

EXPRESSION OF INTEREST (“EOI”) FOR THE PROVISION OF A LIQUEFIED NATURAL GAS (“LNG”) STORAGE TANK WITHIN THE LNG TERMINAL AT NO. 6 MERANTI VIEW, JURONG ISLAND ON A LONG-TERM COMMERCIAL LEASE ARRANGEMENT

1. Introduction

SLNG owns and operates Singapore’s first LNG Terminal (“**Terminal**”) which imports LNG to meet Singapore's demand for energy. The Terminal is located on Jurong Island and has an annualized average throughput capacity of 9 million tonnes per annum (“**Mtpa**”) with four LNG storage tanks. The Terminal is a key infrastructure that supports Singapore’s energy diversification strategy. It allows Singapore to import natural gas from around the world, thus enhancing its energy security and meeting future energy demand. The Terminal started commercial operations on 7 May 2013.

To facilitate the growth of Singapore as an LNG trading hub and the growth of the LNG business in Singapore, SLNG will be able to construct another LNG storage tank at the Terminal and is keen to explore interest in the market to underpin this facility. At present, all of the four storage tanks are currently being utilised.

2. Purpose of EOI

In order to assess market demand for additional infrastructure, SLNG is seeking non-binding EOI from interested parties (“**Bidders**”) for the use of this new tank. The EOI should contain an indicative price offer (in USD) and a proposal for how the tank could be used. SLNG’s preferred terms are the key basis for considering any proposal, but SLNG is also open to considering alternative proposals and different structures, so long as it meets SLNG’s objective of underpinning the storage expansion of the Terminal. Successful Bidders will be invited to participate in a full Request For Proposal (“**RFP**”) to be issued by SLNG at a later date, subject to the prior approval of the Energy Market Authority of Singapore (“**the Authority**”). Any submitted proposal will be shared with the Authority.

SLNG’s preferred terms are as follows:

- a) **Storage capacity and type:** Either 180,000 cubic metres or 260,000 cubic metres full containment or membrane type LNG tank
- b) **Potential term:** preferred long-term of at least 15 years
- c) **Potential commencement date:** around year 2022 or 2023
- d) **Contract structure:** SLNG will procure, build, own and operate the tank at SLNG’s cost and risk. The contracting party will enter into a lease agreement with SLNG, in

the form of our standard terminal use agreement, which commercial terms shall be negotiated and will be subject to approval from the Authority.

- e) **Potential fee structure:** Fixed monthly fee, comprising the use of the tank's storage capacity, and inclusive of a number of unload/reload slots per year (to be specified within the proposal) The EOI should contain an indicative price offer (in USD).
- f) **Segregation:** The storage tank may be offered on a segregated basis, which means that such terminal user would not be subject to mandatory lending of LNG at the Terminal for send-out to the Singapore market.
- g) **Exclusivity:** The entire storage capacity of the tank may be offered to the contracting party on an exclusive basis. The contracting party may not sub-lease the tank without prior approval of SLNG.
- h) **Allowed businesses:** The contracting party may be allowed to use the tank for various commercial activities, including Storage & Reload of conventional sized LNG cargoes (and other activities including LNG Bunkering, small scale LNG supply and break bulking), and Spot Throughput services.

Non-Negotiable terms

- a) **Energy Security requirements:** SLNG will need to ensure energy security in Singapore is maintained by having the right to take the tank capacity back temporarily in the case of any emergency; or if an unexpected increase in domestic LNG demand requires the permanent use of the storage tank. Compensation will be negotiated with the contracting party during such scenarios. SLNG reserves the right to terminate the lease agreement by providing a specified number of years' advance notice. The proposal shall indicate the number of years.
- b) **SLNG will not be offering equity for the storage tank.**

Although our preferred position, stated above, is the starting point from which we intend to consider proposals, we understand that it may be necessary for SLNG to consider alternative proposals and structures in order to meet the needs of parties interested to bid for storage capacity. In that respect, we welcome suggestions or alternative structures from interested parties.

The requirements of the EOI are presented in the remainder of this document.

3. **EOI – Format and Content**

- a. Under the submission of this EOI, the Bidder is requested to provide supporting information on its relevant track record and most recent financial information.
- b. Outlined below is the format and content of the EOI that the Bidder is requested to follow in its submission of the required information to SLNG:
 - i. Name of Bidder submitting the EOI, including the Bidder’s full registered business address, their contact person’s name, email, telephone and facsimile details.
 - ii. Profile of the Bidder.
 - iii. Details of relevant experience.
 - iv. Last 2 years’ financial information on the Bidder.
 - v. Summary of the proposal from the Bidder indicating its position on the preferred terms set out in section 2 (a) to (h) above.
 - vi. Indicative price – if necessary, set out in fixed portion and variable portion. Where an indexed price is proposed, the indexation formula should be set out in sufficient detail for SLNG to derive a current market price for the tank leasing services.
 - vii. Alternative proposal – if necessary, in sufficient detail for SLNG to understand the key implications of the proposal.

4. **SLNG’s Assessment Criteria**

SLNG will base its assessment of the information provided in the EOI for the selection of the Bidders on the criteria that are set out below:

- a. Proven experience, track record and capability of the Bidder.
- b. Minimum financial strength of the Bidder.
- c. Overall commercial attractiveness of the proposal submitted by the Bidder.

5. **Submission Conditions and Instructions**

- a. Please submit the EOI via email to SnR@SLNGCorp.com by 28 February 2019, 4 pm Singapore time.
- b. SLNG will treat any proposals received as confidential. SLNG may at any time request additional information, clarification or confirmation with respect to the proposal. The proposal must be in PDF format and password protected. The password must be sent in a separate email to the same email address above on 28 February after 4pm but no later than 5pm Singapore time.
- c. Any EOI received after the Submission Date may not be considered.

- d. The Bidder shall bear all costs and expenses incurred in relation to the preparation and submission of its EOI.
 - e. All Bidders will be notified in writing of the outcome of this EOI.
 - f. SLNG shall retain sole and absolute discretion in the determination of the outcome of the EOI assessment process, whether submitted EOIs are conforming or otherwise.
 - g. SLNG reserves the right to change any aspect of, or cease this EOI.
 - h. SLNG reserves the right to accept or reject any EOI without having to assign any reason for its decision.
 - i. Any Bidder who submits an EOI in response to this request agrees not to make or pursue any claim against SLNG or any of its representatives for or in connection with this EOI, including for:
 - a. Rejection of the Bidder's EOI for any reason whatsoever; and
 - b. Attendance by the Bidder at any meetings or providing clarifications requested by SLNG.
 - j. Receipt of this EOI by SLNG or any other communication made between SLNG and the Bidder shall not constitute an agreement or commitment between SLNG and the Bidder.
 - k. Any Bidder who submits an EOI in response to this request will be deemed to have fully agreed to the above submission conditions and instructions.
6. Should you have any questions or require any clarifications regarding the content of this EOI, please email us at SnR@SLNGCorp.com.
7. Thank you for your support to SLNG and we look forward to receiving your Information.