



STRIDES ENERGY & MARITIME LIMITED

**Dredging *Pipelaying * Offshore Vessel*

1st June, 2020

The Contract Manager,
Integrated Pipeline Maintenance & Repairs Services (IPRS)
The Shell Petroleum Development Company
Port Harcourt, Rivers State.

Attention: Tarere Oji

Dear Sir,

**RE: CURRENT OIL PRICE IMPACT AND SUPPLY CHAIN
CHALLENGE – CONTRACT NO.: CW241273**

Reference is made to our online meeting of Friday 29th May, 2020 on the subject current oil price impact, and your request for discounts. We have re-examined your appeal, and have resolved to grant a 1% discount on the contract rates.

Our decision is a demonstration of goodwill for our strategic partnership, despite all odds. We hope that you will reciprocate this gesture when the oil price improves, by reviewing the rates upwards to enable us remain in business and serve you better.

Yours Sincerely,

For: **Strides Energy & Maritime Limited**

Moritz Abazie

Managing Director



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Tel: (234) 084-361359, Email: info@stridesenergy.com, Website: www.stridesenergy.com



29th May, 2020.

The General Manager/Deputy Managing Director,
The Shell Petroleum Development Company of Nigeria Limited,
P O Box 263 Port Harcourt,
Nigeria.
Attention: Simon Rudy

Dear Sir,

COVID-19 - CURRENT OIL PRICE IMPACT AND SUPPLY CHAIN CHALLENGE (CONTRACT CW260274 - MELCORT NIGERIA LIMITED)

Reference is made to your letter dated 18th of May, 2020 which culminated in the meeting held between the JV partners and Melcort on May, 29th 2020.

We write to inform you of our position regarding the request for 40% reduction of the Contract rates.

While we sympathize with the JV partners on the Low oil price effect, we are unable to give further discounts on this contract as we already operating at 30% of the current market price which is not entirely favorable. Despite this downside to the contract, we have continued to show our commitment in support of SPDC's operations. This has been made possible by pushing the boundaries in our collaboration with our supply chain and aggressively eliminating all forms of waste in our processes and operations.

However, in the spirit of stakeholdership, we are offering a Discount of **0.5% (zero point five percent)** for this period of COVID-19 only) to assure you of our readiness to continually support your operations

Kindly consider it as an offer in good faith. We hope for a quick recovery from the effect of the COVID 19 Pandemic and a swift return to business as usual.

Yours Faithfully,

For: Melcort Limited



Monday Emuobosa Onatere
MD/CEO



ANASAMI
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P.O.Box 1053, Woji

June 2, 2020

The Contracts Manager

The Shell Petroleum Development Company of Nigeria Limited

Port Harcourt,

Nigeria.

Attn: Tarere Oji

Dear Madam,

**RE: CONTRACT NO. CONTRACT NO. CW260390: INTEGRATED PIPELINE MAINTENANCE &
REPAIRS SERVICES (IPRS)**

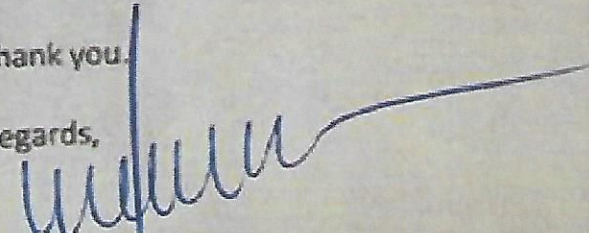
COVID-19- Current Oil Price Impact and Supply Chain challenges

We refer to the tripartite teleconference meeting between NAPIMS, SPDC and Anasami Construction Nig. Ltd dated May 29, 2020 for re-negotiation of the rates for the provision of Integrated Pipeline Maintenance & Repairs Services (IPRS) contract number CW260390, due to the current Oil Price Impact and Supply Chain Challenge caused by the Covid-19 pandemic.

It is pertinent to note that we are already working below 50 percent of the formal IPRS contract rates, and it has been very tight to deliver this job using this offered lowest bidder rate from SPDC. We have just been demonstrating our commitment and capacity, but for our concern on the global challenges, which has impacted the economy of the world and Nigeria government, we have accepted to step down with 5 percent discount from our tough contract rates. We believing that if situation improves, you will re-visit the rates to enable us respond to all scope of jobs.

Thank you.

Regards,


HRH Appolus Chu
President/CEO

**The Shell Petroleum Development
Company of Nigeria Limited**

Shell Industrial Area, Rumubiakani
P O Box 263 Port Harcourt
Rivers State, Nigeria

1st June 2020

Attention: Oji, Tarere

Dear Madam,

RE: CONTRACT No. CW260402: INTEGRATED PIPELINE MAINTENANCE & REPAIRS SERVICES
COVID-19 Current Oil Price Impact and Supply Chain Challenge

Thank you for the opportunity to negotiate this contract. The entire world indeed is facing this global challenge and we are hopeful that we come out of it stronger in the soonest possible time.

As discussed in our online meeting, we as a company are not immune to the crisis rocking the globe. The cost of executing repair activities has increased significantly. With the hike in forex rates, cost of equipment maintenance, spares, and consumables have tightened an already stiff contract for us.

With all these in mind, it is quite a tall task to offer further reduction in the contract rates without compromising safety, integrity and performance of our operations.

Having gone through our processes as promised, we hereby offer a 1% reduction as part of our contribution to sustain our joint business endeavors. This will be achieved on our part by further optimizing our work schedule and firm negotiations with suppliers and other service providers. It could also involve some staff reduction and possible pay cuts.

We however wish to appeal that you look into the daily equipment rates (especially for swamp equipment). These rates are unrealistically low and happen to be critical to our operations.

I look forward to sustain our quality delivery and I thank you for being a part of our growth as a service provider.

Yours faithfully,
For: Houston Engineering and Marine Services

Mark Obi
MD/CEO HEMSL