

Table 0.0 Document status

No	Category	Value
1	Client id	any
2	Budget No	01
3	Contract type	DPS
4	Project description	standard SWRO plant of 85000 m3/day
5	Country	Other
6	Date	2015-06-15
7	Contact person	

Subject: @projectid

Dear Sir/Madam,

Thank you very much for having invited us to quote our services for this project.

In attention to your kind inquiry, we have the satisfaction to submit our accurate budgetary technical and commercial proposals. As soon as we receive the approval from management, we will send you our official quotation.

The equipment offered is suitable for the application detailed in your inquiry and selected based on the long experience and background acquired by Crenger along the years.

We are confident to meet your expectations and remain at your service to clarify and provide any additional information you may need. Please feel free to contact us at any time.

Attached you can find all necessary technical and commercial data for the quoted services and equipment which we are offering on behalf of Crenger company.

Yours sincerely,
Dr. Victor Dvornikov

SWRO plant has the maximum production rate of 27 million m3 annually at the minimum seawater temperature of 16oC and the SWRO membrane fouling of 0.85. All mechanical equipment working under pressure is designed for this operating point.

Scope of supply

The extent of the scope of supply is strictly limited to what is described in the Technical Proposal. Any additional requirements of equipment, components, accessories, tests, services or documentation or change in design standards will be subject to the price and delivery revision.

Table 1.0 Plant components and work scope

No	System	Type	Work scope
1	1.0 Intake filtration	Intake filtration main	EPI2C2
2	2.0 Intake pump	Intake pump main	EPI2C2
3	2.1 Chlorination system	Chlorination system auxiliary	EPI2C2
4	2.2 Intake head cleaning	Intake head cleaning auxiliary	EPI2C2

No	System	Type	Work scope
5	3.0 Prefiltration system	Prefiltration system main	EPI2C2
6	3.1 Polymer preparation	Polymer preparation auxiliary	EPI2C2
7	3.2 Polymer dosing	Polymer dosing auxiliary	EPI2C2
8	3.3 Flocculant dosing	Flocculant dosing auxiliary	EPI2C2
9	3.4 Sludge system	Sludge system auxiliary	EPI2C2
10	4.0 Dual media filter	Dual media filter main	EPI2C2
11	5.0 Swro unit	Swro unit main	EPI2C2
12	5.1 Suckback tank	Suckback tank auxiliary	EPI2C2
13	5.2 Flushing and cip system	Flushing and cip system auxiliary	EPI2C2
14	5.3 Cooling system	Cooling system auxiliary	EPI2C2
15	5.4 Antiscalant storage	Antiscalant storage auxiliary	EPI2C2
16	5.5 Smbs storage	Smbs storage auxiliary	EPI2C2
17	6.0 Bwro unit	Bwro unit main	EPI2C2
18	7.0 Limestone reactors	Limestone reactors main	EPI2C2
19	7.1 Caustic soda dosing	Caustic soda dosing auxiliary	EPI2C2
20	7.2 Co2 dosing	Co2 dosing auxiliary	EPI2C2
21	7.3 Chlorination system for final product	Chlorination system for final product auxiliary	EPI2C2
22	8.0 Product delivery	Product delivery main	EPI2C2
<p>Scope notation: E - engineering, P - procurement, I/I2/I3 - installation/supervision & QA of installation/installation QA, C/C2/C3 - commissioning/supervision & QA of commissioning/commissioning QA</p>			

S1800 Gantt chart

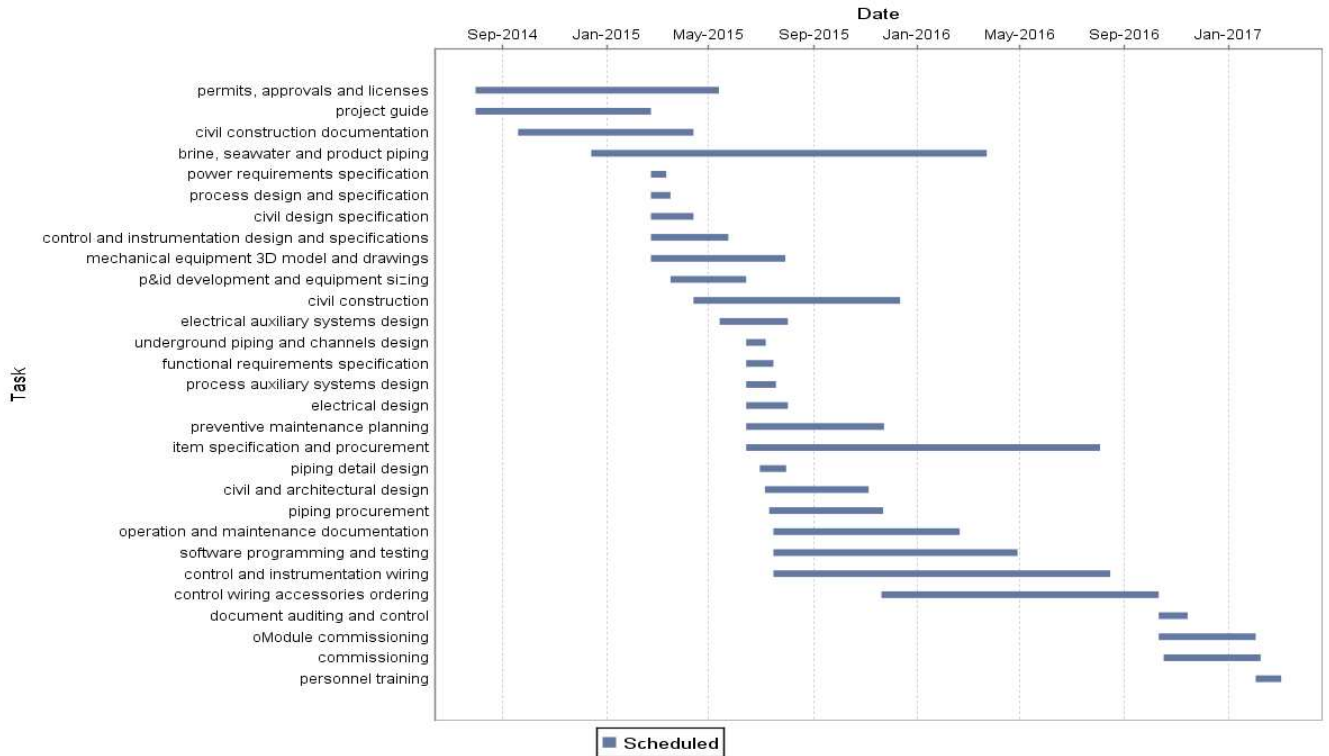


Figure 1 Gantt chart

Price schedule and extended warranty

Extended mechanical warranty for 36 months after commissioning is @extendedwarrantyprice
 The price for the scope of supply described in Technical Proposal is as follows.

Table 2.0 Order packages planned schedule

No	Tag	Description	Issue date
1	AMP	AC moto	2015-08-12
2	CR	cartridge filter	2015-07-17
3	GR.ITS	to store SMBS	2015-07-26
4	GR.TRF	transformer	2015-08-15
5	NRV	Non-return valve	2015-07-27
6	PCO.PCB.PCV.PAX	centrifugal pump	2015-08-01
7	RO	RO membrane	2015-10-02
8	VE	pneumatically actuated needle valve	2015-10-09
9	VE.CVE	electromechanically actuated plug valve	2015-10-11
10	VSDP.VSDM.VSDF	adjustable speed driv	2015-08-26
11	AR	air relief valve	2015-10-18
12	ARS	air supply syste	2015-10-23

No	Tag	Description	Issue date
13	ARS	air supply syste	2015-10-25
14	BRS.RSC	central flow rotary screen filter	2015-11-02
15	CA.PO	power cable	2015-07-24
16	CFFP	centrifuge	2015-11-04
17	CV.VS.PRV	pressure-reducing valve	2015-11-10
18	ERI	direct energy recovery devic	2015-11-13
19	FCVE	electromechanically actuated globe valve	2015-11-17
20	FE.FS	flow meter	2015-07-22
21	GR.FS	CO2 dosing	2015-11-21
22	GR.FS	agitator/scrape	2016-01-08
23	HEATR	heater	2016-01-12
24	LCRF	lamella clarifier	2016-03-01
25	LE.LI.LSLL.LSL	level meter	2015-07-25
26	MM	multi-media sand filter	2016-03-05
27	MXD.GR.FS	agitator/scrape	2016-03-10
28	PCO.PCO.PAX.PIL.PIL	centrifugal pump	2016-03-12
29	PCP	progressive cavity pump	2016-03-16
30	PDA	hydraulically actuated diaphragm pump	2016-03-20
31	PDA	mechanical diaphragm pump	2016-03-22
32	PI.FRP	frp piping	2015-07-25
33	PI.HGM	high grade metal piping	2015-07-22
34	PL	heat exchange	2016-03-25
35	PT.PI.DPT	pressure meter	2015-07-29
36	RD	rupture disc	2016-05-13
37	RE	pneumatically actuated pinch valve	2016-05-27
38	SMX	static mixer	2016-05-30
39	SU	surge tank	2016-06-02
40	SU	surge tank	2016-06-06
41	SU	surge tank	2016-06-10
42	SU.CRF.FL	clarifier	2016-06-12
43	TE	temperature meter	2015-08-02
44	VB	vibration meter	2015-08-04
45	VH.VE.CVE.FCVE	electromechanically actuated butterfly valve	2016-06-16

No	Tag	Description	Issue date
46	VH.VP.VE.VS	ball valve	2016-06-18
47	VH.VP.VS	diaphragm valve	2016-06-22
48	1NJ.2NJ	one-point injector	2016-06-24
49	AMP	AC moto	2015-08-31
50	BMI	bellmouth inlet	2016-06-28
51	BND	spectacle or paddle blind	2016-06-30
52	CA.IN	instrumentation cable	2016-08-21
53	CE	conductivity meter	2015-08-09
54	CLF	free Cl meter	2015-08-13
55	ED	eductor	2016-07-04
56	OR	orifice	2016-07-06
57	PI.MET	metal piping	2015-07-27
58	PI.PLT	plastic piping	2015-07-30
59	PUDE	pulsation dampener	2016-07-10
60	RX.PH	redox meter	2015-10-04
61	SN	Y-type strainer	2016-07-12
62	SN	Y-type strainer	2016-07-16
63	SNT	temporary strainer	2016-07-18
64	SSL	motor soft starte	2015-09-04
65	TB	turbidity meter	2015-10-12
66	TM.EP	instrument electrical panel	2016-08-22
67	TM.IN	junction box and PLC cabinet	2016-08-21
68	TM.PO	MCC and distribution station	2015-07-18
69	XJ	expansion joint	2016-07-21
70			

Terms of payment

The following terms of payment are acceptable.

10% of the total contract value advance payment net 60 days with the delivery of the following documents.

1. Signed PO documents
2. Performance bond
3. Down payment bond for the same value
4. Project specification

40% of the total contract value advance payment at 60 days net against submission of the first PO documents package (detailed in Technical Proposal) after the delivery of the following.

1. Signed PO documents
2. Down payment bond for the same value

50% of total contract value pro-rata 60 days after the plant acceptance.
 All payments shall be made within 60 days of invoice date by means of Bank Transfer.
 Partial invoicing should be allowed.

Delivery

Estimated delivery of the above plant will be as follows.
 @plantdelivery

Table 3.0 Plant price breakdown

No	Project area/Subsystems	Price, USD thou
1	intake station	48119
2	SWRO	39655
3	posttreatment	10866
4	total	98640

Offer validity

This proposal will remain valid until @offervalidity

Table 4.0 Payments schedule and conditions

No	Payment, %	Doc pack No	Docs Qty	Due date
1	0.0	1	19	2015-03-13
2	0.0	2	145	2015-09-03
3	55.0	3	152	2016-02-24
4	25.0	4	177	2016-08-17
5	20.0	5	114	2017-02-07

Delivery

For any other point not covered by this proposal, then our General Terms and Conditions will apply.

Table 5.0 Project cost adjusting clause

No	Source	Description	Value
1		Indexed expenditures	Us 30907887 \$USA
2	UBLS	electronic components and accessories	0.009
3	ENR	skilled labor	0.091
4	LME	copper	0.076

No	Source	Description	Value
5	LME	steel	0.316
6	ENR	cement	0.244
7	LME	nickel	0.053
8	UBLS	general purpose machinery and equipment	0.01
9	UBLS	industrial chemicals	0.014
10	ENR	construction wage	0.081
11	LME	aluminium	0.003
12	UBLS	electrical machinery and equipment	0.114

Cancellation charges

In case of cancellation of the project the following values given in the graph below shall apply.

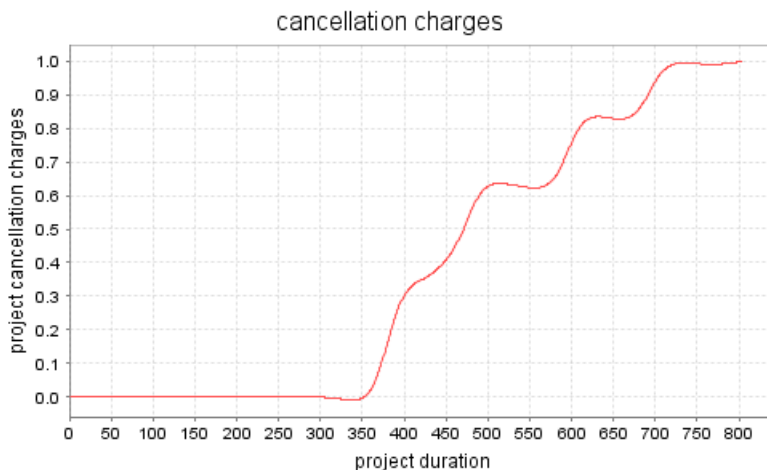


Figure 2 project cancellation charges

Liquidated damages

Crenger accepts liquidated damages for delays in delivery at a rate of 0,5% of the value of the product in delay per week, considering a 2 weeks grace period, to a maximum equivalent to 5% of the value of the product in delay.

Liquidated damages shall in the total aggregate in any case not exceed 5 % of the contract value.

Crenger does not accept liquidated damages on documentation.

Consequential damage

Notwithstanding anything to the contrary in this contract, including all documents making part thereof and to the maximum extent permitted by Law, in no event shall SELLER be Liable to BUYER for any indirect, punitive, special, incidental or consequential damages or any financial or economic loss in connection with this contract, including but not limited to loss of profits, interruption or loss of production, loss of opportunity or business, or claims by BUYER's customers for such damages, whether such liability is based on Contract, Tort (including Negligence), statute or any other basis of legal liability.

The remedies of Buyer set forth herein are exclusive, and Seller's liability with respect to any breach

of contract, indemnity, tort (including negligence), under any warranty, strict liability or otherwise shall not exceed 50% of the contract price, unless claims arise from gross negligence or willful misconduct of the Seller.

Work acceptance

Acceptance of the plant and its subsystems shall be on the basis of certified performance testing.

Warranty

Seller warrants that the goods will be of the kind and quality as described in the agreement and will be free of defects in workmanship and material.

The warranty period shall be of twelve (12) months commencing upon the date of commissioning of the goods or eighteen (18) months from seller making the goods available for shipment at seller's premises whichever date shall occur first.

Please refer to the extra prices section for extended warranty.

If during the warranty period the goods fail to meet the requirements set out in the present clause then buyer shall give written notification to seller stating the reasons therefore. Within seven (7) days of receipt (or such longer period if reasonable under the circumstances) of receipt of buyer's notification seller shall commence the repair, modification or replacement of the failure, the purchaser shall make the goods, or part thereof, available for correction. The seller shall be liable for seller's own cost incurred as a result of such action only, in no event shall be liable for seller's own costs incurred as a result of such action only, in no event shall the seller be responsible for the cost of providing access to the goods, or costs of disassembly, removal or installation of any items.

The warranties contained herein shall not apply and shall terminate immediately if the faults or defects referred to herein cannot be proved to be as a result of seller's failure under the present clause, such exclusions from warranty shall include (but not be limited to) the incorrect use, faulty installation, startup or failure to observe operating instructions by buyer or third parties, failure to carry out proper maintenance, modification or repairs by any party other than seller, normal wear and tear, incorrect or negligent handling, unsuitable service products or replacement materials, unsuitable foundations, conditions more severe than those specified or deficiencies resulting from other reasons beyond seller's control. Warranties shall also terminate immediately if buyer, in case of a defect, does not immediately take all appropriate steps to mitigate damages and notify seller as stated herein.

Correction of nonconformities in the manner and for the period of time provided within the present clause, shall constitute fulfillment of all liabilities of seller to buyer (which liabilities shall be subject to the limitations of liability contained elsewhere in the agreement), whether based on contract, negligence or otherwise, with respect to goods or any services performed. Seller makes no other warranty, guarantee or representation in respect of the goods or any services performed other than as specified in the present clause. All other warranties, express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose, are hereby disclaimed. The natural wear is excluded, that affects mainly to: mechanical seal and other wear pieces (wear rings, joint gaskets, etc.); in this case the guarantee covers eight thousand (8000) operation hours

Commissioning

Commissioning includes the following.

- Inspection of installed system to insure all hardware was installed safely and with good workmanship.
- Startup and verification of each piece of powered equipment such as pumps, valves, and control system to insure proper operation.
- Verification that all alarms and emergency shutdown triggers are working properly.
- Testing of the equipment and subsystems to insure plant delivers product water that meets the capacity and quality stated in the contract, and to optimize system so that power consumption and consumable use is minimized.

On-Site Services

Crenger offers on-site supervision and training services whereby an Crenger technicians and engineers will travel to the jobsite and work directly with the client personnel. Costs for travel, accommodations, meals, security, tools, work permits are not included in this proposal. Crenger will provide @trainingdays of on-site training including both classroom and hands-on instructions. These will include fundamental principles of reverse osmosis systems, the function and design of each individual subsystem, proper safety, maintenance and operation, components repair, and trouble-shooting procedures. Instructions are tailored to the specific equipment, seawater conditions, and quality requirements of the client.