



**PETRONAS**

Our Ref. No. : 9000-PGP-04-05 (L551)  
Date : 14 December 2018

KL PETROGAS SDN BHD (COMPANY NO.: 1072705-W)  
No 10-1 Jalan Kijang Satu,  
Taman Suntex Batu 9,  
43200 Cheras,  
Selangor

Attn. : Noor Riza Al Jeffery bin Ishak  
Chief Operating Officer

Tel. : 03-9547 7000  
Fax : 03-9074 6391

**LETTER OF AWARD**

**CONTRACT : POST TRENCHING WORKS AT SUNGAI JOHOR FOR PENERANG GAS PIPELINE PROJECT (POTCH)**

**CONTRACT NO. : PD&T/PGB/2018/238**

This Letter of Award ("LETTER") shall serve to confirm the award by PETRONAS GAS BERHAD (Company No.: 101671-H) (the "COMPANY") to KL PETROGAS SDN BHD (Company No.: 1072705-W) (the "CONTRACTOR") for the POST TRENCHING WORKS AT SUNGAI JOHOR FOR PENERANG GAS PIPELINE PROJECT (POTCH) (CONTRACT NO. PD&T/PGB/2018/238) (the "CONTRACT"), with the following agreed terms and conditions:

**1. BINDING DOCUMENTS**

1.1 CONTRACTOR is required to execute in due course, a formal CONTRACT with the COMPANY. Pending execution of the formal CONTRACT, the documents listed below, read together, shall constitute a binding agreement between the COMPANY and the CONTRACTOR with effect from the date of this LETTER and shall form an integral part of the CONTRACT:

- i. This Letter of Award dated 14 December 2018 ("LETTER") inclusive of all its Attachments and/or Exhibits;
- ii. Section 2 of the Invitation to Bid Documents dated 25 September 2018; (hereinafter referred to as the "GTC").
- iii. Minutes of the Techno-Commercial Clarification Meeting dated 28 November June 2018 (*Attachment 1*);
- iv. Breakdown of CONTRACT PRICE (*Attachment 2*);
- v. Technical Clarification No. 1 dated 7 November 2018, 2 November 2018 and 31 October 2018;



**PETROLIAM NASIONAL BERHAD (PETRONAS)** (20076-K)

Tower 1, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia  
Tel: (603) 2026 5000, 2051 5000 F: +(603) 2026 5050

- vi. Technical Clarification No. 2 dated 7 November 2018 and 2 November 2018;
- vii. Technical Clarification No. 3 dated 8 November 2018;
- viii. Technical Clarification No. 4 dated 12 November 2018; and
- ix. Technical Clarification No. 5 dated 13 November 2018; and
- x. Corrigendum No. 1 dated 1 October 2018;
- xi. Corrigendum No. 2 dated 10 October 2018;
- xii. Corrigendum No. 3 dated 16 October 2018;
- xiii. COMPANY's Reply to ITB Interpretation Request No. 1 dated 5 October 2018;
- xiv. COMPANY's Reply to ITB Interpretation Request No. 2 dated 11 October 2018;
- xv. COMPANY's Reply to ITB Interpretation Request No. 3 dated 15 October 2018;
- xvi. COMPANY's Reply to ITB Interpretation Request No. 4 dated 16 October 2018;
- xvii. INVITATION TO BID (ITB) documents; and
- xviii. CONTRACTOR's Technical / Commercial Proposal dated 29 October 2018.

1.2 In the event of any ambiguity, inconsistency or conflict between the provisions of the documents forming the CONTRACT:

- i. COMPANY may issue notice in writing, specifying how the ambiguity, conflict or inconsistency is to be resolved. Such notice shall be binding on the Parties and treated as having the same level of priority as the LETTER;
- ii. In the absence of notice under Clause 1.2(i), the documents shall, to the extent of the conflict, ambiguity or inconsistency, be construed in the descending order of priority in accordance with Clause 1.1.

## 2. CONTRACT PRICE

2.1 The CONTRACT PRICE shall be as follows:

Lump sum:

Non-escalating fixed lump sum price of Ringgit Malaysia Twenty-Four Million and Eight Hundred Thousand Only (RM24,800,000.00).

2.2 The CONTRACTOR acknowledges and agrees that the CONTRACT PRICE shall cover all its obligations under and/or in relation to the CONTRACT and all matters and/or things necessary for the full performance of the WORKS and whether the same is expressly provided for in the CONTRACT or is to be reasonably inferred from the CONTRACT or is necessarily incidental thereto.

## 3. CONTRACT PERIOD

3.1 The CONTRACT shall commence on 8 January 2019 (the "EFFECTIVE DATE") and shall continue thereafter until 7 September 2019 (inclusive) in accordance with the terms and conditions of the CONTRACT (the "CONTRACT PERIOD").

3.2 For the avoidance of doubt, any delay in signing the formal CONTRACT shall not relieve the CONTRACTOR from the obligation to commence the SCOPE OF WORKS on the EFFECTIVE DATE.



- 3.3 The COMPANY shall have the right to terminate this CONTRACT if the CONTRACTOR refuses, fails or neglects to comply with the terms and conditions stipulated herein, the COMPANY shall not be liable for any costs, expenses, claims, losses, damages and consequential losses whatsoever arising out of the aforementioned termination.

4. SCOPE OF WORKS

- 4.1 The CONTRACTOR shall commence the WORKS as set out in the CONTRACT, on the EFFECTIVE DATE. CONTRACTOR's performance of the WORKS shall be governed by the terms and conditions as set forth in the CONTRACT.

5. HEALTH, SAFETY AND ENVIRONMENT RULES AND REGULATIONS

- 5.1 The CONTRACTOR shall at all times during the performance of the WORKS observe and follow strictly the COMPANY's Health, Safety and Environment (HSE) Rules, Regulations or any other applicable safety rules, laws and regulations. Details of the requirement as enumerated in Article 16 of the GTC.
- 5.2 The COMPANY shall have the right to prohibit commencement of the WORKS or to stop any part of the WORKS if (without limitation) materials, construction equipment, the CONTRACTOR's personnel (whether by the CONTRACTOR's third parties or supplied by the CONTRACTOR) or work conditions are considered to be unsafe or not in compliance with COMPANY's HSE Rules and/or requirements and all applicable law relating to health, safety or the environment.
- 5.3 The COMPANY shall have the right to impose any penalty and/or be indemnified for such non-compliance or breach on HSE Rules, Regulations or any other applicable safety rules by the CONTRACTOR under this Clause. The CONTRACTOR shall not be entitled to any extension of time, change order or any other compensation as a result of its compliance with the requirements of this Clause.

6. BANK GUARANTEE

- 6.1 The CONTRACTOR shall, within thirty (30) days from the date of this LETTER, furnish the COMPANY an irrevocable and unconditional first call Bank Guarantee in the sum of Ringgit Malaysia One Million Two Hundred and Forty Thousand Only (RM1,240,000.00), as per the format specified in the CONTRACT. The Bank Guarantee shall be issued by a commercial bank operating in Malaysia and acceptable to the COMPANY as a form of guarantee for the due performance by the CONTRACTOR of its obligations under this CONTRACT and shall be binding on the CONTRACTOR notwithstanding any alterations, or extensions of time as may be made, given, conceded, or agreed under this CONTRACT.
- 6.2 The expenses incurred in preparing, completing, and stamping such instrument shall be solely borne by the CONTRACTOR.





## 7. INSURANCE

- 7.1 The CONTRACTOR shall, at its own cost and expense and at all times from the EFFECTIVE DATE until the end of the CONTRACT PERIOD, provide and maintain the insurance policies as set out below:
- i. Workmen's Compensation and/or Employer's Liability Insurance and/or similar statutory social insurance;
  - ii. Comprehensive General Liability or Third Party Liability or Public Liability Insurance;
  - iii. "All Risks" Physical Damage Insurance;
  - iv. "All Risks" Cargo Insurance;
  - v. "All Risks" (including war and strikes) Insurance;
  - vi. Protection and Indemnity Insurance and/or Marine Liability Insurance; and
  - vii. Any other insurance(s) required under the Laws of Malaysia for the WORK.
- 7.2 The CONTRACTOR shall deliver to the COMPANY, certified copies of the Certificate of Insurance evidencing the insurance policies, coverage, limits and certified copies of official receipts evidencing payment of the full premium thereof within thirty (30) calendar days from the EFFECTIVE DATE; except for "All Risks" Cargo Insurance. "All Risks" Cargo Insurance certificate shall be provided before the cargo delivery takes place.

## 8. CONFIDENTIALITY

- 8.1 All information conveyed and/or obtained by the CONTRACTOR in relation to this LETTER and CONTRACT shall be treated with the strictest of confidence and shall not, at any time during or after the date of this LETTER, be divulged or allowed to be divulged to any person/s without the COMPANY's written consent. No information concerning this LETTER or in respect of the CONTRACT or in respect of the CONTRACTOR's activities related to its participation in this CONTRACT shall be released publicly by the CONTRACTOR without the prior written approval of the COMPANY, save for instances where the CONTRACTOR is required, by written law to do so; upon which, the CONTRACTOR shall notify the COMPANY in writing.
- 8.2 The CONTRACTOR shall be liable for and shall indemnify and hold the COMPANY harmless against all losses, damages, claims and/or liabilities arising out of or connected with the CONTRACTOR's breach or alleged breach of this Clause.

## 9. PETRONAS LICENCE

- 9.1 This LETTER and the CONTRACT are conditional upon the CONTRACTOR having and maintaining a valid license(s) and/or registration with Petroliaam Nasional Berhad (PETRONAS) in connection with the performance and completion of the WORKS. Such required license(s) and/or registration with PETRONAS shall be maintained throughout the duration of the CONTRACT.
- 9.2 In the event that the CONTRACTOR is blacklisted and/or suspended by PETRONAS and/or the COMPANY, notwithstanding any ongoing WORKS, this LETTER and the CONTRACT may be terminated by the COMPANY without any ensuing liability and/or obligations, except that incurred prior to the blacklisting and/or suspension. The CONTRACTOR shall accordingly continue to be liable for all WORKS performed prior to the blacklisting and/or suspension.



10. OWNERSHIP OF DOCUMENTS AND COPYRIGHTS

10.1 The ownership and copyright of all reports, studies, data, documents, diagrams, solutions, calculation, drawings, plans and all other material in whatever form produced or provided by the CONTRACTOR or its assigned personnel for or in connection with the CONTRACT shall vest with the COMPANY and the COMPANY shall have the absolute right to use, deal or reproduce these reports, studies, data, documents, diagrams, solutions, calculation, drawings, plans and all other material in whatever form. The CONTRACTOR shall not reproduce any such documents mentioned above and all other materials in connection with the WORKS without prior written approval from the COMPANY.

11. DISPUTE RESOLUTION AND GOVERNING LAW

11.1 This LETTER shall be governed by and construed exclusively in all respects in accordance to the laws of Malaysia.

11.2 Any dispute between the Parties as to the performance of this CONTRACT or the rights or liabilities of the Parties herein, or any matter arising out of the same or connected therewith, which cannot be settled amicably shall be resolved according to Article 29 of the GTC.

12. WITHOLDING RIGHTS

12.1 The COMPANY shall have the right to withhold payments due or which may become due to the CONTRACTOR in addition to any other remedies the COMPANY may have under the CONTRACT and/or law as per stipulated in the CONTRACT.

13. INDEMNITY

13.1 The CONTRACTOR shall keep the COMPANY harmless and indemnified against all claims (including 3rd party), action, damages, liabilities, out goings, losses, damages, costs (including legal fees on solicitor-client basis) and expenses which may be incurred or suffered by the COMPANY arising from or in connection with the breach by the CONTRACTOR or any provision under the CONTRACT.

14. TERMINATION RIGHTS

14.1 In amplification of and not in derogation to anything to the contrary, in the event that the CONTRACTOR neglects, fails and/or omits to fulfill any of the requirements stipulated in this LETTER and in the CONTRACT, the COMPANY shall have the right to terminate this CONTRACT without any requirement of further notice to the CONTRACTOR and shall not incur any form of liability whatsoever, for the said termination.

15. MISCELLANEOUS

15.1 Definitions: The capitalised words used in this LETTER shall have the same meaning as assigned to them in the CONTRACT unless otherwise defined in this LETTER.

15.2 Notices: All notices, correspondences and documents pertaining to this CONTRACT shall be in English.



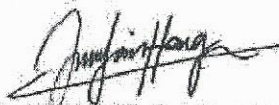
- 15.3 Sub-Contract: The CONTRACTOR shall not sub-contract the WORKS or any part thereof without the prior written consent of the COMPANY. Any such consent, if given, shall not relieve the CONTRACTOR from any liability or obligation under this CONTRACT.
- 15.4 Assignment: The CONTRACTOR shall not assign, transfer or convey any of its rights or obligations under the CONTRACT without the prior written consent of the COMPANY.
- 15.5 Relationship of Parties: The Parties acknowledge that neither Party is an employee, agent, partner or joint venture partner of the other.

This LETTER has been prepared in duplicate. Please indicate your acknowledgement receipt of this LETTER by signing the Form of Acknowledgement as attached herein, Kindly also initial on every page of the original and duplicate copy of this LETTER, thence return one (1) duly stamped original copy within seven (7) days from the date of your receipt of this LETTER to:

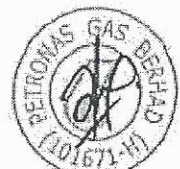
Attn: HARNI SAFARINA BINTI M SAFARI LAI  
Petroliam Nasional Berhad (PETRONAS)  
Level 52, Tower 1,  
PETRONAS Twin Towers  
Kuala Lumpur City Centre  
50088 Kuala Lumpur

Thank you.

For and on behalf of  
PETRONAS Gas Berhad



Wee Lian Hong  
Head (Strategic Procurement),  
Group Procurement, PD&T





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**FORM OF ACKNOWLEDGEMENT**

Date : 14th December 2018

To : Strategic Procurement, Group Procurement  
Petroleum Nasional Berhad (PETRONAS)  
Level 52, Tower 1,  
PETRONAS Twin Towers  
Kuala Lumpur City Centre  
50088 Kuala Lumpur

Fax : 03-2331 5471

Attn. : Harni Safarina Binti M Safari Lai

Dear Sir,

CONTRACT : POST TRENCHING WORKS AT SUNGAI JOHOR FOR PENDERANG GAS  
PIPELINE PROJECT (POTCH)

CONTRACT NO : PD&T/PGB/2018/238

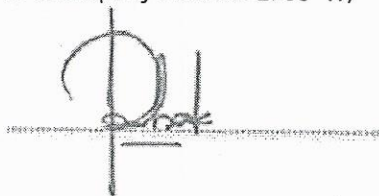
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We, KL PETROGAS SDN BHD (Company No.: 1072705-W) hereby acknowledge receipt of this LETTER OF AWARD for Contract No. PD&T/PGB/2018/238 for the above referred CONTRACT dated 14 December 2018 and confirm that we fully understand the conditions set therein.

*for and on behalf of*

KL PETROGAS SDN BHD (Company No.: 1072705-W)

Signature



Name

NOOR RIZA AL JEFFERY BIN ISHAK

Designation

CHIEF OPERATING OFFICER

NRIC No.

740924-05-5065

Date

14th December 2018

Company Stamp / Seal :

