**TERMS AND CONDITIONS**

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

**FOR THE NEEDS OF BULGARGAZ PLC FOR JUNE 2024**

1. **SUBJECT OF THE TENDER:** supply of liquefied natural gas (LNG) for the needs of Bulgargaz PLC for June 2024.
2. **TERMS OF SUPPLY:**
3. **Total annual quantity:** 1 000 000 MWh ≈ 3 400 000 MMBtu
   1. **Delivery Profile:**
   2. **Minimum/maximum deviation of the delivered quantity from the nominated quantity -** to bedeclared but not more than +/- 5%.
   3. **Delivery Window**

24 June 2024 - 25 June 2024

1. **LNG Quality:**

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

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

|  |  |  |
| --- | --- | --- |
| **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 % |
| Gross Calorific Value | 8,900 Kcal/Sm3 | 10,427 Kcal/Sm3 |
| Wobbe index | 47.30 Mj/m3 | 53.95 Mj/m3 |
| H S 2 | - | 5.0 mg/Nm3 |
| Mercaptan Sulphur | - | 5.0 mg/Nm3 |
| Total sulphur, including mercaptans | - | 50 mg/Nm3 |

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 -8 °C at a pressure of 80 barg

LNG shall not encompass particles of a size that does not pass through a 0.0098 inch sieve.

LNG shall not include water, oxygen and carbon dioxide.

LNG shall not contain active bacteria or bacteria-coating materials, including, but not limited to, bacteria that reduce sulfate or produce acid.

LNG shall not contain any poisonous or hazardous materials.

1. **Place of delivery (unloading**): LNG Terminals in Turkiye
2. **Delivery Terms** - DES (Delivery Ex-Ship)
3. **Seller's responsibility**

In the event 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 the undelivered quantity to Seller, including Buyer's respective facility costs, capacity reservations, transportation, reasonable marketing costs and other costs incurred by Buyer, if any, as a result of Seller's failure to provide; 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** - 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 date of the scheduled delivery. Seller shall be obliged to provide evidence of the calculated demurrage rate.
2. **REQUIREMENTS FOR 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, and with good commercial reputation and free of interest in companies from 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 for the last three years;
7. Not be in liquidation or insolvency proceedings and not be declared insolvent under the national law of registration.
8. **STAGES OF THE PROCEDURE**

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

By 22:00, Bulgaria local time on 9th May 2024, all interested persons who wish to participate in this 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 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 necessaryto submit a completed *Questionnaire.*

A committee appointed by order of the Executive Director of Bulgargaz PLC will verify the compliance of the applicants with the requirements for participation in the procedure on the basis of the submitted documents and will notify the applicants admitted to participating in the next stage of the tender procedure by 16:00, Bulgarian local time on 10th May 2024, by e-mail to the e-mail addresses indicated by them.

**No applicant will be admitted to Phase 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.

By 16:00 Bulgaria local time on 10th May 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: 22:00** Bulgarian local time **on13th May 2024.**

Candidates admitted to participate in Stage II of the Tender Procedure shall submit *an electronically signed offer in a form - Annex No. 2* to these Conditions, together with the annexes thereto, by e-mail to the following address[:](mailto:tenders@bulgargaz.bg) tenders@bulgargaz.bg, in an archived format with a password by 22:00 Bulgarian local time on 13th May 2024.

The password must be sent by a separate e-mail to the same e-mail address no earlier than 9:00 a.m. and no later than 11:00 am Bulgaria local time on **14th May 2024.**

**2. Mandatory content requirements**:

* 1. **LNG quantity**
* the quantity offered shall not be less than 1 000 000 MWh or 1 cargo ;
* minimum/maximum deviation of the delivered quantity from the nominated quantity - not more than +/- 5%;

* 1. **Quality of LNG**

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

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

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LNG shall not include water, oxygen and carbon dioxide.

LNG shall not contain active bacteria or bacteria-coating materials, including, but not limited to, bacteria that reduce sulfate or produce acid.

LNG shall not contain any poisonous or hazardous materials.

* 1. **Terms of Delivery:** DES (Delivery Ex-Ship)

**Place of delivery (unloading):** LNG Terminals in Turkiye

* 1. **Price**:

The offered price shall reference the TTF front month (Argus) or TTF MA (ICIS) for the month in which the delivery window falls in euro per MWh and shall include all delivery costs to an LNG Terminal in Turkey.

*TTFfm (Argus) = the value of the TTF Front Month Index, published in Argus European Natural Gas - Daily Natural Gas Market Prices, in the column titled "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 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  shall mean the simple average, rounded to three (3) decimal places of the TTF monthly price quotes (using the simple average of the bid and offer quotes) for the Pricing Month as published in ICIS Heren European Spot Gas Markets* *under the heading TTF Price Assessment on all days on which a price is published for which that contract is the Front Month. “Front Month” for any day is the earliest calendar month for which TTF monthly price quote is published for such day in ICIS Heren European Spot Gas Markets. Pricing month is June 2024.*

* 1. **Delivery window**

LNG Cargo Arrival Window: 24 June 2024 – 25 June 2024

* 1. **Method and terms of payment** upon conclusion of an agreement:
* 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.*

***Offers requiring the Buyer to issue a bank and/or corporate guarantee as security and/or credit support will not be considered.***

* 1. **Additional costs** that mayarise for Bulgargaz PLC upon delivery (assumed boiloff - no more than 0.15% per day, other);
  2. **Declaration of absence of circumstances, in the form -** *Annex № 3 to these conditions.*
  3. **Power of attorney** - to be attached if the offer is signed by a proxy.

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

* has submitted an offer and/or password outside the time limit;
* has submitted an offer the content of which does not comply with the above mandatory requirements or a password that does not open the submitted offer.

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

The offers of the participants will be opened by the committee appointed by the order of the Executive Director of Bulgargaz PLC at 12:00 noon, Central European Time (CET) on **14th May 2024.**

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

* submitting an offer and/or password outside the deadline;
* submitted an offer whose contents does not comply with the above-mentioned mandatory requirements or a password that does not open the offer submitted.

The offers will be evaluated and ranked by the Commission according to the *Evaluation Methodology* - *Annex 4* to these Conditions.

By 17:00 Bulgarian local time, on 14th May 2024 Bulgargaz PLC will notify by e-mail, to the e-mail addresses they have indicated, the ranked participants with whom it will conclude agreement, for the amount of the announced quantity for June 2024.

Within the same timeframe Bulgargaz PLC will inform the participants not admitted to evaluation and ranking with an individual motivated letter by e-mail, to the e-mail addresses indicated by them.

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