**TERMS AND CONDITIONS FOR SUBMISSION OF FINAL OFFERS**

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

**FOR THE NEEDS OF BULGARGAZ PLC FOR THE PERIOD 2024-2034.**

1. **SUBJECT OF THE TENDER:** supply of liquefied natural gas (LNG) for the needs of Bulgargaz PLC for the period 2024-2034.
2. **TERMS OF DELIVERY:**
3. **Annual Quantities Required:** 34,000,000 MMbtu
4. **Flexibility in terms of the requested size of cargo**:
* **Maximum cargo size** - 1,000,000 MWh/ ≈ 3,400,000 MMbtu;
* **Minimum cargo Size** - 500,000 MWh/≈ 1,700,000 MMbtu;
* **Minimum/maximum deviation of the delivered quantity from the requested quantity** - to be declared but not more than +/- 5%;
1. **LNG quality:** in full compliance with DESFA's and Alexandroupolis INGS's general natural gas specifications at the entry;
2. **Delivery period**: 1 January 2024\* - 1 January 2034.

\* *Note*: *no later than the date of commercial operation of INGS Alexandroupolis.*

1. **Place of delivery (unloading)**: Alexandroupolis INGS or, exceptionally and upon request by Bulgargaz PLC – LNG terminal in Turkey;
2. **Delivery Terms** - DES (Delivery Ex-Ship);
3. **Demurrage** - 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 prior to the applicable Scheduled Delivery Date;
4. **Penalties for undelivered quantities:** in case the Supplier fails to deliver more than 1 cargo in any year of the Contract, the amount of penalties payable to Bulgargaz PLC for the second and for each subsequent cargo in the same year shall be equal to the amount paid by the Supplier for the provision of replacement gas.

**STAGE VII Submission of final binding offers**

**1. Deadline for submission: by 22:00** CET **on 9th March 2023.**

Participants should submit *an electronically signed final offer in the format - Annex No. 1* to these Terms and Conditions, together with the annexes thereto, by e-mail to the following address: *tenders@bulgargaz.bg*, in an archived format with a password, by 22:00 CET on **09th March 2023**.

The password must be sent via separate e-mail to the same e-mail address no earlier than 9:00 a.m. and no later than 11:00 a.m. CET on **10th March 2023**.

**2. Mandatory content requirements**:

* 1. **Quantity:**
* The quantity offered shall be not less than 34,000,000 MMBtu/year;
* minimum/maximum deviation of the delivered quantity from the requested quantity - not more than +/- 5%;
	1. **LNG quality:** in full compliance with DESFA's and Alexandroupolis INGS's general natural gas specifications at the entry;
	2. **Terms of Delivery:** DES (Delivery Ex-Ship);

The Supplier may offer substitute gas to VTP Greece/VTP Bulgaria, exceptionally and subject to the express prior consent of Bulgargaz PLC.

* 1. **Place of delivery (unloading):** Alexandroupolis INGS or, exceptionally and upon request by Bulgargaz PLC – LNG terminal in Turkey;
	2. **Transfer of Title:**

*\* Preferred option for "Bulgargaz" PLC: Title to and the risk of loss of the LNG cargo to be transferred from Seller to Buyer upon delivery of the LNG by Seller at the Delivery Point.*

* 1. **Price:** The offer price should reference Henry Hub (HH), and the supplier should propose a mechanism to convert the delivered price from USD/MMbtu to EUR/MWh. The price should include all delivery costs to Alexandroupolis INGS (LNG terminal in Turkey) ;
	2. **Method and terms of payment upon conclusion of a contract;**
	3. **Additional Costs** that may beincurred by Bulgargaz PLC during delivery (estimated Boil-off - no more than 0.15% per day, port costs);
	4. **Delivery Period** - the proposed delivery period should be 3, 7 or 10 years, and Bulgargaz EAD may conclude contracts with different suppliers for the following periods:
* **3-year period**: from 2024 to 2026 inclusive
* **7-year period**: 2027 to 2033 inclusive
* **10-year period**: 2024 to 2033 inclusive
	1. **Validity of Offer:** minimum 30 days from the date of opening of Offers;
	2. **Power of Attorney** - to be attached if the tender is signed by a proxy.

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

* has submitted an Offer and/or Password outside the time limit;
* submitted an Offer whose content does not meet the above-mentioned mandatory requirements or a password that does not unlock the Offer submitted.

**Evaluation and ranking of Final Binding Offers**

The Final Offers of the Participants will be opened by the committee appointed by the order of the Executive Director of Bulgargaz PLC at 12:00 p.m. CET on **10th March 2023**.

The Final Offers will be evaluated and ranked by the Commission *according to the Criterion of the proposed lowest delivery price, in* accordance with the *Methodology for Determining the Complex Evaluation of Offers Referring to the HH Index - Annex 2* to these Terms and Conditions. Participants shall not be entitled to modify the payment terms or other conditions proposed in the Initial Binding Offers, except for the parameters expressly described in these Terms and Conditions.

After the evaluation of the Offers is completed, the Committee will carry out the ranking. For this purpose, the prices obtained will be compared for the period for which the futures indexes are published at the date of the ranking HH - at <https://www.cmegroup.com/markets/energy/natural-gas/natural-gas.settlements.html> . The price formulae proposed by the participants will be applied for the purpose of calculating the price for the period. The calculated price based on the averaged prices for each of the delivery periods will be used to determine the evaluation.

By 17:00 Central European Time (CET), on **15th March 2023**, Bulgargaz EAD will notify by e-mail, to the e-mail addresses indicated by them, the qualified participants who should send a draft of the Sale and Purchase Agreement for the respective period.

**Negotiation of the Sale and Purchase Agreement with the qualified participants**

Bulgargaz PLC will, if necessary, conduct negotiations with the qualified participants on the draft Purchase and Sale Agreement sent by them. As a result of the negotiations, no higher price than the Final Offer may be agreed upon.

A final draft of the Sale and Purchase Agreement agreed upon between the parties will be sent to the **national regulatory authority - the Energy and Water Regulatory Commission (EWRC) for approval. Upon approval, the parties will sign the Contract approved by the EWRC.**