

SAKHALIN ENERGY INVESTMENT COMPANY LTD.

INVITATION TO TENDER

For the purchase of assets of the former project camp "Pugachevo" (Sakhalin-2 project)

All assets being offered for tender (hereafter referred to as Assets) are located on territory of the former project camp "Pugachevo" of the Sakhalin-2 project, Makarov Region, Sakhalin Island, Russia and belong to Sakhalin Energy Investment Company Ltd (hereafter referred to as "Sakhalin Energy"). The Assets are not subject to RF Customs control.

General Terms

Tender Reference: DRF163

Bid closing date: all interested parties to submit their bids no later than 25 June 2010, 10:00 hrs Sakhalin time (GMT+10).

In order to participate in the tender all interested parties must be registered with "Sakhalin Energy". Registration can be achieved by submitting a free form application by e-mail to following address Seic-surplus-disposal-team@sakhalinenergy.ru or by fax at +7 4242 66 7553. In reply "Sakhalin Energy" Disposal team will confirm registration of the applicant.

Important Note: It is not allowed to submit a financial offer to the mentioned above address.

2. All tender submissions are to be sent to the Procurement Tender box by emailing the Bid Submission Form (Appendix 1) to: contracting-tenderbox@sakhalinenergy.ru All tender submissions, communication and additional documentation are to be clearly marked with the Tender Reference number. **The Tender Reference number must be mentioned in Subject field of the e-mail message in which the bid is submitted.**

Important Note: It is not permitted to copy financial offers to any other party in "Sakhalin Energy" including the nominated Company's representatives. Failure by bidders to observe this instruction will lead to disqualification of such bids.

Inquiries and clarification contacts:

e-mail: Seic-surplus-disposal-team@sakhalinenergy.ru,

Contact numbers in Yuzhno-Sakhalinsk: +7 4242- 662209, 662034, 662542, 299284.

Inspection of the goods on offer:

Assets are located on a secured site of "Sakhalin Energy", Makarov Region, Sakhalin Island, Russia.

Access to the Site is restricted and inspection of Assets on offer can be arranged only via Sakhalin Energy Surplus Disposal Team at the following email address:

Seic-surplus-disposal-team@sakhalinenergy.ru

Terms and conditions of sale:

1. Description of the Assets on offer:

Additional information on Assets is provided in the datasheets accompanying this Invitation to Tender.

Assets are being offered in 5 separate lots*:

- **Lot DRF165-05 – Accommodation and office modules and all other equipment of the camp accommodation area including canteens, first aid station, laundry, guard houses, compact 15 kW gensets, all installed furniture and household appliances**
- **Lot DRF165-02 - Diesel power station : 2 modules x 630 kW each and 1 guard house**
- **Lot DRF165-03 - Water treatment unit BOV-100 c/w tanks**
- **Lot DRF165-04 - Sewage treatment plant STEL-100 c/w tanks**
- **Lot DRF165-06 - Relocatable prefabricated building SKZ 18x30x6m (workshop)**

*Detail specification and photographs are provided in separate document which is attached to the Invitation to Tender.

2. The Assets offered are located on territory of the former project camp “Pugachevo” of the Sakhalin-2 project, Makarov Region, Sakhalin Island (hereafter referred to as Site) and therefore will be offered from the physical place of existing storage on “as is – where is” basis. The Purchaser is fully responsible to dismantle, prepare and ship the Assets from Site.
3. The Assets on offer are not subject to Russian Federation (RF) Customs control and are free circulated within RF.
4. All bids shall be tendered in Russian rubles. Bidders are requested to complete the Bid Submission Form (Appendix 1 to this Invitation To Tender) and to send it to the Contracting Tender box as per General Terms specified above.
5. Seller does not bind itself to award sales agreement to the highest or any tender received. Asset being offered for sale may not necessarily be awarded for sale after the subsequent analysis of bids. Seller reserves right to withdraw any lots on offer.
6. The physical transfer of the Asset shall be made on “as-is – where is” basis and Seller shall not be responsible vis-à-vis the Purchaser for warranties and guarantees for workmanship which may normally be applied to the sales of goods under applicable laws. For this reason, it is strongly recommended that prospective bidders or their agents inspect the goods to confirm quantities and condition of the goods prior to submitting their bids.
7. Payment for goods awarded shall be transferred to the account of “Sakhalin Energy” as stated on the invoice within 3 days of the issue date of the official invoice. The Purchaser should accept the Assets and sign the Act acceptance within 10 days of the issue date of the official invoice.
8. Subsequently goods awarded shall not be released until payment is made in full and funds have been fully received by Sakhalin Energy”.
9. The Purchaser should be responsible for completion of the dismantling and removal of the Assets from the Site before following dates:
 - **Lot DRF165-05 - removal of Assets to be completed within 50 calendar days from the date of signing of the Act of acceptance**
 - **All other lots - removal of Assets to be completed within 15 calendar days from the date of signing of the Act of acceptance**

10. The Purchaser shall be responsible for permit and approval or other formalities required for operation and maintenance of the Asset from the moment of the Act of acceptance is signed. The Purchaser is fully responsible for safe dismantling, loading and transportation of the purchased Assets and for compliance with all applicable RF HSES norms and rules. The Purchaser must not hinder "Sakhalin Energy" representatives to monitor the Purchaser's compliance with the said above norms on a territory of the former project camp "Pugachevo". The Purchaser should stop any its activity immediately on getting such a request from authorized "Sakhalin Energy" representatives.
11. The Purchaser shall protect, defend, release, indemnify and hold Seller harmless from and against any claims, actions, liabilities, charges, demands, judgments and expenses (including legal expenses) which may be incurred by Seller in connection with the failure of Purchaser to perform its obligations under the sales contract.
12. For non-fulfilment or improper fulfilment of the sales contract, its one-sided amendment or one-sided termination, the party in fault shall compensate to the other party the damage in the amount of the direct damage.
13. All the issues, which are not envisaged in the sales contract, shall be regulated by the existing legislation of the Russian Federation.

Bid Submission Form

Tender Reference: DRF163

Bidder - company name: _____

Bidder's INN (RF taxpayer ID, if exists) _____

Contact details:

address _____

phone _____

e-mail: _____

Lot reference number	Description	Offered price, VAT inclusive, RUR	Comments, special terms
DRF165-05	Accommodation and office modules and all other equipment of the camp accommodation area		
DRF165-02	Diesel power station : 2 modules x 630 kW each and 1 guard house		
DRF165-03	Water treatment unit BOV-100 c/w tanks		
DRF165-04	Sewage treatment plant STEL-100 c/w tanks		
DRF165-06	Relocatable prefabricated building SKZ 18x30x6m (workshop)		

Name of the contact person: _____

Signature: _____

Date: " ____ " _____ 2010