



**THE GOVERNMENT OF JAMAICA**

**PETROLEUM CORPORATION OF JAMAICA**



**PREQUALIFICATION DOCUMENT**

**FOR**

**THE SHORTLISTING OF POTENTIAL PROVIDERS  
OF LNG FLOATING TERMINAL SOLUTIONS**

**Prepared By:  
Petroleum Corporation of Jamaica  
36 Trafalgar Road, P.O. Box 579  
Kingston 10  
Jamaica**

**April, 2007**

**Prequalification Document**  
**for**  
**Investors to Prequalify for the Opportunity to Provide Floating Terminal Solutions**  
**for the Receipt of Liquefied Natural Gas**

**Table of Contents**

|   | <b>Page</b> |
|---|-------------|
| Section I Invitation to Prequalify.....                   | 1           |
| Section II Prequalification Document.....                 | 2           |
| A. Background.....  | 2           |
| B. Procurement Process.....                               | 3           |
| C. Information Memorandum .....                           | 5           |
| D. Proposed Privatisation Timetable.....                  | 5           |
| E. Instructions to Applicants .....                       | 5           |
| F. Prequalification Criteria.....                         | 7           |
| G. Evaluation Procedure.....                              | 9           |
| Appendix A Applicant's Prequalification Document          |             |
| Appendix B Notice of Receipt of Prequalification Document |             |

**April, 2007**

## **Section I**

### **Invitation to Prequalify**

#### **To Submit a Proposal for the Provision of a Floating Terminal To Receive Liquefied Natural Gas, Port Esquivel Area, Jamaica**

The Petroleum Corporation of Jamaica (PCJ) acting as the agent of Government of Jamaica (GOJ), invites interested investors to submit Prequalification Documents in order to be considered for selection as Prequalified Applicants. Prequalified Applicants will be afforded the opportunity to respond to a Request for Proposal (RFP) in respect of the provision of a Floating Terminal for the Receipt, Storage and Regasification of Liquefied Natural Gas (LNG) in the Port Esquivel area on the southern coast of Jamaica.

Jamaica is an energy intensive economy with a per capita energy consumption equivalent to over ten barrels of oil per year. At the present time petroleum accounts for over 90 percent of commercial energy usage in Jamaica. As part of a strategy of energy diversification the GOJ is pursuing the introduction of natural gas as an alternative to petroleum with the objective of receiving first gas in 2009. PCJ is the agency charged with the implementation of the Jamaica Natural Gas Project.

To facilitate the objective of introducing natural gas by 2009, PCJ has decided to pursue the implementation of a floating LNG terminal. The PCJ is interested in procuring a Floating Storage and Regasification Unit (FSRU) or a broadly similar system.

PCJ will inform each Applicant of the disposition of its proposal for prequalification. Acting in its sole discretion, PCJ reserves the right to accept or reject any or all applications, without thereby incurring any liability to the affected Applicants or any obligation to inform the Applicants of the grounds for the action of PCJ. PCJ reserves the right not to award or enter into any contract or agreements with any Applicant, and may terminate the prequalification process at any time without thereby incurring any liability to any Applicant.

Unsolicited proposals will not be accepted and only Prequalified Applicants will be invited by PCJ to submit proposals in response to the forthcoming RFP.

**The closing date for receipt by PCJ of completed Prequalification Documents will be 1600 hours Kingston time, 18 May 2007.**

Requests for additional information and/or questions concerning the prequalification document may be submitted in writing to:

**Petroleum Corporation of Jamaica  
36 Trafalgar Road  
P.O. Box 579  
Kingston 10  
Jamaica.**

Attention: Mr. Stephen Wedderburn  
Telephone: +1 (876) 929-5380  
Facsimile: +1 (876) 929-2409  
E-mail: [stephen.wedderburn@pcj.com](mailto:stephen.wedderburn@pcj.com)

## **Section II**

### **Prequalification Document**

#### **To Submit a Proposal for the Provision of a Floating Terminal To Receive Liquefied Natural Gas, Port Esquivel Area, Jamaica**

##### **A. Background**

- 1.0 At present the Jamaican economy depends on imported oil to meet more than 90% of its commercial energy needs. In 2005 Jamaica imported about 25 million barrels of oil (about 9.4 barrel/capita). The petroleum consumption is mainly concentrated in bauxite/alumina production (36%); power generation (24%) and transport sectors (22.3%). International Bunkering and Aviation account for about 12% of petroleum consumption (2005).
- 2.0 Since the energy shock of 1973, Jamaica has endured numerous oil supply threats and upsurges in oil prices. During the past seven years the country's oil import bill has increased at a staggering rate of 21% per annum from US\$ 316 million in 1998 to about US\$ 1.6 billion in 2006.
- 3.0 Costs of production in all productive sectors and cost of living have been under immense pressure as a result of the increased price of oil. In the circumstances there is, among other things, continued threat to Jamaica's regional and global competitiveness and longer-term development sustainability. Energy supply security at affordable and stable prices to all economic sectors, particularly the vulnerable, is therefore on the top of Jamaica's Energy Policy agenda.
- 4.0 Economic and technical analysis has shown that a shift in the energy supply mix away from oil to imported natural gas and other cheaper energy sources (such as coal) are both technically and commercially attractive options. The benefits of natural gas, among others, include: long-term security of supply, stability in prices, improved energy use efficiency, lower cost of plant and maintenance (through the deployment of new, advanced and cost efficient power generation technologies e.g. Advanced Combined Cycle Gas Turbines - ACCGT) and improved environment.
- 5.0 In addition, if an LNG option were pursued the construction of a terminal would facilitate the establishment of an industrial park adjacent to the terminal facilities for the erection of Independent Power Producers (IPPs), use of cryogenic energy and

development of industrial projects (thus creating opportunities for industrial growth, employment generation and access to affordable energy by the vulnerable).

- 6.0 The Government has made a policy decision to introduce natural gas and other cost effective alternative commercial energy sources into Jamaica's energy supply mix. With regard to the introduction of LNG, the government has formulated a national energy diversification strategy. The timing of introducing natural gas is closely linked with the expansion of Jamalco's alumina facilities (2009).
- 7.0 The Government has Memoranda of Understanding with the Government of the Republic of Trinidad and Tobago and with the Government of the Bolivarian Republic of Venezuela regarding the supply of natural gas. It appears that LNG from either of these two sources will not be available in time to meet the 2009 target for first gas in Jamaica. Therefore the GOJ is now seeking bridging volumes of LNG to facilitate the 2009 startup.
- 8.0 The Jamaica Natural Gas Project has been developed on the basis of a startup volume of 1.2 million tonnes per annum (mtpa) of LNG. This volume would be split between Jamaica's alumina industry and the power generation sector. There is current market potential of 2.5 million mtpa.

**B. Procurement Process**

- 1.0 The process for procurement of the floating terminal solution including the selection of an investor (the Investor) with which to conduct negotiations, is expected to include the following elements:
  - 1.1 On the basis of the process as set forth herein, PCJ will Prequalify Applicants. Those Applicants who submit a completed Prequalification Document as contained in Appendix A of this document will be evaluated in accordance with the criteria outlined in Sections II F and IIG.
  - 1.3 The Prequalified Applicants will be requested to submit proposals in response to the issuance of a Request for Proposals (RFP).
  - 1.4. An evaluation of responses to the RFP will be carried out, and the potential investor submitting the best proposal ("the Highest Ranked Investor") will be selected. The Highest Ranked Investor will be invited to negotiate and sign an agreement for the provision of the floating LNG terminal. Based on the rankings, PCJ may also select standby investors from among the Prequalified Applicants.

2.0 PCJ shall not be bound to grant an exclusive right to negotiate to any potential investor. Negotiations will be opened with the Highest Ranked Investor, but in the event that PCJ, acting in its sole discretion, determines that it will not be possible to conclude the negotiations, it reserves the right to break off negotiations with the Highest Ranked Investor at any time and to begin negotiations with a standby investor.

**C. Information Memorandum**

1.0 Basic information the Jamaica Natural Gas Project will be provided in an Information Memorandum to be issued along with the RFP, but Prequalified Applicants will be expected to undertake their own due diligence

**D. Proposed Timetable**

1.0 The proposed timetable is as follows:

| <u>Activity</u>   | <u>Completion Date</u> |
|---|------------------------|
| 1. Submission of Prequalification Document by Interested Applicants | 18 May 2007            |
| 2. Issue RFP and Information Memorandum to Qualified Applicants     | 15 June 2007           |

**E. Instructions to Applicants**

1.0 General Rules

- (a) All information requested of Applicant shall be provided.
- (b) Answers must be provided to all Annexes in the Prequalification Document. If necessary, additional sheets may be attached.
- (c) Each sheet should be signed by a person or persons duly authorized to sign on behalf of the Applicant and any associated individuals or companies. Such authorization shall be indicated by one or more written powers-of-attorney accompanying the Prequalification Document.
- (d) Neither PCJ nor GOJ will enter into any communications with Applicants except to provide clarification, when necessary. At its sole discretion, PCJ will respond in writing to any reasonable requests for clarification which are submitted in writing. All clarifications will be circulated to all other recipients of the prequalification documentation.
- (e) All documents submitted by the Applicants will be treated as confidential and will not be returned.

2.0 Prequalification Documents:

- (a) Applicants are required to use the prescribed "Applicant's Prequalification Document" as contained in Appendix "A". Applicants are also required to

return the Receipt at Appendix "B" to confirm their intention to submit the Prequalification Document. This Prequalification Document consists of the following forms and annexes:

|          |  |
|----------|--|
| Form I   | Affidavit  |
| Form II  | Applicant's Organisation                                   |
| Form III | Information to be furnished by corporations                |
| Form IV  | Information to be furnished by unincorporated associations |
| Form V   | Detailed Information to be furnished by Applicant:         |
|          | Annex A Articles of Incorporation, etc.                    |
|          | Annex B Certificates of Registration                       |
|          | Annex C Curriculum Vitae of Key Personnel                  |
|          | Annex D Technical Capabilities                             |
|          | Annex E Experience   |
|          | Annex F Audited Financial Statements                       |

- (b) For determining the experience and technical capability of an unincorporated association, the experience and technical capability of each member shall be combined for evaluation.
- (c) For determining the combined financial capability of an unincorporated association, each member shall complete and submit "Annex F - Audited Financial Statements" for evaluation.

### 3.0 Instructions for Submission

(a) One (1) original and five (5) copies of the Applicant's Prequalification Document (Appendix "A") shall be received by PCJ on or before **1600 Hours, Kingston time, on 18 May 2007.**

(b) Applications shall be submitted to:

LNG Floating Terminal Procurement  
Petroleum Corporation of Jamaica  
36 Trafalgar Road  
P.O. Box 579  
Kingston 10  
JAMAICA

Attention: Mr. Stephen Wedderburn  
Telephone: +1 (876) 929-5380

- (c) Prequalification Documents which are received after the deadline will not be considered and the Applicant will be so notified.

4.0 Disposition of Applications:

PCJ will inform each Applicant of the disposition of its proposal for prequalification. Acting in its sole discretion, PCJ reserves the right to accept or reject any Applicant's Prequalification Document and to reject all applications, without thereby incurring any liability to the affected Applicants or any obligation to inform the Applicants of the grounds for the action of PCJ. PCJ reserves the right not to award or enter into any contract or agreements with any Applicant, and may terminate the prequalification process at any time without thereby incurring any liability to any Applicant.

**F. Prequalification Criteria**

1.0 The object of the prequalification exercise is to attract submissions from a wide range of prospective investors. This will allow Government to select from a large number of competing submissions.

1.1 PCJ is anxious to attract Applicants which have a strong track record in LNG shipping, terminalling, project implementation and technology development.. If an Applicant has insufficient experience in any specific area, it may associate itself with other individuals or companies, whose experience may be demonstrated in the application.

1.2 Applicants must satisfactorily demonstrate their capabilities in respect of the following:

1.2.1 Track Record

Applicant must be capable of demonstrating experience in LNG shipping and/or terminalling management and operations. The demonstration of superior knowledge of up-to-date operating and maintenance practices as well as security and management systems will be of paramount importance.

1.2.2 Ability to Raise Financing for Venture:

Applicant must demonstrate its ability to provide equity and raise loan capital such as would be required to finance the implementation of the LNG floating terminal system must provide documentation evidencing this ability.. The Applicant also must provide audited financial statements for the past 5 years. If an Applicant associates with other individuals or companies, then the names, background information and financial statements for these individuals or companies must be provided.

1.2.3 Technical Capability and Qualification

- (i) Applicant must provide evidence of having within its organisation the technical capability to manage the anticipated needs for implementation of the project, as well as the maintenance of the various systems.
- (ii) Curriculum Vitae of key personnel in the areas of LNG operations and management, engineering, and finance, which the Applicant proposes to employ for technical support as well as those to be employed during the negotiation and implementation phases of the venture shall be submitted.

1.2.4 Ability to Implement the Project in a Timely Manner

Applicant should provide evidence of its ability to implement the project within the desired time frame of two years. Applicant should provide evidence of relevant previous engineering and design work as well of evidence of previous involvement in similar projects.

**G. Evaluation Procedure**

1.0 Each Applicant's Prequalification Document will be evaluated and ranked in accordance with the following criteria.

- |  |
|--|
| <p><b>(A) Experience</b></p> <ul style="list-style-type: none"><li>(a) Scale of operations in LNG Shipping and/or Terminalling</li><li>(b) Scope of activities in the development of floating storage and regas systems</li><li>(c) Track record of successful operations, management, efficiency improvements and introduction of innovative technology and systems in the LNG industry.</li><li>(d) Period of involvement in Scale (a) and Scope (b) above</li></ul> <p><b>(B) Ability to Finance the Project</b></p> <ul style="list-style-type: none"><li>(a) Evidence of financing capability, audited financial statements and other supporting data and information for the last five (5) years will be analyzed to determine the financial condition, performance and capability of each Applicant and its associated entities.</li><li>(b) Capacity to borrow</li><li>(c) Ability to provide equity:<ul style="list-style-type: none"><li>(i) from own sources</li><li>(ii) from other sources</li></ul></li></ul> <p><b>(C) Technical Capability and Qualifications of Key Persons</b></p> <ul style="list-style-type: none"><li>(a) Competence of key personnel (as evidenced by CVs)</li><li>(b) Existing systems for management of engineering, construction works, management and operations of LNG carriers, efficiency monitoring, and service delivery.</li><li>(c) Experience with existing and emerging technologies in the LNG industry</li></ul> <p><b>(D) Ability to Implement the Project in Timely Manner</b></p> <ul style="list-style-type: none"><li>(a) Evidence of existing and workable plans and designs for LNG floating terminal development</li><li>(b) Ownership of candidate vessels or evidence of ability to procure suitable vessels.</li></ul> |
|--|

2.0 Applicants will be evaluated in the various categories and ranked. The top ranked Applicants will be selected as Prequalified Applicants. PCJ intends to select four to six (4 to 6) Prequalified Applicants but, in its sole discretion, reserves the right to change the number of Prequalified Applicants.

- 3.0 Any or all Applicants may be disqualified from the prequalification process and excluded from further consideration for, *inter alia*, the following reasons:
- (a) Receipt of a Prequalification Document after the required deadline.
  - (b) Failure to submit required support documentation within the required time frame.
  - (c) Failure to submit a Prequalification Document with all forms completed and information and data provided as required by PCJ.
  - (d) Material inconsistencies in the information submitted.
  - (e) Wilful misrepresentations in the completed Prequalification Document and supporting documentation.

**APPENDIX A**

**APPLICANT'S PREQUALIFICATION DOCUMENT**

SUBMITTED BY : .....

ADDRESS : .....  
.....  
.....

TELEPHONE : .....

FACSIMILE : .....

E-MAIL : .....

**AFFIDAVIT**

The undersigned, ....., of legal age, and residing  
(Name of Applicant)

at ..... after having been duly  
sworn, deposes and states: (Address)

1. That he is the ..... of the  
(Official Capacity)  
....., corporation/association/individual,  
(Name of Firm)  
duly organized under the laws of .....  
(Name of Country)

2. That personally, and as ..... for and  
(Official Capacity)

on behalf of the corporation/association/individual, he hereby certifies:

- a. That all statements made in this Applicant's Prequalification Document and in the required attachments are true and correct;
- b. That this Prequalification Document is made for the express purpose of prequalifying him as a potential investor in the LNG Floating Terminal to be developed in conjunction with the PCJ.
- c. The Applicant will make available to the Government of Jamaica and the Petroleum Corporation of Jamaica any other authorized agency of Government any information they may find necessary to verify any item in this Prequalification Document or regarding his competence and general reputation;
- d. That the undersigned is duly authorized by the corporation/association/individual to make these representations and to sign this Prequalification Document.

.....  
Secretary/General Partner/  
Individual Contractor/Applicant

WITNESS:

- 1. ....
- 2. ....

SUBSCRIBED AND SWORN TO before me this ..... day of ..... 19..... at .

.....

.....  
Notary Public

**APPLICANT'S ORGANISATION**

Date: .....

1. Firm's Name and Country Incorporated: .....
2. Firm's Address: .....  
 Telephone No: ..... Fax No: .....
3. Address of Registered Office: .....
4. Local Contact and Address (if any): .....  
 .....
5. Year Organized: .....
6. Type of Association: .....
7. Name and Address of local associated firms:  
 .....
8. Corporate Record:

Names, Nationality, Experience and Associated Firms:

| NAME OF CORPORATION/ ASSOCIATION * | NATIONALITY | OFFICE ADDRESS | YEARS OF EXPERIENCE ** | TYPE & SCALE OF OPERATIONS |
|------------------------------------|-------------|----------------|------------------------|----------------------------|
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |
|                                    |             |                |                        |                            |

\* If applicable, this item should include experience record of each member in the organisation to implement the project.  
 \*\* If applicable, this may refer to the main activity or business of each member of the organisation, i.e. construction, design, project management, operations, and finance.

**Note:** Submit one form for each associate, affiliated firm or joint venture partner.

**INFORMATION TO BE FURNISHED BY CORPORATIONS \*\***

List below all stockholders and/or other financially interested in your organisation owning 5% or more of stock or other interest.

|         | NAME | TYPES OF INTEREST OR<br>NUMBER OF SHARES OWNED | VALUE | EXTENT OF<br>CONTROL<br>(%)* |
|---------|------|--|-------|------------------------------|
| 1.      |      |  |       |                              |
| 2.      |      |  |       |                              |
| 3.      |      |  |       |                              |
| 4.      |      |  |       |                              |
| 5.      |      |  |       |                              |
| 6.      |      |  |       |                              |
| 7.      |      |  |       |                              |
| 8.      |      |  |       |                              |
| 9.      |      |  |       |                              |
| 10<br>. |      |  |       |                              |
| 11<br>. |      |  |       |                              |
| 12<br>. |      |  |       |                              |
| 13<br>. |      |  |       |                              |
| 14<br>. |      |  |       |                              |
| 15<br>. |      |  |       |                              |

\* Equity holdings

\*\* For each corporation

Disclosure

The Applicant is required to make full and frank disclosure of any liabilities, lawsuits, debts etc. that could reasonably be expected to adversely affect the Applicant's ability to arrange the necessary financing for the purchase of majority shares and successfully operate the enterprise.

**OFFICIALS OF THE CORPORATION**  
**MEMBERS OF THE BOARD OF DIRECTORS**

|    | <b>NAME</b> | <b>DESIGNATION</b> |
|----|-------------|--------------------|
| 1. | .....       | .....              |
| 2. | .....       | .....              |
| 3. | .....       | .....              |
| 4. | .....       | .....              |
| 5. | .....       | .....              |

State below the name of the individual who is actively managing the affairs of the Corporation.

NAME: .....

ADDRESS: .....

DESIGNATION: .....

Herewith attached is a certified copy of Resolution authorizing corporation's representative to file the Prequalification Document and sign subsequent agreements.

**INFORMATION TO BE FURNISHED BY  
UNINCORPORATED ASSOCIATIONS \***

Date of Registration: .....

Securities and Exchange Commission Registration No: .....

State whether the Unincorporated Association is:

General Partnership .....

Limited Partnership .....

Other .....

|     | NAME OF MEMBER OF UNINCORPORATED ASSOCIATION | ADDRESS | AGE | OCCUPATION   | VALUE OF CONTRIBUTION |
|-----|--|---------|-----|--------------|-----------------------|
| 1.  |  |         |     |              |                       |
| 2.  |  |         |     |              |                       |
| 3.  |  |         |     |              |                       |
| 4.  |  |         |     |              |                       |
| 5.  |  |         |     |              |                       |
| 6.  |  |         |     |              |                       |
| 7.  |  |         |     |              |                       |
| 8.  |  |         |     |              |                       |
| 9.  |  |         |     |              |                       |
| 10. |  |         |     |              |                       |
|     |  |         |     | <b>TOTAL</b> |                       |

State below the name of the individual who is actively managing the affairs of the Corporation.

NAME: .....

ADDRESS: .....

DESIGNATION: .....

Herewith attached is a certified copy of Appointment of business manager and his Authority.

\* For each associated firm or partner.

**DETAILED INFORMATION TO BE FURNISHED BY APPLICANT\*****1. ORGANISATION DOCUMENTATION, CLEARANCES AND EXPERIENCES**

We/I hereby submit for your examination and consideration certified true/photostat copies of the following:

- ANNEX A -** Articles of Incorporation and by-laws, or other organisational documents, in English.
- ANNEX B -** Certificate of registration with the United States Securities and Exchange Commission or equivalent in other countries (if applicable).
- ANNEX C -** Curriculum Vitae of key personnel who will be responsible for the negotiations and developing, managing and operating the project.

**2. TECHNICAL CAPABILITY AND MANAGEMENT ABILITY**

(Information to be submitted wherever applicable)

- ANNEX D -** For technical capability, literature/brochures describing project Applicant's facilities and accomplishments and information on technical personnel resources.
- ANNEX E -** For experience, the Applicant shall list similar projects pursued or established within the last five (5) years.

For each venture listed, the Applicant shall furnish the following detailed information:

- (a) Nature and location of venture
- (b) Financing and equity structure for the venture
- (c) Technical data/information on major developments implemented since acquisition
- (d) Description of role performed by the Applicant in the venture
- (e) Names of any engineering consultants
- (f) Names of any legal or financial advisors

**3. FINANCIAL CAPABILITY**

We/I hereby submit as "**ANNEX F**" our/my audited "Financial Statements" for the last five (5) years.

**4. ADDITIONAL INFORMATION**

Describe also, any projects or operations currently being carried out in Jamaica or elsewhere in the Caribbean region, other developing countries or countries other than the Applicant's own country.

\*For each firm or partner(s)

**APPENDIX B**

**NOTICE OF RECEIPT OF PREQUALIFICATION DOCUMENT**

The undersigned received the above-captioned Prequalification Document on .....

We have reviewed the package and we do ....., do not .....(please check one), intend to submit a Prequalification Document.

Further, we understand that our duly completed Prequalification Document will be due on **18 May 2007**

At the present time, we anticipate our Prequalification Document will be based upon the following corporate or joint venture arrangements:

Lead Firm : .....

By : .....

Title : .....

Firms or partner(s) : .....

By : .....

Title : .....

By: .....  
Name in Print and Signature

.....  
Designation

.....  
Name of Firm

Date: .....