



REQUEST FOR EXPRESSION OF INTEREST

FOR THE

STRATEGIC DIVESTITURE OF

LITRO GAS LANKA LIMITED

AND

LITRO GAS TERMINAL LANKA (PRIVATE) LIMITED

BY

THE GOVERNMENT OF SRI LANKA

THROUGH

MINISTRY OF FINANCE, ECONOMIC STABILIZATION

AND NATIONAL POLICIES,

STATE OWNED ENTERPRISES RESTRUCTURING UNIT

16 January, 2024

DISCLAIMER

1. The Government of Sri Lanka (“**GoSL**”) owns 99.936% (ninety-nine point nine three six percent) equity stake in Litro Gas Lanka Limited (“**LGL**”) and 100% (one hundred percent) equity stake in Litro Gas Terminal Lanka (Pvt) Limited (“**LGTL**”). LGL and LGTL shall hereinafter collectively be called as “**Company**”. GoSL acting through the Ministry of Finance, Economic Stabilization and National Policies and its State Owned Enterprises Restructuring Unit (“**SOERU**”) is issuing this expression of interest for the divestiture of its entire stake in the Company, on an ‘as-is-where-is’ basis, in accordance with the Special Guidelines on Divestiture of State-Owned Enterprises dated 14 August 2023 issued by the MoF (as defined below) and accessible at <https://www.treasury.gov.lk/web/circular-gazette-acts/section/guidelines> (“**Divestiture Guidelines**”). This request for expression of interest (“**REOI**”) is being provided by SOERU solely for use by a Prospective Bidder (as defined below) in preparing and submitting an EOI (as defined below) in connection with the Proposed Transaction (as defined below).
2. This REOI has been prepared on a best-efforts basis and all information relating to the Company set out in this REOI has been extracted from published sources of information. Any opinions in this REOI have been expressed in good faith. The information contained in this REOI may be subject to material update, revision, and further amendments, as permitted in this REOI. However, neither the GoSL, the SPC, the SpCANC, the SOERU, nor any of their respective consultants, employees, agents or advisors:
 - (a) undertake or is obligated to update this REOI to reflect events subsequent to the date of this REOI or the date as of which any information is reflected in this REOI;
 - (b) make any representation or warranty (expressed or implied) as to the authenticity, accuracy, sufficiency or completeness of the information contained herein or in any other document made available to a Prospective Bidder (at any time) in connection with the Bidding Process (as defined below) for the Proposed Transaction;
 - (c) shall have any liability under the REOI or for any other written or oral communication transmitted to a Prospective Bidder in connection with the Proposed Transaction; or
 - (d) shall be liable to reimburse or compensate a Prospective Bidder for any costs or expenses incurred by a Prospective Bidder in evaluating or acting upon this REOI or otherwise in connection with the Proposed Transaction.
3. This REOI constitutes an invitation to submit an EOI. The submission of an EOI shall not create or vest in favour of a Prospective Bidder any right, interest or claim in relation to this Bidding Process and/or the Proposed Transaction. This REOI does not constitute an offer of shares to the public or an invitation to the public to subscribe to shares, a solicitation to invest or otherwise participate in the Proposed Transaction.
4. The circulation of this REOI or any of its content is not to be construed as any form of commitment or offer by GoSL to proceed with the Proposed Transaction.
5. Prospective Bidders should make their own analysis of the information contained in this REOI, in relation to the business and operations of the Company and all matters pertaining to the Proposed Transaction and rely on their own assessment for participating in the Bidding Process.
6. Prospective Bidders shall keep this REOI, and all information made available to them strictly confidential. Circulation of this REOI by any entity other than GoSL through SOERU is strictly prohibited.

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1. GENERAL PROVISIONS

1.1 Definitions

For the purpose of this Request for Expression of Interest:

Bid Bulletin means any amendment, addendum, clarification, or any other information issued by GoSL through SOERU from time to time in relation to the Bidding Process and published on the Official Website.

Bidding Process means a competitive bidding process (which involves REOI stage and RFP stage) in relation to the Proposed Transaction, being implemented by GoSL through SOERU in accordance with the Divestiture Guidelines.

Cabinet has the meaning given to such term in Clause 10.3 (*Letter of Intent*).

Clarification Request Deadline has the meaning given to such term in Annex 3 (*Timetable*).

Company means collectively LGL and LGTL, as further described in Annex 2 (*Company’s Description*).

Conflict of Interest has the meaning set out in Clause 4.6 (*Conflict of Interest*).

Connected Party includes but is not limited to, parent, ultimate parent, subsidiary, sub-subsidiary, sister company, associate, or proxy of a Prospective Bidder or any Consortium Member.

Consortium means a Prospective Bidder formed by way of a joint venture or other unincorporated group between two or more body corporate, company, firm or other entity.

Consortium Member means any entity which is a member of a Consortium and holding at least 10% (ten percent) stake in the Consortium.

Control or Controlled when used with respect to any Person, means the possession of the ability to directly or indirectly, acting alone or together with any other Person, to direct the management and policies of such Person including through:

- (a) direct or indirect ownership of at least 51% (fifty-one percent) of the voting shares; or
- (b) direct or indirect ownership of at least 20% (twenty percent) of the voting shares and possession of the voting rights through any voting agreement over a certain number of shares, such that the total number of shares owned or over which it has voting rights is equivalent to 51% (fifty-one percent) of the voting shares; or
- (c) the ability to elect a majority of the members of a corporate body’s board of directors or an equivalent thereof responsible for management and operations.

Data Room	means a virtual data room containing all confidential information in relation to the Company that would be accessible to a Shortlisted Bidder subject to execution of a Non-disclosure Agreement (“NDA”).
Data Sheet	means the data sheet attached as Annex 1 (<i>Summary Information – Data Sheet</i>) to this REOI.
Definitive Agreements	means <i>inter alia</i> one or more of the following agreements that may be executed between the Successful Bidder and the Selling Shareholder for undertaking the Proposed Transaction: <ul style="list-style-type: none"> (a) Share Purchase Agreement; and (b) Any other agreement that may be necessary for the Proposed Transaction in GoSL’s opinion.
Divestiture Guidelines	means the Special Guidelines on Divestiture of State-Owned Enterprises dated 14 August 2023 issued by the MoF and accessible at https://www.treasury.gov.lk/web/circular-gazette-acts/section/guidelines .
Eligibility Criteria	means the criteria which a Prospective Bidder must meet in order to be shortlisted to submit a bid for the Proposed Transaction, as described in Annex 4 (<i>Eligibility Criteria</i>), and includes the Technical Eligibility Criteria, the Financial Eligibility Criteria and the Legal Eligibility Criteria.
Entity Meeting Financial Criteria	has the meaning given to such term in Section B of Annex 4 (<i>Eligibility Criteria</i>).
Entity Meeting Technical Criteria	has the meaning given to such term in Section A of Annex 4 (<i>Eligibility Criteria</i>).
Expression of Interest or EOI	means the application substantially in the form set out in Annex 5 (<i>Content of EOI</i>), along with the appendices and schedules attached thereto, submitted by a Prospective Bidder pursuant to Clause 7 (<i>Submission of EOI</i>).
EOI Submission Deadline	means the time and date stated in the Data Sheet.
Financial Eligibility Criteria	means the financial eligibility criteria set forth in Section B of Annex 4 (<i>Eligibility Criteria</i>).
GoSL	means the Government of the Democratic Socialist Republic of Sri Lanka.
Identified Shares	means such shares of the Company which are proposed to be transferred by the Selling Shareholder to the Successful Bidder pursuant to the Bidding Process.
IFRS	means the International Financial Reporting Standards promulgated by the International Accounting Standards Board (“IASB”) (which includes standards and interpretations approved by the IASB and international accounting standards issued under previous constitutions), together with its pronouncements thereon from time to time.

KYC Standard	means standard Know-Your-Customer documents issued by any governmental or regulatory authority establishing and verifying the identity of a Person. For avoidance of doubt, ‘KYC Standard’ is the equivalent of the expression ‘Generally Accepted Know-Your-Customer (“KYC”) standards’ under the Divestiture Guidelines.
Lead Member	means, with respect to a Consortium, the Consortium Member designated as such in the EOI and holding the highest percentage interest, not being less than 25% (twenty five percent), in the Consortium.
Legal Eligibility Criteria	means the legal capability requirements set forth in Section C of Annex 4 (<i>Eligibility Criteria</i>).
Letter of Authority	means the letter issued by a Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member), substantially in the format set out in Schedule A(2) (<i>Letter of Authority in favour of Authorised Representative</i>), authorising a Person to sign the EOI and to represent the Prospective Bidder in connection with the Proposed Transaction.
Letter of Intent	means the letter of intent issued to the Successful Bidder in accordance with the Divestiture Guidelines.
LGL	means Litro Gas Lanka Limited, a company incorporated under the Companies Act, 2007 of Sri Lanka.
LGTL	means Litro Gas Terminal Lanka (Pvt) Limited, a company incorporated under the Companies Act, 2007 of Sri Lanka.
LPG	Liquefied Petroleum Gas
MoF	means the Ministry of Finance, Economic Stabilization, and National Policies of GoSL.
Net Worth	<p>(i) For an entity other than a fund, Net Worth means the value of the Total Assets minus the value of the Total Liabilities where Total Liabilities include instruments other than equity shares such as preference share but excludes minority interest as set out in its audited financial statements.</p> <p>(ii) For a fund, Net Worth shall be 100% (one hundred percent) of available capital for investment. The expression ‘available capital for investment’ shall, in case of a fund, means the minimum investible funds (i.e., immediately available funds for investment and callable capital) subject to the limits of investment in a single investee entity in the relevant jurisdiction for a foreign investment fund.</p>
Non-disclosure Agreement or NDA	means the agreement to be executed by the Shortlisted Bidder in the form and manner required by GoSL, to be able to access and conduct due diligence on confidential information of the Company.

Non-Shortlisted Bidder	means a Prospective Bidder whose EOI has been determined by the SpCANC to not meet the Eligibility Criteria in accordance with this REOI.
Official Website	means the website (accessible at https://www.treasury.gov.lk/web/sru/section/divestitures) maintained by GoSL or any Person on its behalf that shall contain this REOI and all Bid Bulletins that may be published by GoSL from time to time.
Person	means any individual, body corporate, company, firm or other entity (whether incorporated or not in any jurisdiction), as the context may be.
Post Divestiture Market Share	means the combined revenue of the Company and the Prospective Bidder (in case of a Consortium, any Consortium Member) or its Connected Party from operations in the same market as the Company.
Proposed Transaction	means the divestiture of the Identified Shares in the Company by the Selling Shareholder through the Bidding Process.
Prospective Bidder(s)	means any body corporate, company, firm or other legal entity (or a Consortium thereof) that submits an EOI in response to this REOI.
Reference Project	means a project submitted by the Entity Meeting Technical Criteria as evidence to demonstrate satisfaction of the Technical Eligibility Criteria.
Registration Deadline	has the meaning given to such term in Annex 3 (<i>Timetable</i>).
Related Party	means any Person which, alone or together with any other Person, directly or indirectly through one or more intermediaries: <ul style="list-style-type: none"> (a) Controls the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member); (b) is Controlled by the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member); or (c) is under common Control with the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member).
Relevant Person	means, for the purposes of the Bidding Process, the REOI and the RFP: <ul style="list-style-type: none"> (a) any company Controlling, Controlled by or under common Control with the Prospective Bidder (in case of Consortium, each Consortium Member); (b) any director, senior executive or manager either of the Prospective Bidder (in case of Consortium, each Consortium Member) or of any company referred to in (a) above; (c) any consultant, agent or representative supporting the Prospective Bidder (in case of Consortium, each Consortium

Member) in connection with the Company and/or its subsidiary; or

- (d) any natural Person who ultimately owns or Controls a Prospective Bidder (in case of Consortium, a Consortium Member) irrespective of legal ownership and/ or any natural Person on whose behalf the Proposed Transaction is conducted.

Request for Expression of Interest or REOI	means this request for expressions of interest dated 16 January, 2024, for strategic divestiture of the Company (as may be amended by GoSL through SOERU from time to time) and any other documents and clarifications issued by GoSL through SOERU as part of the shortlisting process.
RFP	means the Request for Proposals for the Proposed Transaction that shall be issued by GoSL to Shortlisted Bidders.
Selling Shareholder	means Secretary to the Treasury of the GoSL.
Share Purchase Agreement	means the agreement to be entered into by the Selling Shareholder and the Successful Bidder for the sale and purchase of Identified Shares.
Shortlisted Bidder	means a Prospective Bidder whose EOI has been determined by the SpCANC to meet the Eligibility Criteria in accordance with this REOI.
SLST	means Sri Lankan Standard Time.
SOERU	means the State-Owned Enterprises Restructuring Unit functioning under the MoF, being the implementing agency under the Divestiture Guidelines.
SPC	means the Special Project Committee constituted under the Divestiture Guidelines.
SpCANC	means the Special Cabinet Appointed Negotiating Committee constituted under the Divestiture Guidelines.
Sri Lanka	means the Democratic Socialist Republic of Sri Lanka.
Successful Bidder	means the entity to be designated by GoSL to sign the Definitive Agreements and to undertake the Proposed Transaction.
Technical Member	means, with respect to a Consortium, the Consortium Member designated as such in the EOI and who meets the Technical Eligibility Criteria.
Technical Eligibility Criteria	means the technical eligibility criteria set forth in Section A of Annex 4 (<i>Eligibility Criteria</i>).
Term Sheet	means a binding term sheet executed between the Successful Bidder and the Selling Shareholder for the sale and purchase of the Identified Shares <i>inter alia</i> including the following: (i) obligations of the Successful Bidder and the Selling Shareholder;

- (ii) agreed purchase consideration and other commercial terms;
- (iii) representations, warranties, indemnities and any other terms and conditions;
- (iv) a summary of the performance criteria, if any; and
- (v) a declaration by both parties that further changes shall not be made to the contents of the term sheet which is to be reproduced in the Definitive Agreements.

Timetable means the timetable of the Bidding Process specified in Annex 3 (*Timetable*).

Total Assets means the total consolidated assets measured in accordance with IFRS or the accounting principles generally accepted in the jurisdiction of incorporation of such entity from its latest audited financial statements.

Total Liabilities means the total consolidated liabilities measured in accordance with IFRS or the accounting principles generally accepted in the jurisdiction of incorporation of such entity from its latest audited financial statements.

Unsatisfactory Performance means within the last 5 (five) years prior to the EOI Submission Deadline, (i) failure to satisfactorily perform any of its obligations on any material contract, as evidenced by the imposition of a judicial pronouncement or arbitration award, (ii) expulsion from any project or contract, (iii) termination or suspension of any of its projects or contracts due to breach of its obligations, or (iv) material violations of laws and/or regulations applicable to it or any of its projects or contracts, including, but not limited to, environmental, health, safety, labour and social welfare laws and regulations.

USD means United States Dollars, the lawful currency of the United States of America.

1.2 Interpretation

- (a) Throughout this REOI, except where the context otherwise requires:
- (i) all references to “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”;
 - (ii) “written” or “in writing” means hand-written, type-written, printed or electronically made, and resulting in a permanent record;
 - (iii) references to a “Clause” or “Annex” is a reference to a clause or annex of this REOI;
 - (iv) references to a “Section” is a reference to a section in an Annex of this REOI; and
 - (v) all headings are inserted for convenience only and shall not be taken into consideration for the purpose of interpretation.

- (b) Any Clause of this REOI which by their nature are intended to survive the cancellation, conclusion, or termination of the Bidding Process, shall survive the cancellation, conclusion or termination of the Bidding Process.

2. INTRODUCTION

2.1 Secretary to the Treasury of the GoSL (the “**Selling Shareholder**”) intends to sell entire shareholding (the “**Identified Shares**”) in Litro Gas Lanka Limited and Litro Gas Terminal Lanka (Pvt) Limited (collectively the “**Company**”) through a competitive bidding process (the “**Bidding Process**”).

2.2 For the purpose of selecting the Successful Bidder for the Proposed Transaction, GoSL through SOERU has issued this REOI. This involves the submission, opening and evaluation of applications submitted by Prospective Bidders to be shortlisted. Only Shortlisted Bidders shall be invited to participate in subsequent RFP stage of the Bidding Process.

2.3 Prospective Bidders are hereby invited to submit an EOI.

3. RESERVED RIGHTS

GoSL reserves all rights (which are exercisable by GoSL in its sole and absolute discretion) to:

- (a) suspend, cancel, discontinue, modify, extend or reinstate the Bidding Process;
- (b) accept, reject or disqualify any or all EOIs;
- (c) modify all or any dates set or projected in the REOI; or
- (d) amend this REOI, the shortlisting procedure and rules or make clarifications thereof;

at any time without any obligation to inform any Prospective Bidder of the grounds, justification, or reason for such action and without liability to any Prospective Bidder.

4. PROSPECTIVE BIDDERS

4.1 Rules applicable to all Prospective Bidders

- (a) The Prospective Bidder being any body corporate, company, firm, any other legal entity or a Consortium, may submit an EOI in accordance with this REOI and participate in the Bidding Process.
- (b) The Prospective Bidder must prove that it satisfies the Technical Eligibility Criteria and the Financial Eligibility Criteria to participate in the Bidding Process by submitting the required documents in accordance with this REOI.
- (c) Both the Prospective Bidder (or, where a Prospective Bidder is a Consortium, each Consortium Member) and the Entity Meeting Technical Criteria and the Entity Meeting Financial Criteria must satisfy the Legal Eligibility Criteria.
- (d) Each Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) shall fulfil KYC Standard to the satisfaction of GoSL, by submitting all documents requested under this REOI as Schedule D (*KYC Standards*)

and any additional document that may be requested by GoSL after the EOI Submission Deadline.

- (e) There shall be no change in the Entity Meeting Technical Criteria and the Entity Meeting Financial Criteria throughout the Bidding Process, without prior written approval of GoSL, in its exclusive and absolute discretion.
- (f) The identity or composition of a Prospective Bidder (or, in the case of a Consortium, the Consortium Members) shall not be modified with effect from the EOI Submission Deadline without prior written approval of GoSL, in its exclusive and absolute discretion.
- (g) The Prospective Bidder shall be liable for consequences of any misrepresentation, submission of any inaccurate, incomplete, and unauthentic information provided in the EOI.
- (h) Notwithstanding any information given in the REOI and any additional communication from GoSL, SOERU or any other party, including supplemental notices and Bid Bulletins, it is the sole responsibility of the Prospective Bidder to:
 - (i) be fully acquainted with the laws, requirements, terms and conditions of the Bidding Process;
 - (ii) examine the REOI, including all instructions, annexes, forms, schedules, terms and specifications;
 - (iii) familiarise itself with all existing laws and regulations of Sri Lanka, whether national or local, which may affect the Proposed Transaction; and
 - (iv) determine and satisfy itself, at its own cost and risk, and by such means as it considers necessary and desirable, as to all matters pertaining to the Proposed Transaction, including, but not limited to, the location and nature of the assets of the Company; the scale of operations, condition of equipment; the requirement and availability of employees, consultants, materials, equipment, and other relevant factors; resource requirements; and risks and contingencies that may affect the operations of the Company, its assets and/or the Proposed Transaction.
- (i) By submitting its EOI, a Prospective Bidder shall be presumed to have fully examined and accepted all the terms and conditions in the REOI.
- (j) In preparing and submitting its EOI, the Prospective Bidder shall strictly comply with the requirements set out in the REOI. Any failure to comply with any of the requirements may result in the Prospective Bidder being disqualified from this shortlisting process and its EOI being rejected.

4.2 Rules applicable to Prospective Bidders participating other than in Consortium

A Prospective Bidder must prove that it satisfies the Financial Eligibility Criteria by itself or through its Related Party; and the Technical Eligibility Criteria, by itself, or through its Related Party.

4.3 Rules applicable to Prospective Bidders participating in Consortium

(a) **Lead Member**

- (i) A Consortium must have a Lead Member.
- (ii) The Lead Member shall represent and bind all Consortium Members in all matters relating to the Bidding Process pursuant to a power of attorney executed substantially in the form set forth in Schedule J (1) (*Lead Member Power of Attorney*) or a Letter of Authority substantially in the format set out in Schedule J (2) (*Letter of Authority in favour of Lead Member*) to the EOI along with certified true copy of the board resolution of each Consortium Member authorising the signatory of such Power of Attorney or Letter of Authority.

(b) **Entity Meeting Technical Criteria**

The Consortium must prove that it satisfies the Technical Eligibility Criteria through the Entity Meeting Technical Criteria in the manner set out in Section A of Annex 4 (*Eligibility Criteria*).

(c) **Entity Meeting Financial Criteria**

The Consortium must prove that it satisfies the Financial Eligibility Criteria through the Entity Meeting Eligibility Criteria in the manner set out in Section B of Annex 4 (*Eligibility Criteria*).

(d) **Composition**

- (i) No Consortium Member shall withdraw from the Consortium or reduce its percentage interest in the Consortium as declared in Schedule I (*Consortium Agreement/Letter of Intent*) of the EOI throughout the Bidding Process, without prior written approval of GoSL in its exclusive and absolute discretion.
- (ii) Notwithstanding the requirements set out in Clause 4.3(a) above, the Lead Member of the Consortium must always have the highest percentage interest, not being less than 25% (twenty five percent), in the Consortium.

4.4 Participation Restrictions

- (a) Each Prospective Bidder shall submit only 1 (one) EOI.
- (b) No Prospective Bidder shall be a member of another Consortium, nor have a Related Party which is a member of another Consortium and nor have a Related Party as another Prospective Bidder.
- (c) No Consortium Member shall be a member of more than 1 (one) Consortium, nor have a Related Party which is a member of another Consortium.
- (d) No Prospective Bidder (or, in the case of a Consortium, no Consortium Member) shall have been debarred or prohibited by any governmental or regulatory authority from investing or participating in a tender in Sri Lanka.
- (e) No Prospective Bidder (or, in the case of a Consortium, no Consortium Member) (i) is included as a debarred Person pursuant to the public sanctions list of any

multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decision of 9 April 2010 (www.crossdebarment.org); or (ii) has operations (directly or through any subsidiary) or carries out transactions that are not in compliance with the sanctions promulgated by the national sanctions in Sri Lanka.

4.5 Right to accept or reject any EOI

A Prospective Bidder may be disqualified from the Bidding Process and excluded from further consideration for any of the following reasons in GoSL's opinion:

- (a) the Prospective Bidder (in case of a Consortium, any Consortium Member) or its Connected Party is operating in the same sector as the Company in Sri Lanka and in the event such Prospective Bidder is the Successful Bidder, the Post Divestiture Market Share would be 50% (fifty percent) or more. It is hereby clarified that the above threshold of Post Divestiture Market Share shall be calculated only for such Prospective Bidders (in case of a Consortium, any Consortium Member) or its Connected Party that operates in the LPG sector in Sri Lanka. It is the policy of the GoSL to promote contestable markets and in a similar way it will apply to the LPG market in Sri Lanka;
- (b) failure to submit an EOI and required supporting documentation, in both physical and electronic form, prior to the EOI Submission Deadline;
- (c) wilful, negligent or fraudulent misrepresentations and/or omission in the completed EOI and/or the supporting documentation;
- (d) failure to submit an EOI containing all information and data as required in the REOI;
- (e) failure to submit any additional information or clarification in the manner and within the timelines requested by SPC after the EOI Submission Deadline;
- (f) material inconsistencies in the information submitted as part of the EOI;
- (g) engagement in corrupt or collusive practice in connection with the Bidding Process by the Prospective Bidder, any Consortium Member, their respective Related Parties (if being relied upon for participating in this Bidding Process) including any Person who is a director, employee/agent of or consultant to the Prospective Bidder, the Consortium Member, the Related Party or otherwise connected to the Prospective Bidder, the Consortium Member, the Related Party as described in Clause 4.7 (*Ethical Conduct, Anti-Corruption and Bribery*);
- (h) any form of political or other lobbying with respect to the Bidding Process;
- (i) illegal conduct or attempt to influence any employee, consultant, representative, advisor and/or contractor of the GoSL in relation to evaluation of the EOIs;
- (j) failure to comply with the provisions of Clause 4.1 (*Rules applicable to all Prospective Bidders*), Clause 4.2 (*Rules applicable to Prospective Bidders participating other than in Consortium*) or Clause 4.3 (*Rules applicable to Prospective Bidders participating in Consortium*) while submitting the EOI;
- (k) any Conflict of Interest that would give it any unfair advantage in the Bidding Process as described in Clause 4.6 (*Conflict of Interest*); or

- (l) the Prospective Bidder or a Relevant Person has an Unsatisfactory Performance record such that SpCANC considers, in its absolute discretion, that it is appropriate to disqualify such Prospective Bidder.

4.6 Conflict of Interest

In relation to this REOI and the Proposed Transaction generally, a “**Conflict of Interest**” refers to any situation where an entity is in a position to exploit a professional or official capacity for its own benefit, or which could unduly influence the Bidding Process. Prospective Bidders (or, in the case of a Consortium, every Consortium Member) and their Related Party, must not have any Conflict of Interest. Without limiting the generality of what would constitute a Conflict of Interest, any of the following, as on the date of submission of the EOI, shall be considered a Conflict of Interest:

- (a) a Prospective Bidder, any Consortium Member, or any Related Party (of either a Prospective Bidder or the Consortium Member) is a member of another Consortium, a Related Party of a member of another Consortium, or a Related Party of another Prospective Bidder;
- (b) a Prospective Bidder, any Consortium Member, or any Related Party (of either a Prospective Bidder or of the Consortium Member) is proposed as a Technical Member of another Prospective Bidder;
- (c) a Prospective Bidder, any Consortium Member, or any Related Party (of either a Prospective Bidder or the Consortium Member) which are used to meet any of the Eligibility Criteria has ownership interest of at least 20% (twenty percent) in any other Prospective Bidder, any Consortium Member of any other Prospective Bidder, or any Related Party (of either the other Prospective Bidder or any of its Consortium Members) which are used to meet any of the Eligibility Criteria;
- (d) a member of the board of directors, partner, officer, employee, professional advisor or agent of a Prospective Bidder, any Consortium Member, or any Related Party (of either the Prospective Bidder or any of its Consortium Members), is also directly involved in any capacity related to the Bidding Process for the Proposed Transaction for another Prospective Bidder, any Consortium Member of any other Prospective Bidder or any Related Party (of either the Prospective Bidder or any of its Consortium Members); or
- (e) a Prospective Bidder, any of its Consortium Members or any Related Party of any of these entities, has participated as a consultant to GoSL or SOERU in connection with the Bidding Process for the Proposed Transaction.

4.7 Ethical Conduct, Anti-Corruption and Bribery

- (a) GoSL requires that all Prospective Bidders (including, where the Prospective Bidder is a Consortium, each Consortium Member) observe the highest standard of ethical practices throughout the Bidding Process (and, in the case of the Shortlisted Bidder, during the Bidding Process).
- (b) GoSL may, in its sole and absolute discretion:
 - (i) reject an EOI (or, in the case of any Shortlisted Bidder, immediately rescind the shortlisting of such Shortlisted Bidder); and/or

- (ii) impose sanctions on the Prospective Bidder at any time, including declaring the Prospective Bidder ineligible, either indefinitely or for a stated period of time, from participating in any procurement process conducted by GoSL,

if at any time GoSL determines that the Prospective Bidder (or, where the Prospective Bidder is a Consortium, any Consortium Member) or Related Party have, directly or indirectly through another party, engaged in unethical practices (including the violation of any environmental laws, rules or regulations), corrupt practices, fraudulent practices, restrictive practices, collusive practices, coercive practices, undesirable practice or other prohibited practices, including activities which constitute money laundering or financing of terrorism under any applicable laws.

- (c) The Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) shall demonstrate in its EOI (substantially in the form attached as Schedule E (*Affidavit*) of the EOI) that neither them nor any Relevant Person has been convicted of fraud, corruption, collusion or money laundering or for a criminal act involving dishonesty, physical violence or harm to human life, nor are the subject of credible and/or persistent allegations related to, or is under investigation for, such criminal activities.
- (d) GoSL shall be entitled to carry out its independent assessment of a Prospective Bidder (or, where the Prospective Bidder is a Consortium, any Consortium Member) and its Related Party, including in relation to past and current conduct with respect to ethical practices, anti-corruption, and bribery behaviour.
- (e) For the purposes of this REOI:
 - (i) **“corrupt practice”** means the offering, giving, receiving or soliciting, either directly or indirectly, anything of value with a view to improperly influence the actions of a Person, including GoSL, SOERU and its advisors.
 - (ii) **“fraudulent practice”** means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit, or to avoid an obligation.
 - (iii) **“coercive practice”** means impairing or harming, or threatening to impair or harm, either directly or indirectly, any party or the property of a party, with the intention of improperly influencing the actions of another party.
 - (iv) **“collusive practice”** means an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party and/or the process of determining competitive pricing for the Proposed Transaction.
 - (v) **“undesirable practice”** means (i) establishing contact with any Person connected with or employed or engaged by GoSL with the objective of canvassing, lobbying or in any manner influencing or attempting to influence the Bidding Process; or (ii) having a Conflict of Interest.

- (vi) “**restrictive practice**” means forming a cartel or arriving at any understanding or arrangement among Prospective Bidder with the objective of restricting or manipulating a full and fair competition in the Bidding Process.

4.8 Costs

The Prospective Bidder shall bear all costs associated with the preparation and submission of its EOI, including all costs and expenses related to the Bidding Process. GoSL shall not be held responsible or liable in any way for such costs, regardless of the results of the Bidding Process.

5. SHORTLISTING PROCESS

5.1 Clarification on REOI

- (a) A Prospective Bidder requiring any clarification on this REOI may send an email to SOERU and the Transaction Advisor to the address set out in the Data Sheet with subject line “*Request for Clarification on REOI for LGL and LGTL*” on or before the Clarification Request Deadline.
- (b) A response to requests for clarifications shall be published on the Official Website, without identifying source of each request received, no later than the date that is 7 (seven) calendar days before the EOI Submission Deadline.
- (c) While SOERU will attempt to respond to all reasonable queries received up to the Clarification Request Deadline, it is under no obligation to do so.

5.2 Virtual Pre- EOI Conference

- (a) A virtual pre-EOI conference will be held from 14:00 to 15:30 SLST on the date indicated in Annex 3 (Timetable).
- (b) The purpose of the virtual pre-EOI conference is to respond to queries raised by Prospective Bidders on the Proposed Transaction and this REOI.
- (c) Up to 2 (two) authorised representative of each Prospective Bidder may attend the virtual pre-EOI conference. Prospective Bidders should send an email to lgl@sru.gov.lk requesting to register and providing the names and email addresses of its authorised representatives on or before the close of business on the Registration Deadline. Only Prospective Bidders who register on or before the Registration Deadline shall be provided the online link to attend the virtual pre-EOI conference.
- (d) Attendance by Prospective Bidders is elective and shall not impact shortlisting status of Prospective Bidders.
- (e) Verbal clarifications or information given by GoSL or the Transaction Advisor during the pre-EOI conference shall not be considered as a modification to this REOI nor be binding on GoSL in any manner. Any modification to this REOI shall be made by GoSL solely by way of a Bid Bulletin. Responses to queries made during the virtual pre-EOI conference shall be published on the Official Website on a non-attributable basis by way of a Bid Bulletin.

5.3 Timetable

- (a) The Prospective Bidder shall submit the EOI on or before the EOI Submission Deadline set out in the Data Sheet. The timelines of the process to be followed after selection of Shortlisted Bidders set out in Annex 3 (*Timetable*) are only indicative.
- (b) GoSL may, in its sole discretion and without prior notice to the Prospective Bidders, amend the Timetable. Any changes to the Timetable would be indicated through a Bid Bulletin published on the Official Website.

6. PREPARATION OF EOI

6.1 Language of EOI

- (a) The EOI of the Prospective Bidder, and all correspondence and documents related to the EOI shall be prepared and written in English.
- (b) Any document furnished by the Prospective Bidder written in any language other than English shall be accompanied by a self-certified English translation. The self-certified English translations shall be considered for evaluation. The Prospective Bidder shall be solely liable for any inaccuracy or misrepresentation in the EOI on account of incorrect translation of documents into English.

6.2 Content of EOI

- (a) Each Prospective Bidder shall submit evidence that it meets the Eligibility Criteria set out in Annex 4 (*Eligibility Criteria*).
- (b) The EOI submitted by a Prospective Bidder shall comprise all documents specified in Annex 5 (*Content of EOI*), in the format prescribed therein.

6.3 Submission of evidence for meeting financial eligibility

- (a) The Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) shall submit the documents set out in Section B of Annex 4 (*Eligibility Criteria*), as evidence to demonstrate satisfaction of the Financial Eligibility Criteria. If the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) is relying on the financial capability of its Related Party, it must additionally submit the documentation specified in Sections 3 to 6 of Annex 5 (*Content of EOI*) to the extent applicable, with respect to such Related Party.
- (b) The Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) shall also submit evidence of the affiliation between the Prospective Bidder (or the relevant Consortium Member) and the Related Party.

6.4 Submission of evidence for meeting technical capability

- (a) The Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member), must submit the documents set out in Sections 3 to 5 and Sections 7 to 8 of Annex 5 (*Content of EOI*). If the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the relevant Consortium Member) is relying on the technical capability of its Related Party, it must submit the abovementioned documents with respect to such Related Party.
- (b) Notwithstanding the foregoing, in respect of Section A of Annex 4 (*Eligibility Criteria*), the evidence required in accordance with Section 7 of Annex 5 (*Content*

of EOI), can only be submitted if the Prospective Bidder (or, where the Prospective Bidder is a Consortium, the Technical Member), or their Related Party(ies) shall have held Control over the relevant Reference Project.

7. SUBMISSION OF EOI

7.1 Physical form submission of EOI

- (a) The Prospective Bidder shall prepare and submit the EOI in the following form:
 - (i) 1 (one) complete (printed) original set, clearly marked on each page as “ORIGINAL”; and
 - (ii) 3 (three) printed copies, each clearly marked on each page as “COPY NO. [●]”.
- (b) The printed original and the 3 (three) printed copies of the EOI shall be typed or written in indelible ink and shall be signed by a Person duly authorised to sign the EOI on behalf of the Prospective Bidder as evidenced by a power of attorney in the form set out in Schedule A (1) (*Authorised Representative Power of Attorney*) or a Letter of Authority substantially in the format set out in Schedule A (2) (*Letter of Authority in favour of Authorised Representative*) along with KYC Standards of such Person. Prospective Bidder shall also submit certified true copy of its board resolution confirming authority of the signatory of the EOI or the issuer of the Letter of Authority.
- (c) All pages of the EOI shall be numbered and shall be initialled by the Person signing the EOI.
- (d) Each set of the EOI shall include a table of contents.
- (e) The EOI shall contain no alterations, omissions or additions, unless such corrections are initialled by the Person signing the EOI.
- (f) The Prospective Bidder shall sign and seal the original and each copy of the EOI in separate envelopes, duly marking the envelopes as “EOI – ORIGINAL”; and “EOI – COPIES”. The envelopes shall then be sealed in an outer envelope. The outer envelope shall bear no identification of the Prospective Bidder.
- (g) The inner and outer envelopes shall:
 - (i) be addressed to GoSL at the address specified in the Data Sheet; and
 - (ii) bear the following identification: “**EOI for LGL & LGTL Divestiture: Do Not Open Before 14:10 SLST on 16 February, 2024**”.
- (h) The inner envelopes shall indicate the name and address of the Prospective Bidder (in case of a Consortium, the name and address of the Lead Member) to enable the relevant EOI to be returned unopened in the event that it is declared “late”.
- (i) If the outer envelope is not sealed or marked as above, GoSL shall assume no responsibility for the misplacement or premature opening of the EOI. If the outer envelope discloses the Prospective Bidder’s identity, GoSL shall not guarantee the anonymity of the EOI submission, but this disclosure shall not constitute grounds for a rejection of such EOI.

7.2 Electronic submission of EOI

- (a) In addition to the submission of physical copy applications, 5 (five) copies of printed and scanned PDF formats of the complete original EOI are to be submitted in 5 (five) separate USB flash drives on or before the EOI Submission Deadline. Each USB flash drive should be clearly marked as “ELECTRONIC COPY NO. [●]”.
- (b) The PDF files on each USB flash drive should be password protected. The password should be printed, signed and sealed in a separate envelope. This envelope and the 5 (five) USB flash drives shall then be sealed in the outer envelope indicated in Clause 7.1(f) above along with physical copies of the EOI.
- (c) The Prospective Bidder shall ensure that the electronic copies on each USB flash drive are free of any virus and contain non-compressed and protected files in printable and reproducible PDF format.
- (d) For the avoidance of doubt, it is expressly specified that the USB flash drive shall contain scanned electronic copies in PDF format of the complete original EOI.
- (e) For the purposes of evaluation, physical copy of the EOI shall be considered. The Prospective Bidder shall be solely liable for any inaccuracy or misrepresentation on account of discrepancy in the physical copy and electronic copy of the EOI.

7.3 EOI Submission Deadline

- (a) EOIs shall be submitted to GoSL between 09:00 SLST and 14:00 SLST on the EOI Submission Deadline in the manner set out in Clause 7.1 (*Physical form submission of EOI*) and Clause 7.2 (*Electronic submission of EOI*) above. The EOIs would need to be submitted by the Prospective Bidder in the drop off box kept at the address specified in the Data Sheet. The submission of each EOI will be recorded in a register in the order of submission, specifying the date, time and name of the Prospective Bidder submitting the same.
- (b) Prospective Bidders who submit EOIs after 14:00 SLST on the EOI Submission Deadline shall be disqualified and their EOIs shall be rejected.
- (c) GoSL may, at its discretion, extend the EOI Submission Deadline by issuing a Bid Bulletin, in which case all rights and obligations of GoSL and the Prospective Bidders previously subjected to the original deadline will thereafter be subject to the deadline as extended.

8. OPENING AND EVALUATION OF EOI

8.1 Opening of EOI

- (a) At 14:10 SLST on the EOI Submission Deadline, GoSL will begin the opening proceedings by announcing the names of the Prospective Bidders who have submitted EOIs and any such other details as GoSL may consider appropriate. GoSL will then proceed with removing EOIs from the drop off box and opening the envelopes marked with “Original” of each Prospective Bidder, one at a time, in the order in which the same were received.
- (b) Prospective Bidders shall be entitled to attend the opening of EOIs in person and virtually, subject to a maximum of 2 (two) representatives per EOI.

- (c) Minutes of the opening of EOIs, including a list of attendees, shall be recorded in writing.

8.2 Determination of Responsiveness

- (a) Following the opening of EOIs and prior to the evaluation of the EOIs in accordance with the Eligibility Criteria, the SPC shall conduct a detailed examination of the EOIs in order to determine whether they are substantially responsive to the requirements set forth in the REOI.

For purposes of this determination, a “**substantially responsive**” EOI is one that:

- (i) is complete, contains documents properly signed and is generally in order; and
 - (ii) conforms to all terms and conditions set out in the REOI without any material deviation, reservation or omission.
- (b) EOIs which have been determined “**not to be substantially responsive**” as per the terms of Clause 8.2 (a) above shall be rejected by SpCANC on the recommendation of the SPC.

8.3 Detailed Evaluation

After the determination of responsiveness of all EOIs, the SPC and the Transaction Advisor shall then carry out a detailed evaluation of the EOIs that have not been rejected as specified in Clause 8.2 (*Determination of Responsiveness*) above, in order to determine whether they meet the Eligibility Criteria and provide its report along with recommendations to the SpCANC.

8.4 Clarification of EOIs

- (a) Where the SPC or SpCANC deems it convenient or necessary, it may request clarification from a Prospective Bidder (including any Consortium Member) for determining the responsiveness or evaluation of the relevant EOI. Whenever such request is made, the Prospective Bidder shall provide the same to the SPC/SpCANC by such date as may be specified by the SPC/SpCANC.
- (b) Failure to submit any additional information or clarification in the manner and within the timelines requested by SPC, may result in the Prospective Bidder being disqualified and its EOI being rejected.

8.5 Waiver of Non-Conformities in EOI

SpCANC may (in its sole discretion) waive any minor non-conformity in an EOI which does not constitute a material deviation, and which does not prejudice or affect the determination of responsiveness or evaluation of the EOIs in accordance with the provisions of the REOI.

8.6 Evaluation to be Confidential

- (a) Information relating to the examination, clarification, evaluation, and comparison of EOI shall not be disclosed to Prospective Bidders or any other parties not officially concerned with such process until the result of the shortlisting has been officially announced.

- (b) Any effort by a Prospective Bidder (or, in case of a Consortium, any of its Consortium Member) or its Related Party to negotiate with or influence any employee, consultant, representative, advisor and/or contractor of the GoSL in relation to processing of EOI may result in the rejection of the Prospective Bidder's EOI.

9. SELECTION OF SHORTLISTED BIDDERS

- (a) After completion of the evaluation of the EOIs in accordance with the Eligibility Criteria described in Annex 4 (*Eligibility Criteria*), the SPC shall make its recommendations on the selection of the Shortlisted Bidders to the SpCANC for its approval.
- (b) A Prospective Bidder whose EOI is determined by the SpCANC (in its sole discretion) to meet the Eligibility Criteria shall be designated as being a “**Shortlisted Bidder**” and whose EOI is determined not to meet the Eligibility Criteria shall be designated as being a “**Non-Shortlisted Bidder**”.
- (c) Based on SpCANC's decision, the SOERU shall either:
 - (i) notify a Prospective Bidder that it has been designated as being a Non-Shortlisted Bidder; or
 - (ii) notify a Prospective Bidder that it has been designated as being a Shortlisted Bidder.
- (d) A brief description of the process to be followed after selection of Shortlisted Bidders is set out in Clause 10 (*Indicative Bidding Process for Shortlisted Bidders*) below.

10. INDICATIVE BIDDING PROCESS FOR SHORTLISTED BIDDERS

10.1 Access to Data Room and site visit

- (a) The Shortlisted Bidders will be provided an opportunity to:
 - (i) access confidential information of the Company through the Data Room and conduct due diligence on the Company. Access to the Data Room shall be subject to the Shortlisted Bidders executing an NDA in the form and manner acceptable to GoSL;
 - (ii) access the RFP, the draft Term Sheet, and the draft Definitive Agreements;
 - (iii) submit questions and request for clarifications;
 - (iv) undertake site visits; and
 - (v) engage in meetings with the management team of the Company.

10.2 Bid evaluation and selection

- (a) GoSL shall evaluate the bids submitted by Shortlisted Bidders in accordance with the terms of the RFP. The specific details of the Bidding Process including the deadline and content for submission of financial bids shall be specified in the RFP.

In compliance with the Divestiture Guidelines, the RFP shall also specify the evaluation methodology.

- (b) The Successful Bidder may be subject to an anti-embarrassment clause under the Definitive Agreements. For this purpose, the RFP may stipulate that the Selling Shareholder shall be entitled to receive additional consideration if the Successful Bidder sells the Identified Shares (or a portion thereof) to a third party within a period of 18 (eighteen) months from the completion of the Proposed Transaction.

10.3 Letter of Intent

On receipt of the approval of the Cabinet of Ministers of GoSL (“**Cabinet**”), Secretary to the Treasury of the GoSL shall issue a Letter of Intent to the Successful Bidder.

10.4 Execution of Definitive Agreements

Definitive Agreements shall be executed by the Selling Shareholder and the Successful Bidder.

11. GOVERNING LAW

This REOI and the Bidding Process shall be governed by the laws of Sri Lanka.

ANNEX 1 - SUMMARY INFORMATION - DATA SHEET

Project Name	LGL AND LGTL DIVESTITURE
Issuer of REOI	Government of Sri Lanka through Ministry of Finance, Economic Stabilization and National Policies and its State-Owned Enterprises Restructuring Unit
Contact Person	Nabiha Mohamed Transaction Lead State Owned Enterprises Restructuring Unit Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka. Email: lg1@sru.gov.lk
Transaction Advisor	Sandeep Negi Partner, Restructuring - DTTILLP Manish Sharma Director, Restructuring - DTTILLP
Address for Submission of EOIs	Chairman, Special Cabinet Appointed Negotiating Committee State Owned Enterprises Restructuring Unit Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka. Email: lg1@sru.gov.lk
Number of Copies of EOIs	1 (one) printed original; 3 (three) printed copies; and Electronic copies in 5 (five) separate USB flash drives
EOI Submission Deadline	14:00 SLST on 16 February 2024 <i>EOI submissions will be accepted between 09:00 SLST and 14:00 SLST on 16 February 2024</i>
Time and Place for Opening EOIs	14:10 SLST on 16 February 2024 State Owned Enterprises Restructuring Unit Ministry of Finance, Economic Stabilization & National Policies 3rd Floor, Lotus Building, Temple Trees, Colombo 03, Sri Lanka.

ANNEX 2 – COMPANY’S DESCRIPTION

A. Litro Gas Lanka Limited (LGL)

Overview:

Litro Gas Lanka Limited is a state-owned LPG distributor. It is the largest importer and supplier of LPG in Sri Lanka with ~85% (eighty five percent) market share. Key activities and downstream business operations include import, filling, distribution, and sale of LPG.

Currently, GoSL holds 99.936% (ninety nine point nine three six percent) stake in LGL through Sri Lanka Insurance Corporation. The balance is held by 4 (four) employees.

The Identified Shares shall be transferred to Secretary to the Treasury of GoSL prior to consummation of the Proposed Transaction pursuant to Cabinet’s approval.

As part of the divestiture process, the following shares are being offered for sale (“**Identified Shares**”):

Selling Shareholder	No. of shares	Percentage of shares
Secretary to the Treasury of the GoSL	35,976,853	99.936%

Historical Overview:

- The company was incorporated in 1868 as Colombo Gas & Water Co. – the entity was responsible for installing the first streetlights in Colombo.
- The company was partially privatised and renamed to Shell Gas Lanka Ltd as global player Royal Dutch Shell acquired stake in the entity.
- In November 2010, state-owned Sri Lanka Insurance Corporation (SLIC) repurchased Royal Dutch Shell’s stake and subsequently formed Litro Gas Lanka Limited .

Key Personnel:

Name of Stakeholder	Designation
Board Of Directors	
Muditha S.G. Peiris	Chairman & CEO
Ashok Bandara	Board Director
M. Shanthikumar	Board Director
R.A. Susantha Kumara Ranasinghe	Board Director
Management Team	
Lakmali Hapuararchchi	Director Finance
Janaka Pathirathna	Director Sales Marketing & Corporate Affairs
Mignone Wijesuriya	Director HR
Kamalanatha Wickramasinghe	Director Operations
Jayantha Basnayaka	Director HSE and Professional Business
Terrance Appuhamy	Director Procurement
Hiran Senewiratne	Director Special Projects & Quality Assurance
Maheshika Rajakaruna	Head of Legal

Core Business Segments:

LGL is the leading provider of LPG in the domestic energy sector in Sri Lanka and holds ~85% (eighty five percent) market share in the segment. LGL's LPG distribution business is divided into 3 (three) segments: domestic, commercial and bulk.

Domestic:

- The domestic segment holds the biggest share of the market
- It provides LPG to nearly 4.7 million households
- 80% (eighty percent) of the company's total LPG sales can be attributed to the domestic division
- The MRP of LPG sold in the domestic market is based on a formula agreed with Ministry of Finance
- The company's domestic portfolio includes three-cylinder sizes:
 - Litro Buddy (2.3kg),
 - Litro Budget (5.0kg),
 - Litro Regular (12.5kg)

Commercial:

- LGL is a leading provider of LPG to the commercial segment
- The company has a customer base of 14,000 including restaurants, hotels, SMEs, manufacturing industries, armed forces and commercial and residential heating units
- The commercial portfolio includes:
 - Larger cylinders (37.5 kg)

Bulk & Industrial:

- LGL's bulk segment is highly specialized and serves large scale production-based industries – supplies LPG to over 30 (thirty) industries
- They service over 60 (sixty) large scale customers across various sectors including ceramics and tiles, hotels, confectionary, rubber, plastic and metal
- LGL installs bulk tanks at client premises to store and transport LPG

Fuel Segment:

- The company diversified their business offerings by establishing Litro Fuels in 2018
- Under Litro Fuels, LGL established two fuel stations in the rest area of Southern Expressway in Welipanna

Other Segment:

- LGL also provides various value-add accessories including:
 - LPG regulators
 - LPG hose
 - Accessory pack
 - LPG pipeline installation
 - Bulk tank rentals

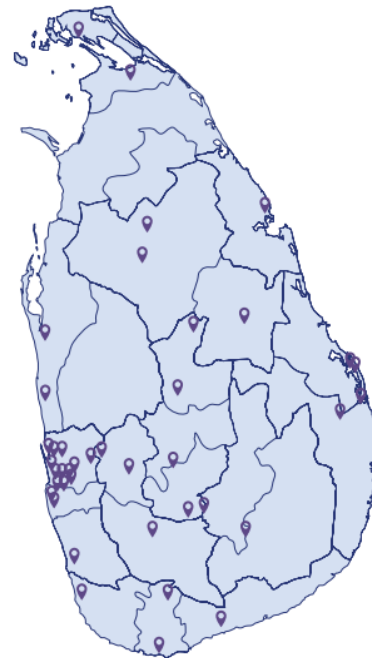
Key Facilities:

- Kerawalapitiya Filling Plant:

- The plant is involved in the filling of cylinders across 4 categories – 37.5 kg, 12.5 kg, 5 kg and 2.3 kg
- 12.5 kg cylinders are filled using three filling lines while the other 3 categories have 3 separate filling lines
- Filling capacity of 1600 MT/day
- **Mabima Facility:**
 - It was commissioned in 1984 as a filling plant
 - It is a cylinder refurbishment, cylinder requalification and a bulk customer LPG delivery hub.
 - It is primarily involved in bulk delivery of LPG to various industrial clients
 - On average 4500 MTs of LPG is handled per month
 - The cylinder requalification section refurbishes 10,000-27,000 cylinders monthly (250,000 in FY22) and then recirculates it
 - The facility receives LPG from the adjacent Ceylon Petroleum refinery through a pipeline
 - Fresh capital expenditure is underway to add cylinder filling unit
- **Distribution Network:**

LGL has a robust network of 42 (forty two) distributors, 12,000 (twelve thousand) dealers, 1500 (fifteen thousand) home delivery hubs and 14,000 (fourteen thousand) point-of-sale locations across the country

Areas	
Maharagama	Kandy
Moratuwa	Kegalle
Peliyagoda	Belummahara
Biyagama	Alawwa
Kadawatha	Kurunegala
Mahabage	Mahawewa
Negombo	Madurankuliya
Ja-Ela	Anuradhapura
Homagama	Polonnaruwa
Hanwella	Dambulla
Battarmulla	Matale
Aluthgama	Batiicaloa
Panadura	Trincomalee
Matara	Arayampathy
Ambalangoda	Ampara
Angunukolapalessa	Ninthavur
Wellawaya	Jaffna
Godakawela	Kilinochchi
Ratnapura	Medawachchiya
Badulla	Nuwara Eliya



B. Litro Gas Terminal Lanka Private Limited (LGTL)

Overview:

Litro Gas Terminal Lanka (Pvt) Limited is Sri Lanka's leading LPG storage facility. LGTL provides bulk storage and pipeline facilities for LPG. It stores LPG at Kerawalapitiya terminal with total storage capacity of 8000 MT. The company maintains storage and filling facilities for sister company LGL. Its core business activities include unloading and transporting of LPG from ships, maintenance of LPG storage tanks and provision of storage facilities.

Revenue consists of throughput fee invoiced to Litro Gas Lanka Limited, For the year 2022, US \$ 20 is charged per metric ton for both domestic and bulk segment at the exchange rate of 1 USD = Rs 196.00 for first six month and at 1 USD = Rs. 370.00 for the balance six months.

GoSL currently holds 100% (one hundred percent) in LGTL through Sri Lanka Insurance Corporation. The Identified Shares shall be transferred to Secretary to the Treasury of GoSL prior to consummation of the Proposed Transaction pursuant to Cabinet's approval.

As part of the divestiture process, the following shares are being offered for sale ("**Identified Shares**"):

Selling Shareholder	No. of shares	Percentage of shares
Secretary to the Treasury of the GoSL	158,710,945	100.000%

Historical Overview:

- Litro Gas Terminal Lanka (Pvt) Limited was established in 2010 when Sri Lanka Insurance Corporation purchased the Shell-owned LPG storage terminal situated in Kerawalapitiya.
- LGTL was incorporated under the Litro brand in collaboration with sister company Litro Gas Lanka Limited.

Key Personnel:

Name of Stakeholder	Designation
Board Of Directors	
Muditha S.G. Peiris	Chairman & CEO
Ashok Bandara	Non-Executive Director
M. Shanthikumar	Non-Executive Director
Management Team	
Lakmali Hapuararchchi	Director Finance
Janaka Pathirathna	Director Sales Marketing & Corporate Affairs
Mignone Wijesuriya	Director HR
Pushpakumara Edirisinghe	Director Operations
Jayantha Basnayaka	Director HSE and Professional Business
Terrance Appuhamy	Director Procurement
Hiran Senewiratne	Director Special Projects & Quality Assurance
Maheshika Rajakaruna	Head of Legal

Key Facilities of LGTL

- Kerawalapitiya Facility:

- The facility has storage capacity of 8,000 MT and is spread over 26-acres
- The facility consists of four 2,000 MT LPG storage spheres (8,000 MTs), a Central Control Room, an unloading dock, a pumping station and gas pipes
- It is the only LPG company to own and operate a Central Buoy Mooring (CBM) located 5.5 km from the Kerawalapitiya facility
- The CBM allows direct unloading of 695 MTs/day of LPG from tankers and can be used to unload and transport LPG directly from ships via a series of pipelines across land and sea

ANNEX 3 – TIMETABLE

Date	Milestone
16 January 2024	Issuance of the REOI
29 January 2024	Deadline for registration to attend the virtual pre-EOI conference (the “ Registration Deadline ” as per clause 5.2 (c))
1 February 2024	Virtual pre-EOI conference from 14:00 to 15:30 SLST
6 February 2024	Deadline of receiving clarification requests from Prospective Bidders (the “ Clarification Request Deadline ”)
9 February 2024	Responses to the clarification requests received within the Clarification Request Deadline as per clause 5.1 (b)
16 February 2024	EOI Submission Deadline at 14:00 SLST
16 February 2024	Opening of EOIs at 14:10 SLST
Early March 2024	Selection of Shortlisted Bidders
Mid of March 2024	Opening Data Room, commencement of Shortlisted Bidders’ due diligence, questions
Early April 2024	Issuance of the RFP and draft Definitive Agreements
April 2024	Bidder one-on-one meetings and site visits
Mid of May 2024	Issuance of Final Definitive Agreements
End of May 2024	Bid submission deadline
Mid of June 2024	Evaluation of bids and selection of the Successful Bidder
End of June 2024	Issuance of Letter of Intent
Early July 2024	Cabinet approval on Definitive Agreements and signing of Definitive Agreements

ANNEX 4 – ELIGIBILITY CRITERIA

Section A. Technical Eligibility Criteria

1. The entity proposed to meet the technical and operational experience (the “**Entity Meeting Technical Criteria**”) may be any of the following, if the Prospective Bidder:
 - (a) is a body corporate, company, firm, or other legal entity, then the Prospective Bidder itself;
or
 - (b) is a Consortium, then the Consortium through all or any of its Consortium Members.
 - (c) The Entity Meeting Technical Criteria must have (i) experience in the operation and management in petroleum oil and gas sector in any of the value chain covering importation or storage or transmission or distribution or marketing during a period of at least 5 (five) years in immediately preceding 10 (ten) years from the EOI Submission Deadline; or (ii) experience in acquiring or successfully transitioning ownership and operating a non-petroleum oil and gas enterprise and subsequently managed during a period of at least 5 (five) years post such transaction in immediately preceding 10 (ten) years from the EOI Submission Deadline. Such non-petroleum oil and gas sector experience will need to be of similar size and complexity to the Company. The experience under (i) is preferable but GoSL will consider Prospective Bidders under (ii).
2. The Prospective Bidder must prove that the Entity Meeting Technical Criteria possesses the required experience through the submission of a Reference Project where such entity actively participated in the experience as required in (2) above of such project and was directly responsible and accountable for the outcome to the project’s owner.

Section B. Financial Eligibility Criteria

3. The entity proposed to meet the financial capability requirement (“**Entity Meeting Financial Criteria**”) may be any of the following, if the Prospective Bidder:
 - (a) is a body corporate, company, firm, or other legal entity, then the Prospective Bidder itself;
or
 - (b) is a Consortium, then the Consortium through all or any of its Consortium Members.
4. A Prospective Bidder must: have a minimum Net Worth of at least USD 100,000,000 (United States Dollars one hundred million) or its equivalent. Such Net Worth should be calculated based on its latest audited financial statements which must be dated not earlier than 31 December 2022, or the last day of the entity’s fiscal year, whichever is later.
5. If the Prospective Bidder, is a Consortium, the combined Net Worth of the Consortium Members must be USD 100,000,000 (United States Dollars one hundred million), measured by each Consortium Member’s Net Worth in proportion to their proposed shareholding in the Consortium. For avoidance of doubt, this means that if a Consortium Member has 25% (twenty five percent) shareholding in the Consortium, such Consortium Member must have a minimum Net Worth of USD 25,000,000 (United States Dollars twenty five million).

Where the Net Worth is expressed in a currency other than USD, the Prospective Bidders are required to demonstrate its Net Worth by taking the equivalent USD amount at the exchange rate published by the Federal Reserve Board as on the date considered for Net Worth.

A Prospective Bidder must provide evidence that it has the Net Worth of at least USD 100,000,000 (United States Dollars one hundred million) or its equivalent for the Proposed Transaction. Such evidence shall be in the form of a certificate dated on or after the date of issuance of this REOI, issued by a practicing chartered accountant or by any other professional having equivalent qualification and permission/ license to practice from a governmental or regulated authority of any jurisdiction.

6. For avoidance of doubt, it is clarified that the Financial Eligibility Criteria is not an indication of the expected consideration for the Proposed Transaction.

Section C. Legal Eligibility Criteria

7. The Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) shall demonstrate the following legal criteria by submitting an affidavit in the form attached as Schedule E (*Affidavit*) to the EOI:
 - (a) it and all Relevant Persons are not in bankruptcy or liquidation proceedings and have a reasonable expectation of being able to discharge all financial liabilities as they fall due;
 - (b) neither it nor any Relevant Person has been convicted of fraud, corruption, collusion or money laundering or for a criminal act involving dishonesty, physical violence or harm to human life, nor is the subject of credible and/or persistent allegations related to, or is under investigation for, such criminal activities;
 - (c) it is not aware of any Conflict of Interest or potential Conflict of Interest arising from prior or existing contracts or relationships which affects or could affect its potential involvement in the Proposed Transaction (other than supply or service agreements among members of the Consortium Member's corporate group in the ordinary course);
 - (d) neither it nor any Relevant Person has any tax liabilities or liabilities in respect of judgments awarded by any court or similar proceedings in the period of 3 (three) years prior to the date of this REOI, save in each case to the extent that it has made a suitable accounting provision for such liabilities in accordance with applicable accounting regulations;
 - (e) neither it nor any Relevant Person has previously been excluded from bid or other public procurement process in Sri Lanka;
 - (f) neither it nor any Relevant Person is included as a debarred Person pursuant to the public sanctions list of any multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decision of 9 April 2010 (www.crossdebarment.org);
 - (g) neither it nor any Relevant Person has operations (directly or through any subsidiary) or carries out transactions that are not in compliance with the sanctions promulgated by national sanctions in Sri Lanka; and
 - (h) neither it nor any Relevant Person have any Unsatisfactory Performance.

ANNEX 5 - CONTENT OF EOI

The EOI shall be signed by the Prospective Bidder (or, where the Prospective Bidder is a Consortium, by the Lead Member) in accordance with the Appendix to this REOI and shall include:

1. **Schedule A (*Authorised Representative Power of Attorney*)**

- (a) A certified true copy of the board resolution or a written power of attorney as Schedule A(1) (*Authorised Representative Power of Attorney*) of the EOI, duly executed and registered according to applicable laws in Sri Lanka, indicating that the Person signing the EOI has the authority to sign the EOI and to represent the Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) in connection with the Bidding Process for the Proposed Transaction.
- (b) To the extent that a Prospective Bidder or Consortium Member considers that a power of attorney in general or the form attached as Schedule A(1) (*Authorised Representative Power of Attorney*) in particular is not effective or appropriate in accordance with the laws applicable to the Prospective Bidder, an advance clarification and approval of an alternative document should be sought in accordance with Clause 5.1 (*Clarification on REOI*).
- (c) If a Prospective Bidder is unable to submit a duly registered power of attorney in compliance with applicable laws of Sri Lanka for any reason whatsoever, it may submit a Letter of Authority substantially in the format set out in Schedule A(2) (*Letter of Authority in favour of Authorised Representative*) along with certified true copy of the board resolution confirming authority of the issuer of the Letter of Authority. Such Prospective Bidder, if designated as a Shortlisted Bidder shall be required to submit a duly registered power of attorney or the alternative document approved by GoSL in accordance with paragraph 1(b) above, along with its proposal in response to the RFP.
- (d) The Prospective Bidder shall also provide self-certified copies of at least 2 (two) KYC Standard of the Person signing the EOI on behalf of the Prospective Bidder.

2. **Schedule B (*Organisation Chart*)**

A comprehensive organisation chart showing or narrative text describing how the Prospective Bidder (or, where the Prospective Bidder is a Consortium, each Consortium Member) and its Connected Party is owned, up to the level of ultimate beneficial ownership and identifying by name the Person holding (at any level in the organisation structure) an aggregate ultimate beneficial interest of at least 5% (five percent), as Schedule B (*Organisation Chart*) of the EOI.

3. **Schedule C (*Memorandum of Association*)**

A copy of the memorandum of association and articles of association of the Prospective Bidder (or, where the Prospective Bidder is a Consortium, of the memorandum of association and articles of association of each Consortium Member) or if applicable, its Related Party and any amendments or equivalent documents under the jurisdiction of incorporation, duly certified as a true copy by such entity's corporate secretary or director, as Schedule C (*Memorandum of Association*) of the EOI.

4. **Schedule D (*KYC Standards*)**

Copies of the up-to-date constitutional documents¹, business commencement certificate, tax identification number and proof of registered office address of the Prospective Bidder (or, where the Prospective Bidder is a Consortium, certified copies of up-to-date constitutional documents of each Consortium Member) or if applicable, its Related Party, duly certified as a true copy by such entity's corporate secretary or director, as Schedule D (*KYC Standards*) of the EOI.

5. **Schedule E (*Affidavit*)**

An affidavit substantially in the form attached as Schedule E (*Affidavit*) of the Appendix to this REOI, duly executed by the authorised representative of the Prospective Bidder (or where the Prospective Bidder is a Consortium, the authorised representative of each Consortium Member).

6. **Schedule F (*Evidence of Compliance with Financial Eligibility Criteria*)**

Sufficient detail and supporting documentary evidence to be provided by the Prospective Bidder to prove satisfaction of the Financial Eligibility Criteria detailed in Section B of Annex 4 (*Eligibility Criteria*), in the manner set out in Schedule F (*Evidence of Compliance with Financial Eligibility Criteria*) of the EOI.

7. **Schedule G (*Evidence of Compliance with Technical Eligibility Criteria*)**

- (a) Sufficient detail and supporting documentary evidence as indicated in Schedule G (*Evidence of Compliance with Technical Eligibility Criteria*) to the Appendix of this REOI shall be provided by the Prospective Bidder (or where the Prospective Bidder is a Consortium, the Technical Member) or if applicable, by each of its Related Party of its/their technical experience in accordance with Section A of Annex 4 (*Eligibility Criteria*) (including a certificate from the counterpart contracting party or regulator listing the operating and maintenance experience and stating that such experience was carried out in a satisfactory manner).
- (b) All information and documents to be submitted by the Prospective Bidder in accordance with paragraph 7(a) above shall be marked as Schedule G to the EOI.

8. **Schedule H (*ISO Certification*)**

A valid International Organization for Standardization (ISO) 9001:2015 certification or its equivalent of the Prospective Bidder (or where the Prospective Bidder is a Consortium, a valid certification of the Technical Member) or if applicable, a valid certification of its Related Party, as Schedule H (*ISO Certification*) of the EOI.

9. **Schedule I (*Consortium Agreement/Letter of Intent*)**

Where the Prospective Bidder is a Consortium, its consortium agreement duly stamped or a letter of intent to form a Consortium as Schedule I (*Consortium Agreement/Letter of Intent*) of the EOI, which shall include the following:

- (a) each Consortium Member's binding commitment to the Consortium; and
- (b) identification of the Lead Member.

¹ **Note to Prospective Bidders:** This would include certificate of incorporation and/or registration, extract from commercial registry, etc.

Each Consortium Member shall provide evidence that the Person signing the consortium agreement/ letter of intent on its behalf is duly authorised to do so, and self-certified copies of at least 2 (two) KYC Standard. If there is any change in the composition of the Consortium in accordance with Clause 4.1.(e), Clause 4.1.(f) or Clause 4.3.(d), the Prospective Bidder shall submit a revised consortium agreement/ letter of intent to GoSL within the time stipulated by GoSL.

Where a Consortium has submitted a letter of intent in its EOI, such Consortium, if designated as a Shortlisted Bidder, shall be required to submit a duly executed consortium agreement along with its proposal in response to the RFP.

10. Schedule J (*Lead Member Power of Attorney*)

- (a) Where the Prospective Bidder is a Consortium, a written Power of Attorney from each Consortium Member (except the Lead Member), duly executed and registered according to applicable laws in Sri Lanka, indicating that the Lead Member and its authorised representative signing the EOI, have the authority to represent the Consortium and bind all its Consortium Members in connection with the EOI, the Bidding Process and the Definitive Agreements, as Schedule J(1) (*Lead Member Power of Attorney*) of the EOI.
- (b) To the extent that a Prospective Bidder or Consortium Member considers that a power of attorney in general or the form attached as Schedule J(1) (*Lead Member Power of Attorney*) of the EOI in particular is not effective or appropriate, an advance clarification and approval of an alternative document should be sought in accordance with Clause 5.1 (*Clarification on REOI*).
- (c) If a Prospective Bidder is unable to submit a duly registered power of attorney in compliance with applicable laws of Sri Lanka for any reason whatsoever, it may submit a Letter of Authority substantially in the format set out in Schedule J(2) (*Letter of Authority in favour of Lead Member*). Such Prospective Bidder, if designated as a Shortlisted Bidder shall be required to submit a duly registered power of attorney or the alternative document approved by GoSL in accordance with paragraph 10(b) above, along with its proposal in response to the RFP.
- (d) In each case, the Lead Member shall submit certified true copy of the board resolution of each Consortium Member authorising the signatory of the Power of Attorney or the Letter of Authority, as the case may be, issued in favour of the Lead Member by such Consortium Member.

APPENDIX – EXPRESSION OF INTEREST

Date: [●]

Re: LGL & LGTL Divestiture

To: Chairman,
Special Cabinet Appointed Negotiating Committee
State Owned Enterprises Restructuring Unit
Ministry of Finance, Economic Stabilization & National Policies
3rd Floor, Lotus Building, Temple Trees,
Colombo 03, Sri Lanka.

Dear [Sir/Madam]

Pursuant to the REOI dated [●], 2024, [Name of Prospective Bidder/Lead Member of the Consortium] hereby submits the present EOI in conformity with the REOI and requests to be shortlisted for the Proposed Transaction. All capitalised terms used in the EOI (including all Schedules) shall have the same meaning as defined in the REOI.

[If a Consortium]:

The Lead Member is: [Insert name of the entity]

[Insert name of other members]

[Name of Prospective Bidder/Lead Member], [and each Member of our Consortium (if applicable)] hereby confirms that it:

- (a) has sufficient legal capacity to participate in the Bidding Process and enter into an agreement for the Proposed Transaction if selected as the Successful Bidder;
- (b) agrees to comply with all the bid rules, laws and regulations governing the Bidding Process as issued by the relevant authorities from time to time;
- (c) accepts the rights of GoSL under the REOI, without any obligation on the part of GoSL to inform any Prospective Bidder of the grounds, justification or reason for such action and without GoSL incurring any liability to any Prospective Bidder in relation to the following:
 - (i) suspend, cancel, discontinue, modify, reinstate or extend the Bidding Process at any time;
 - (ii) accept, reject or disqualify any or all EOIs;
 - (iii) modify all dates set or projected in the REOI; and
 - (iv) amend this REOI, the shortlisting procedures and rules or make clarifications thereof;
- (d) accepts liability and consequences of any misrepresentation, submission of any inaccurate, incomplete and unauthentic information provided in the EOI; and
- (e) accepts the exclusive application of the laws of Sri Lanka with respect to these shortlisting procedures.

[Name of Prospective Bidder/Lead Member], [and each Member of our Consortium (if applicable)] hereby represents and warrants that as of the date of this letter, all of the information submitted in this EOI, including the enclosed forms and documents, is accurate in all respects. Attached herewith to this EOI are the following documents, as appropriate:

- (a) Authorised Representative Powers of Attorney / Letter of Authority in favour of Authorised Representative (Schedule A(1) / A(2));
- (b) Organisation Chart (Schedule B);
- (c) Memorandum of Association (Schedule C);
- (d) KYC Standards (Schedule D);
- (e) Affidavit (Schedule E);
- (f) Evidence of Compliance with Financial Eligibility Criteria (Schedule F);
- (g) Evidence of Compliance with Technical Eligibility Criteria (Schedule G)
- (h) ISO Certification (Schedule H)
- (i) Consortium Agreement/ Letter of Intent (Schedule I);
- (j) Lead Member Power of Attorney / Letter of Authority in favour of Lead Member (Schedule J(1) / J(2)); and
- (k) All other documents required in the REOI or required to demonstrate compliance with the Eligibility Criteria.

[Name of Prospective Bidder] hereby designates [Insert name of Representative] as its representative to receive notices in respect of the shortlisting and the bid at the following address, telephone and facsimile numbers:

[Representative's address, telephone, facsimile numbers and email]

[signature]

In the capacity of [position]

Authorised to sign this EOI for [Name of Prospective Bidder]

SCHEDULE A-(1) - AUTHORISED REPRESENTATIVE POWER OF ATTORNEY

(Refer Section 1 of Annex 5)

On this [day] of [month and year]

Before me, the Notary in this office [name of Notary/office]

The undersigned:

[Mr./Ms.] [name of legal/authorised representative]

Duly authorised, in his/her capacity as [capacity] of [name of Prospective Bidder/Consortium Member]

Nationality: [●]

Holder of Passport or ID no. [●] issued by [●] dated [●]

Residing at [●] (hereafter the “Grantor”), hereby:

1. appoints [Mr./Ms.] [name of representative] in [his/her] capacity as _____ of [name of Prospective Bidder/ Lead Member] (hereafter the “Attorney”)², to:
 - (a) execute under hand, or under seal, and deliver to the competent authorities all the documents listed in paragraph (d) below;
 - (b) deliver and receive any document or instrument in relation to the following documents listed in paragraph (d) below;
 - (c) do all things necessary and incidental in respect of the matters set out herein, including to do, execute and perform any other deed or act ought to be done executed or performed to perfect or otherwise give effect to the documents listed in paragraph (d) below; and
 - (d) the documents concerned by this power of attorney being the following:

ALL DOCUMENTS IN RESPECT OF THE SHORTLISTING FOR LITRO GAS LANKA LIMITED AND LITRO GAS TERMINAL LANKA (PVT) LIMITED DIVESTITURE, AS MORE FULLY DESCRIBED IN THE REQUEST FOR EXPRESSION OF INTEREST DATED [●], 2024 (“REOI”), AND INCLUDING, WITHOUT LIMITATION, THE EXPRESSION OF INTEREST FOR THE AFORESAID DIVESTITURE, AND CLARIFICATIONS AND OTHER COMMUNICATIONS WITH THE COMPETENT AUTHORITIES OF SRI LANKA IN RESPECT OF THE EXPRESSION OF INTEREST FOR THE AFORESAID DIVESTITURE.

2. authorises the Attorney to appoint others for all or part of the powers delegated by the present power of attorney.
3. confirms that this Power of Attorney is being issued in compliance with the Grantor’s constitutional documents and due process envisaged therein. The Grantor further confirms that this Power of Attorney shall remain valid throughout the Bidding Process.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney [under seal] on the date set out above.

[SEAL]

[Signature]

[Name / Title of Grantor representative]

² **Note to Prospective Bidders:** Please attach self-certified copies of 2 (two) identity documents issued by a governmental or regulatory authority.

SCHEDULE A-(2) - LETTER OF AUTHORITY IN FAVOUR OF AUTHORISED REPRESENTATIVE

(Refer Section 1 of Annex 5)

(On the letter head of the Prospective Bidder)

Date: [●]

Re: LGL & LGTL Divestiture

To: Chairman,
Special Cabinet Appointed Negotiating Committee
State Owned Enterprises Restructuring Unit
Ministry of Finance, Economic Stabilization & National Policies
3rd Floor, Lotus Building, Temple Trees,
Colombo 03, Sri Lanka.

Sub: Letter of Authority in relation to the Proposed Transaction

Sir/Madam,

1. This is with reference to the Request for Expression of Interest for the strategic divestiture of Litro Gas Lanka Limited and Litro Gas Terminal Lanka (Pvt) Limited (“**REOI**”).
2. We [*insert name of the Prospective Bidder (in case of Consortium, the Lead Member)*] designate [*insert name of the authorised person*] currently acting as [*insert designation*] in the [*insert name of the Prospective Bidder (in case of Consortium, the Lead Member)*] as our authorised representative (“**Authorised Representative**”) to execute under hand or under seal all documents, deliver and receive any document or instrument, engage in negotiations, attend and represent us in meetings and do all things necessary and incidental to the Proposed Transaction including but not limited to submitting the EOI, addressing any request for clarification and other communications and signing the Definitive Agreements.
3. The Authorised Representative may be identified by the below signature and enclosed copies of self-certified identity documents and certified true copy of the requested board resolution³.

Signature of the Authorised Representative_____

4. We confirm that we shall be unconditionally bound by all commitments and actions undertaken by the Authorised Representative on our behalf.
5. This Letter of Authority is being issued in compliance with our constitutional documents and due process envisaged therein. This Letter of Authority shall remain valid throughout the Bidding Process.

³ **Note to Prospective Bidders:** Please attach self-certified copies of 2 (two) identity documents issued by a governmental or regulatory authority.

6. In the event, we are notified as a Shortlisted Bidder in accordance with the terms of the REOI, we shall submit a duly executed and registered power of attorney in accordance with the laws of Sri Lanka, in the format specified in Schedule A (1) to the Appendix in the REOI.
7. Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI.

Thank you.

Yours sincerely,

[Authorised Signature
Name and Title of the Signatory
Name of Entity
Address]

SCHEDULE B - ORGANISATION CHART

(Refer Section 2 of Annex 5)

SCHEDULE C - MEMORANDUM OF ASSOCIATION

(Refer Section 3 of Annex 5)

SCHEDULE D - KYC STANDARDS

(Refer Section 4 of Annex 5)

SCHEDULE E - AFFIDAVIT

(Refer Section 5 of Annex 5)

Date: [●]

Re: LGL & LGTL Divestiture

To: Chairman,
Special Cabinet Appointed Negotiating Committee
State Owned Enterprises Restructuring Unit
Ministry of Finance, Economic Stabilization & National Policies
3rd Floor, Lotus Building, Temple Trees,
Colombo 03, Sri Lanka

[Name of Prospective Bidder/Relevant Member of Consortium] hereby represents and warrants that, as of the date of this letter [Name of Prospective Bidder/Relevant Member of Consortium]:

- (a) it and all Relevant Persons are not in bankruptcy or liquidation proceedings and have a reasonable expectation of being able to discharge all financial liabilities as they fall due;
- (b) neither it nor any Relevant Person has been convicted of fraud, corruption, collusion or money laundering or for a criminal act involving dishonesty, physical violence or harm to human life, nor is the subject of credible and/or persistent allegations related to, or is under investigation for, such criminal activities;
- (c) it is not aware of any Conflict of Interest or potential Conflict of Interest arising from prior or existing contracts or relationships which affects or could affect its potential involvement in the Proposed Transaction (other than supply or service agreements among members of the Consortium Member's corporate group in the ordinary course);
- (d) neither it nor any Relevant Person has any tax liabilities or liabilities in respect of judgments awarded by any court or similar proceedings in the period of 3 (three) years prior to the date of the REOI, save in each case to the extent that it has made a suitable accounting provision for such liabilities in accordance with applicable accounting regulations;
- (e) neither it nor any Relevant Person has previously been excluded from bid or other public procurement process in Sri Lanka;
- (f) neither it nor any Relevant Person is included as a debarred Person pursuant to the public sanctions list of any multilateral development bank that is party to the Agreement on Mutual Enforcement of Debarment Decision of 9 April 2010 (www.crossdebarment.org);
- (g) neither it nor any Relevant Person has operations (directly or through any subsidiary) or carries out transactions that are not in compliance with the sanctions promulgated by national sanctions in Sri Lanka;
- (h) neither it nor any Relevant Person have any Unsatisfactory Performance record;
- (i) neither it nor any Relevant Person falls within the restriction set out in Clause 4.4 (*Participation Restrictions*) of the REOI; and

- (j) [neither it nor its Connected Party have operations in the LPG sector in Sri Lanka.] OR [neither it nor its Connected Party, upon being chosen as a Successful Bidder, would have a Post Divestiture Market Share of 50% (fifty percent) or more.]⁴

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI for the strategic divestiture of Litro Gas Lanka Limited and Litro Gas Terminal Lanka (Pvt) Limited.

Yours Sincerely,

[Authorised Signature
Name and Title of the Signatory
Name of Entity
Address]

⁴ Note: Please strike off whichever is not applicable.

SCHEDULE F - EVIDENCE OF COMPLIANCE WITH FINANCIAL ELIGIBILITY CRITERIA

(Refer Section 6 of Annex 5)

The Prospective Bidder shall submit the statement of financial capability in the format set out below:

Statement of financial capability (by a Prospective Bidder)

I, [name] [citizenship], of legal age, with office address at [address], as the [position/designation] of [name of entity], a [corporation/partnership] organised and existing under and by virtue of the laws of [place of incorporation/registration], hereby certify for and on behalf of [name of entity] that the information stated in this statement of financial capability is true and that the attached documents are genuine and true copies of the original.

- A. The [name of the Prospective Bidder, or the Consortium] has a minimum Net Worth equivalent to at least USD [●] (United States Dollars [●]) or its equivalent as of its audited financial statements as of [insert date]. A certificate issued by a practicing chartered accountant or by any other professional having equivalent qualification and permission/ license to practice from a governmental or regulated authority of any jurisdiction certifying the above is enclosed as [●].
- B. The financial summary of [name of the Prospective Bidder, or the Consortium] as of [insert date] is as follows:

Financial Information	Percentage Stake in Consortium (if applicable)	Details as of 31 December 2022, or the last day of the entity's fiscal year, whichever is later
Name of entity and its relationship with the Prospective Bidder		
(indicate last day of fiscal year)		
1. Total Assets		
2. Total Liabilities		
3. Net Worth		

The information stated in this statement of financial capability is true and that the attached documents are genuine and true copies of the original.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI for strategic divestiture of Litro Gas Lanka Limited and Litro Gas Terminal Lanka (Pvt) Limited.

[Date and Place of Execution]

For and on behalf of [Name of Entity]

[Signature of authorised representative]

[Name]

[Designation]

SCHEDULE G - EVIDENCE OF COMPLIANCE WITH TECHNICAL ELIGIBILITY CRITERIA

(Refer Section 7 of Annex 5)

The Entity Meeting Technical Criteria must provide the following documents:

- (a) Notarised certification that the Reference Project is ongoing, in operation or completed from the Reference Project’s owner or a copy of the original certificate that the Reference Project is ongoing, in operation or completed accompanied by a notarized certification issued by corporate secretary or director of the entity proposed to meet the Technical Experience that such copy is a true and faithful reproduction of the original certificate.
- (b) In case the Entity Meeting Technical Criteria is a Related Party that is undertaking the relevant Reference Project, the notarized certification must state that such Entity Meeting Technical Criteria has/ held Control over the relevant Reference Project.
- (c) If any Reference Project identified in this Schedule G is carried out through a Related Party of the Prospective Bidder (where the Prospective Bidder is a Consortium, the Technical Member), supporting documentary evidence of affiliation with the Related Party.
- (d) Auditor certificate certifying experience in either – (i) the operation and management in Petroleum oil and gas sector in any of the value chain covering importation or storage or transmission or distribution or marketing during a period of at least 5 (five) years in immediately preceding 10 (ten) years from the EOI Submission Deadline; or (ii) in acquiring or successfully transitioning ownership and operating a non-petroleum oil and gas enterprise and subsequently managed during a period of at least 5 (five) years post such transaction in immediately preceding 10 (ten) years from the EOI Submission Deadline. Such non-petroleum oil and gas sector experience will need to be of similar size and complexity to the Company. The experience under (i) is preferable but GoSL will consider Prospective Bidders under (ii).
- (e) Description of experience (in the manner set out in the below tables as applicable), specifying experience either – (i) the operation and management in petroleum oil and gas sector in any of the value chain covering importation or storage or transmission or distribution or marketing during a period of at least 5 (five) years in immediately preceding 10 (ten) years from the EOI Submission Deadline; or (ii) in acquiring or successfully transitioning ownership and operating a non-petroleum oil and gas enterprise and subsequently managed during a period of at least 5 (five) years post such transaction in immediately preceding 10 (ten) years from the EOI Submission Deadline.

Petroleum oil and gas (including liquefied natural gas) Sector Experience

Name of the Entity	
Location (City, Country)	
Date(s) and duration	
Description of Operations	
Description of role of Entity Meeting Technical Criteria	
Operation period of Entity Meeting Technical Criteria	
Relationship of Entity Meeting Technical Criteria to Prospective Bidder	(Prospective Bidder / Consortium Member / Related Party)

Non-Petroleum Oil and Gas Sector Experience

Name of the Enterprise	
Location (City, Country)	
Date(s) and duration	
Description of Operations	
Description of role of Entity Meeting Technical Criteria	
Operation period of Entity Meeting Technical Criteria	
Relationship of Entity Meeting Technical Criteria to Prospective Bidder	(Prospective Bidder / Consortium Member / Related Party)

Date and Place of Execution.

For and on behalf of [*Name of Entity*]

[*Signature of authorised representative*]

[*Name*]

[*Designation*]

SCHEDULE H - ISO CERTIFICATION

(Refer Section 8 of Annex 5)

SCHEDULE I - CONSORTIUM AGREEMENT / LETTER OF INTENT

(Refer Section 9 of Annex 5)

SCHEDULE J(1) - LEAD MEMBER POWER OF ATTORNEY

(Refer Section 10 of Annex 5)

On this [day] of [month and year]

Before me, the Notary in this office [name of Notary/office]

The undersigned:

[Mr. /Ms.] [name of legal/authorised representative]

Duly authorised, in his/her capacity as [capacity] of [name of Consortium Member]

Nationality: [●]

Holder of Passport or ID no. [●] issued by [●] dated [●]

Residing at [●] (hereafter, the “Grantor”), hereby

1. appoints [name of Lead Member, including corporate details] and its authorised representative (hereafter the “Attorney”), to:
 - (a) represent and bind the Grantor in respect to the EOI, the Bidding Process and the signature of the Definitive Agreements (both terms as defined in the REOI referred to in paragraph (e) below);
 - (b) execute under hand, or under seal, and deliver to the competent authorities all the documents listed in paragraph (e) below;
 - (c) deliver and receive any document or instrument in relation to the following documents listed in paragraph (e) below;
 - (a) do all things necessary and incidental in respect of the matters set out herein, including to do, execute and perform any other deed or act ought to be done, executed or performed to perfect or otherwise give effect to the documents listed in paragraph (e) below; and
 - (b) the documents concerned by this power of attorney being the following:

ALL DOCUMENTS IN RESPECT OF THE SHORTLISTING FOR LITRO GAS LANKA LIMITED AND LITRO GAS TERMINAL LANKA (PVT) LIMITED DIVESTITURE, AS MORE FULLY DESCRIBED IN THE REQUEST FOR EXPRESSION OF INTEREST DATED [●], 2024 (“REOI”), AND INCLUDING WITHOUT LIMITATION THE EOI FOR THE AFORESAID DIVESTITURE, AND CLARIFICATIONS AND OTHER COMMUNICATIONS WITH THE COMPETENT AUTHORITIES OF SRI LANKA IN RESPECT OF THE EXPRESSION OF INTEREST, THE BIDDING PROCESS AND THE SIGNATURE OF THE DEFINITIVE AGREEMENTS FOR THE AFORESAID DIVESTITURE.

2. confirms that this Power of Attorney is being issued in compliance with the Grantor’s constitutional documents and due process envisaged therein. The Grantor further confirms that this Power of Attorney shall remain valid throughout the Bidding Process.

Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI.

IN WITNESS WHEREOF, the Grantor has executed this Power of Attorney [under seal] on the date set out above.

[SEAL]

[Signature]

[Name / Title of Grantor representative]

SCHEDULE J(2) - LETTER OF AUTHORITY IN FAVOUR OF LEAD MEMBER

(Refer Section 10 of Annex 5)

(On the letterhead of each Consortium Member authorising the Lead Member)

Date: [●]

Re: LGL & LGTL Divestiture

To: Chairman,
Special Cabinet Appointed Negotiating Committee
State Owned Enterprises Restructuring Unit
Ministry of Finance, Economic Stabilization & National Policies
3rd Floor, Lotus Building, Temple Trees,
Colombo 03, Sri Lanka

Sub: Letter of Authority in relation to the Proposed Transaction
Sir/Madam,

1. This is with reference to the Request for Expression of Interest for the strategic divestiture of Litro Gas Lanka Limited and Litro Gas Terminal Lanka (Pvt) Limited (“**REOI**”).
2. We [name of the Consortium Member] hereby designate [name of the Lead Member] as our authorised representative (“**Authorised Representative**”) to execute under hand or under seal all documents, deliver and receive any document or instrument, engage in negotiations, attend and represent us in meetings and do all things necessary and incidental to the Proposed Transaction including but not limited to submitting the EOI, addressing any request for clarification and other communications and signing the Definitive Agreements.
3. We confirm that we shall be unconditionally bound by all commitments and actions undertaken by the Authorised Representative on our behalf.
4. This Letter of Authority is being issued in compliance with our constitutional documents and due process envisaged therein. This Letter of Authority shall remain valid during the Bidding Process.
5. In the event, we are notified as a Shortlisted Bidder in accordance with the terms of the REOI, we shall submit a duly executed and registered power of attorney in accordance with the laws of Sri Lanka, in the format specified in Schedule J(1) to the Appendix in the REOI.
6. We have enclosed certified true copy of the board resolution as [●].
7. Capitalised terms not defined herein shall have the same meanings as ascribed to them in the REOI.

Thank you.

Yours sincerely,
[Authorised Signature
Name and Title of the Signatory
Name of Entity
Address]