

	<b>National Oil Corporation of Kenya</b> <b>EXPRESSION OF INTEREST (EOI) FOR</b> <b>TRANSACTIONAL ADVISORY FOR FARM – OUT</b> <b>FOR BLOCK 14T – 12<sup>TH</sup> FEBRUARY 2019</b>	<b>REF:NOCK/PRC/03</b> <b>(1506) 2018-2019</b>
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## **1.0 Background**

National Oil Corporation of Kenya (National Oil) is a company wholly owned by the Government of Kenya and mandated to participate in all aspects of petroleum business with a view to ensuring the security of supply and stability of pricing of petroleum in the country.

In the upstream oil and gas business, National Oil is a key agency of the Ministry of Petroleum and Mining in the national efforts to promote petroleum exploration and development activities as well as enhancing value of the national petroleum resource through active exploration and development of Kenya's sedimentary basins. The company does this through enhancement of the quantity and quality of exploration data, undertaking own oil and gas exploration and exercising the Government back-in rights in commercial oil and gas discoveries.

In this regard, National Oil is the Operator of the onshore Block 14T within the Kenyan Tertiary Rift basin. Block 14T is just south of Blocks 10BB and 13T where commercial discoveries of oil have been made. The Block covers an area of more than 7,000 sq KM and runs to the border with Tanzania.

As the PSC licence holder, National Oil has been undertaking petroleum exploration activities within the Block including ground gravity survey, geochemical survey, Full Tensor Gradiometry (FTG), seismic as well as drilling of two stratigraphic wells. Using the data acquired, the Corporation has been able to delineate one drillable prospect with potential for others. The Corporation is keen to enter into an equity partnership with an Oil and Gas company of international repute for the exploration activities it is undertaking in the Block with a view to identifying more drillable prospects and drilling an exploration well within the next two years.

National Oil therefore seeks to engage a Consultant to assist in running a farm down process for its interests in Block 14T. The Consultant will support the Corporation in achieving a successfully farm down process that will lead to the engagement of a reputable partner with whom to take the exploration activities in Block 14T to the next level.

## **2.0 Scope of Work**

Specifically, the Consultant will do the following:

- A. Assist in the preparation of an appropriate farm down strategy for the asset with particular reference to the National Oil medium term and long term objectives of acquiring more acreage and becoming an operator respectively.
- B. Advice in the preparation of a suitable farm down plan and time table.
- C. Identify potential farm in partners for the asset(s), who meet the criteria and expectations outlined in the farm down strategy developed under above as well as discuss and agree with the National Oil the names of companies to be included in the farm down process.



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- D. Advice on the preparation of a physical and virtual data room. Review the existing data, identify gaps if any and comment on other material that may be included in the data room.
- E. In consultation with the National Oil develop suitable marketing material, such as Teasers and Management Presentations, to be presented to potential farm in partners. The key information in such material to include, amongst others, the following:
  - i. Overview of the opportunity and information on the National Oil as appropriate;
  - ii. Key attractions and attributes of the investment opportunity;
  - iii. Overview of the asset;
  - iv. Work performance to date on the asset, key technical findings and selected technical data;
  - v. Current leads and prospects as well as future work programme;
  - vi. Commercial information as required; and
  - vii. Any other relevant information as may be appropriate.
- F. Approach potential farm in partners with the Teaser in order to establish the degree of interest from these companies. This will include developing and obtaining a signed confidentiality agreement with the parties that are interested in receiving further information.
- G. Prepare and issue out an Expression of Interest inviting potential partners meeting the criteria and threshold set out in the farm down strategy.
- H. Provide the marketing materials and process timetable to those companies that will have been prequalified at the EOI stage.
- I. Assist the National Oil in presenting the Management presentations to companies that have provided the Corporation with a signed confidentiality agreement. At the same time, subject to National Oil's control, run and manage the data rooms on National Oil's behalf and address queries from potential farm in partners.
- J. Develop and implement a Request for Proposals process (with the accompanying evaluation criteria) where all companies prequalified at the EOI stage will be invited to give firm offers together with terms and conditions.
- K. Support National Oil in evaluation of the offers and developing a final shortlist of 2-3 potential farm in partners.
- L. Assist the National Oil in negotiating the price and commercial terms and conditions with the potential farm in partners, subject to National Oil overall control, including advising and preparing the Heads of Agreement, Farm down Agreement and any other relevant documentation.
- M. Assist the National Oil in the overall project management of the farm down process from the start of the farm down process through to signing of the Farm down Agreement and,



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as requested, assist in meeting any relevant requirements for the completion including requisite approvals from Government.

### **3.0 Invitation to Express Interest**

National Oil now invites leading firms with capabilities to submit Expressions of Interest giving a brief of their capabilities and proposed approach.

Eligible and interested firms are to submit their expression of interest and include but not limited to the following:

- i. Copy of Incorporation/Registration Certificate.
- ii. Brief description of Firm(s) profile(s) indicating suitability to carry out this specific assignment, technical capabilities and resources to carry out this specific assignment. Past experience on assignments of a similar nature particularly in upstream oil and gas industry.
- iii. Profiles of key staff, duration of assignment and the institutions involvement.
- iv. Detailed methodology and work plan for performing the assignment.
- v. List of proposed staff team by specialty, tasks assigned to each and their timing. CV's recently signed by the professional staff should be included.

### **4.0 Personnel Requirements**

#### *Team Members*

The specific nature and complexities of this Project requires a fully dedicated and highly skilled team to obtain satisfactory deliverables and results. Proposed minimum team size and structure requirement is the following:

- i. 1 project lead
- ii. 2 project manager
- iii. 3 senior consultants

Additionally, key minimum requirements per category for the members of the deployed team to the Project are:

- For Project Lead:
  - More than 20 years of experience in undertaking large transaction within the oil and gas sector.
  - The following particularities will be taken into consideration:
    - Experience acting as a project lead in a similar assignment for a publicly owned or private company in the oil & gas industry.
    - Knowledge on putting together physical and virtual data rooms running and managing the data rooms.
- For Project Managers:
  - More than 15 years of experience in similar assignments.
  - Other particularities:



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- Experience acting as farm down/in project manager in a similar assignment for a publicly owned or Private Company in the oil & gas industry.
- Knowledge of overall project management and project finance.
- For senior consultants:
  - More than 10 years of experience within oil and gas farm down/in consulting.
  - High financial modeling and business case development skills.
  - Skills in negotiating of the price and commercial terms and conditions with the potential farm in partners e.g. majors in oil & gas market, either public or private companies.

### **5.0 Company's Technical and Financial Solvency**

Given the nature and scope of this project, bidding firms are required to present reputation credentials. Only firms fulfilling all of the below listed requirements will be allowed to enter the contest:

1. Worldwide presence.
2. Legally established entities in Africa, capacity of having local representatives and teams deployed in the country and region, including employment of local workforce.
3. More than USD 500 Million in revenues from consultancy services within the last three years.
4. Previous experience with national oil companies (especially in Africa) in a similar exercise developing at least 3 farm down projects within the last five years.



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**6.0 Evaluation Criteria**

*Criteria: Company's Technical and Financial Capabilities (Total Score-37)*

<b>Sub-criteria</b>		<b>Points Allocated</b>
Certification of Incorporation	Proof of Certification of Incorporation	<b>5</b>
Global Presence (office locations)	>10 countries	<b>10</b>
	<6 countries but >8 countries	8
	5 countries or less	5
Experience in similar projects with national oil companies (especially in Africa) over the last 3 years	>3 similar projects	<b>17</b>
	2-3 similar projects	13
	1 similar project	9
Annual Revenues (in USD)	>500M	<b>5</b>
	<500M	3
	>200M and <300M	2
	>30M and <100M	1

*Criteria: Proposed Methodology (Total Score-23)*

<b>Sub-criteria</b>		<b>Points Allocated</b>
Understanding of the task	Enumerate full understanding of the task and propose additional improvements to the TORs	<b>10</b>
	Enumerate full understanding of the task	5
Detailed Methodology	Detailed approach to be taken for the various methodology phases, tasks to be undertaken, resource requirements and outputs	<b>10</b>
Transfer of skills and knowledge	Demonstrate how skills and knowledge will be transferred to National Oil in undertaking this exercise	<b>3</b>

*Criteria: Team Experience (Total Score-40)*

<b>Sub-criteria</b>		<b>Points Allocated</b>
Lead Consultant	20 years' or more experience	<b>15</b>
	Between 15 years' experience and less than 20 years' experience	10
	Between 10 years' experience and less than 15 years' experience	8
	Less than 10 years' experience	0
Project Manager	15 years' or more experience	<b>15</b>
	Between 10 years' experience and less than 15 years' experience	8
	Between 5 years' experience and less than 10 years' experience	5



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	Less 5 years' experience	0
Senior Consultants	10 years' or more experience	<b>10</b>
	Between 5 years' experience and less than 10 years' experience	5
	<b>TOTAL</b>	<b>100</b>

Responsive Egression of Interest (EOI) must attain a minimum score of 70 points out of the 100 points

**SUBMISSION OF THE EXPRESSION OF INTEREST**

Interested tenderers are to view/obtain/download more details of the Expression of Interest (EOI) at [www.nationaloil.co.ke](http://www.nationaloil.co.ke) on the tenders link or at **Procurement Department, National Oil Corporation of Kenya, KAWI House, Red Cross Road, South C, Nairobi, Kenya.**

Expressions of Interest (EOI) in plain sealed envelopes clearly marked **“Expression of Interest (EOI) for Transactional Advisory for Farm - Out for Block 14T – Ref. No. NOCK/PRC/03(1506)2018-2019”** with the instructions **“Do not open before 29<sup>th</sup> march 2019 at 1000hrs (East Africa Time)”**.

The tenderer shall provide one (1) original and one digital (electronic format (CD or Flask Disk) copy of your formal response no later than **1000hrs (East Africa Time) on 29<sup>th</sup> March 2019** to the address as shown below.

Expressions of Interest (EOI) in plain sealed envelopes clearly marked **“EXPRESSION OF INTEREST (EOI) FOR TRANSACTIONAL ADVISORY FOR FARM - OUT FOR BLOCK 14T, REF. NO. NOCK/PRC/03(1506)2018-2019”** with the instructions **“DO NOT OPEN BEFORE 29<sup>TH</sup> MARCH 2019 AT 1000HRS (EAST AFRICA TIME)”**, should be addressed to:

**The Chief Executive Officer**  
**National Oil Corporation of Kenya**  
**Kawi House, South C, Red Cross Road,**  
**Off Popo Road**  
**P.O. Box 58567 – 00200, Nairobi**

and deposited in the Tender Box located at the reception area Ground Floor Kawi House, South C, Red Cross Road, Off Popo Road during normal working hours on Monday to Friday (0800hrs and 1700hrs East Africa Time), on or before 29th March 2019 at 1000hrs East Africa Time.

Expressions of Interest will be opened soon thereafter at the Ground Floor Meeting Room at National Oil offices - Kawi House, South C, Red Cross Road Nairobi, in the presence of tenderers and/or their representatives who may wish to attend.

**CHIEF EXECUTIVE OFFICER**

EOI – Transactional Advisory for Farm – Out for Block 14T