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LNG FSU Shipping Requirement

Request for Offer (RFO)

18 April 2022

About DESFA

The Hellenic Gas Transmission System Operator (DESFA) S.A. is responsible for the operation, management, utilization and development of the National Natural Gas System and its interconnections, in a technically sound and economically efficient way, in order to best serve its users with safety, reliability and adequacy.

Contributing decisively to the security of supply and the diversification of supply sources of the wider region, DESFA also facilitates the development of competition in the Greek energy market, while systematically striving for the reduction of greenhouse gas emissions.

Possessing extensive experience and having a highly skilled staff, DESFA is a reliable partner in the framework of the ongoing international energy projects in South Eastern Europe.

More information on DESFA can be found at <https://www.desfa.gr/en/company>

1) The Project

DESFA has identified the need to secure additional LNG storage capacity at the Revithoussa LNG Terminal, located in the Islet of Revithoussa, in the Gulf of Megara west of Athens, Greece. The requirement for such additional LNG storage capacity relates to a) in the short term, ensuring the security of energy supply for Greece and b) in the mid-long term the fundamental underlying demand for natural gas going forward for both domestic consumption and export to neighbouring countries. Please see outline requirement below:

- Requirement

- Prompt procurement of a conventional LNG vessel of preferred capacity between 150,000cbm – 174,000cbm for a period of 12 to 18 months. On a case by case basis, Charterers may consider other sizes to be evaluated on the merits of each commercial proposal. Such vessel to be contracted starting within May-July 2022. The vessel to be used as a Floating Storage Unit (FSU) and positioned within the Gulf of Megara with regular calls at the Revithoussa LNG Terminal. Candidate vessels shall at time of Delivery to Charterers, and throughout the duration of the charter, be compatible with the Revithoussa LNG Terminal and have on board all necessary equipment for the conduction of STS equipment. In addition, ship-Owners to be able to showcase their ability to safely, and in line with international safety and operational standards, conduct STS operations for both full and partial cargo lots.

As per timeline under heading 4 of this document, DESFA aims to conclude this tender no later than 6 May 2022. Indicative, non binding offers are due on Tuesday 19 April 2022 19:00hrs Athens Time. Upon initial evaluation of indicative offers on commercial, operational and qualitative basis, DESFA will short-list a select few Owners and revert to each with comments and an indicative, non-binding counter proposal. Following this, a best and final, binding offer will be requested from Owners. Please see timeline under heading 4.

2) Outline Requirement

Please insert relevant information

<u>Template</u>	
Vessel Type	LNG Carrier to act as an FSU
LNG cargo Capacity	150,000cbm – 174,000cbm at 100% filling capacity – Comment; <i>On a case by case basis, Charterers may consider other sizes to be evaluated on the merits of each commercial proposal.</i>
Charterer	Hellenic Gas Transmission System Operator (DESFA) S.A.
Owner	TBA – Owner to insert Full Style
Vessel	Owner to advise
Vessel's Particulars	As per attached Form B
Ship Manager	Owners to provide full details of their in-house LNG ship management Company and share relevant documentation and certifications.
Flag	Owners to indicate – In case not European Union flag, Charterers shall have the right, by tendering to Owner 60 days written notice in advance, to request Owners to change their Vessel's flag to a European Union flag of their choice. All costs relating to change of flag shall be exclusively for Owner's account.
Time Charter Party	Shell LNG T1 / T2 with logical amendments in line with the terms of this agreement
Delivery Window	Owners shall deliver the vessel to Charterers between 00:01hrs LT 1 st May 2022 and 23:59hrs LT 30 th July 2022. Owners to offer indicatively, basis their best and most commercially competitive 14 day delivery window. Charterers may alter/counter such laycan following careful evaluation of their needs.
Delivery location	Arrival Pilot Station Revithoussa Terminal, or Safe Anchorage, within the Gulf of Megara, Greece.
Delivery Condition	Cold or warm in Charterer's option to be declared upon reception of the first firm delivery notice. If warm, LNG required for cool down to be for Charterers account and time required to effect Cool Down of tanks to be for Owners' account.
Delivery Notices	Owners to provide Charterers with 45, 30, 25, 20, 15, 12, 10, 7, 5, 3, 2, 1 days firm notice of Delivery with respect to Date and Location
Charter period	Owners are invited to offer on the following periods: Period 1: 365 days firm +/- 30 days in Charterer's option, to be declared in line with redelivery notices Period 2: 365 days firm +/- 30 days in Charterer's option to be declared in line with redelivery notices - Period 2 Option: 180 days +/- 15 days to be declared 60 days prior to expiry of the firm period Period 3: 545 days firm +/- 30 days in Charterer's option, to be declared in line with redelivery notices
Redelivery Location:	Dropping Last Outbound Pilot (DLOP) or Safe Anchorage, Revithoussa Terminal, Greece.
Redelivery notices	Charterers to provide Owners with 45, 30, 25, 20, 15, 12, 10, 7, 5, 3, 2, 1 days firm notice of Redelivery with respect to Date and Location
Charter Rate	Period 1: US\$ XX,XXX per day and pro rata for any part of the day Period 2: US\$ XX,XXX per day and pro rata for any part of the day - Period 2 Option: US\$ XX,XXX per day and pro rata for any part of the day

	Period 3: US\$ XX,XXX per day and pro rata for any part of the day
Redelivery condition	Subject to the vessel having received a cargo within the last 30 days of the charter, Owners shall have the option to purchase up to 3,000cbms of LNG Heel to be declared 25 days prior to Redelivery and priced at the LNG Price. In case Owners do not exercise their option to retain any LNG Heel, the Vessel shall be instructed to Heel Out. Any LNG Heel retained on board after completion of discharge as a result of un-pumpable quantities (limited to max 200 m3) shall be kept by Owners free of charge. In the event the Terminal instructs the Vessel to retain LNG heel in excess of that nominated by Owners, cost for such LNG heel is for Charterers' account and Owners shall retain it free of charge.
LNG Price at Delivery	Owner's DES Price at previous discharge prior to Delivery to be documented by supporting evidence.
LNG Price at Redelivery	Charterers' last DES Price; defined as the unit price of LNG reserves for the offsetting of Revithoussa LNG terminal's operating gas, (as provided for in the NNGS Code), upon Redelivery, to be documented by supporting evidence.
Fuel price	US\$/MT as per last invoiced price for each different grade purchased, as evidenced by supporting documentation.
Bunkers on delivery / redelivery	Charterers shall accept and pay for all bunkers (which shall include fuel oil, gas oil or any of their low sulphur equivalents) and LNG Heel on board at the time of Delivery valued respectively at the Fuel Price at Delivery and the LNG Price at Delivery, and Owners shall upon Redelivery (whether it occurs at the end of the charter or on the earlier termination of this charter) accept and pay for all bunkers and LNG Heel (less unpumpables) remaining on board, valued respectively at the Fuel Price and the LNG Price on Redelivery.
Vetting	At the time of Delivery and at any time during the Charter, the Vessel shall have a valid "operational SIRE" of not less than 6 months of age.
Ship-to-Ship	At the time of Delivery and at all times during the Charter, the Vessel shall have on board a certified, fully operational STS equipment kit. The vessel to be able to conduct STS operations for loading/discharging full and partial cargo lots. Owners to indicate within their offer the full list of STS items their vessel will be delivered with.
Compatibility	Owners to warrant that at time of Delivery of the vessel to Charterers, and throughout the duration of the charter, the vessel will be fully compatible to the Revithoussa LNG Terminal.
Law	England & Wales
Broker	SSY Gas Ltd to be paid 1.25% of all hires earned and paid inclusive of any hire on the ballast bonus. Commission paid by Owners.
Validity	Indications to be submitted no later than Tuesday 19 April 2022 19:00hrs Athens Time
Any agreement to be subject to the following condition precedents:	1. DESFA Board of Directors Approval to be granted no later than 18:00 hours London time, 05 May 2022 2. Charterer's and Owner's KYC and Credit subject to be lifted no later than 18:00 hours London time, 03 May 2022 3. Charterer's vetting subject to be lifted no later than 18:00 hours London time, 05 May 2022 4. Mutual Agreement of the Time Charter Party terms to be lifted no later than 18:00 hours London time, 09 May 2022 Subjects to be extended by mutual consent, not unduly withheld

3) Key evaluation parameters

DESFA will evaluate offers on the following basis;

- Suitability of the technical specifications of the vessel, to match DESFA's floating storage requirement. Propulsion, capacity, containment, reliquefaction (if any) will all be assessed. Specifically, Owners need to specify the items of equipment which need to be installed or will be on board prior to delivery, in order for the effective, safe and unencumbered operation of the vessel for STS operations. Compatibility with Revithoussa LNG Terminal is a pre-requisite of this requirement.
- Commercial terms including, but not limited to; vessel performance (fuel consumptions and boil-off rate), daily hire rate, tank condition of vessel on delivery, Owners requirement for heel on redelivery, period and preferred structures Owners can offer and finally, TC period extension options Owners are willing to consider.
- Charterers will also take into account factors such as fleet size, in house management, and operational excellence. Owners are required to provide as much information as possible on all of these matters. In-house LNG ship management of the candidate LNG vessel is a pre-requisite for this requirement; meaning the technical and operational management of the vessel will be exclusively handled by the ship-Owner's own LNG ship management company or a direct affiliate thereof, and not outsourced to a 3rd party ship management company. Furthermore, such LNG ship-management company shall be domiciled within a European Union country.
- Owners' track record in previous FSU / FSRU business and STS (ship to ship) operations. As much information as possible should be shared on this point.
- Owners to include a full list of STS equipment the vessel will have on board at time of Delivery to DESFA.

4) Tender Timeline

- a) Today (18/04/2022); Circulation of ITT/RFO
- b) Indicative, non binding offers due no later than Tuesday 19 April 2022 19:00hrs Athens Time.
- c) Evaluation and countering process no later than 26 April 19:00hrs Athens Time.
- d) Request for best and final firm offers no later than 2 May 2022 19:00hrs Athens Time.
- e) Best and final firm and binding proposals to be valid until 6 May 2022 19:00hrs Athens Time.

The above timeline is subject to changes at DESFA's discretion.

All correspondence to be sent and received through;

To: lng@ssygas.com

CC: a.giannakopoulos@desfa.gr, j.chomatas@desfa.gr, a.daskalopoulou@desfa.gr

5) Rules / Regulations / Disclaimer

Any and all clarifications received and responded to by DESFA will be shared with all tender Participants on a no-name basis.

DESFA retains the right to not respond to any of the participants and pause the tender process, without any further obligation to any Participant.

DESFA and SSY greatly look forward to your submissions and remain available for any clarification that may be needed.

Yours faithfully,

SSY Gas Ltd. on behalf of DESFA S.A.