



## SHELL PETROLEUM DEVELOPMENT COMPANY LIMITED

Part A + B - Fixed &amp; Movable Assets Write-Off and/or Disposal Date: 06/03/2023

ASSET TITLE/CLASS*	Disposal/Sale Of Solar Turbine Materials To Heirs Holdings Oil & Gas Limited (HHOG)
ASSET REF NO. & DESCRIPTION*	
WTA/WFA REF No	N/A
TYPE OF SUBMISSION	WRITE OFF <input type="checkbox"/> DISPOSAL <input checked="" type="checkbox"/>
ACQUISITION COST (as stated in the Asset register where applicable)	US\$8,437.35
NET BOOK VALUE (as stated in the Asset register where applicable)	US\$8,437.35
ESTIMATED MARKET/RESIDUAL VALUE* (Estimated Sale Value)	US\$8,437.35
AGENDA ITEM (Where applicable)	n/a

Purpose of Submission	Objectives of this submission is to:				
	Secure line approval for disposal/sale of one piece of <b>Axial Vibration Probe</b> to <b>HHOG</b> at the current book value of <b>US\$8,437.35</b> for an emergency activity.				
	<b>Declaration:</b> Signatories to this submission acknowledge that they have read and understood the Conflict-of-Interest Policy in SEPCiN and that they do not have any direct or indirect arrangement or relationship with any other person or company that breaches the requirements of that Conflict-of-Interest Policy, or that they have fully disclosed any potential Conflict of Interest to their Line Manager.				
Accountable Parties: Whole submission & process				Approval or approved for Line Submission	
	AGG Lead West Asset	SC Lead Inventory Management	SC Planning Manager	Senior Finance Advisor Production SPDC	Manager, Maintenance Eng. / Tech. Assurance
Signature					
Name	Taslim Abioye	Felicia Enechi	Akindele Ojo	Oluwaseun Ajayi	John Fraeijhoven
Ref Ind.	UPC/G/USM	PTC/U/GL	PTC/U/G	FUP/CGA	UPC/G/US
Date					

**Approving Authority** {Based on Net Book Value: <\$100,000 (Asset Holder + SC Lead Invt Mgt. + BFM + Asset Mgr.); >\$100,000 <\$250,000 (CC); >\$250,000 (MCB)}

**\*Note: NAPIMS Approval is required if Estimated Market Value is > N100, 000(F\$500)**

Approval:	
CC/ MCB Chairman	
Signature	n/a
Name	
Ref Ind.	
Date	

<b>A) Executive Summary</b>	<p><b>Brief summary of entire submission that tells entire story in few sentences (Include purpose and objective of the submission and any other key points).</b></p> <p>This submission seeks Line Approval for disposal/sale of one piece of Axial Vibration Probe to HHOG at the current book value of <b>US\$8,437.35</b> for an emergency activity. The Axial Vibration Probe is no longer needed for SPDC business operations.</p> <p>The SAP value of the Axial Vibration Probe is <b>US\$8,437.35</b> and we shall sell to HHOG at 100% of current book value of <b>US\$8,437.35</b>.</p>																
<b>B) Background</b>	<p><b>Background (Brief Summary of the life cycle of the item from purchase to current data, including original acquisition, inspection report, any maintenance or preservation schedule/reports, asset locations, current state, etc)</b></p> <p>The Axial Vibration Probe is part of SPDC surplus materials no longer needed for SPDC business operations. Selling to HHOG will help to generate 100% income for the JV.</p>																
<b>C) Justification</b>	<p><b>(Reason for write-on/off/disposal, inspection report, condition of materials, confirm write-off from inventory –attach reports where applicable)</b></p> <ul style="list-style-type: none"> <li>✓ To ensure we have the right-size inventory for our operation as an organization.</li> <li>✓ To eliminate the stock holding cost for these materials and deliver on Company's Materials Management improvement programme.</li> <li>✓ To create storage space for materials that are currently needed for our operations</li> <li>✓ To generate income for the JV</li> </ul>																
<b>D) Detailed Material Records</b>	<p><b>Schedule of materials being written off/disposed and pictures per disposal lot.</b></p> <table border="1" data-bbox="411 1133 1519 1350"> <thead> <tr> <th>S/N</th><th>SAP Number</th><th>Description</th><th>Qty</th><th>Unit Price (USD)</th><th>AMOUNT( USD)</th></tr> </thead> <tbody> <tr> <td>2</td><td>1001532078</td><td>AXIAL VIBRATION PROBE,646-332-+,DRES-RAN</td><td>1</td><td>8,437.35</td><td>8,437.35</td></tr> </tbody> </table>					S/N	SAP Number	Description	Qty	Unit Price (USD)	AMOUNT( USD)	2	1001532078	AXIAL VIBRATION PROBE,646-332-+,DRES-RAN	1	8,437.35	8,437.35
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<b>E) Disposal Strategy</b>	<table border="1" data-bbox="411 1451 1519 1552"> <tr> <td data-bbox="411 1451 794 1552"> <b>Disposal Strategy in line surplus/scrap disposal policy</b> </td><td data-bbox="794 1451 1519 1552"> Yes <input checked="" type="checkbox"/>    No <input type="checkbox"/> </td></tr> </table> <p><i>If no; clarify/explain any deviation</i></p>					<b>Disposal Strategy in line surplus/scrap disposal policy</b>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>										
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	<p><input type="checkbox"/> <b>Specialized disposal to be advertised?</b></p> <p><i>If yes, give reasons why this is classified as specialized disposal.</i></p>																
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<b>F) Trade Control</b>	<b>Trade (Export/Import) Control elements present in the work scope? E.g., ECCN, End User Certificates</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes, please attach support from Trade Control SME n/a- Item to be used in country.
<b>G) Tendering Strategy</b>	<input type="checkbox"/> Sealed Hard Copy Bids <input checked="" type="checkbox"/> Online Bidding <input type="checkbox"/> Online Ballots <input checked="" type="checkbox"/> Others
<b>H) Bidders List</b>	<b><i>Insert a list of bidders with IDD status and basis of recommendation</i></b>  Heirs Holdings Oil & Gas Limited (HHOG)
<b>I) Commercial Considerations</b>	<b><i>What is the value to Company for this submission and the write off/disposal?</i></b>  Item is surplus item which is proposed to be sold to Heirs Holdings Oil & Gas Limited (HHOG) for an emergency activity.  This sale will help to create storage space for materials that are currently needed for business operations, maintain right-size inventory, eliminate stock holding cost, generate some income for the JV as well as deliver on SPDC Materials Management improvement programme for 2023.
<b>J) Risk &amp; Mitigation</b>	<b><i>State what could go wrong in the whole tendering, disposal process and state what we are doing to mitigate or reduce shell exposure to the risk</i></b>  Heirs Holdings Oil & Gas Limited (HHOG) is the organization that bought OML 17 and this is a way to sale part of the OML 17 inventory still in our stock.
<b>K) HSE Impact</b>	<b><i>Any special considerations e.g., special disposal procedures?</i></b>  Evacuation of the written-off materials shall be carried out in line with our Surplus and Scrap evacuation procedure and SPDC HSSE Policy on Material Handling as applicable.
<b>L) NAPIMS &amp; compliance to JOA/PSC</b>	<b><i>e.g., inspection of assets, permission to dispose (attach a copy of NAPIMS approval or latest correspondence)</i></b>  NUIMS will be engaged for their information after Line approval is secured because we are following the OPTS process in this transaction.
<b>M) Other issues</b>	<b><i>e.g., special consideration for host community, disposal to staff only, etc.</i></b> n/a.