

Shell Nigeria Exploration and Production Company Limited (SNEPCO)

Operator of the Bonga Southwest/Aparo Unit

Invitation for Pre-Qualification for Tender NG02002418 – EPC of Pipelines, Flowlines, Risers and Installation (PFRI) for Bonga Southwest/Aparo Field Development (OMLs 118/132/140)

1.0 Introduction and Project Outline

Shell Nigeria Exploration and Production Company (SNEPCo) as Operator of the Bonga Southwest Aparo (BSW/A) Unit Area (straddling NNPC OMLs 118/132/140 block boundaries), invites interested and reputable contractors with relevant experience to apply for the Pre-Qualification for consideration to tender for the Engineering, Procurement, Construction, Transport and Installation (EPC) of Pipelines, Flowlines and Risers for the BSW/A field development project.

The project is an oil development located about 135 kilometres offshore Nigeria in water depths up to 1400 metres. The development is based on a new hub, with a standalone regional spread-moored Floating Production, Storage and Offloading (FPSO) unit with nameplate oil processing capacity of 225kbopd and 2.5 MMbbls nominal storage capacity. The subsea network consists of 82 km of subsea pipe-in-pipe Bowlines with 4 production loops; 3 water injection lines, a 16 /18 inch x 98 km gas export line, and about 70 km of static and dynamic umbilicals,

The scope of the PFRI EPC, the subject of this Pre-Qualification, includes the fabrication of the pipeline/riser appurtenances, offshore installation of all the pipeline and subsea hardware, as well as the pre-commissioning of the entire subsea system and an option to install the SPM Buoy and the floating hose system.

Only capable and reputable contractors (herein referred to as “Respondents”) with a proven track record and relevant experience in work of similar nature and size are invited to apply for Pre-Qualification.

The contract is planned to be awarded sometime between Q4 2014 – Q1 2015, subject to normal board approval (which will be driven amongst others by; overall project economic viability, fiscal and regulatory framework etc), as well as regulatory approvals.

2.0 Scope of Work

The scope of work shall include, but is not limited to, the design, transportation, fabrication, offshore installation and commissioning of the pipelines, flowlines and risers, transportation to site and installation of other project hardware delivered by EPC-1 (FPSO), EPC-3 (Subsea Hardware), EPC-4 (Umbilicals) and option for the SPM Buoy (EPC-5), which includes amongst others the following activities:

- Fabrication and installation of flowlines and associated appurtenances (SLEDs, PLETs, Jumpers, etc)
- Fabrication and pro-installation of risers before the arrival of the FPSO
- Fabrication and installation of gas export pipeline
- Offshore installation of mooring lines for FPSO and transportation and installation of the FPSO post integration
- Offshore transportation, installation and pre-commissioning of subsea hardware for EPC-3
- Transportation, offshore installation and pre-commissioning of static and dynamic umbilicals for EPC-4
- Offshore installation of 3 nos oil offloading risers
- Offshore installation of SPM Buoy for EPC -5 (included as an option).
- Structural modifications and hook-up to existing unmanned shallow water platform
- Overall commissioning and start-up
- Project management and interface management within and across contract boundaries,

3.0 Pre-Qualification Requirements

The Pre-Qualification response should be in accordance with the instructions provided in the Pre-Qualification Package. Respondents are also required to provide three (3) sets of the following documentation, to accompany their Pre-Qualification submission;

- (a) A cover letter summarizing the contents of the Pre-Qualification submission,
- (b) Copy of Department of Petroleum Resources (DPR) Certificate of Registration for year 2011 or 2012, or evidence of renewal, relevant to the scope of work herein described.

Respondent's Pre-Qualification submission must demonstrate their ability to execute the scope of work as described in Section 2 herein. Only those Respondents able to demonstrate and document proven experience, available resources, and readiness to undertake the work as requested in the Pre-Qualification Questionnaire will be considered. The following criteria shall apply:

- Experience as Lead Contractor with Pipeline/Flowlines /Risers fabrication and construction, offshore subsea hardware systems installation and project management of at least three major deepwater projects within the past fifteen years, covering the following:
- Engineering, procurement fabrication and installation of a flow line system, in particular pipe-in-pipe system experience
- Engineering, procurement manufacture and installation of a gas export pipeline system
- Engineering procurement, manufacturing and installation of steel catenary, or comparable, riser system
- Installation of subsea equipment and their support structures /foundation systems
- Installation of umbilical systems (umbilical, termination / distribution units, flying leads including steel-tube flying leads)
- Engineering, modifications, extension and hook-up to existing shallow water platform system
 - o Respondents must be willing and able to provide audited accounts for the past three years and relevant Tax Clearance Certificates.
- Readiness to comply with Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010 requirements.

Respondents should provide the name and full contact information of the officer in their company who has responsibility for responding to any potential invitation To Tender (ITT), in the event that Respondent satisfies the requirements of the Pre-Qualification. Respondents shall also provide a duly authorised and certified Power of Attorney for the said individual verifying their authority to act on behalf of and to bind the Respondent in all matters related to the Pre-Qualification.

The Pre-Qualification exercise is a critical first step in the overall tendering process, and Respondents are advised to provide responses to the Pre-Qualification Questionnaire, to the required level of detail in order to enable SNEPCo to properly assess their capability, experience and readiness to participate in the Tender.

4.0 Nigerian Content Requirements

Contractors operating in the Nigerian Oil and Gas industry are bound by the provisions of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act of 2010 (“NC Act”), in addition to other applicable laws. The Project’s Nigerian Content requirements will be detailed in the ITT and Respondents who successfully pre-qualify, will be required to develop detailed binding proposals and plans that demonstrate compliance, during the tendering phase.

During the Pre-Qualification phase however Respondents will be required to demonstrate in their submission, their understanding of the provisions of the NC Act, and provide preliminary information and plans on how they intend to comply with the NC Act, in particular with regard to the following requirements:

- a) Demonstrate that the entity is a Nigerian registered company or Nigerian registered company (as the contracting entity) in genuine alliance or joint venture with a foreign company, in which case the alliance/joint venture/consortium shall provide details of scope and responsibilities of the parties involved. Such entities must show evidence of binding agreement for the alliance/joint venture/consortium, duly signed by the CEOs of all the entities involved, including evidence or plans of physical operational presence and set-up in Nigeria.
- b) International or multinational company working through a Nigerian subsidiary must demonstrate that a minimum 50% of equipment to be deployed for execution of work shall be owned by the Nigerian subsidiary
- c) Furnish details of company ownership and shareholding structure. Also submit clear photocopies of their CAC Forms CO2 and CO7,
- d) Provide company's organisation structure showing details of top and middle level management as well as statistics of Nigerian/Expatriate ratio. Also provide details of their skilled Nigerian personnel as well as their Nigerian Content focal point or manager
- e) Provide a high level preliminary Nigerian Content plan describing how they intend to comply with applicable requirements of the NC Act specifically, outlining elements of the scope of work to be performed or purchased in Nigeria.
- f) Specific to this project provide detailed plan for training and development (relevant to the advertised work) and evidence of past training record (if any) for Nigerian personnel including description of any specific programs in place for transfer of skills to Nigerians (such as expatriates understudy programme),
- g) Provide evidence of domination of project management and procurement centers in Nigeria with physical addresses (not P.O. Box),
- h) Location of in-country facilities (equipment, storage, fabrication yards, workshops, repair & maintenance facilities and testing facilities).
- I) Evidence of previous Nigerian Content performance where Respondents have executed project works and services in Nigeria within the last five years.
- j) Provide details of any other Nigerian Content initiative the Respondent is involved in (if any).
- k) Respondents (vendors: Original Equipment Manufacturers-OEMs and EPC contractors) are required to present Nigerian Content Equipment Certificate (NCEC) issued by Nigerian Content Development and Monitoring Board (or evidence of the certificate) in respect of any components, spares, equipment, systems and packages to be used in the proposed work under tender.

Respondents whose submissions do not address the above NC Act requirements will not be pre-qualified.

5.0 Prequalification Package:

The Pre-Qualification Package is available in electronic copies, interested parties can obtain the

Pre-Qualification Package by applying in writing to The Secretary of the Tender Board at the address below or, alternatively, by e-mail The Secretary of the Tender Board at SNEPCo-Tender-Board@shell.com. Completed Pre-Qualification package(s) shall be returned via courier and must be delivered not later than 12.00pm on the 1st February, 2013 to the address below:

SNEPCo Tender Board Secretary

Shell Nigeria Exploration and Production Company

Bank of Industry Building,

2nd Floor C-Wing,

23 Marina,

Lagos,

Nigeria.

Written applications to receive the Pre-Qualification Package MUST be received before the 21stDecember, 2012 at 12.00pm. Applications received after this date will be disregarded. In all correspondences, please quote the Tender reference and title as shown above.

Only those Respondents that meet the pre-qualification criteria, which shall be determined at SNEPCo's sole discretion, will be included in the ITT list.

Any questions concerning the pre-qualification exercise should be addressed by e-mail to SNEPCo-BSWA-NGo2002418-PFRI-2@Shell.com and copied to SNEPCo-Tender-Board@shell.com

6.0 Additional Information

Please visit NipeX portal at www.nipexng.com for this advert and other information.

This advertisement is not an invitation to tender for the above services. There is no commitment or obligation, implied or otherwise, for SNEPCo to issue a tender or enter into a contract with any respondent Participation in the Pre-qualification exercise does not constitute or imply any commitment to any party or entitle any party to any

indemnity or any form of payment from SNEPCo. For the avoidance of doubt, the costs of participating in this pre-qualification exercise shall be for the sole account of the Respondents.