

SAKHALIN ENERGY INVESTMENT COMPANY LTD.

INVITATION TO TENDER

For the purchase of drilling equipment

All goods being offered for tender are located at:
Schlumberger Yard, 20-A Vostochnaya Street, Yuzhno-Sakhalinsk, Sakhalin Region, Russian Federation

General Terms

Tender Reference: DRF_1628_Drilling equipment

Bid closing date: all interested parties to submit their bids no later than **17th of February 2020**, 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"):
Schlumberger Yard, 20-A Vostochnaya Street, Yuzhno-Sakhalinsk, Sakhalin Region, Russian Federation

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 partly used but in good condition and appropriate for further exploitation.

The Assets are being offered for sale as **3 (three) Lots without reserve price as presented in the table below.**

Description of the Assets:

Lot №	MM	Description	QTY	UOM
1	9900098828	Overshot Rated Slip Kit, F3034-B-010	2	ea.
2	9900098903	32"OD Non-rotating Stabilizer Disposable Sleeve 9-1/2Э НД	2	ea.
3	9900099027	Tapered Mill, SLB HEH 4700-TPM	1	ea.

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

- 20-A Vostochnaya Street (Schlumberger Yard), Yuzhno-Sakhalinsk, Sakhalin Region, Russian Federation.

The basis of Pricing shall be as follows:

- a) As-is-where-is basis;
- b) Ex-Works Schlumberger 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 perform the loading of the Assets on vehicles provided by Buyer on agreed date after signing of the sales contract and payment receiving.

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) calendar 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) calendar days.

Lot №1

MM 9900098828 - Overshot Rated Slip Kit, F3034-B-010



Lot №2

MM 9900098903
32"OD Non-rotating Stabilizer Disposable Sleeve



Lot №3

MM 9900099027
Tapered Mill, SLB HEH 4700-TPM



Bid Submission Form

Company/Name _____

Tender Reference: DRF_1628_Drilling equipment

Date: “ ____ ” _____ 2020

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 per 1 EA, RUR (VAT included)	Offered price per Lot, RUR (VAT included)
1	9900098828	Overshot Rated Slip Kit, F3034-B-010	2	ea.		
2	9900098903	32"OD Non-rotating Stabilizer Disposable Sleeve 9-1/2" HD	2	ea.		
3	9900099027	Tapered Mill, SLB HEH 4700-TPM	1	ea.		

The Assets are being offered for sale as **3 (three) Lots without initial reserve price.**

Please point out offered price per Lot in RUR (VAT included).

* In spite of the fact that the Assets are being offered for sale as 3 lots, 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.