

SAKHALIN ENERGY INVESTMENT COMPANY LTD.

INVITATION TO TENDER

For the purchase of 40-ft containers and h-beams

All goods being offered for tender are located at
LNG plant, Prigorodnoye, Korsakov district, Sakhalin Region, Russian Federation

General Terms

Tender Reference: DRF_1774_ Containers and h-beams

Bid closing date: all interested parties to submit their bids no later 7th of March 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 Assets") being offered for tender are located at LNG plant, Korsakov district, 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 Assets on offer:

The follows Assets are being offered for sale:

- H-beams

Made from – carbon steel.
Dimension – 153x151x12 mm
Length – 7000 mm
Quantity – 6 ea

- 40-ft container, used, roof is damaged;

Quantity – 3 ea
Used, in satisfactory condition

All the Assets are used but appropriate for further exploitation.

The Assets are offered for sale as 4 lots:

Lot #	Description	Qty	UoM
1	H-beam 153-151-12	6	ea
3	Container 40ft, S/N 908116	1	ea
4	Container 40ft, S/N 191246	1	ea
5	Container 40ft, S/N 4646580	1	ea

* Photos of the Asset are set out in Appendix 1 to this Invitation.

All the Assets are not related to the PSA therefore there are no PSA related constraints to sale.

2. Location and Price Basis

2.1. The Assets on offer are located at LNG plant, Prigorodnoye, Korsakov district, Sakhalin Region, Russian Federation.

The basis of Pricing shall be as follows:

- a) As-is- where-is basis
- b) Ex-Works, LNG plant, Prigorodnoye.

2.2. All offers shall be specified in 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 working days after receipt invoice.
- 3.2 Organize the removal of the Assets within 7 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.

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

The physical transfer of the Goods shall be made on "as-is" basis and Seller shall not be responsible vis-à-vis the Purchaser 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 present Agreement 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 this Agreement by the Seller is 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.

Lot #1



Lot #2



Lot #3
ITT DRF_1774



Lot #4



Bid Submission Form

Company/Name _____

Tender Reference: DRF_1774_ Containers and h-beams

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 №	Description	Qty	UoM	Offered price per Ea, RUR VAT Incl.	Offered price per Lot, RUR VAT Incl.
1	H-beam 153-151-12	6	ea		
3	Container 40ft, S/N 908116	1	ea		
4	Container 40ft, S/N 191246	1	ea		
5	Container 40ft, S/N 4646580	1	ea		

Offered price for **Lot # 1** must not be less than **RUR 3,600.00** (VAT incl).

Offered price for **Lot # 3** must not be less than **RUR 50,000.00** (VAT incl).

Offered price for **Lot # 4** must not be less than **RUR 50,000.00** (VAT incl).

Offered price for **Lot # 5** must not be less than **RUR 50,000.00** (VAT incl).

* In spite of the fact that the assets are being offered for sale as 4 lots, 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.