**TERMS AND CONDITIONS**

**FOR HOLDING A TENDER FOR THE SUPPLY OF LIQUEFIED NATURAL GAS (LNG)**

**IN NOVEMBER AND DECEMBER OF 2024**

1. **SUBJECT OF THE TENDER:** Supply of liquefied natural gas (LNG) for the needs of Bulgargaz PLC
2. **MANDATORY DELIVERY CONDITIONS:**
3. **Total quantity:** 2 000 000 MWh ≈ 6 800 000 MMBtu
   1. **Delivery Profile:**

(permissible boil-off - not more than 0.15% per day)

|  |  |  |
| --- | --- | --- |
| **Month** | **MWh** | **LNG m3** |
| **November 2024** | **1 000 000** | **150 000** |
| **December 2024** | **1 000 000** | **150 000** |

* 1. **Delivery Point (unloading)**

**November 2024:**

Main terminal - floating LNG Terminal near Alexandroupolis, Greece

Alternative terminal – an LNG Terminal in Turkey.

**December 2024:**

Main terminal - floating LNG Terminal near Alexandroupolis, Greece

Alternative terminal – an LNG Terminal in Turkey

**The choice to deliver the cargo to an alternative terminal is at the discretion of the Buyer.**

* 1. **Minimum/maximum deviation of the quantity delivered from the quantity nominated -** shall be declared and shall meet the requirements of the terminal where it will be delivered as follows:

**FSRU Alexandroupolis**: +-2%

**А Terminal in Turkey:** +-5%

* 1. **Delivery Window:**

**November 2024 (FSRU Alexandroupolis):** 25.11.2024 - 30.11.2024, Laytime 48 hours

**December 2024 (FSRU Alexandroupolis):** 23.12.2024 - 30.12.2024, Laytime: 48 hours

*For each LNG Cargo to be delivered, Bulgargaz will nominate a 24-hour Delivery Window by notice to the Seller sent no later than 30 days prior to the first day of the 7-day Delivery Window.*

1. **LNG Quality:**

**FSRU Alexandroupolis:** LNG delivered must meet the technical requirements of the DESFA pipeline network as specified in the DESFA Network Code. The quality of the LNG offered shall be in full compliance with the general requirements of the Terminal Operator at Alexandroupolis (Gastrade SA), as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Value** | **Unit** | **Specifications** | **Notes** |
| Wobbe Index | KWh/Nm3 | 13.066-16.328 |  |
| Gross Calorific Value (GCV) | KWh/Nm3 | 11.131-12.647 | The Operator may consider the possibility of accepting a cargo with GCV in the range 11.011KWh/Nm3 to 11.131KWh/Nm3 or 12.647 KWh/Nm3 to 12.986 KWh/Nm3 , if after unloading this cargo and mixing with the stored LNG in terminal tanks, the GCV of the resulting LNG will be within the mentioned range. |
| LNG Density | Kg/m3 | 430 - 478 | The Operator may consider the possibility of accepting a cargo in the range 420.3 Kg/m3 to 430 Kg/m3 or 478 Kg/m3 to 483.1 Kg/m3 , if after unloading this cargo and mixing with the stored LNG in terminal tanks, the Density of the resulting LNG will be within the mentioned range. |
| Molecular Weight | Kg/Kmol | 16.52 - 18.88 |  |
| Methane | % mole | 85.0 min  97.0 max | The Operator may consider the possibility of accepting a cargo with Methane concentration in the range 80 to 85 % mole or 97 to 99.8 % mole, if after unloading this cargo and mixing with the stored LNG in terminal tanks, the value of Methane concentration of the resulting LNG will be within the mentioned range. |
| i-Butane & n-Butane | % mole | 4 max |  |
| i-Pentane & n-Pentane | % mole | 2 max |  |
| Nitrogen | % of moles | 1.24 max |  |
| Hydrogen sulfide (H2 S) | mg/Nm3 | 5.0 max |  |
| Total sulphur | mg/Nm3 | 30.0 max |  |
| Temperature | 0C | -159.5 max | The average temperature of LNG in all tanks of LNG vessel at the loading port should not be greater than -159.5°C. |
| LNG Tank Pressure | mbar(g) | 100 max | On arrival |

**Terminal in Turkey:**

The Gross Calorific Value of each standard cubic metre of gas (dry gas basis) shall be not less than 8750 kcal (eight thousand seven hundred and fifty kcal) and not greater than 10 427 kcal (ten thousand four hundred and twenty-seven kcal).

The components should be between the following lower and upper limits (as mole percentages) [Reference conditions: 150C/150C/ideal gas]:

* Hydrocarbon Dew Point: shall not be higher than -5°C in the range of 1 to 80 barg.
* Water Dew Point: shall not be higher than -80 C at 80 barg pressure
* LNG shall not cover particles of a size that does not pass through a 0.0098 inch sieve.
* LNG shall not include water, oxygen and carbon dioxide.
* There shall be no active bacteria or bacteria coating materials in the LNG, including but not limited to bacteria that reduces sulfate or produces acid.
* LNG shall be free of poisonous and hazardous materials.

|  |  |  |
| --- | --- | --- |
| **Chemical composition** | **Min.** % | **Max.** % |
| Methane CH 4 | 84.79 % | 100.00 % |
| Ethan C H 26 | 0.00 % | 10.00 % |
| Propane C H 38 | 0.00 % | 4.00 % |
| iC H 410 | 0.00 % | 1.00 % |
| nC H 410 | 0.00 % | 1.50 % |
| C H 512 | 0.00 % | 0.23 % |
| N 2 | 0.00 % | 1.40 % |
| Higher calorific value | 8,900 Kcal/Sm 3 | 10,427 Kcal/Sm3 |
| Wobbe number | 47,30 Mj/m 3 | 53.95 Mj/m3 |
| H S 2 | - | 5.0 mg/Nm3 |
| Merkaptanova Syara | - | 5.0 mg/Nm3 |
| Total sulphur, including mercaptans | - | 50 mg/Nm3 |

1. **Delivery Terms** - DES (Delivery Ex-Ship) Terminal/FSRU

*The protocols and guidelines to be followed by each LNG vessel during the arrival and operations at the Alexandroupolis FSRU are posted at* [*https://www.gastrade.gr/wp-content/uploads/2024/02/Marine-Manual-v1.04.pdf*](https://www.gastrade.gr/wp-content/uploads/2024/02/Marine-Manual-v1.04.pdf)

1. **Seller's liability**

In the event the Seller fails to deliver the quantity or any portion thereof, unless due to Force Majeure, Seller shall pay Buyer  an amount equal to (i) if Buyer fails to purchase replacement gas, Buyer's cost, associated with the failure or termination of the Resale Arrangements with respect to Seller's undelivered quantity, including Buyer's respective facility costs, capacity booking, transportation, reasonable marketing costs and other costs incurred by Buyer, if any, as a result of Seller's failure to deliver; or (ii) if Buyer purchases replacement LNG or gas to replace Seller's undelivered quantity, the amount by which the price paid by Buyer for the replacement gas exceeds the Contract Sales Price multiplied by Seller's undelivered quantity, plus additional transportation and logistics costs, if any, plus other reasonable costs incurred by Buyer, if any, less any cost savings (including transportation costs) realized by Buyer.

1. **Demurrage**

**FSRU Alexandroupolis:**

If the actual unloading time of an LNG Vessel exceeds the Terminal Operator's extended unloading window for that LNG Vessel for reasons attributable to the Terminal, Buyer shall pay an amount equal to $60,000/day. If the actual unloading time for an LNG Vessel exceeds the unloading window for such LNG Vessel for reasons attributable to the Seller, then the Seller shall pay to the Buyer the sum of US$60,000/day.

In the event that the Buyer accepts an LNG cargo with a greater volume or energy content than the quantity referred to in clause 1.1, the Buyer shall not be liable for demurrage in respect of that LNG cargo.

**Terminal in Turkey:**

The demurrage rate on a daily and pro rata basis is the rate published under the heading Atlantic "Shipping Rate" in Platts LNG Daily on the relevant scheduled delivery date. If the Platts Rate is not published on the applicable Scheduled Delivery Date, then the Demurrage Rate shall be the last published Platts Atlantic Rate immediately applicable to the Scheduled Delivery Date. The Seller has the obligation to provide evidence of how the demurrage was calculated.

1. **Price:**

The offered price should reference the TTF front month (Argus) or TTF MA (ICIS) for the month in which the delivery window falls in Euros per MWh and include all delivery costs.

*TTFfm (Argus) = the TTF Front Month index value, published in Argus European Natural Gas - Daily Natural Gas Market Prices, in the column headed "Price", for the TTF (Title Transfer Facility) for the last business day of the month preceding the month of delivery. The TTF fm is the arithmetic average mean between the “Buy” and “Sell” values for each day of the month for which the corresponding month is the following month.*

*TTF MA (ICIS) means the average value, rounded to three (3) decimal places, of the monthly TTF price quotations (using the average value of the "Buy" and "Sell" quotations) for the Pricing Month as published in the ICIS Heren European Spot Gas Markets under the heading TTF Price Assessment for all days on which a price is published for which this Contract is Front Month. The "Front Month" for any day is the earliest calendar month for which a TTF Monthly Price Quotation is published for that day in the ICIS Heren European Spot Gas Markets. The Pricing Month is the month in which the Delivery Window falls.*

1. **Method and terms of payment upon conclusion of a contract:**

**Collateral in the form of a corporate and/or bank guarantee shall not be provided by Bulgargaz.**

* the amount of the advance payment: may not exceed 50%;
* advance payment deadline: not earlier than 15 days before the delivery date;
* number of days for payment after last day of delivery: not less than 10 days.

1. **Additional costs that may be incurred by Bulgargaz PLC upon delivery: *to be specified by the participants***
2. **REQUIREMENTS FOR THE PARTICIPANTS:**
3. Sources of LNG supply - the source must be from countries without sanctions, embargoes or any trade restrictions;
4. Ownership of the company - the ownership (ultimate beneficiary) must be clear, reputable and free of ties to countries subject to sanctions, embargoes or any trade restrictions;
5. Credibility with banks and reputation - the supplier company must be acceptable to banks and credible for financing the agreed supplies;
6. Have experience in LNG supply - total LNG supply of at least the equivalent of 2 000 000 MWh ≈ 6 800 000 MMBtu over the last three years;
7. Not be in liquidation or bankruptcy proceedings and not be declared bankrupt under the national law of registration.
8. **STAGES OF THE PROCEDURE**

**Stage I. Pre-selection of candidates**

By 10:00 p.m. local time on 23.09.2024, all interested persons who wish to participate in the present tender procedure shall submit to Bulgargaz PLC by e-mail to the following address: [tenders@bulgargaz.bg](mailto:tenders@bulgargaz.bg) ***a letter of intent***, indicating their interest in further participation in the procedure and ***attaching*** acompleted *Bulgargaz PLC’s KYC Questionnaire, as per the template* - *Annex No. 1* to these Terms and Conditions and a standard MSPA;

***In case the applicant has participated in previous tender procedures of Bulgargaz PLC for the supply of LNG, has been admitted to the stage of submission of a binding offer, and there is no change in the circumstances declared in the Questionnaire, it is not necessary to submit a completed Questionnaire.***

On the basis of the submitted documents and by 4:00 p.m. local time on 24.09.2024 Bulgargaz PLC will notify the candidates admitted to participate in the next stage of the tender procedure by e-mail to the e-mail addresses they have provided.

**No applicant will be admitted to Stage II of the tender procedure:**

* who has submitted a letter of intent outside the time limit;
* who has not submitted a completed KYC Questionnaire to Bulgargaz PLC according to the template - *Annex 1*;
* in the Questionnaire of which there is insufficient information or the information indicates that it does not meet the requirements for participation in the procedure.
* who has not submitted a standard MSPA.

By 4:00 p.m., local time, on 24.09.2024 Bulgargaz PLC will inform the candidates not admitted to participate in Stage II of the tender procedure with an individual motivated letter by e-mail, to the e-mail addresses indicated by them.

**Stage II. Submission of binding offers**

**1. Deadline for submission: 10:00 a.m.** local time **on 27.09.2024.**

Candidates admitted to participate in Stage II of the tender procedure shall submit *an electronically signed offer in the form - Annex No. 2* to these Terms and Conditions, together with the annexes thereto, by e-mail to the following address[: tenders@bulgargaz.bg](mailto:tenders@bulgargaz.bg) in an archived format with a password by 10:00 a.m. local time on 27.09.2024.

The password must be sent by a separate e-mail to the same e-mail address no earlier than 10:00 a.m. and no later than 12:00 noon local time on **27.09.2024.**

**Power of Attorney** - to be attached if the offer is signed by proxy.

**Stage III. Evaluation and ranking of offers**

The offers will be opened at 1:00 p.m., local time, on **27.09.2024.**

**No participant will be admitted for evaluation and ranking:**

* who has submitted an offer and/or password outside the time limit;
* submitting an offer whose content does not comply with the above-mentioned mandatory delivery conditions or a password that does not open the offer as submitted.

The offers will be evaluated and ranked according to the *Methodology for Determination of the Complex Evaluation of the Offers - Annex 3* to these Terms and Conditions.

By 6:00 p.m., local time, on 30.09.2024 Bulgargaz PLC will notify by e-mail, to the e-mail addresses they have indicated, the ranked participants with whom it will conclude contracts, up to the amount of the announced quantity for November and December 2024.

*Bulgargaz PLC reserves the right to terminate the procedure at any time, without selecting a contractor for the supply, without any compensation to the participants.*