

The Shell Petroleum Development Company of Nigeria Limited

Operator of the NNPC/ Shell/ EPNL/ Agip Joint Venture

Tender Opportunity: Provision of 10k/2000 HP Drilling and Work-over Rig Services for Land, Swamp and Shallow Draft Offshore Operations

Tender Reference no:

NG01012167- Provision of Two (2ea) 10K/2000HP Land Drilling and Work-over rigs

NG01013256- Provision of Three (3ea) 10K/2000HP Swamp Drilling and Workover rigs

NG01013257- Provision of Two (2ea) 10K/2000HP Shallow Draft Offshore Jack-up Drilling and Workover rigs

1.0 Introduction:

Shell Petroleum Development Company (SPDC) hereby announces to interested and pre-qualified companies on upcoming tendering opportunity for the provision of 10k /2000 HP Drilling and Workover Rig Services for Land, Swamp and Shallow Draft Offshore Operations for SPDC. The proposed contracts will commence in Q4 2012 and remain active for a duration of two years with an extension option duration of one year. Please visit the Nigerian Petroleum Exchange Partol www.nipex.com.ng for further details.

2.0 Scope of Work

The scope of work comprises the provision of drilling and workover rig services nomely, Land Drilling and Workover rigs Services, Swamp Drilling and Workover rigs Services and Shallow Draft Offshore Jack-up Drilling and Workover rigs Services under three different tenders.

Tender# 1-NGO1012167: Provision of 10k/2000 HP Drilling and Workover Rig Services for land Operations

Expected start window. Q4/2012

The scope of work for tender # 1 comprises the provision of two (2) units of 10K/2000 HP land drilling and workover rigs, support service for drilling & completion operations and well testing. The minimum technical requirements and specifications for the rig is as follows:

- Two 10k 2000HP land drilling/workover rigs
- Depth rating of 20,000 ft with 5-1/2" drill pipe
- Drawworks capacity (maximum input power) of 2000 hp (1500 KW)
- Three mud pumps of 1600 hp each
- Hookload capacity of 1,300,000 lbs
- Accommodation for a minimum of 120 people
- A top drive system (TDS) with the following ratings capacity; 500T, 500ps, WP, minimum continuous output torque of 40,000 ft lbs and preferably AC driven
- Well control equipment rated to 10,000psi working pressure
- Rotary soft torque system
- Auto cotwalk
- Rotary mouse hole
- WITS data from rig instrumentation
- Sewage treatment system (red fox. Capacity 150 people)

Tender# 2-NGO1013256: Provision of 10k/2000 HP Drilling and Work over Rig Services for Swamp Operations

Expected start window: Q4/2012

The scope of work for tender #2 comprises of the provision of three units of 10k /2000 hp swamp drilling and workover rigs, support services for drilling & completion operations and well testing. The minimum technical requirements and specifications for the rig is as follows:

- Rig(s) must be barge type with approximate dimensions (L=220 (+/-5) ft and W= 70 (+/-5) ft rating of 20,000 ft with 5-1/2" drill pipe
- Depth rating of 20,000 ft with 5-1/2" drill pipe
- Drawworks capacity (maximum input power) of 2000 hp (1500 KW)
- Three mud pumps of 1600 hp each
- Hookload capacity of 1,300,000 lbs
- Accommodation for a minimum of 120 people
- Transil draft of 9ft
- Min/max operating water depth of 10ft /25ft
- A top drive system (TDS) with the following ratings capacity; 500T, 500psi WP, minimum continuous output torque of 40,000 ft lbs and preferably AC driven
- Well control equipment rated to 10,000psi working pressure
- Rotary soft torque system
- Auto colwalk
- Rotary mouse hole
- WITS data from rig instrumentation

- Sewage treatment system (Red Fax- Capacity 150 people)

Tender# 3-NGO1013257: Provision of 10k/2000 HP Drilling and Work over Rig Services for Shallow Draft Offshore Operations

Expected start window: Q1/2013

The scope of work for Tender #3 comprises the provision of two 10k /2000 hp shallow draft offshore lock up drilling and workover rigs, support services for drilling & completion operations and well testing. The minimum technical requirements and specifications for the rig shall be as follows:

- Rig hull dimension of Length “220(+/-5)ft and Width” 200 (+ /-5)ft, Leg 250ft
- Depth rating of 20,000 ft with 5-1/2” Drill Pipe
- Drawworks capacity (maximum input power) of 2000 HP (1500 KW)
- Three mud pumps of 1600 hp each
- Hookload capacity of 1,300,000 lbs
- Accommodation for a minimum of 120 people
- Transil draft of 9ft
- Min/max operating water depth of 10ft /150ft
- A top drive system (TDS) with the following ratings capacity, 500T, 500psi WP, minimum continuous output torque of 40,000 ft- lbs and preferably AC driven
- Well control equipment rated to 10,000psi working pressure
- Rotary soft torque system
- Auto colwalk
- Rotary mouse hole

- WITS data from rig instrumentation
- Sewage treatment system (Red Fox- Capacity 150 people)

General Specifications, Standards and Requirements (Applicable to all three Tenders)

- Equipped, managed and operated to SPDC/DPR standards for Health, Safety and Environment, Equipment, for total waste containment to skip and ship drilled cuttings
- Rig must be capable of handling and total containment of pseudo oil base mud i.e. zero spill facility.
- Compliance with DPR 1997 zero discharge for hazardous waste as per environmental guidelines and standards and ISO 14001 standards
- Rig must be CFC-free compliant (CFC and Halons are not acceptable; recommended refrigerants are R134a, R407A and R407C)
- Contractor must be registered with IADC
- Rigs older than 10 years must have proof of having undergone recent life enhancement upgrades
- Critical rig equipment such as the well control equipment, top drive system, mud pumps, drowworks, SCR Units, generators shall be fully OEM compliant with valid certification
- All key personnel shall be in possession of valid well control certificates and must be able to communicate in English language

3.0 Mandatory Requirements

1. To be eligible for this tender exercise, interested contractors are required to be pre-qualified in the Drilling Rigs (Semi submersibles/Jackups/Others) (3.04.01) (Product/Services) category I NipeX Joint Qualification System (NJQS) database. All successfully pre-qualified Suppliers in this category will receive invitation to Technical Tender (ITT).

2. To determine if you are pre-qualified and view product/service category you are listed for, open www.nipexng.com and access NJQS with your log in details, click on continue Joint Qualification Scheme tool, click check my supplier status and then click supplier product group.

3. If you are not listed in the product/service category you are registered with DPR to do business, contact NipeX office at 30, Oyinkon Aboyomi Street, Ikoyi Lagos with your DPR certificate as evidence for verification and necessary update.

4. To initiate the JQS prequalification process, access www.nipexng.com to download the application form, make necessary payments and contact NipeX office for further action.

5. To be eligible, all tenders must comply with the Nigerian Content requirements in the NipeX system.

4.0 Nigerian Content Requirements:

Vendors are to demonstrate strict compliance with the provisions of Nigerian Oil & Gas Industry Content Development Act and also provide the following requirements:

- Demonstrate that the entity is a Nigerian registered company, or Nigerian registered company as the contracting entity in genuine alliance or joint venture with foreign company with details on scope and responsibilities of parties for this work. Such companies must show evidence of joint venture binding agreement duly signed by the CEO of both companies including evidence or plans of physical operational presence and set-up in Nigeria

- International or multinational companies working through Nigerian Subsidiary must demonstrate that a minimum of 50% of equipment to be deployed for execution of work shall be owned by the Nigerian subsidiary providing a list of equipment for this tender and indicating those that will be owned by the Nigerian subsidiary

- Furnish details of company ownership and share holding structure. Also submit clear photocopies of your CAC. Forms CO2 and CO7

- Provide evidence of what percentage of your key management positions is held by Nigerians and what percentage of the total work force are Nigerians. Also, show overall percentage of work to be performed in Nigeria and those by Nigerian resources relative to total work volume.

- Provide a Nigerian Content Plan providing a detailed description of the role, work scope, man-hours and responsibilities of all Nigerian companies and personnel that would be involved in executing the work. Also provide details of Nigerian Content focal point or manager.
- State proposed total scope of work to be conducted by Nigerian personnel (whether contracted directly or under subcontract agreements) with names and addresses including evidences of well equipped offices and workshop; attach past experience of such patronage.
- Specific to this work, provide detailed plan for staff training and development on equipment repairs & maintenance and procurement (including all software to be used, number of personnel, name of organization providing such training and evidence of past training record) for Nigerian personnel including description of any specific programs in place for transfer of technology and skills to indigenous businesses and Nigerians over the next five years
- Location of in-country facilities (storage. Workshops, repair & maintenance facilities and testing facilities)
- Contractor must be willing and able to provide evidence of maximization of mode in Nigeria goods and services.
- Provide detail on any other Nigerian Content initiative your company is involved in.

5.0 Closing Date:

Only tenderers who are registered with JJQS Product/Category Drilling Rigs (Semisubmersibles /Jackups/Others) (3.04.01) as at June 25th, 2012 being the close date shall be invited to submit Technical Bids.

6. Additional Information:

- All costs incurred preparing and processing NJQS pre-qualification shall be to the Contractors accounts.
- This advertisement shall neither be construed as any form of commitment on the part of SPDC to award any contract to any company and or associated companies, sub-contractors or agents, nor shall it entitle prequalified companies to make any claims whosoever, and/or seek any indemnity from SPDC and or any of its partners by virtue of such companies having been prequalified in NJQS.
- SPDC will communicate only with authorized officers at the pre-qualifying companies and not through individuals or agents.

Please visit NipeX portal at www.nipexng.com for this advert and other information. Also note that this contract will be progressed through NipeX system.