

GLOBAL EXPRESSION OF INTEREST FOR INTEGRATED DEVELOPMENT SERVICES FOR DRILLING & COMPLETION OF WELLS IN MBA FIELD WITHIN RJ-ON-90/1 BLOCK

Cairn Oil and Gas, Vedanta Limited (“COG”) is India’s largest private upstream O&G company with operating interest in several producing fields in India contributing ~25% of India’s domestic production. Cairn Oil and Gas, is the Operator of the Onshore RJ-ON-90/1 block, on behalf of itself and its Joint Venture (JV) partners Cairn Energy Hydrocarbons Limited (CEHL) and Oil and Natural Gas Corporation Limited (ONGC), located in Barmer district, in the state of Rajasthan, India. Cairn Oil and Gas holds 70% participating interest in the block which contains 38 major oil and gas discoveries, with significant gas potential in the southern area.

Cairn Oil and Gas has a vision to achieve 50% of India’s crude production and contribute to India’s energy security. In this regard, Cairn has embarked on an exciting growth journey to achieve world class recovery factors in our diverse reservoirs in the Rajasthan basin.

Cairn Oil & Gas on behalf of itself and its Joint Venture (JV) partners issues this EOI for the end to end integrated well construction of wells in MBA (Mangala, Bhagyam & Aishwariya) fields.

The services required through this EOI are primarily required in MBA (Mangala, Bhagyam & Aishwariya) fields under Development Projects. The EOI is in reference to Integrated Development Services to Drill, Complete/Workover, log, install artificial lift & Flowback from various categories of wells as mentioned below:

- Drilling, Completion/Workover & flow-back of:
 - Horizontal wells - Producer and Injector (with provision of ESP as Artificial Lift mode)
 - Deviated Producers (with provision of ESP & Jet Pump as Artificial Lift Mode)
 - Deviated Injectors (with provision of Jet Pump as Artificial Lift mode)
 - Observation Wells
 - Coring Wells

Brief Scope of Work and Bids

Cairn Oil and Gas intends to fast track the development of the MBA field with the additional well campaign in order to maximize the resource monetization with cost optimization.

To achieve these objectives, Cairn Oil and Gas, invites global Oil & Gas Service/EPC companies and/or consortiums, with field development capabilities for end to end Integrated Oil well construction (including drilling, completion/workover, logging, testing/flow-back, artificial lift installation and associated well services), to express their interest for pre-qualification to participate in the International Competitive Bidding (ICB) Process. Interested companies/consortiums would preferably need to demonstrate strong and integrated development capabilities as well as past experience of executing similar projects successfully.

The salient features will be:

- Drilling, Completion, logging, artificial lift installation and flow-back of new Horizontal wells (4 horizontal wells minimum).
- Drilling, Completion, Logging, Perforation, artificial lift installation and flow-back of new Deviated Producer and Injector wells
- Drilling few Observation wells in Pilot Projects (Fiber Glass Casing)
- Workover of few deviated Injectors and Producers including cement remedial job (Squeeze Cementing etc.)
- Coring in 2 to 3 Deviated wells (Core of 10 to 35 meters per well)

Specific Pre-Qualification Criteria

NOTE: APPLICANT wherever referred to in this document, would mean the leader of CONSORTIUM of Oil & Gas Services/EPC Companies (in case the bidder applies as a CONSORTIUM) or an Oil & Gas Services/EPC Company itself (in case the bidder applies as an individual company). APPLICANT should necessarily have core competence on 'integrated Horizontal and deviated Oil well construction'. Additionally, APPLICANT will be required to meet the below mentioned pre-qualification criteria to legitimately express interest for collaboration with Cairn Oil and Gas.

Key Pre-Qualification criteria

1. Financial performance:

1. Turnover in each of the immediately preceding two financial years should be equal to or more than the estimated average annual contract value
2. Positive net worth in each of the immediately preceding two financial years
3. Liquidity ratio shall not be less than 1.00 in each of the preceding Two (02) financial years

APPLICANTS are requested to submit company's financial performance documents (Audited Balance sheets, Profit and Loss Account & cash flow statement, Auditors Report and Notes to Accounts etc.) for last 2 (two) financial years. Latest financial statement should not be older than 12 months on the date of submission of response to Expression of interest.

Additional points to be considered for evaluation of financial performance:

- Normally standalone financials of the bidding entity only will be considered. However, consolidated financials at the bidding entity level, if available, can also be submitted. Parent company or Affiliate's financials can be submitted and considered, subject to submission of Parent/ Affiliate company guarantee. This should be clearly mentioned in the EOI response
- In case of **CONSORTIUM**, the financials of the leader of the **CONSORTIUM** (in whose name the bid is submitted) will be evaluated.
- Evaluation will be done only on the basis of the published annual reports / audited financials containing Auditor's report, Balance sheet, Profit & Loss a/c and Notes to Accounts
- In case of unaudited statements (if there are no audit requirements for auditing of financials as per the local law), the financials shall be accompanied by a certificate from a Certified Accountant. Certificate should also mention the fact that there is no requirement of audit of the financials as per the local law
- All qualifications and exceptions brought out in Auditor's report and Notes to Accounts would be factored in while undertaking financial evaluation

2. Integrated Development capabilities: The **APPLICANT** must demonstrate the following integrated development capabilities (directly or as a part of the **CONSORTIUM**) or a significant part of the overall development capability:

I. Integrated Horizontal and Deviated Well construction: Drilling, completions, flowback, testing, artificial lift installation and associated well services

II. Reservoir Management / Production Enhancement: including but not limited to well workovers, conversions etc.

- Please mention the following details against each capability:
 - a) Whether the **APPLICANT** has the capability? (Yes / No)
 - b) If the **APPLICANT** doesn't have the capability, will it be addressed by **CONSORTIUM**? (Yes/No)
 - c) If the **APPLICANT** doesn't have the capability, will it be addressed by a sub-contractor? (Yes/No)
 - d) If capability addressed by **CONSORTIUM**, name(s) of finalized/likely **CONSORTIUM PARTNERS**
 - e) If capability addressed by subcontractors, name(s) of finalized/likely subcontractors
- **For each of the above capabilities**, please separately submit details of completed / on-going medium to large scale projects **in last 7 years** – where the **APPLICANT** or any **CONSORTIUM MEMBER** has demonstrated the respective capability in a similar context. Please submit project details as per **Annexure 1**. In case, any project qualifies for more than one capability, please clearly state the same.

3. Quality, Health, Safety and Environment (QHSE): APPLICANT (Bidder/all members of the consortium) must have a comprehensive Health, Safety and Environmental Management system in place.

- **APPLICANTS** are requested to submit the following documents related to HSE:
 - a) Quality and HSE Management System/ HSE Policy, HSE Manuals and Procedures
 - b) LTI statistics for past 3 years
 - c) Valid Quality and HSE certifications (ISO, OSHAS, etc.)

- **ANNEXURE 1 - SPECIFIC EXPERIENCE RELEVANT TO THE OPPORTUNITY AREA**

Provide case study for an integrated project completed / on-going from the last 7 years, demonstrating specific capability requested. The case study should necessarily include:

 - a) Capability demonstrated
 - b) Client Name with Address
 - c) Existing client situation / client context
 - d) Name of the **APPLICANT / CONSORTIUM MEMBER** who was involved in this project
 - e) Project description done by **APPLICANT / CONSORTIUM MEMBER** (mention project name and details)
 - f) **APPLICANT's** or **CONSORTIUM MEMBER's** role & responsibilities in the project
 - g) Project start & completion date
 - h) Project Value in INR/USD
 - i) Contact person of client along with contact no. & e-mail id
 - j) Details on approach adopted, technology applications (proprietary, access to technology applications, implementation etc.), resources deployed, etc.
 - k) Outcomes (e.g. Development outcome, Brownfield developments, etc.)
 - l) Other remarks (e.g. contractual details, partnerships, sub-contractors, etc.)
 - m) Technical/Managerial capabilities deployed
 - n) Local base for support/service etc.

- **Documents to be furnished in the Proposal for Pre-Qualification**
 1. Letter of interest from the **APPLICANT** on their letter head.
 2. In case of bidding as a consortium, the division of the scope of work shall be submitted along with a Memorandum of Understanding (MoU)/declaration of intent.
 3. Technical capabilities details as listed in Pre-qualification criteria 2 (Integrated Development capabilities)
 4. Financial performance documents as listed in the Pre-qualification criteria 1 (Financial performance)
 5. Details of relevant projects, for each capability, as requested in Pre-qualification criteria 2 (Integrated Development capabilities) in last 7 years (format as per Annexure 1). Details above to include -
 - a. number of Horizontal and Deviated wells developed (drilling, testing, well completions artificial lift installation and associated well services)
 - b. instances of having executed Reservoir Management techniques in Oil reservoirs
 - c. Reference client list for integrated Oil projects completed/under execution for clients of international repute
 - d. Number of proprietary/patented technology developed in the O&G domain (sub-surface, drilling, artificial lift etc.) and instances of its implementation in Oil reservoir
 6. HSE performance documents including HSE Management system of the bidder/all members of the consortium as listed in Pre-qualification criteria 3 (HSE)
 7. Valid Quality Certifications / Accreditations
 8. Quality Manual, Policy & procedures
 9. Detailed company information with organizational structure, list of manpower with CVs of key personnel, capital equipment, India support base.
 10. Complete administrative details of your company such as but not limited to nature of legal entity, registration details, office and site locations etc.
 11. Specific execution strategy outlining engineering and procurement.

12. List of current contracts under execution with value of contracts and percentage completion
13. Experience of working in onshore locations
14. Support base in India/ Asia for future service requirements
15. Details of Technical /Managerial resources that will be allocated to this project (name, designation, experience, office location etc.)
16. List of proprietary / patented technologies in Oil & Gas domain developed and implemented
17. List of litigations in last 5 years, if any
18. Declaration specifying that the APPLICANT is not under liquidation, court receivership or other similar proceedings
19. Any other documents in support of APPLICANT's credentials and experience and expertise, relevant to Cairn Oil and Gas 's opportunity areas

The interested contractors should evince interest to participate in the Expression of Interest by clicking on the "Evince Interest" link against EoI listing on the Cairn website i.e. <http://www.cairnindia.com> and submit their contact details online. Further to this, interested parties would be invited to submit their response via Smart Source (Cairn's e Sourcing Platform) within 14 Days from this publication.