CAIRN INDIA LIMITED

(Incorporated in Mumbai, India - U11101MH2006PLC163934)

INTERNATIONAL COMPETITIVE BIDDING

GLOBAL EXPRESSION OF INTEREST (EOI) FOR PIPELINE INLINE INSPECTION (INTELLIGENT PIGGING) FOR PART A & PART B

Cairn India Ltd. (“CIL”) is the operator of RJ-ON-90/1 block, and operates the Block on behalf of itself and its Joint Venture (JV) partners Cairn Energy Hydrocarbons Limited and the Oil and Natural Gas Corporation (ONGC), located in Barmer district, in the state of Rajasthan, India. The Block contains a number of major oil discoveries, including the Mangala field, the largest onshore oil discovery in India since 1985. The ‘Expression of Interest’ is sought for developments in Rajasthan Block, where Cairn India Ltd (“CIL”) is the Operator.

This EOI Publication is for the two scopes mentioned as Part A and Part B.

CIL on behalf of its joint venture partner’s invites Expression of Interest under International Competitive Bidding (“ICB”) process from reputed Contractors (Indian and International) with demonstrated HSE performance and proven track record of experience for Pipeline Inline Inspection (Intelligent Pigging) for Part A and Part B.

CIL and its JV partners have approval from Government of India (GOI) for a pipeline to transport crude oil from the Block at Barmer, Rajasthan to a coastal terminal & Single Point Mooring (SPM) loading facility in Arabian Sea near Bhogat, Gujarat in India.

PART – A

Pipeline Inline Inspection (Intelligent Pigging) for cross country pipeline and subsea pipeline from Rajasthan to Gujarat, India.

The crude oil flowing through the pipeline is highly waxy crude with wax appearance temperature (WAT) of ~ 65 deg C. As such crude oil temperature is maintained above 68 deg C by continuously heating the Pipeline with SEHMS (Skin Effect Heat Management System) technology. An 8 inch underground gas pipeline is also running parallel to 24 inch crude oil pipeline for transporting sales fuel gas and supplying fuel gas to Gas Engine Generators installed at Above Ground Installations (AGI) approx. every 20 Km all along pipeline for generating power for heating the crude oil pipeline using SEHMS technology.

Cairn India Limited is planning to conduct Pipeline baseline data Inspection Surveys of Crude oil and gas pipelines to review, assess, evaluate, and determine internal and external metal loss and this loss may be due to manufacturing or construction defects, corrosion, mechanical damage, or other cause that may affect pipeline integrity. CIL is planning to start the pigging operations in January’ 2015.
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The scope of work will basically include following:

- 24 Inch Crude oil On shore pipeline from Salaya to Bhogat Terminal approx 66 Km long
- 8 Inch Gas On shore pipeline from Salaya to Bhogat Terminal approx. 66 Km long
- 24 Inch loop line from Bhogat terminal to the offshore subsea PLEM and return line to Bhogat Terminal approx. 28 KM long (16km onshore & 12km offshore)
- Re-inspection of 8 Inch Gas On shore Pipeline from AGI-9 (Sanchor) to Viramgam Terminal approx. 171 KM long

PART – B

Pipeline Inline Inspection (Intelligent Pigg ing) of various inter field pipeline in Rajasthan, India.

The crude oil is highly waxy with wax appearance temperature (WAT) of ~ 65 deg C.CIL is planning to conduct Pipeline baseline data Inspection Surveys of Crude oil, Power fluid, water injection and fuel gas interfield pipelines to review, assess, evaluate, and determine internal and external metal loss and this loss may be due to manufacturing or construction defects, corrosion, mechanical damage, or other cause that may affect pipeline integrity. CIL is planning to start the pigging operations in June’ 2015.

The scope of work will basically include following:

- Approx. 42 nos. of pipelines, 6 inch to 24 inch diameters, lengths varying from 0.1 km to 91 km and total length to be pigged is approx. 160 Kms.
- Services include crude oil, well fluid, fuel gas and injection water and service temperature range – approximately between 65 deg C to 80 deg C

In view of the nature of the scope, only those Companies meeting the following criteria as a minimum should respond to the EOI:

1. Annual Turnover in each of the immediately preceding two (2) financial years should be 2 times the Average Annual Contract Value.
2. Positive net worth of at least 20% of Annual Contract Value in each of the immediately preceding two (2) financial years.
3. Liquidity ratio in each of the preceding two (2) financial years shall not be less than 0.75.
4. Proven experience of at least Five (05) years in providing Intelligent Pigging services in Oil and Gas Cross country Pipelines

Companies are requested, as a minimum, to submit the following documents and details:

1. Letter of interest clearly indicating the Project reference
2. Detailed Company Information with Organisation structure, List of manpower with CVs of key personnel (Project Manager/ Maintenance Manager /Head of Operations), Parent company, support agencies and other facilities and resources

3. Details of completion of similar type of contracts in the last Five years and similar contracts/agreements currently under execution under headings:
   a) Brief scope of work
   b) Value of work in INR/USD
   c) Contractual Duration
   d) Actual completion of Project
   e) Clients name
   f) Contact details of the Client (CIL may approach the client directly for the feedback)
   HSE statistics, LTI graph etc.

4. Confirmation on availability of proven pipeline inspection tools suitable for process crude temperature between 65 -70 Deg C

5. Submission of Proof of experience in Intelligent Pigging of Oil and gas pipeline of minimum single length of 150 km

6. Intelligent Pigging Services (MFL) Experience in India / abroad with client list along with contact references

7. Sample Report for inspection of minimum 150 km pipeline length

8. Details of HSE management system, HSE policy and implementation procedures in line with internationally accepted practices with statistics for last 3 years (LTI etc).


10. Valid Quality Certifications / Accreditations, ISO-9001 Certified

11. Company's financial performance documents (Audited Balance sheets, Profit and Loss Account & cash flow statement, Auditors Report and Notes to Accounts etc.) for last 3 (three) years. Latest financial statement should not be older than 18 months on the date of submission of response to Expression of interest. Following additional points will be considered for evaluation of financial performance:
   a) 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.
   b) In case of consortium, the financials of the leader of the consortium (in whose name the bid is submitted) will be evaluated. However, consortium partner’s financials can also be considered subject to submission of corporate guarantee by consortium partner. This should be clearly mentioned in the EOI response.
   c) 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.
   d) 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.
   e) All qualifications and exceptions brought out in Auditor’s report and Notes to Accounts would be factored in while undertaking financial evaluation
The interested bidders should evince interest to participate in the Expression of Interest by clicking on the “Evince Interest” link against the corresponding EoI listing on the Cairn India website i.e. http://www.cairnindia.com and submit their contact details online. Further to this, interested bidders would be invited to submit their response via Smart Source (Cairn’s e Sourcing Platform). The suppliers would be requested, as a minimum, to submit the above documents and details for prequalification via Smart Source within Ten (10) days of publication of Expression of Interest.