

EXPRESSION OF INTEREST (EOI) FOR CHEMICAL APPLICATION IN CRUDE OIL EXPORT PIPELINE FOR POUR POINT REDUCTION

Vedanta Ltd. is the world's 6th largest diversified natural resources conglomerate with business operations in India, South Africa, Namibia and Australia. It is a leading producer of Oil & Gas, Zinc, Lead, Silver, Copper, Iron Ore, Steel, Aluminium & Power. Vedanta contributes 1% towards India's GDP, as per IFC. We are investing \$9 Bn in capital projects over the next 2 – 3 years to double our revenues from current levels of \$15 Bn.

Cairn Oil & Gas, Vedanta Limited, is the Operator of onshore block RJ-ON-90/1 located in Barmer and Jalore Districts in the state of Rajasthan. The Block contains a number of major oil discoveries including the Mangala, Bhagyam & Aishwariya fields. Cairn Oil & Gas, Vedanta Ltd., is India's largest private oil and gas exploration and production company having current interest in 62 blocks and accounting for more than a quarter of India's domestic crude oil production and a vision to produce 50% of India's crude production.

Oil and gas produced from the block are processed in an onshore oil and gas facility known as Mangala Processing Terminal (MPT) at Nagana village near Kawas about 25 kms from Barmer, Rajasthan. It handles crude from Mangala, Bhagyam & Aishwarya well pads. Raageshwari gas terminal (RGT) is deep gas processing terminal and located at around 80 Km from (MPT) and is supplying gas for power generation at MPT.

Stabilized Crude oil stored in conical roof tanks at around 75 Deg C to keep the crude above wax appearing temperature and with less than 0.2% of B.S&W to meet buyers' requirement. Stored crude oil is pumped to Bhogat Terminal via 705 km long pipeline including spur lines to refineries (crude buyers). The main trunkline is 24" insulated and buried line provided with heating arrangements to compensate heat losses and maintain the temperature above wax appearing temperature for flow assurance. Heating is provided by SEHMS (Skin Effect Heat Management System) by AGI (Above Ground Installations) where the gas generators produce electricity for SEHMS. These AGI are 36 in number and gas is used to run generators from a parallel gas line running along with 24" crude oil line. Skin Effect Heat Management System (SEHMS) is an effective technology which has been used in the industry for effectively heating of very long pipelines using electrical power. The gas is supplied to AGI stations, from a gas field of Cairn nearby after treatment as part of gas sales requirement.

Cairn Oil & Gas on behalf of itself and Joint Venture (JV) partner(s) invites "Expression of Interest" under International competitive bidding (ICB) process from reputed and experienced companies/consortiums with demonstrated quality performance and possessing the requisite and proven track record in supplying of chemicals, for suitable chemical injection to improve pour point of crude and provide required flow assurance to the pipeline.

Interested companies / consortiums meeting following criteria should respond to this Eoi:

1. Minimum 3 years prior experience in supply of chemicals for similar application.
2. Turnover in each of the immediately preceding two financial years should be equal to or more than the estimated average annual contract value.
3. Positive net worth in each of the immediately preceding two financial years.
4. Liquidity ratio shall not be less than 1 in each of the preceding Two (02) financial years.

Note –

- i. 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.
- ii. Where the bidding entity is unable to meet the Financial Evaluation Criteria, Parent/Holding Company Audited Financials can be considered, subject to:
 - a) Submission of Financial guarantee in the form of 10% Bank guarantee of contract value.
 - b) Commitment Letter from Parent/Company to provide financial support to the bidding entity.
- iii. In case of consortium, bidder is required to provide Memorandum of Understanding (MoU) executed by the consortium partner. The MoU should indicate the scope of work to be performed by the respective consortium member expressed as a percentage of Contract value. Each consortium partner should themselves individually meet the financial evaluation criteria namely, turn over, net worth and liquidity in proportion to the percentage of work to be performed by them. The Performance Bank Guarantee (PBG) will have to be submitted by individual Consortium partners in the ratio of work being performed unless the leader takes responsibility of the complete consortium in which case, Leader can submit PBG for required value.
- iv. 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.
- v. 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.
- vi. All qualifications and exceptions brought out in Auditor's report and Notes to Accounts would be factored in while undertaking financial evaluation
- vii. Latest audited financial statement should not be older than 12 months from the date of EoI.

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