



ANSWERS

ANSWERS TO QUESTIONS RELATED TO THE PERMANENT PROCEDURE FOR AREA ALLOCATION

July 7, 2016

QUESTION No. 17

Question related to the Technical and Operational Capacity form; we will adhere to exception 3: Assets greater than one billion dollars. In this case, we will only complete numerals: 6 and 7, or only 6?

ANSWER:

As expressly stated in Form No. 20, numerals 2, 3, 4 and 5 therein must not be completed by the Proponent that claims any of the three (3) exceptions set out in numeral 1.

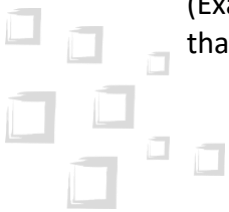
Furthermore, the Form specifies that numeral 7 should only be completed by the Proponent that claims the third exception described in numeral 1 (having at least 3 Exploration and Production Agreements, which entail the development of Hydrocarbon Reservoirs from Source Rocks, or at least own 3 Reservoirs of such same nature, being executed on the date of closure of the last fiscal Period or Year, in which the Legal Person or whoever accredits Capacity is the Operator, provided that, in addition, it has assets greater than USD 1,000,000,000 or its equivalent in another currency).

Consequently, the Proponent opting for the third of the exceptions of numeral 1 of Form No. 20 "Technical and Operational Capacity", should complete only numerals 1, 6 and 7 thereof.

QUESTION No. 18

With respect to the modality of Request for Incorporation of Area and the new requisite of submitting the Letter of Intent in accordance with the form set forth by the ANH, we have the following question.

The points of the Minimum Exploration Program - Phase 1 and Phase 2 for each type of area (Example: Mature, Emerging) and for each basin (Example: CAG PT) are always the same that are established in Annex B published by the ANH?





(...)

ANSWER:

The purpose of Annex B of the Terms of Reference of the Process is to inform the Qualified Proponents who submit Request for Incorporation of Interest or Manifestation of Interest, the Minimum Exploration Program required for each Area, based on the basin to which they belong and the respective classification as Mature or Emerging, pursuant to the parameters established in Agreement 02 of 2017.

Additionally, the referred Annex offers the Participants that acquire the commitment of presenting a Proposal for the Areas that are the object of their Request or Manifestation of Interest, information related to the criteria for evaluation of offers received thereon, in case of being incorporated into the Process (Proposal, Counteroffers and that submitted in exercise of the option to Outweigh the Most Favorable Counteroffer).

Hence, after receiving the first Request for Incorporation or Manifestation of Interest, by 30 June 2020 at the latest (in accordance with the Schedule of Addenda 13 of 12 June 2020), Annex B cannot be amended by the Agency.

QUESTION No. 19

If a Request for Incorporation of Area is submitted for an area that, given its characteristics, was classified as Mature and it is in Basin CAG-PT, the Minimum Exploration Program would be: 120 points for Phase 1 and 750 points for Phase 2 with 1% of X?

ANSWER:

In fact, according to the version of Annex B published with Addenda No. 13 of 12 June 2020, the Qualified Proponent that through a Request for Incorporation or Manifestation of Interest accompanied with the Letter of Intent, acquires the commitment of presenting a Valid Proposal for an Area located in the CAG-PT basin and classified as Mature, must submit a Proposal that, as regards the Minimum Exploration Program, is equivalent to at least 120 points in Phase 1 and 750 points in Phase 2, and offer a Percentage of Shared Production (X%) of at least 1%.

In this regard, it should be noted that, in accordance with that provided for in letter b) of article 7.2.1 of the Terms of Reference, if in the same month and cut-off two or more Requests for Incorporation are received, which Areas are overlapping, the ANH will require the Proponents who formulated them to report the exploration activities expressed in points for execution in each of the respective Exploration Program Phases (Minimum and Additional), in order to choose the Request for Incorporation of the Proponent offering



more points in Phase 1. It should be kept in mind that, as expressly stated in the aforementioned letter, "Said manifestation will be considered the minimum of the offer submitted by the Requester, under penalty of its rejection".

QUESTION No. 20

"I would like to confirm that the offering possibility that is due next 30 June, pursuant to the terms of the PPAA, applies only for available or free areas (identified in gray in the land map), but not so with respect to reserved areas..."

ANSWER:

In the understanding that the question refers to the possibility that the Qualified Proponents have of submitting Requests for Incorporation or Manifestations of Interest, aimed at the eventual incorporation of Areas to the Third Cycle of the PPAA (submitted by 30 June 2020 at the latest), the answer is:

As it is expressly stated, without limitation, numeral 1.26 of the Terms of Reference, the Requests for Incorporation of Areas can only apply to Areas classified as Available in the Land Map.

When dealing with Manifestations of Interest, only the Areas described and delimited in Annex C (Mature and Emergent Areas offered and not allocated in Cycles 1 and 2 of the bid) can be the object of this type of manifestation. The Areas listed in Annex C, with respect to which no Manifestations of Interest are received as at 30 June 2020, will be excluded from the Process and classified as Available in the Land Map.

QUESTION No. 21

"Similarly, we would appreciate your clarifying if the reserved areas can be requested as an inclusion for a subsequent offer".

ANSWER:

Based on the answer to the previous question, it is not possible to request incorporation into the PPAA of an Area classified as Reserved in the Land Map.



QUESTION No. 22

"We see that in the ToRs there is a deadline for updating the qualification ending next 31 August. For new companies like ours, would it be possible to qualify during this period to apply for the PPAA this year? (currently the company with which we wish to participate is not qualified at the ANH). We are currently gathering all the data and required accreditation and, furthermore, carrying out the required processing to become qualified as soon as possible, seeking to achieve it this year".

ANSWER:

Pursuant to that set out in numeral 6.9 of the Terms of Reference, submitting the requests for Qualification is not subject to a deadline or term and, therefore, the Agency will receive said request any business day over the year and will proceed to its processing. The cut-off dates set out in the Schedule, such as 31 August 2020 mentioned in your question, "(...) are intended exclusively to determine the requests on which the ANH will carry out the review, verification and request for clarification or addition of the data and documents filed, in order to identify those meeting the Capacity requirements for contracting with the Agency and (...) submit a Proposal or Counteroffer in the next hearing to be held".

Consequently, if according to the current Schedule, the company submits, by 31 August 2020 at the latest, the documents required for obtaining the Qualification, and the review and verification thereof by the ANH leads to conclude that it meets the Capacities required for contracting with the Agency, it will acquire the Right to Participate in the PPAA as of 28 September 2020 (business day following the fifth updating of the Definitive List of Qualified Parties) and it may deposit a Counteroffer for the Third Cycle Areas of its interest. Furthermore, the condition of being qualified enables it to submit Requests for Incorporation of Areas at any time for these to be taken into consideration for subsequent cycles, according to the respective cut-off dates.

QUESTION No. 23

I would like to know what will the procedure be to incorporate the areas that in the ANH Land Map to this date are shown as reserved areas.

When will these reserved areas be available and/or susceptible of offering?

ANSWER:

In the understanding that the question refers to the possibility of Requesting the Incorporation of an Area classified as Reserved in the Land Map, it should be noted that in





fact and, as expressly stated in numeral 1.26 of the Terms of Reference, the Requests of Incorporation can only apply for Areas classified as Available. Consequently, it is not possible to Request the Incorporation to the Process of a Reserved Area.

The Reserved Areas, pursuant to the definition contained in the Annex to Agreement 02 of 2017, are "Those that the ANH delimits and classifies as such, for strategic reasons, or based on energy, national security or public order policies; for their geological, environmental or social characteristics, or for having conducted studies and thus having valuable exploration information on them, or having plans to undertake such studies directly". Hence, its classification as Reserved is not subject to a specific or determined deadline and its permanence in such category depends on whether the conditions that led to its classification as reserved persists over time or not.

QUESTION No. 24

"Yesterday, the Agency published Addenda No. 1 to the Permanent Process of Allocated Areas, whereby it amended, without limitation, Form No. 29 Letter of Intent. Being this one of the requirements for incorporation of new areas, and if having presented the documents published in Addenda No. 12 before, is it necessary to send again the documents for each area, or refer to the previously sent mail and only send now Form 29 amended by Addenda 14?"

ANSWER:

Form No. 29 "Letter of Intent" was amended by means of Addenda No. 14 of 25 June 2020, establishing a cause for extinction of the obligation. Other changes introduced to the Terms of Reference did not alter the content of other documents to be submitted for consideration of the Agency when formulating the Request for Incorporation of Areas or Manifestation of Interest. Given the nature of the change in the Form, it is up to the interested party to refer to the initial communication or message, sending the new Form No. 29 in its latest version, duly completed. Failure to submit the Letter of Intent according to the version published in Addenda No. 14 will not give rise to rejection of the request.

