

Shell Canada Limited

Shelburne Basin Exploration Drilling Project

EXPRESSION OF INTEREST (EOI): Standby Vessel

BIDS Category: 9300 / 9305

Package number: Shell 17

Issue date: May 7, 2014

Closing date: May 22, 2014

GENERAL

In association with the acquisition of Exploration Licenses 2423, 2424; 2425, 2426, 2429 and 2430 located 350 km south of Halifax offshore, Shell Canada Limited (Shell) has committed to carrying out an exploration drilling program within an initial 6-year exploration period commencing on 1 March 2012. It is Shell's current intention to drill up to 3 exploration wells in these exploration blocks commencing approximately May 2015.

Shell is committed to ensuring that full and fair opportunity is provided to Nova Scotia and Canadian companies through employment, procurement and contracting.

As part of the Project, Shell requires the services of vessel support to the Marine Drilling Operation. Additional regulatory and stakeholder engagement support may also be required, as well as other standby vessels and well containment vessels in support of the Project.

Interested companies are requested to demonstrate their capabilities and previous experience on similarly scoped projects via a formal response to this EOI.

SCOPE OF WORK

Shell is seeking qualified companies interested in providing an Offshore Standby Vessel (STBV) in support of Shell's Shelburne Basin Exploratory Drilling Project; which proposes potentially two wells (2) in 2015 and one (1) optional well to be drilled in 2016 offshore Nova Scotia, Canada.

Vessels shall be of industry standard; suitably equipped and in compliance with the proposed Canadian Standby Vessel (CSBV) Guidelines (as issued jointly by the C-NLOPB, CNSOPB and NEB boards as defined in the document as the Board) and which is speculated to be in force for the 2015 drilling season.

STBV shall be in compliance of International Maritime Organization (IMO) (under which fall SOLAS, MARPOL, COLREGS, STCW, et al.).

Preference shall be given to vessels being Canadian flagged and crewed.

This project is subject to budgetary and regulatory approvals.

Desired commencement dates for the program is intended for May 2015. The estimated duration for each well is 120 days without formation test. Shell operations will be conducted from Nova Scotia, Canada and it is expected that the successful contractor will have operations based in Nova Scotia, Canada.

MINIMUM REQUIREMENTS

The pre-qualification minimal requirements for the Standby Vessel are as follows:

1. In full compliance and certified with Transport Canada, Canada Nova Scotia Offshore Petroleum Board (CNSOPB), and in class by the International Association of Class Society (IACS) Class Society.
2. In full compliance of the proposed Canadian standby vessel (CSBV) guidelines that are anticipated to be applicable in 2015 in line with the drill program timeline.
3. Minimum 21 day endurance or duration at sea.
4. Stability Data Requirement – Vessel is required to undergo an assessment of Stability conditions in a full range of emergency response and routine operational conditions likely to be encountered. Assessment will be witnessed and signed off by Classification Society. Guidance to requirement can be found in the proposed CNSOPB CSBV Guidelines.
5. Max Speed attainable will be at least 12 knots.
6. Propulsion System meet the following:
 - Mandatory that Vessel is Class Approved DP2 including 2 independent relative systems.
 - All reports and documentation (FMEA's, Annual DP Trials, and Capability Plots) must be provided three (3) months prior to commencement of Contract.
7. The bridge will offer 360' visibility (can be aided by camera or extra look out) with an unobstructed view of the water adjacent both sides of the rescue zone and helicopter winching area.
8. Vessel shall be fitted with an approved system for fighting fires onboard drill ship compliant with recognized Classification Society notation rules for respective level of Classes respectively:
 - a) ABS FFV 1- FFV2- FFV3;
 - b) BV Firefighting Ship 1-2-3
 - c) DNV Firefighter I-II-III
 - d) GL FF1-FF2-FF3
 - e) LR Firefighting Ship 1-2 or 3
9. Emergency Response Performance Criteria will require a performance evaluation by the Board and meet the following requirements; Within 75 minutes of being alerted to an emergency the vessel shall be capable of meeting the following criteria:

- a) Launch FRC within 5 minutes;
 - b) Make the powered survivor retrieval device ready within 20 minutes;
 - c) Deploy scramble nets within 5 minutes; and
 - d) Retrieve 10% of the numbered survivors the drill ship is certified for carrying (or maximum number of POB of helicopter used in the area, which ever higher), using both Fast Rescue Craft (FRC) and powered retrieval device.
10. Rescue Zone to be fitted according to Regulations.
11. FRC will be equipped as necessary to meet the performance criteria of item 9. FRC will have dedicated davit for launch and recovery.
12. Powered Survivor Retrieval Device (Dacon Scoop or equivalent) will be capable of retrieving unconscious person from water and have a SWL of 600kg.
13. Vessel shall be equipped with a gas detection system with at least 2 fixed monitors capable of detecting H2S concentrations of 5ppm and giving an audible alarm on bridge.
14. De-icing Equipment be available to allow effective de-icing of the designated rescue zone and recovery equipment areas as well as passenger ways thereto.
15. Deck area for survivors the vessel is certified for will be 0.75m² and will be adequately sheltered, heated, ventilated and lit. The following areas may not be included as space:
- a) Galley and food storage areas;
 - b) Navigation Bridge;
 - c) Engine room spaces; and
 - d) any areas covered by permanent furnishings other than bunks or seating appliances.
16. Mandatory that Vessel is classed DP2 and all reports and documentation must be provided three (3) months prior to commencement of Contract.

EXPRESSION OF INTEREST REQUIREMENTS

INFORMATION REQUIRED

As a minimum, companies submitting an expression of interest will be required to provide information on the following:

1. Confirmation that the vessels to be offered in a subsequent tender will meet all pre-qualification criteria; legislation and board guidelines prior to Commencement Date.
2. List of modification requirements, if applicable, to meet minimum vessel specifications as listed above and Canada-Nova Scotia Offshore Petroleum Board regulatory requirements.

3. Summary of vessel specification sheet for vessels offered.
4. Vessel availability dates.
5. Clarify alternative vessel availability and specifications, reference to foreign flagged vessels as applicable.
6. Ability and experience in providing vessel supply services in supporting drilling operations, particular importance placed on crew experience and performance.
7. Confirmation that the organization has documented operational, maintenance and HSE management systems incorporated into daily work practices.
8. Willingness to work with Shell on acceptable employment and expenditure benefits; and
9. Location of your organization, general corporate information and contact information.

In addition to the above information please complete the Prequalification Questionnaire and submit with your response. Please contact the undersigned for this document.

Shell will select qualified bidders from respondents to this EOI.

Included in the qualification process is a Safety Assessment: All companies providing a formal response to this EOI must be registered with ISNetworld (ISN) (<http://www.isnetworld.com/>) to enable Shell to assess safety management systems and help pre-qualify potential suppliers. Please note that there may be a registration cost involved, dependent upon company size.

Due to the risk and anticipated spend of this contract, an additional on-site assessment of interested companies' safety management system will occur as part of Shell's pre-qualification process.

Pre-qualified companies will be required to complete a Contractor Local Implementation Plan, and demonstrate their commitment to and compliance with Shell requirements regarding Canada–Nova Scotia Benefits, during the tender process.

BID SCHEDULE

Expressions of Interest must be received on or before **May 22, 2014 at 1:00 PM AST**.

A Request for Proposal (RFP) will be issued to a list of qualified bidders chosen from the responses to this EOI. Issue of the RFP is anticipated in Q2 of 2014 and award is contingent on internal governance processes in 2014.

All inquires and Expressions of Interest (**electronic format only**) must be clearly marked with the EOI reference number and should be directed to:

Shell Canada Limited
1701 Hollis Street, Suite 900
Halifax, NS B3J 3M8

Attention: Janice D. Frost,
Local Benefits Manager
Email: Janice.Frost@Shell.com

In addition:

Potential suppliers for this Project, if they have not already done so, are encouraged to register their companies with BIDS at:

Phone: 1-800-397-0393

Email: distribution@bids.ca