



International Public Tender (Pre-Qualification) of Two-Stages Examination For the Construction of High Pressure Natural Gas Transmission System

Israel Natural Gas Lines Ltd. (the "Company"), an Israeli governmental owned company, hereby publishes a Tender for entering the Company's list of Approved Contractors from which the Company may order the construction of high pressure natural gas system. Israeli Bidders and non-Israeli Bidders complying with the Threshold Requirements (generally stipulated below) and receiving a minimum Quality Score as specified in the Tender documents shall be selected to the Company's Approved List of Contractors. The Approved List and the Agreement are valid for 5 years.

Threshold Requirements

1. Professional Experience and Capabilities

An Israeli Bidder must show either that it successfully executed or currently is executing in Israel, as a "prime contractor" (including as a Member of a Joint Venture), as of the beginning of 2006 until the Last Submission Date, at least 1 project of at least 5 KM of high pressure (at least 16 bar) natural gas pipeline of at least 10" in diameter.

A non-Israeli Bidder must show that it has successfully executed as of the beginning of 2010, as a "prime contractor", in OECD Countries: 1) at least 2 projects, each, of high pressure (at least 45 bar) natural gas pipeline, of at least 30 KM of 30" in diameter; and: 2) at least 1 project of high pressure (at least 45 bar) natural gas pipeline of at least 30 KM of 18" in diameter.

A Bidder who is a Joint Venture of an Israeli Contractor (whose share in the Joint Venture is at least 50% in voting power and profits/losses) and a non-Israeli Contractor (a "JV Bidder") - the Israeli Member shall comply with the requirements set forth above. The non-Israeli Member must show that it has successfully executed as of the beginning of 2010, as a "prime contractor", in OECD Countries, at least 1 project of at least 30 KM of high pressure (at least 45 bar) natural gas pipeline of at least 30" in diameter.

2. Financial Requirements

An Israeli Bidder must show that: 1) its "weighted average" annual turnover for the years 2014 – 2017 was no less than 25 million NIS; and: 2) its equity for the end of 2017 was no less than 5 million NIS; and: 3) its "weighted average" yearly cash flow from operating activities for the years 2014 - 2017 was positive or, if negative, less than 25% of its equity for the end of 2017.

A non-Israeli Bidder must show that: 1) its "weighted average" annual turnover for the years 2014 – 2017 was no less than 30 million Euro; and: 2) its equity for the end of 2017, was no less than 5 million Euro; and: 3) its "weighted average" yearly cash flow from operating activities for the years 2014 – 2017 was positive or, if negative, less than 25% of its equity for the end of 2017.

A JV Bidder - The Israeli Member shall comply with the above requirements for an Israeli Bidder and, if the non-Israeli Member's share in voting power and profits/losses in the Joint Venture is 50%, than the non-Israeli Member shall comply with the above requirements for a non-Israeli Bidder.

3. Professional Team

Each Bidder must present four Key Personnel – Construction Manager, Qualified Welding Engineer, Quality Control Expert and HSE Manager - having the qualifications, certifications and experience, as specified in the Tender documents.

4. Contractors' Registration

An Israeli Bidder and an Israeli Member in a JV Bidder are required to be registered at the Israeli Registrar of Contractors pursuant to the Contractors Registration Law, 1969 and classified as level 5 or 4 in at least one of the following categories: 150, 200, 400 or 410. A non-Israeli Bidder, including a non-Israeli Member in a JV, shall be required to receive an exemption from such registration, as detailed in the Tender documents.

General Conditions

1. The Bidders shall confirm that they are certified with the EN 3834-2 standard, or submit a duly signed undertaking to be certified accordingly within 2 months as of being declared as an Approved Contractor, or within 2 months as of the date that the Bidder was awarded the execution of a Project by the Company (the earlier of both dates).
2. Each Bidder shall attach to its proposal a Tender Bond in the amount of 40,000 NIS or 10,000 Euro, issued by a financial institution meeting the conditions and rating stipulated in the Tender documents.
3. Prior to and as a precondition to receiving the complete Tender Documents, Bidders shall pay the Company the amount of 4,000 NIS or 1,000 Euro.
4. The Bidders who shall be declared as Approved Contractors shall be reimbursed by the Company for part of their expenses, subject to the limitations specified in the Tender documents.

Quality Score

Each Bidder who complies with the Threshold Requirements will undergo a quality evaluation. Obtaining a Quality Score of at least 80 points and at least 40% of the maximum points allocated for each main category examined, is a condition to be qualified as an Approved Contractor.

General Information

The Tender Documents may be viewed on the Company's website www.ingl.co.il as of **August 19, 2018**. Receipt of a complete set of all Tender documents is possible as of **August 26, 2018**, upon registration at Mr. Yoav Klempner, e-mail: c-tender@ingl.co.il and providing with Bidders' full contact details and making the above payment.

Requests for clarification may be sent by e-mail to the above e-mail address no later than **October 2, 2018**. The Company's clarifications shall be published in the Company's website. **Bidders should submit their Bids, by hand delivery, in the tender committee's box located in the Company's offices, Atidim Tower (Building No. 8), 2184 St., Kiryat Atidim, Tel Aviv, Israel (Contract & Procurement dept., 32 floor), during Sunday - Thursday, between 09:00-17:00, as of October 14, 2018 and not later than October 29, 2018, at 17:00 (Israel time).**

For the avoidance of any doubt, it is hereby clarified that the Threshold Requirements and all other information concerning the Tender are only generally described herein, and the sole binding version is set forth in the Tender documents. The Company reserves the right to change and/or modify said Threshold Requirements as well as additional terms and conditions of the Tender, all as set forth in the Tender documents. The Company does not undertake to qualify anyone of the Bidders. The Company reserves the right to cancel the Tender, at its sole and exclusive discretion.