

**SAKHALIN ENERGY INVESTMENT COMPANY LTD.
INVITATION TO TENDER**

For the purchase of heat insulation for pipeline.

All goods being offered for tender are located at Sklad-Service WH, 348A, Lenina Street, Yuzhno-Sakhalinsk,
Sakhalin Region, Russian Federation

General Terms

Tender Reference: DRF_1540_1535_1523_Heat insulation for pipeline.

Bid closing date: all interested parties to submit their bids no later than **17th of April 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 Asset on offer:

All goods (hereinafter referred to as "The Asset") being offered for tender are located at Sklad-Service WH, 348A, Lenina Street, Yuzhno-Sakhalinsk, Sakhalin Region, Russian Federation.

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

Terms and conditions of sale:

1. Description of the Asset on offer:

The Asset being offered for sale is heat insulation used for pipelines and their parts.

All Assets are being offered for sale as **one lot without initial reserve price.**

Insulation is packed and stored on pallets:

Total - 4 pallets:

120x80x150 cm - weight 80 kg

120x80x150 cm - weight 100 kg

120x80x150 cm - weight 80 kg

120x80x150 cm - weight 90 kg

The Assets are new, but stored for more than 5 years.

Full list of materials is presented in table below:

Lot №	№	MM	DESCRIPTION	QTY	UOM
1	1	1001542825	INSUL,ROLL,K-FLEX,1X1000-IN-CLAD,GREY	20	M ²
	2	1001001391	JACKET,ARMAFLEX-HT-VLV-1/2",ARMACELL	32	EA
	3	9900025796	SHEET,INSUL,POWERCLAD,2.20X20M	4	RO
	4	1001001395	JACKET,ARMAFLEX-HT-TEE-1.1/2",ARMACELL	21	EA
	5	1000996950	MASTIC,GREY,ACH-MASTICS,ARMACELL	26	EA
	6	1001001400	JACKET,ARMAFLEX-HT-TEE-2",ARMACELL	12	EA
	7	9900065019	INSUL,PIPE SECTION,40MM,159MM,ROCKWOOL	2	M
	8	9900054563	INSULATION,TUBE,25X160-2-ST,K-FLEX	10	M
	9	9900056135	JACKET,REMOVABLE,H.P HUBS,DN150	1	EA

10	1001001398	JACKET,ARMAFLEX-HT-FLG-1.1/2",ARMACELL	3	EA
11	1001102592	SECTION,PIPE INSULATION,16INX60MM	1	EA
12	9900074698	INSUL,PIPE SECT,ST,25X89X2000MM,K-FLEX	2	M
13	1001001402	JACKET,ARMAFLEX-HT-ELB45D-2",ARMACELL	2	EA
14	9900054562	INSULATION,TUBE,25X022-2-ST,K-FLEX	4	M
15	9900042180	INSULATION,FLG DBB VALVE,EP,THK30MM	15	EA
16	1001001402	JACKET,ARMAFLEX-HT-ELB45D-2",ARMACELL	6	EA
17	9900038992	INSUL,PIPE,25X57-1-ST/INCLAD/GREY,K-FLEX	66	M
18	9900042177	INSULATION,3-WAY BALL VALVE,EW,THK25MM	5	EA
19	9900042172	INSULATION,BLIND,FLANGE,EW,THK30MM	21	EA
20	9900042167	INSULATION,BLOCK RED TEE,EW,THK30MM	20	EA
21	9900042168	INSULATION,CHECK VALVE,EP,THK 30MM	7	EA
22	9900042169	INSULATION,CHECK VALVE,EW,THK30MM	38	EA
23	9900042170	INSULATION,CHOKE VALVE,EP,THK 30MM	10	EA
24	9900042171	INSULATION,DBB VALVE,EW,THK25MM	10	EA
25	9900042184	INSULATION,EP,DBB VALVE,DN50,API 5000	23	EA
26	9900042178	INSULATION,FLG DBB VALVE,EP,DN15,CL1500	31	EA
27	9900042179	INSULATION,FLG DBB VALVE,EP,DN40,CL1500	15	EA
28	9900042181	INSULATION,FLG DBB VALVE,EW,THK25MM	8	EA
29	9900042182	INSULATION,GEAR GATE VALVE,EW, 30MM	5	EA
30	9900042182	INSULATION,GEAR GATE VALVE,EW, 30MM	5	EA
31	9900068807	JACKET,INSUL,HUB,HP,DN300,EP,30MM	7	EA
32	9900055695	LABELS,ENGRAVED,TRAFFOLYTE,100X30MM,DOT	4	EA
33	9900055695	LABELS,ENGRAVED,TRAFFOLYTE,100X30MM,DOT	48	EA
34	9900055694	LABELS,ENGRAVED,TRAFFOLYTE,110X40MM,DOT	4	EA
35	9900057688	LABEL,110X40MM,BLACK,DUAL LANGUAGE	2	EA
36	9900057689	LABEL,ENGRAVED,100X30MM,BLACK	1	EA
37	9900057690	LABEL,ENGRAVED,54X25MM,BLACK	3	EA
38	9900057691	LABEL,100X30MM,BLACK,DUAL LANGUAGE	16	EA
39	1001001377	TUBE,COATED,6in,HTR-32X168-GY,ARMACELL	25	M
40	1001001376	TUBE,COATED,2in,HTR-25X060-GY,ARMACELL	33	M
41	1001001392	JACKET,ARMAFLEX-HT-ELB90D-1",ARMACELL	2	EA
42	9900042166	INSULATION,NEEDLE VALVE,EW,THK 25MM	10	EA
43	9900042151	INSULATION,SET FLANGE 100,EW,THK30MM	53	EA
44	9900042152	INSULATION,SET FLANGE 20,EW,THK25MM	80	EA
45	9900042153	INSULATION,SET FLANGE 20,EW,THK30MM	70	EA
46	9900042154	INSULATION,SET FLANGE 25,EW,THK25MM	40	EA
47	9900041675	INSULATION,SET HP HUB 350,EP,THK30MM	24	EA
48	9900041676	INSULATION,W CHECK VALVE,EP,THK30MM	26	EA
49	9900041679	INSULATION,SET FLANGE 40,EW,THK25MM	166	EA
50	9900041674	INSULATION,SET FLANGE 50,EP,THK30MM	82	EA
51	9900041677	INSULATION,WET GAS METER,EP,THK30MM	10	EA

* Photos of the Assets are set out in Appendix № 1 to this Invitation.

The Assets are not subject to the Customs Control.

2. Location and Price Basis:

2.1. The Assets on offer are located at the following address: Sklad-Service WH, 348A, Lenina Street, Yuzhno-Sakhalinsk, Sakhalin Region, Russian Federation

The basis of Pricing shall be as follows:

- a) As-is-where-is basis;
- b) Ex-Works, Sklad-Service WH, Sakhalin Region, Russian Federation.

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

3. Obligations of the Buyer:

The Buyer shall:

- 3.1 Perform 100% 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% payment. All the Buyer's vehicles entering the Site shall meet all safety rules valid in the RF. Requirements for used 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 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:

- 6.1. The physical transfer of the Asset 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 Asset to confirm quantities and condition of the goods prior to submitting their bids.

7. Act of Hand Over/Title and Transfer:

- 7.1 The Act of Handover is to be signed by the Buyer and the Seller prior to physical handover of the Assets
- 7.2 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:

- 8.1 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:

- 9.1 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:

- 10.1 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 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 exceed 10 (ten) days.
- (b) Violation by the Buyer of terms of the Assets removal, specified in the Item 3.2 of this Invitation to Tender, if it exceed 10 (ten) days.



Bid Submission Form

Company/Name _____

Tender Reference: DRF_1540_1535_1523_Heat insulation for pipeline

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

Lot №	№	MM	DESCRIPTION	QTY	UOM	Offered price, RUR VAT included, per EA	Offered price, RUR VAT included, per Lot
1	1	1001542825	INSUL,ROLL,K-FLEX,1X1000-IN-CLAD,GREY	20	M ²		
	2	1001001391	JACKET,ARMAFLEX-HT-VLV-1/2",ARMACELL	32	EA		
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51	9900041677	INSULATION,WET GAS METER,EP,THK30MM	10	EA	

The Assets are being offered for sale as 1(one) lot without initial 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 every line 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 and vehicle type.
 - Transporter shall lash and 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.