The Assets are being offered for sale as **1 (one) Lot without reserve price.**

Full description of the Asset:

MM	Description	QTY	UOM	Location	
1000973452	PREMIER PACKER,H784658351,BAKER-OT	Production packer	1	ea	Schlumberger Yard
1001225931	NIPPLE,BAKER-OT,H801952105K30,NO-GO	Landing nipple	9	ea	Baker Hughes Yard
1001228950	NIPPLE,BAKER-OT,H801950014K30,1.875	Landing nipple	6	ea	Baker Hughes Yard
1001291205	NIPPLE,LANDING,BAKER-OT,H801960007M10	Bottom no-go type nipple	4	ea	Schlumberger Yard
9900047158	PCKR LNR HANG,7X9.5/8in,WT563,BAKER-OT	Liner hanger packer	1	ea	Schlumberger Yard
9900047158	PCKR LNR HANG,7X9.5/8in,WT563,BAKER-OT	Liner hanger packer	1	ea	Sadovniki Yard

* Photos of the Assets are set out in Appendix № 1 to this Invitation.
Additional pictures may be provided upon request.

The Assets are not subject to the Customs Control.

2. Location and Price Basis:

2.1 The Assets on offer are located at:

- 24-A/1 Shlakoblochnaya Street (Baker Hughes Yard), Yuzhno-Sakhalinsk;
- 20-A Vostochnaya Street (Schlumberger Yard), Yuzhno-Sakhalinsk;
- Sadovniki Yard, Kholmsk District, Sakhalin Region

The basis of Pricing shall be as follows:

- a) As-is-where-is basis;
- b) Ex-Works, Baker Hughes Yard/ Ex-Works Schlumberger Yard/ Ex-Works, Sadovniki Yard

2.2 All offers shall be specified in Russian Rubles (RUR).

3. Obligations of the Buyer:

The Buyer shall:

- 3.1 Perform 100% (one hundred percent) advance payment for the purchased Assets to the Seller's account within 5 (five) working days after receipt of invoice.
- 3.2 Organize the removal of the Assets within 7 (seven) working days after receipt by the Seller of 100% (one hundred percent) payment. All the Buyer's vehicles entering the Site shall meet all safety rules valid in the RF. Requirements for used generators are presented in Appendix №3 to this Invitation.

4. Obligations of the Seller:

The Seller shall:

- 4.1 Provide access to the Site for inspection and subsequent removal of the Assets by the time agreed with the Buyer.
- 4.2 To load the Assets on vehicles provided by Buyer on agreed date after signing of the sales contract.

5. Bid Submission and Contract:

- 5.1 Bidders are requested to fill in the Bid Submission Form (Appendix 2 to this Invitation to Tender) and to send it to the Contracting Tender box as per General Terms specified above.
- 5.2 Seller does not bind itself to award sales agreement to the highest or any tender received. Goods being offered for sale may not necessarily be awarded for sale after the subsequent analysis of bids. Seller reserves right to withdraw any item from the lot on offer.

6. Warranty/Guarantee:

The physical transfer of the Assets shall be made on "As-is-where-is" basis and Seller shall not be responsible vis-à-vis the Buyer for warranties and guarantees for workmanship which may normally be applied to the sales of goods under applicable laws. For this reason, it is mandatory that prospective bidders or their agents inspect the Assets to confirm quantities and condition of the goods prior to submitting their bids.

7. Act of Hand Over/Title and Transfer:

The Act of Handover is to be signed by the Buyer and the Seller prior to physical handover of the Assets to the Buyer. The responsibility for the safe handling of the Assets and all risks pertaining to the Assets shall be transferred to Buyer from the moment of the Act of Handover is signed.

8. Indemnity:

The Buyer shall protect, defend, release, indemnify and hold Seller harmless from and against any claims, actions, liabilities, charges, demands, judgments and expenses (including legal expenses) which may be incurred by Seller in connection with the failure of Buyer to perform its obligations under the Sales Contract.

9. Fulfillment of Obligations:

For non-fulfilment or improper fulfilment of the Sales Contract, its one-sided amendment or one-sided termination, the Party in fault shall compensate to the other Party the damage in the amount of the direct damage.

10. Disputes:

The disputes, disagreements, claims following from the Sales Contract shall be resolved by negotiations. In case of failure to be resolved by negotiations, they shall be subject to the Sakhalin Arbitration court examination according to the procedure envisaged by the existing legislation of the Russian Federation.

11. Other issues:

11.1 All the issues, not covered in the Sales Contract, shall be governed by the applicable existing legislation of the Russian Federation.

11.2 Unilateral termination of Sales Contract by the Seller shall be possible in the event of:

- (a) Violation by the Buyer of terms and conditions pertaining to payment if it exceeds 10 (ten) days.
- (b) Violation by the Buyer of terms of the Asset removal, specified in the Item 3.2 of this Invitation to Tender, if it exceeds 10 (ten) days.

MM 1000973452



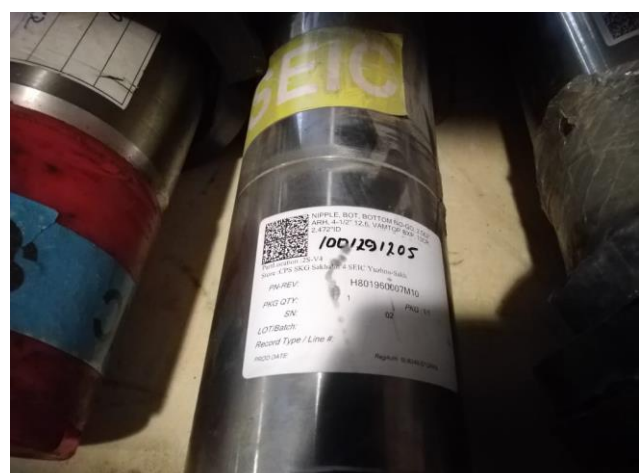
MM 1001225931



MM 1001228950



MM 1001291205



Bid Submission Form

Company/Name _____

Tender Reference: DRF_730_652_Drilling equipment

Date: “ ____ ” _____ 2019

Table 1

General Information about Bidder	
Company's address/individual*	
Company's postal address	
Phone number*	
Fax number	
E-mail*	
Company's focal point (full name)	
Focal point's position	
Web-site	
Number of permanent staff in Sakhalin	
Copy of Certificate of Incorporation	
Tax Registration Number of Company*	
Management structure table (showing names of directors and senior positions)	

Table 2

Additional information	
Specify company's type: Consulting company / Research institute / Recruitment Agency / Other (specify)	
Specify company's status (government owned or private)	
Company shareholders (if possible)	
If Russian content is less than 100%, please name your foreign partners and indicate percentage of their interest	

*The individuals to fill up only asterisk marked lines.

Commercial Proposal

MM	Описание	Кол- во	Ед. Изм.	Offered price per 1 EA, RUR (VAT included)	Offered price per Lot, RUR (VAT included)
1000973452	PREMIER PACKER,H784658351,BAKER-OT	1	ea.		
1001225931	NIPPLE,BAKER-OT,H801952105K30,NO-GO	9	ea.		
1001228950	NIPPLE,BAKER-OT,H801950014K30,1.875	6	ea.		
1001291205	NIPPLE,LANDING,BAKER-OT,H801960007M10	4	ea.		
9900047158	PCKR LNR HANG,7X9.5/8in,WT563,BAKER-OT	1	ea.		
9900047158	PCKR LNR HANG,7X9.5/8in,WT563,BAKER-OT	1	ea.		

The Assets are being offered for sale as **1 (one) Lot without reserve price.**

* In spite of the fact that the Assets are being offered for sale as one lot, it is mandatory to point out in commercial proposal offered price for one item in the lot. In the event that unit quantities within the lot are changed, for any reason, by the time of sale, the total price of the lot will be recalculated proportionally

THIRD PARTY VEHICLE'S HSE REQUIREMENTS ON THE SITE DURING THE CARGO TRANSPORT

All the vehicles coming to the Site for cargo transport shall comply with all applicable RF Regulations.

Key requirements and others that are particular to the Site are described below.

- Driver requirements:
 - All the drivers have to have a valid, correct type of driving license for the specific vehicle size.
 - Drivers have to have an updated authorization document from the vehicle owner or from the company. (Waybill)
 - Driver can be subject to alcohol screening on arrival and again on departure from site.
 - Driver and passengers will fasten their seatbelts all the times.
 - Drivers will not smoke or will not use communication devices while driving on the Site..
 - Speed limits and road safety signs to be strictly followed on the territory of the Site.
 - Drivers and vehicle that fail to comply with the rules will no longer be permitted at the Site

- Vehicle and Trailer requirements:
 - Registered vehicles with vehicle inspection sticker and card to be in use.
 - Vehicles to be used for their design purposes.
 - Vehicles that are unsafe shall not be loaded at the Site.
 - Vehicles mirrors, seatbelts, headlights, stop lights, turning indicators, windshield, windows, brake system, steering and tires to be in safe condition.

- Cargo loading and transport:
 - Transporter shall provide the proper type of vehicle with sufficient capacity will be used for specific cargo transport.
 - Transporter shall provide proper type of cargo securing gear for specific cargo& vehicle type.
 - Transporter shall lash & properly secured cargo.
 - Vehicles that are unsafe shall not be loaded at the Site.
 - Vehicle with unsafe load will not be permitted to leave site.

- When vehicles arrive to The Site:
 - Driver can be alcohol tested on the security checkpoint. In the event the test is positive, the driver will not be permitted on site;
 - Vehicle may be searched by gate security for prohibited items;
 - Alcohol;
 - Drugs.