



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

Exploration and Production
Eastern Division
NLNG Supplies Project
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Restricted

The Managing Director,
LEE Engineering and Construction Company Limited
No. 39, Norman Williams Street,
Off Ribadu Road, Ikoyi, Lagos.
Postcode: 101233
Lagos State.

27th April 2020

Our ref: GNC-NG01017640-A-LT-00030

Attention: Tony Ikpea

Dear Sir,

**CONTRACT NO: NG01017640 – EPC OR THE GBARAN NODAL COMPRESSION PROJECT (GNCP) AND
NG01012098 – PROCUREMENT OF COMPRESSOR PACKAGES FOR THE GNCP**

COVID-19- Current Oil Price impact and Supply Chain challenge

As you are aware, the entire world, our country and the industry at large are currently faced with an extraordinary level of turmoil. The events of the COVID-19 pandemic has impacted lives in every part of the globe. The recent unexpected accelerating fall in oil prices, closure of countries borders and decline in in global demand due to the novel coronavirus outbreak, combined with rising costs in many areas has heightened existing concerns over spend levels and sustainability across the industry.

In the light of this plight we aim to immediately reduce our ongoing costs significantly. The pressure to review our growth plans, achieve efficiencies and eliminate waste from our supply chain processes and operations is now greater than ever. Hence it will be top priority for Shell Companies in Nigeria to realize these efficiencies in collaboration with you.

Therefore, without comprising the safety and integrity of our operations, we request that you critically and quickly identify effective and achievable opportunities that positively impact and help sustain our joint business endeavors. These opportunities could include operational efficiencies, waste take-out, scope/demand optimization, equipment specification and rate reductions.

It is critical that we take prompt and sustainable action on the above to realize these improvements, hence our contract management team will schedule further engagements with you from the week of 4th May 2020.

We have collectively experienced adversities before, and while each may have different dimensions, we believe that we can always pull through and deliver our strongest performance when we work together.

Thank you for your anticipated cooperation.

Yours faithfully,

For: THE SHELL PETROLEUM DEVELOPMENT COMPANY OF NIGERIA LIMITED

MARTYN TURNER
PROJECT MANAGER, NLNG GAS SUPPLIES PROJECT

(Incorporated in Nigeria)

Managing Director: Osagie Okunbor
Directors: Toyin Olagunju, Chibueze Uduanochie, Igo Weli, Bashir Bello, Simon Roddy (British), Jon van Bunnik (Dutch), Ian Scott (British)
Secretary: Keibi Dienye Atemie

Registration Number
N0 RC 892