

Star Deep Water Petroleum Limited

A Chevron Company

Operator of the Agbami Unit (OML 127/128)

Tender Opportunity: Provision of Drilling and Completion Fluid Products and Services

Nipex No. Stardeep.00000029

INTRODUCTION

Star Deep Water Petroleum Limited (Company) invites interested and pre-qualified companies to this tender opportunity for the Provision of Drilling and Completion Fluid Products and Services to support Company's deep water drilling and completion operations. The proposed contract term is 2 (two) years with an option of 1 (one) year extension.

SCOPE OF WORK/SERVICE REQUIREMENTS

The scope of work include but is not limited to the following:

- (A) All products for Non Aqueous Drilling Fluid (NADF) as required by Company. Such NADF may be formulated with any of the following Base Fluids; Isomerized Olefin (10), Synthetic Paraffin (SP).
- (B) All products for Water Based Drilling Fluids (WBDF) as required by Company.
- (C) All products for Completion Brines as required by Company.
- (D) A Bulk Storage & Transfer Facility in Onne Port for provision of Barite and/or Bentonite and/or Calcium Carbonate to Company's vessels as and when required by Company. Such facility shall provide a minimum storage capacity solely dedicated to Company of 1,000 metric tonnes with a minimum transfer rate for Barite of 250 metric tonnes per hour.
- (E) A Bulk Storage & Transfer Facility in Onne Port and provision of Base Fluid to Company's vessels as and when required by Company. Such facility shall provide a minimum storage capacity solely dedicated to Company of 10,000 barrels with a minimum transfer rate of 800 barrels per hour.
- (F) A Bulk Mixing & Storage Facility in Onne Port for provision of NADF to Company's vessels as and when required by Company. Such facility shall provide a minimum storage capacity solely dedicated to Company of 15,000 barrels with a minimum transfer rate for a 10.0 ppg fluid of 600 barrels per hour. The facility should be able to mix 10.0 ppg NADF at a minimum rate of 1,000 barrels per day. Such facility shall be equipped with adequate mixing

equipment and adequate solids removal equipment (including a centrifuge) for mixing, treating and conditioning NADF as and when required by Company.

(G) A Bulk Mixing & Storage Facility in Onne Port for provision of WBDF to Company's vessels as and when required by Company. Such facility shall provide a minimum storage capacity solely dedicated to Company of 5,000 barrels with a minimum transfer rate for a 13.5 ppg fluid of 600 barrels per hour. The facility should be able to mix 13.5 ppg WBDF at a minimum rate of 750 barrels per day. Such facility shall be equipped with adequate mixing equipment for mixing and treating WBDF as and when required by Company.

(H) A Bulk Mixing & Storage Facility in Onne Port for provision of Completion Brine to Company's vessels as and when required by Company. Such facility shall provide a minimum storage capacity solely dedicated to Company of 10,000 barrels and a minimum transfer rate for a 10.0 ppg fluid of 600 barrels per hour. The facility should be able to mix 10.0 ppg brine at a minimum rate of 2,000 barrels per day. Such facility shall be equipped with adequate mixing equipment for mixing and treating Completion Brine as and when required by Company.

(I) Storage tanks provided must be equipped with proper measuring devices that are fully functional and calibrated on a regular schedule.

(J) Rig site Testing Equipment conforming to API RP13B Standards for Testing Drilling Fluids specifications and any additional special testing equipment, as may be requested by Company, at Company's rig sites.

(K) An Onshore Testing Laboratory of adequate size and condition including Testing Equipment conforming to API RP13B Standards for Testing Drilling Fluids specifications and a Malvern Mastersizer "Micro" including consumables, a Permeability Plug Tester including consumables and a Fann 70 LT/ HT-HP Rheometer (or equivalent).

(L) Rig site personnel including; Drilling Fluids Engineers, Senior Drilling Fluids Engineers. Proposed Contractor personnel will be subject to Company assessment and approval.

(M) Onshore personnel including; an Operations Coordinator and a Technical Manager. Such personnel shall be based in Lagos and shall be available on a 24/7 basis as and when required by Company. Such personnel shall provide all reports and documentation including but limited to Daily Hydraulics Reports, Weekly Inventory Reports, End of Well Reports, Fluids

Testing Reports, Regulatory Environmental Reports, as when required by Company. Proposed Contractor personnel will be subject to Company assessment and approval.

(N) Computers & software to support services at Company's rig sites. Such software shall include but not limited to Daily Fluids Report, Daily Inventory Report, Daily Hydraulics Report, End of Well Report.

MANDATORY TENDER REQUIREMENTS:

(A) To be eligible for this tender exercise, interested bidders are required to be pre – qualified in the 3.04.15 (Mud/Drilling Fluids) category in the NipeX Joint Qualification System (NJQS) database. All successfully pre-qualified suppliers in this category by the bid close date will receive Invitation to Technical Tender (ITT).

(B) Please note that interested bidders including their sub-contractor(s) shall be required to:

(i) Meet all JQS mandatory requirements to be listed as “PREQUALIFIED” for a category in the JQS database.

(ii) Meet all Nigerian Content requirements stated in this advert in their responses to the Invitation to Technical Tender.

(C) To determine if you are pre-qualified and view the product/service category you are listed for: Open www.nipex-ng.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.

(D) If you are not listed in this product/service category, and you are registered with DPR to do business for this category, please contact NipeX office at 30, Oyinkan Abayomi drive, Ikoyi Lagos with your DPR certificate as evidence for verification and necessary update.

(E) To initiate and complete the JQS prequalification process, access www.nipex-ng.com to download the application form, make necessary payments and contact NipeX office for further action.

NIGERIAN CONTENT

Star Deep Water Petroleum Limited is committed to the development of the Nigerian Oil and Gas business in observance with the Nigerian Oil and Gas Industry Content Development Act 2010 (NOGICD Act) enacted by the Federal Government of Nigeria in April 2010.

Pursuant to enactment of the NOGICD Act, the minimum Nigerian Content in any project, service or product specification to be executed in the Nigerian Oil and Gas Industry shall be consistent with the level set in the schedule of the Act and any other target as may be directed by the Nigerian Content Development and Monitoring Board (NCDMB).

Contractors shall comply with the provisions of the NOGICD Act and all applicable regulations. Bidders that do not meet the Nigerian Content criterion will not be allowed to participate in next Tender Stage.

The following are the Nigerian Content requirements bidders are expected to comply with in their technical bid submission.

- (A) Demonstrate that the entity is a Nigerian Registered Company, or a Nigerian Registered Company 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.
- (B) Furnish details of company ownership and shareholding structure. Also submit clear photocopies of your CAC Forms C02 and Co7.
- (C) Provide evidence of the percentage of 1) key management positions that are held by Nigerians and 2) total work force that are Nigerians. Also, show overall percentage of work to be performed by Nigerian resources relative to total work volume.
- (D) Provide a Nigerian Content Plan with a detailed description of the role, work scope, man-hours and responsibilities of all Nigerian companies and personnel that will be involved in executing the work. Also provide details of Nigerian Content contact or manager.
- (E) State proposed total scope of work to be performed 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.
- (F) Specific to this project, provide detailed plan for staff training and development on engineering, project management 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 (5) years.

(G) Provide evidence of domiciliation of project management and procurement centers in Nigeria with physical addresses (not P.O. Box).

(H) Location of in-country facilities, (Equipment, storage, workshops, repair & maintenance facilities and, testing facilities).

(I) Contractor must be willing and able to provide evidence of maximization of made in Nigeria goods and services.

(J) Provide details on any other Nigerian Content initiative your company is involved in.

(K) Provide evidence of MOU with OGTAN registered trainer to conduct classroom module of training and on the job attachment.

(L) Provide human capacity building development plan including budget which must be minimum 10% of project man-hours or cost. Training will be targeted at developing capacity other than bidder's personnel. Trainees will be nominated from a database maintained by NCDMB and the services of OGTAN registered trainers utilized to cover classroom modules.

(M) Provide details of equipment ownership.

(N) Bidders (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 application for the certificate) in respect of any components, spares, equipments, systems and packages to be used in the proposed project under tender.

CLOSE DATE

Only bidders who are registered with NJQS Product/Category 3.04.15 (Mud/Drilling Fluids) by **4:00pm, on 10th January, 2017** being the advert close date shall be invited to submit technical bid.

Please note the following:

(1) Suppliers eligible for this tender opportunity are expected to be prequalified in NJQS under this product/service category.

(2) The Invitation to Tender (ITT) and any further progression of this tender shall be via NipeX.

(3) All costs incurred in preparing and processing NJQS prequalification shall be to the contractor's accounts.

(4) This advertisement shall neither be construed as any form of commitment on the part of Star Deep Water Petroleum Limited 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 whatsoever, and/or seek any indemnity from Star Deep Water Petroleum Limited and or any of its partners by virtue of such companies having been prequalified in NJQS.

(5) The tendering process shall be the NNPC contracting process requiring pre-qualified companies to submit technical tenders first. Following a technical review, only technically and financially qualified contractors will be requested to submit commercial tenders.

(6) Star Deep Water Petroleum Limited will communicate only with authorized officers of the pre-qualifying companies and NOT through individuals or Agents.

Please visit NipeX portal at www.nipex-ng.com for this advert and other information.

Star Deep Water (a Chevron Corporation affiliate) is the operator of the Agbami Field. Other participants are Famfa Oil Limited. Nigerian National Petroleum Corporation (NNPC). Texaco Nigeria Outer Shelf Inc. (a Chevron Corporation affiliate).

Statoil Nigeria Limited, and Petroleo Brasileiro Nigeria Limited.
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