



AGENCIA NACIONAL DE HIDROCARBUROS

CONTINUOUS AREA NOMINATION PROCESS - PPAA

TERMS OF REFERENCE

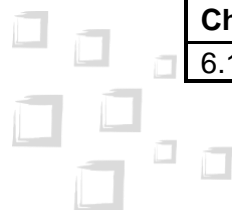
4 November 2020





TABLE OF CONTENTS

Item	Page
Table of Content	1
List of Attachments	4
Legal Grounds	6
Chapter One - Terms and Concepts	11
Chapter Two - Object and Scope of the Continuous Area Nomination Process	20
2.1 Object	20
2.2 Scope	20
2.3 Legal Regime	20
2.4 Invitation to Bid	21
Chapter Three - Areas	22
3.1 Universe	22
3.2 Classification	22
3.3 Minimum Economic Conditions of the Areas	22
Chapter Four - Exploration Programs to be Undertaken	24
4.1 General aspects	24
4.2 Minimum Exploration Program	24
4.3 Additional Exploration Program	25
4.4 Exploration Program of the Proposal submitted by the Participant who requested the incorporation of an Area for investment transferring	25
Chapter Five - Development of the Continuous Area Nomination Process	27
5.1 Stages, Actions and Schedule 2019	27
5.2 Stages	29
5.2.1 Disclosure and Information Stage	29
5.2.2 Interested Parties Qualification Stage	32
5.2.3 Stage for Presentation, Evaluation of Requests for Incorporation of Areas and Publishing of Areas Incorporated to the Continuous Area Nomination Process.	33
5.2.4 Stage for Filing and Validation of Proposals and COUNTEROFFERS.	33
5.2.5. Stage for Allocation of Areas, Award and Execution of Contracts	33
Chapter Six - Qualification of Interested Parties	34
6.1 Proponents	34





Item	Page
6.2 Ongoing Qualification of the Continuous Area Nomination Process	34
6.3 Legal Capacity	35
6.4 Accreditation of Legal Capacity	39
6.5 Accreditation of Economic Financial Capacity	46
6.6 Accreditation of Operational Technical Capacity	51
6.7 Accreditation of Environmental Capacity	54
6.8 Accreditation of Corporate Social Responsibility Capacity	54
6.9 Application for Qualification	55
6.10 Clarifications and Presentation of Rectifiable Documents	56
6.11 Verification and Validation of Qualification Documents	56
6.12 Preliminary List of Qualified Proponents	57
6.13 Final List of Qualified Proponents	57
6.14 Subsequent Qualification of Plural Proponents	58
6.15 Update of Determinant Qualifying Information	58
Chapter Seven -Request for Incorporation of Areas	59
7.1 Presentation and Content of the Request for Incorporation of Areas	57
7.2 Evaluation of the Request for Incorporation of Areas	58
7.3 Causes for Rejection of the Request for Incorporation of Areas	62
7.4 Publishing of Areas Incorporated to the Continuous Area Nomination Process	63
Chapter Eight - Manifestations of Interest	64
8.1 Presentation and Content of the Manifestation of Interest	64
8.2 Evaluation of the Manifestation of Interest	64





Item	Page
8.3 Determination and Publishing of Areas object of the Continuous Area Nomination Process.	64
Chapter Nine - Filing and Validation of Proposals and COUNTEROFFERS	66
9.1 Content of the Proposal	69
9.2 Bid Bond	69
9.3 Filing and Public Opening of Proposals	70
9.4 Review, Verification and Validation of Proposals	70
9.5 Evaluation and Rating of Proposals and COUNTEROFFERS	71
9.5.1 Preliminary Order of Proposal Selection	72
9.5.2 Declaration and Transfer of Initial Proposal	73
9.6 Filing, Evaluation and Rating of Proposals and COUNTEROFFERS	73
9.7 Preliminary Order of Selection of the most Favorable Counteroffer	74
9.8 Declaration and Transfer of the most Favorable Counteroffer to the Initial Proponent	74
9.9 Correction of Arithmetical Errors	75
9.10 Causes for Rejection of Proposals and COUNTEROFFERS	75
Chapter Ten - Allocation of Areas, Award and Execution of Contracts	78
10.1 Causes for not Allocation of Areas	78
10.2 Award of Contracts and Allocation of Available Areas	78
10.3 Timelines for entering into the Agreements	78
10.4 Contents of the Agreement	79
10.5 Publishing of the Agreement	79



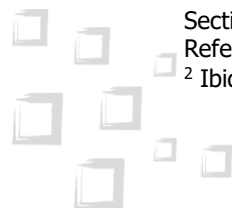


LIST OF ATTACHMENTS

Item
Previous Studies
Agreement 2 of 2017 - Regulation of Contracting for Hydrocarbon Exploration and Production
Annex No. 1 of Agreement 2 of 2017 - Glossary of Terms, Units and Equivalences
Ministry of Mines and Energy Resolutions No. 181495 of 2009 - Hydrocarbons Exploration / Exploitation Measures No. 180742 of 2012, modified by 90341 of 2014 - ¹ Exploration/Exploitation Procedures Accumulations in Source or Unconventional Rocks No. 41251 of 2016 - Regulates the Measurement of the Volume and Determination of the Quality of Hydrocarbons produced in the Country, for the proper Calculation of Royalties and Economic Considerations in favor of the State.
Decrees 3004 of 2013 ² and 2638 of 2014 that modified the first one.
Resolution ANH 183 of 2013, adopting the Manual of Delivery of Exploration and Production Technical Information - MEITEP-and its amendments.
Resolution ANH 36 of 4 February 2019 - Commencement of the Continuous Area Nomination Process
Instructions Individual/Plural Participants
Indices National/Foreign Individual Participants Plural Participants
Formats of Letter of Presentation of Documents for Qualification National/Foreign Individual Participants Plural Participants
Joint Debtor Guarantee / Legal Opinion
Declaration and Commitment on Inabilities, Incompatibilities and Prohibitions; Criminal Activities and Transparency Commitment (National/Foreign)
Declaration on Business Group and Holding
Commitments Assignments and Holding Changes
Protocol for Presentation of Documents to Obtain or Update Qualification

¹ On the grounds of the provisional suspension ordered by the State Council, Contentious Administrative Room, Third Section, Subsection B (Register 57819), with ruling of 8 November 2018, references included in these Terms of Reference to such provisions are conditioned to their validity in accordance with the law.

² Ibid note 1.





Item
Index of Proposal or Counteroffer
Legal Capacity - Annexes - Shown in the Index
Financial Economic Capacity - Annexes
Technical and Operational Capacity - Annexes
Environmental Capacity - Annex
Capacity related to Corporate Social Responsibility - Annex
Letter of Presentation of the Proposal or Counteroffer
Format for presenting Additional Exploration Program (Minimum and Additional)
Production Share (X%) Format
Request of Incorporation of Areas Format
Intent Letter Format
Annex A - Delimitation and Classification of Selection Process Areas
Annex B - Exploration Programs and Evaluation Criteria
Annex C – Areas that are the object of the Manifestation of Interest
Draft for Hydrocarbon Exploration and Production Agreement - Onshore E&P
Draft for Hydrocarbon Exploration and Production Agreement - Offshore E&P





LEGAL GROUNDS

These must be read specifically and carefully by the interested parties, without prejudice of thoroughly reviewing the full text of these Terms of Reference for the Continuous Area Nomination Process.

Essential premises of this Procedure for Selection of Contractors and Allocation of Areas, which must be understood, considered and observed in full to participate in it:

1. These Terms of Reference, as well as eventual modifications, adjustments, deletions, clarifications, relevant details or additions thereto, which will always be adopted through Addenda, together with the applicable legal framework, constitute the only rules governing the Continuous Area Nomination Process; the Qualification of Participants; the filing, review, and validation of the Manifestations of Interest and the Requests for Incorporation of Areas, Proposals and COUNTEROFFERS, and the Awarding of the projected Contracts, with the allocation of the respective individual Areas.
2. The Technical Information available to the National Hydrocarbon Agency, ANH and the Colombian Geological Service, SGC, comes from the exploration activities undertaken directly by them and - to a greater extent - that which the contractors must deliver, in performance of their legal business, which rests in the Petroleum Information Bank - BIP.
3. The ANH reserves the right to make changes, adjustments, deletions, clarifications, precisions or additions to the Terms of Reference, including the extension of the deadlines of the Continuous Area Nomination Process, and, in general, to vary the Schedule, in accordance with the legal framework and with the law.
4. The Continuous Area Nomination Process will offer areas determined, delimited and classified by the ANH, upon the Request for Incorporation presented by the Qualified Interested Parties within the timeline set for such purpose in the Schedule. Furthermore, the ANH can offer new Areas in the Process, at its discretion.
5. Similarly, the ANH reserves the right to exclude or make changes to the Areas that are the object of the Continuous Area Nomination Process, in its acreage or allocation conditions, with respect to which no Proposals have been received in relation with the Proposal Filing Hearings held after their offering, or which have not been the object of the Award.

Likewise, the ANH reserves the right to suspend or terminate the Continuous Area Nomination Process, through a reasoned administrative act published in the web page of the Agency.

6. With the presentation of the documents for Qualification, the Request for Incorporation of Areas, Manifestation of Interest, Proposal or Counteroffer, the Interested Parties and the respective Individual Proponent or all the members of the Plural Proponents accept and expressly represent, as the case may be:

- 6.1 That they maintain their Proposal or Counteroffer valid and with full binding force, for a minimum term of six (6) months, counted from the date of delivery, according to the Schedule, or any of its extensions, if any. Consequently, it shall be mandatory and





irrevocable for that term, and must be extended for the period established in the corresponding Addendum and in the Presentation Letter of the proposals.

- 6.2 That they had access and knew and examined all and each of the Process Documents, including, but not limited to: (i) the Terms of Reference and its Annexes, including the Forms and Draft Contracts and their Annexes, and the Socio-environmental Fact Sheets; (ii) the Addenda thereto; (iii) the ANH clarifications and responses to requests, questions and comments submitted by the Interested Parties regarding the Terms of Reference of the Continuous Area Nomination Process and, in general, to such Documents.
- 6.3 That they consulted and reviewed all the required information to prepare and file the documents related to this Selection Process, including those related to Qualification, Request for Incorporation of Areas, Manifestations of Interest, and preparation and filing of Proposals and COUNTEROFFERS.
- 6.4 That the Process Documents are complete and adequate to prepare the supports required for Qualification, to request Incorporation of Areas, to submit Manifestation of Interest and Proposal and Counteroffer, and to accurately identify the object and scope of the Contracts to be entered into, as well as the provision, commitments and obligations for each the Parties and, in general, the stipulations contained therein.
- 6.5 That they know and accept all of the terms, conditions, requisites, requirements, commitments, obligations and deadlines set forth in the Documents of this Selection Process, including, without limitation, the Terms of Reference, their Annexes, Formats and Commitments, and the Draft of the Contracts to be entered into.

Consequently, any inaccuracy, inconsistency, contradiction with reality, deviation, omission, exception, proviso or conditioning incorporated in the documents for Qualification or in those that make up the Request for Incorporation of Areas, Manifestations of Interest, Proposal or Counteroffer; the modification or additions thereon, which imply ignorance of the Terms of Reference, as well as the lack of the minimum requirements set out for said documents, which cannot be remedied pursuant to the same norms and Terms, will result in the Proponent not being Qualified or its Request for Incorporation of Areas, Manifestation of Interest, Proposal or Counteroffer not being admissible or eligible, and consequently, to their rejection, without prejudice of all other effects foreseen in the legal framework or in the Terms of Reference of the Continuous Area Nomination Process.

- 6.6 That they examined carefully the participation rules and know the conditions of the Area or Areas of their interest, so that in the structuring of their Request for Incorporation of Areas, Manifestation of Interest, Proposal or Counteroffer, they took into account their characteristics, that is, geographic, climatic, environmental, social, public order, and access roads and infrastructure.
- 6.7 That all the information contained in the documents for Qualification and in their Request for Incorporation of Areas, Manifestation of Interest, Proposal or Counteroffer is accurate, credible and truthful, a circumstance that they declare on oath, which is understood as done upon signing of the letters and forms designed for such purpose





and that of the Contracts awarded, to the point that they expressly accept the authority of the ANH to verify and confirm it; to deny or revoke the Qualification; to reject the Request for Incorporation of Areas, Manifestation of Interest, Proposal or Counteroffer; to abstain from awarding or to revoke an already made Award, and even to terminate any contract, in the event that information contrary to reality has been submitted. In the latter case, once the action is established, its occurrence is expressly stipulated as a resolutive condition of the contractual rights and obligations, without prejudice of the applicable legal action according to the Law.

- 6.8 That, therefore, they expressly and irrevocably authorize the ANH to verify all the information provided for purposes of the Qualification Request for Incorporation of Areas, Manifestation of Interest, Proposal or Counteroffer, including all documents and supports filed to accredit Capacity and to obtain the Contract, a faculty that is reserved by the Agency at all times, whether prior or subsequent to such Qualification, to the Award of the Process, and to the subscription to the respective Contracts, due to the general interest implied in the act.
- 6.9 That, in accordance with the principles of transparency and publication, the contractual actions of the ANH are public and the files containing them are open to the public and, therefore, they represent and expressly accept that the information contained in the documents for Qualification and in those that make up their Proposal or Counteroffer is equally public, except for those aspects or matters legally protected by reservation or confidentiality pursuant to the terms set out in the law or in the Terms of Reference, that the Interested Party must expressly identify, with the pertinent justification.
- 6.10 That neither the Individual Proponent nor the members of Plural Proponents: (i) are involved in any cause of inability, incompatibility, prohibition or conflict of interest to contract with the ANH, in accordance with the Political Constitution and the law; (ii) are in the process of dissolution and judicial or administrative liquidation, or similar circumstance, according to the legislation of the country of origin, such as bankruptcy, voluntary or compulsory liquidation and, in general, any process or circumstance that results in extinction of the legal person; (iii) incur on transnational bribery crimes as per the terms provided for by Law 1778 of 2016; (iv) have pending litigation, judicial proceedings in progress, or are undergoing another situation or contingency that could materially compromise the timely, effective and efficient fulfillment of the services, obligations and commitments arising from a possible Award, or possible execution, performance, termination and/or settlement of the Contract (s) that would be entered into.
- 6.11 That neither the Individual Proponent nor the members of Plural Proponents have permitted or will permit their operations to have been or to be used in the future as a means of concealing, managing, investing or taking advantage - in any form - from money or other property derived from criminal activities or destined to their financing, or to give the appearance of legality to behaviors that are contrary to the criminal law or to transactions and funds associated therewith.
- 6.12 That neither the Individual Proponent nor the members of Plural Proponents, their partners or administrators are reported in the latest publication of the Fiscal Responsibility Bulletin of the Comptroller General of the Republic, nor do they appear





with a disciplinary record in the data bases of the Office of the Attorney General of the Nation, which imply inability, nor are they reported in any restrictive list used in the fight against money laundering of the Colombian State.

Partners of open companies and those listed on stock exchanges are exempt from this statement.

- 6.13 That the Individual Proponent and the members of Plural Proponents are cleared as to their obligations related to the General Social Security System and parafiscal contributions, should they be subject to the pertinent regime in the country, in accordance with current regulations.
- 6.14 That if they are favored with the allocation of one or more Areas and the consequent Award of one or more Contracts, they undertake to subscribe those for Exploration and Production - E & P, Technical Evaluation Agreements - TEA, as the case may be, pursuant to the terms and conditions of the Draft Contract approved by the Steering Council of the ANH, within the deadline set out in the Schedule for such purpose, as well as to provide the documents required for their execution, formalization and enforcement.
- 6.15 That they are exclusively responsible for the detailed study and analysis of the Documents of this Selection Procedure, including these Terms of Reference of the Continuous Area Nomination Process and its Annexes, including the Forms, Draft Contracts and their annexes; the location maps of the Areas; their boundaries and coordinates; the Commitment forms, models and texts; the Addenda that introduce adjustments or modifications to said Terms, Annexes and Commitments; the documents containing the requests for clarification, questions and observations from the interested parties related to said Documents; the responses of the ANH; the Data Package; the information provided during the Data Room sessions ("*Data Room*"), and, in general, all the publications of the Agency in relation with the Continuous Area Nomination Process, both in physical and digital media, so that the interpretations, conclusions and deductions related thereto are also their exclusive responsibility, as well as any error or omissions they may incur.
- 6.16 That they will bear all the costs and expenses incurred in the preparation and presentation of the documents for Qualification and the preparation and structuring of their Request for Incorporation of Areas, Manifestation of Interest, Proposal or Counteroffers, including warranties, so that they will not be entitled to any recognition or reimbursement from the ANH on such accounts, even in events of no Allocation of the Area or Areas of their interest, or of revocation of the Qualification or the Award, and even for termination of the Contract(s) for legal reasons, including the occurrence of a resolutive condition.
- 6.17 That upon presentation of the documents for Qualification, Request for Incorporation of Areas, Manifestation of Interest, Proposal or Counteroffer represent to know and to have analyzed and considered for such purposes the legal framework applicable to the Continuous Area Nomination Process, in particular, Agreement 2 of 2017 issued by the Steering Council of the ANH, and its amendments.





6.18 That they undertake to report to the competent authorities any event or conduct that may entail violation of the criminal law or disciplinary offense that they become aware of during the development of this Procedure, in particular, the following:

- **Secretaría de Transparencia de la Presidencia de la República**
Unidad de Denuncias (Transparency Secretariat of the Presidency of the Republic Complaints Unit)
Carrera 8 No. 7 - 276, Bogotá, D.C.
Telephones 018000-91-30-40 and (571) 587-05-55 Fax: (571) 565-86-71
Email: contacto@presidencia.gov.co WEB Pages:
WEB pages:
<http://www.anticorrupcion.gov.co> <http://www.secretariatransparencia.gov.co>
- **Procuraduría General de la Nación** (General Prosecutor's Office)
Carrera 5 No. 15 – 60, Bogotá, D.C.
Telephones: 018000-910-315 - Reduced line: 142 and PBX: (571) 587-87
Email: quejas@procuraduria.gov.co
WEB page: <http://www.procuraduria.gov.co>
- **Fiscalía General de la Nación** (Attorney General of the Nation)
Nivel Central: Diagonal 22B No. 52-01 (Ciudad Salitre), Bogotá, DC
Telephones: (571) 570-20-00 and (571) 414-90-00
Toll Free Line for Claims & Complaints against Officials: 018000-91-22-80 ó (571) 570-20-72
Toll Free Line for Criminal Reports 018000-91-61-11 (571) 414-91-37
Email: veeduría@fiscalia.gov.co
WEB page: <http://www.fiscalia.gov.co>
- **Agencia Nacional de Hidrocarburos** (National Hydrocarbon Agency)
Avenida 26 Calle No. 59 – 65, Piso 2, Bogotá, D.C.
Telephones: (571) 593-17-17
Fax: (571) 593-17-18
Claims and Complaints: Participacionciudadana@anh.gov.co
WEB Page: <http://www.anh.gov.co>





CHAPTER ONE

1. TERMS AND CONCEPTS

The concepts contained in the Terms of Reference of the Continuous Area Nomination Process correspond to those set out by (i) the law; (ii) Annex number 1 to Agreement 2 of 2017, Regulation of Hydrocarbon Exploration and Exploitation, issued by the Steering Council of the ANH, called Glossary of Terms, Units and Equivalences; (iii) Decree 3004 of 2013³ and its modifying decree 2638 of 2014, and (iv) Resolutions Nos. 181495 of 2009, amended by Resolutions 40048 of 2015 and 180742 of 2012, modified by Resolutions 90341 of 2014⁴ and No. 41251 of 2016, issued by the Ministry of Mines and Energy, or in the norms that replace, modify or supplement them, so that they have the meaning attributed to them, and must be interpreted and understood accordingly.

Consequently, for the purposes of this Selection Procedure and the pertinent contractual actions, the ANH abides by those terms and concepts, without prejudice of the expressions listed below, which have the meaning stated therein:

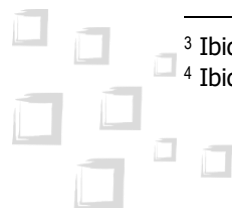
- 1.1 **Addenda:** Addition, deletion, modification, adjustment, clarification, precision and/or substitution introduced and published by the ANH in the text of the Terms of Reference and its Annexes, including Forms, Instructions and Commitments, and in the Draft of Contracts to be entered into, as well as their respective annexes, after the date of publication of the final version, in business days and in working hours.

This faculty can be exercised as of the various dates of publication of the Ares that are the object of the Continuous Area Nomination Process, until the third (3rd) business days preceding the expiry of the deadline set for presenting the respective Proposals or COUNTEROFFERS, except for adjustments to the Schedule, which can occur at any time, provided that these are published at least two (2) business days in advance with respect to the procedure or milestone whose date of execution is changed or the expiry of the deadline in question.

- 1.2 **Annexes:** Set of Formats or Forms, Commitments and, in general, documents that accompany the text of the Terms of Reference as such, including the Draft of Contracts to be entered into, all of which are an integral part thereof.
- 1.3 **ANH or Agencia Nacional de Hidrocarburos:** State agency of the decentralized sector of the Executive Branch of the national order, with legal personality, own equity and administrative, technical and financial autonomy, attached to the Ministry of Mines and Energy, regulated by Legislative Decree 1760 of 2003 and Decree Law 1437 of 2011, and the provisions of Decree 714 of 2012.
- 1.4 **Areas of the Selection Process or Areas of the Continuous Area Nomination Process:** Available areas that are the object of the Continuous Area Nomination Process,

³ Ibid note 1

⁴ Ibid note 1





offered by the ANH to Qualified Interested Parties, subject to the bid rules contained in these Terms of Reference.

- 1.5 **Notice:** Any communication, warning, indication, message, announcement or information published by the ANH on its website, related to the procedure of this Selection Process.
- 1.6 **Letter of Intent.** Communication whereby the Qualified Proponent who Manifests Interest or Requests Incorporation of Areas, undertakes to file within the stipulated time and in compliance with all the applicable requirements, the information requested in numeral 6.15 of the Terms of Reference, and to submit a Proposal for that which is the subject of its request, by filling out Form No. 29 attached to these Terms of Reference.

If, as a result of the review and verification of the information supplied by the Participant, the ANH concludes that it does not have the conditions that gave rise to its Qualification or that its Economic Financial Capacity has been reduced and it is insufficient to submit an offer of the Area of its interest, pursuant to that provided for in numeral 6.5 of these Terms, the obligation of submitting a Proposal that is acquired with the Letter of Intent extinguishes, due to the impossibility of its execution. Similarly, if as a result of the Nation Territory Coordination and Concurrence Procedure, the Area is not included in those of the Selection Process, or if there is a need to redefine the limits, extension and number of sides of the respective polygon, reducing it by more than 20% with respect to its initial size, the referred obligation extinguishes as the resolutive condition is fulfilled.

Should any of the aforementioned occur, in exercising the faculty provided for in legal grounds No. 5 of these Terms of Reference, the ANH will exclude from the Process the Area that is the object of the Manifestation of Interest or the Request of Incorporation and will classify it as Available in the Land Map.

Failing to comply with the commitment of submitting a Proposal acquired upon submittal of the Letter of Intent, subject to the aforementioned condition, imposes on the Participant a payment obligation amounting to one hundred thousand dollars of the United States of America (USD 100,000), in favor of the ANH, within thirty (30) calendar days following the date for filing Proposals established in the Process Schedule, as per the terms set out in Form No. 29, attached to the Terms of Reference.

- 1.7 **Letter of Presentation of the Qualification Documents:** Communication by means of which each Individual Proponent, as well as the Plural Proponents, through the Operator, formally submit to the ANH all documents required to accredit Legal, Economic, Technical and Operational, Environmental and Corporate Social Responsibility Capacity, in order to obtain Qualification to submit the Request for Incorporation of Areas, Proposal or Counteroffer in furtherance of this Selection Process.

It must correspond to the Formats or Forms corresponding to the Letter of Presentation of the Qualification Documents for National Legal Entities, and Letter of Presentation of the Qualification Documents for Foreign Legal Entities, as the case may be, and the Letter of Submittal of the, in the case of an association, duly completed and signed by the legal Representative of the Individual Proponent or the conventional representative of the Plural Proponent, both duly accredited, or by their respective duly established attorney or representative in Colombia.





The legal persons that request qualification to submit the Request for Incorporation of Areas, Proposal or Counteroffer, once qualified, are empowered to associate with other qualified legal persons and to submit the Request for Incorporation of Areas, Proposal or Counteroffer, as Plural Participants.

- 1.8 **Counteroffer:** Formal proposal or offer by an Individual or Plural Proponent, with respect to the Initial Proposal for Contacting of an Area, which determines the Exploration Program it undertakes to perform, as well as the Economic Rights that are chargeable to it and in favor of the ANH, in order to enter into and perform an Exploration and Production, E&P, of Technical Evaluation, TEA, or Special Contract. The party submitting the Counteroffer is referred to as Counter proponent in the Terms of Reference.

Said offer must exceed the Primary Factor for evaluation and rating of the COUNTEROFFERS, and equal or exceed the Secondary Factor of evaluation (first criterion for tiebreaker) of the respective Area, set out in Annex B "Exploration Programs and Evaluation Criteria" of these Terms of Reference.

- 1.9 **Most Favorable Counteroffer:** Counteroffer submitted by an Individual or Plural Proponent that has been declared as such by the ANH, for being the best of the Valid Proposals presented, as compared with the Initial Proposal associated with the same Area.
- 1.10 **Schedule:** Calendar that sets out the timing of the different Selection Procedure actions, in its various Stages, indicating the respective dates and times, or the period within which such actions or Stages are to take place.
- 1.11 **Right to Participate:**

1.11.1 **With respect to the Areas offered by initiative of the ANH:** In the Third Cycle of the Continuous Area Nomination Process, there will be no offering of Areas determined and delimited by initiative of the ANH.

1.11.2 **With respect to Areas offered by initiative of the Proponents:** Right to submit Manifestations of Interest, Request for Incorporation, Proposal or Counteroffer, held by Qualified legal persons or associations, with Economic Financial Capacity sufficient to support their requests or offers, according to the classification of their Area of Interest, pursuant to that provided for in article 23 of Agreement 02 of 2017 and numeral 6.5 of these Terms of Reference.

The purchase of the Data Package will neither be mandatory nor a condition to obtain the right to participate in the Third Cycle of the Process.

- 1.12 **Selection Process Documents:** All those that govern and are part of this Process, including those containing relevant information for its performance, namely:

1.12.1 Notices.





1.12.2 Preliminary and Final Terms of Reference, as well as Addenda to the latter, including the Schedule and adjustments thereto.

1.12.3 Annexes.

1.12.3.1 Location Map of the Selection Process Area, as well as Addenda thereto, including the Schedule and its adjustments.

1.12.3.2 Socioenvironmental data sheets for the Selection Process Areas

1.12.3.3 Formats or Forms, as listed in the preceding Index.

1.12.3.4 Commitments: these are contained in the following Formats or Forms:

1.12.3.4.1 Commitment on Incompatibilities, Inabilities, and Prohibitions; Transparency Commitment, Criminal Activities Commitment

1.12.3.4.2 Commitments on Holding Changes and Assignments

1.12.3.4.3 Commitment on Environmental Management and Corporate Social Responsibility

1.12.3.5 Contract Draft

1.12.3.6 Agreement 2 of 2017, of the ANH Steering Council, which contains the Contracting Regulations for Hydrocarbon Exploration and Exploitation, as well as its Annex 1, Glossaries of Terms, Units and Equivalences and other norms that modify, supplement or substitute it.

1.12.3.7 Agreement 1 of 2020, "Whereby the rules are set forth for the Transfer of Exploration Activities or Investments among Contracts and Agreements entered into with the *Agencia Nacional de Hidrocarburos*", and the norms that modify, supplement or substitute it.

1.12.3.8 Decree 3004 of 2013 and its modifying decree 2368 of 2014 on Exploration and Exploitation of Unconventional Reservoirs or Hydrocarbons in Source Rocks⁵.

1.12.3.9 Resolutions No. 181495 of 2009, as amended by Resolution 40048 of 2015, on Measures related to Hydrocarbon Exploration and Exploitation; 180742 of 2012, as amended by Resolution No. 90341 of 2014 ⁶on Procedures for the Exploration and Exploitation of Hydrocarbon Accumulations in Source or Unconventional Rocks, and 41251 of 2016, Regulation of Volume Measurement and Determination of Quality of Hydrocarbons produced in the Country, for the adequate Calculation of Royalties and Economic Considerations in favor of the State, all of them issued by the Ministry of Mines and Energy.

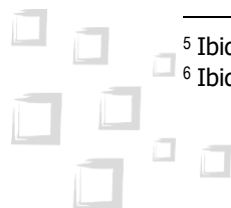
1.12.3.10 Resolution ANH 183 of 2013, adopting the Manual on Delivery of Exploration and Production Technical Information - MEITEP-.

1.12.3.11 Resolution SGC No. D 450 of 14 October 2016 - Whereby it adopts the prices of products and services associated with the technical data contained in the EPIS (Petroleum Data Bank) and the Litoteca Nacional (Geological Research Center).

1.12.3.12 Resolution SGC No. D - 363 of 29 August 2017 - Whereby it adds the product called "Data Package" to the list of products and services associated with the technical data contained in the EPIS (Petroleum Data Bank) and the Litoteca

⁵ Ibid note 1.

⁶ Ibid note 1.





- Nacional (Geological Research Center), adopted through Resolution No. D-450 of 14 October 2016.
- 1.12.3.13 Resolution ANH 36 of 4 February 2019 - Commencement of the Continuous Area Nomination Process.
 - 1.12.4 Comments and suggests from the Interested Parties concerning the Terms of Reference and the substantial modifications to the Final Terms of Reference of the Continuous Area Nomination Process, published to receive opinions, suggestions or alternative proposals.
 - 1.12.5 Answers from the ANH
 - 1.12.6 Final Terms of Reference, Formats or Forms and Annexes.
 - 1.12.7 Data Packages
 - 1.12.8 Information from the "Data Room" sessions.
 - 1.12.9 Instructions.
 - 1.12.9.1 Instructions for acquisition of Data Packages.
 - 1.12.9.2 Instructions for requesting sessions in the Data Room.
 - 1.12.9.3 Instructions for the process of submitting Proposals and Counteroffers
 - 1.12.10 Preliminary List of Qualified Proponents
 - 1.12.11 Comments from Participants regarding the Preliminary List of Qualified Proponents
 - 1.12.12 Answers from the ANH
 - 1.12.13 Final List of Qualified Proponents
 - 1.12.14 Minutes of Public Hearings
 - 1.12.15 List of Proponents with the identification of the Area or Areas of their respective Proposal, the elements of the Proposal or Counteroffer and the Bid Bonds thereof.
 - 1.12.16 Preliminary List of Proposals Selection and Declaration of Initial Proposal, in accordance with the Factors for Evaluation and Tiebreaker Criteria for each Area.
 - 1.12.17 Observations from the Proponents to the Preliminary List of Proposals Selection and Declaration of Initial Proposal.
 - 1.12.18 Answers from the ANH
 - 1.12.19 List of Proponents with the identification of the Area or Areas object of their respective COUNTEROFFERS, and the elements and Bid Bonds thereof.





- 1.12.20 Preliminary List of COUNTEROFFERS Selection and Declaration of the Most Favorable Counteroffer.
 - 1.12.21 Comments from the Proponents to the Preliminary List of COUNTEROFFERS Selection and Declaration of the Most Favorable Counteroffer
 - 1.12.22 Answers from the ANH
 - 1.12.23 Final Eligibility List
 - 1.12.24 Act for Contract Award, Allocation of the respective Areas and No Allocation of Areas, within the framework of the Selection Process.
- 1.13 **Stage:** Part or specific action of this Selection Procedure.
- 1.14 **Solidary Debtor Warranty:** Instrument granted pursuant to the law of the country of the principal domicile of the Parent or Holding Company, of a Legal Entity subordinated to it, whether affiliate or subsidiary, and even of a company of the same business or corporate group of the Parent or Holding Company, through which, pursuant to the provisions of article 13.2 of Agreement 2 of 2017, the legal entity in question assumes joint and several liability for the timely, effective and efficient fulfillment of the obligations, commitments and service provision acquired by the Individual Proponent, the Operator and/or other members of Plural Proponents, who cannot accredit Financial Economic and/or Technical and Operational Capacity as per the terms set out in articles 23, 24 and 26 of Agreement 2 of 2017, and 6.5, 6.6 and 6.7 of these Terms of Reference and, therefore, must accredit their Economic Financial, Technical and Operational and/or Environmental Capacity with the antecedents and documents of any of them, derived from the request for Qualification; the presentation of the Proposal, and the execution, perfecting, and settlement of the Contracts that may be awarded to them and concluded in furtherance of this Contractor Selection Process.

The solidarity provided for in the preceding paragraph must be covered with a warranty or bonded from the parent or holding Corporation, all legal persons subordinated thereto, whether affiliate or subsidiary. and even from a company of the same business or corporate group of the parent or holding company, preferred in agreement with the provisions of article 13.3 of Agreement 2 of 2017, as amended by Agreement 3 of 2019, to participate in the Continuous Area Nomination Process, attaching a legal opinion from an external attorney or an independent lawyers firm, state think that the garden tea cannot be revoked or modified without the consent of the ANH.

The Interested Party, Proponent or Contractor who resorts to the exception of article 13.3 of Agreement 2 of 2017, as complemented with Agreement 3 of 2019, must present as substitute of the solidary debtor guarantee a certification issued by its Parent or Holding Company, certifying that it has one or more insurance policies other than those required by the Contract, issued by an insurance company with an investment credit rating of its long term debt granted by Standard & Poor's, Moody's, Fitch Ratings, AM Best or Weiss Ratings.





Holding or business group situations are accredited in accordance with that set out in numeral 6.4.4.5 of these Terms of Reference.

1.15 **Bid Bond:** Warranty that protects the seriousness of the Proposals and Counteroffers presented in furtherance of this Selection Process; the upholding of its terms and conditions for the term required and its extensions, if any, as well as the timely, effective and efficient fulfillment of the commitments and obligations arising from such presentation, including the execution of the proposed Contracts, in case of Award, and to meet on time the performance requirements thereof, all in accordance with the legal framework and these Terms of Reference.

1.16 **Instructions:** Document containing information and illustration about processes such as acquisition of the Data Package and Data Room sessions, etc., filing of Proposals and Counteroffers, among others.

Should it be necessary to make changes in said processes, the ANH will publish their respective document in its web page.

1.17 **Interested Party or Participant:** Person who'll contributes opinions, suggestions or proposals related to the Terms of Reference Project or the substantial modifications introduced to the Final Terms of Reference, and/or that, if it is a legal person or group of legal persons, they submit to the ANH the documents for Qualification.

1.18 **Manifestation of Interest.** Act through which an Individual or Plural Proponent expresses to the ANH its interest on one or more of the Process Areas that were not allocated in two (2) consecutive cycles, in accordance with the requisites and procedures established in these Terms of Reference. The Areas that are the subject of the Manifestation of Interest, with respect to those properly submitted in the Letter of Intent, will be subject to the Nation Territory Coordination and Concurrence Procedure, for their eventual determination, delimitation and classification as Area of the Selection Process.

1.19 **Land Map or Area Map.** It is that referred to in article 5 of the Agreement 2 of 2017.

1.20 **Valid Proposal:** A valid Offer is that Proposal or Counteroffer fulfilling all of the following requisites:

1.20.1 That it is submitted by a Qualified Participant for the type of Area.

1.20.2 That it equals or exceeds the score of the Minimum Exploration Program required by the ANH for each Area, when dealing with the Proposal.

1.20.3 That when dealing with the Proposal submitted by the Proponent that gave rise to the incorporation of the Area in order to transfer the Exploration investment, it meets the condition referred to in numeral 4.4. of these Terms of Reference.

1.20.4 That it has exceeded the Primary Factor of evaluation and rating of Counteroffers, when dealing with a Counteroffer. The Additional Exploration Activities offered to overweigh the Initial Proposal, must be subject to the percentages provided for in the third subsection of numeral 4.3 of these Terms of Reference.

1.20.5 That it has presented an Economic Right offer on account of Production Share (X%) in a whole number, equal to or greater than that required by the ANH, when referring to





- the Proposal, and not less than that offered by the Initial Proponent, when referring to a Counteroffer.
- 1.20.6 That it has exceeded the most Favorable Counteroffer by at least the number of points indicated in Annex B of these Terms of Reference, and is equal to or greater than the Percentage of Production Share (X%) offered therein, when referring to the offer presented by the Initial Proponent in exercise of its rights conferred by such capacity. The Additional Exploration Activities offered to outweigh the Initial Proposal, must be subject to the percentages provided for in the third subsection of numeral 4.3 of these Terms of Reference.
- 1.20.7 Having established a bid bond for the proposal.

The ANH will not make any adjustments or modifications to the Proponent's or Counterproponent's offer.

- 1.21 **Information or Data Package:** Set of data, coordinates, figures and, in general, indications and references regarding seismic, wells and technical reports on the Areas.

With respect to the Areas that are the object of the Third Cycle of the Process, no Data Packages will be prepared or sold. Consequently, the Proponents who wish to consult geological and technical information on their Areas of interest held in the Petroleum Information Bank – BIP or EPIS, may acquire it directly from the Colombian Geological Service, or else buy the Data Packages offered in the First and Second Cycle of the bid, which contain information on the Area(s) of their interest, following the Protocol established for such purpose.

Therefore, the purchase of the Data Package will neither be mandatory nor a condition to be entitled to participate in the Third Cycle of the Process.

- 1.22 **Term:** Term established to fulfill an obligation, to develop an action or to carry out some procedure in the course of this Selection Process. For the purposes of accounting for the terms established in these Terms of Reference, the days shall be understood to be Calendar or Common, unless expressly stated otherwise. When the maturity of a term corresponds to a non-business day in Colombia, the expiration date will be run to the next business day.
- 1.23 **Continuous Area Nomination Process or Selection Process:** Set of actions and processes, intended to select in an objective manner among previously Qualified Proponents, in accordance with the requisites set in these Terms of Reference, the most favorable proposal for the ANH and its intended purposes, for entering into Technical Evaluation Agreements – TEA or Exploration and Production - E&P in determined and delimited Areas, after public invitation, subject to the provisions of articles 36.1.1 and 38.1 of Agreement 2 of 2017.

1.24 **Initial Proposal:** Valid Offer submitted for an Area by the Qualified Proponent who successfully filed the Request for Incorporation or Manifestation of Interest, or which has been declared as such by the ANH, for its being the best of the Valid Offers received in the Hearing for Filing of Proposals for an Area. The Proponent who presented the Initial Proposal acquires the right to outbid the Most Favorable Proposal submitted for the same Area, by submitted and offered that exceeds by at least the number of clients established





for such purpose in Annex B - " Exploration Programs and Evaluation Criteria", and it equals or exceeds the Percentage of Production Share (X%) of the Most Favorable Counteroffer.

The party submitting the Initial Proposal is referred to tool as Initial Proponent in these Terms of Reference.

- 1.25 **Contracting Proposal or Proposal:** Formal offer of an Individual or Plural Proponent that aspires to the allocation of an Area or Areas to carry out Hydrocarbon Exploration and Exploitation activities, Technical Evaluation, TEA, or Special, in which it the term in the Exploration Program it intends to undertake, as well as the Economic Rights for which it would be liable in favor of the latter, above the imposed by the ANH, all of it for the purpose of entering into and performing an Exploration and Production Agreement, E & P, Technical Evaluation Agreement, TEA, or Special Agreement, in accordance with the legal framework, the Regulations for Contracting Hydrocarbon Exploration and Exploitation, these Terms of Reference and the provisions of the respective contractual draft or model, and all of its annexes.
- 1.26 **Request for Incorporation of Areas:** It is the act through which a Qualified Individual or Plural Participant submits for consideration of the ANH one or more Free Areas of its interest, for its evaluation and eventual determination, delimitation and classification as Selection Process Area. Through this mechanism, the Contractors or Holders who, in addition to meeting the requisites established in Chapter Seven of these Terms of Reference, meet those required in article 5 of Agreement 01 of 2020, may request the incorporation of the Areas to the Process in order to carry out the transfer discussed in **this** last article.

The Request for Incorporation submitted to make the investment transfer is subject to the favorable statement issued by the Hydrocarbon Contracts Vice Presidency, with regard to fulfilling the requirements set forth in article 5, numerals 5.1 and 5.2 of Agreement 01 of 2020, before the date set for submittal or filing of Proposals in the Schedule. If the statement of the Hydrocarbon Contracts Vice Presidency that is to be issued within the period set out in article 16 of Agreement 01 of 2020 is issued after such deadline, the Request will be considered in the next Cycle of the Selection Process.

- 1.27 **Terms of Reference:** This document, which contains, without limitation, the rules, requirements, conditions imposed and, in general, relevant information to participate in this Selection Process.

Other terms or concepts that are special and relevant to this Selection Procedure, whose interpretation requires some precision additional to that derived from the natural and obvious meaning of words, will have the meaning assigned to them when used in these Terms of Reference or in Agreement 2 of 2017, and those that modify or substitute them.





CHAPTER TWO

2. OBJECT AND SCOPE OF THE CONTINUOUS AREA NOMINATION PROCESS

2.1 Object

The Continuous Area Nomination Process is intended to select, in an objective manner, among previously Qualified Proponents based on the Capacity requirements set forth in the Contracting Regulations for Hydrocarbon Exploration and Exploitation and in these Terms of Reference, in strictly equal conditions, the most favorable offers for the ANH and for the purposes that it intends to achieve, in order to allocate determined, delimited and classified Areas, to develop activities and Operations of Hydrocarbon Exploration and Exploitation owned by the Nation that may be found therein, through Exploration and Production Agreements, E & P, Technical Evaluation Agreements - TEA, or Special Agreements, following a public call and subject to the applicable legal framework and the aforementioned Continuous Area Nomination Process.

The Areas that, in accordance with the provisions of articles 6, 8 and 9 of Agreement 02 of 2017, are classified as Immature or Frontier Areas will be allocated only under Technical Evaluation Agreements – TEA.

2.2 Scope.

In accordance with the foregoing, the Continuous Area Nomination Process includes the following acts related to the Stages described in section 5.1 of these Terms of Reference.

2.3 Legal Regime

The Continuous Area Nomination Process and the Contracts entered into in furtherance thereof, are subject to the special regime for Exploration and Exploitation of nonrenewable natural resources of article 76 f Law 80 of 1993; the Contracting Regulations issued by the Steering Council of the ANH by means of Agreement 2 of 2017, and those that modify or substitute them; Decree Law 1760 of 2003, Decree Law 4137 of 2011 and Decree 714 of 2012; the legal norms concerning Hydrocarbon Exploration and Exploitation and the General Royalty System, in particular, Laws 756 of 2002, 1530 of 2012 and 2056 of 2020; the pertinent provisions of the Petroleum Cod; their development and regulations as long as being pertinent and applicable, as well as the general norms of private law contained in the Civil Code and the Commercial Code.

The actions and formalities inherent in said Procedure are governed by these Terms of Reference and their Addenda, without prejudice to the specific references to provisions mentioned in the preceding paragraph.

The planned Agreements are subject to the provisions of the Hydrocarbon Exploration and Production Draft Agreement - E&P., Technical Exploration Agreements -TEA and their respective Annexes, approved by the Agency's Steering Counsel, which are an integral part of these Terms of Reference.

Similarly, in performance of the referred Contracts, the relevant provisions must be applied as regards protection of natural resources, ethnic groups or communities, human rights, due diligence





actions for management of environmental and social risks associated with the performance of their activities.

In accordance with the legal framework, the contractual activity inherent in the Continuous Area Nomination Process and the actions of those who participate therein must materialize the objective selection mandate; respect the principles that govern the administrative function and tax management, and those contained in article 3 of Agreement 2 of 2017, issued by the Steering Counsel of the ANH.

All the standards and texts reviewed, as well as others of the Colombian legal framework applicable to this contractual action, are presumed known by the stakeholders, Participants, Proponents, Successful Proponents, and Contractors.

2.4 Call

The Agencia Nacional de Hidrocarburos, ANH, invites national and foreign legal entities of the Hydrocarbons sector to participate in the Continuous Area Nomination Process, submit to the Agency a request for Qualification, accompanied by the documents proving its Capacity to such end, as well as to Request the Incorporation of Areas, Manifest Interest and submit a Proposal for the allocation of the Areas that are the object thereof, and the entering into the respective E&P-Exploration and Production Contracts, Onshore or Offshore, Technical Evaluation Agreements - TEA, or Special Agreements, in accordance with the classification that is incorporated in the following Chapter, all subject to the applicable legal regime and to these Terms of Reference.

Initially, the Continuous Area Nomination Process is limited only to the selection of Contractors for the possible entering into E&P Hydrocarbon Exploration and Production Agreements, Onshore and Offshore. Consequently, and pursuant to that set forth in the second subsection of numeral 2.1 of these Terms of Reference, in the Third Cycle of the Process there will be no offering of Areas classified as Immature or Frontier, in accordance with the parameters set out in articles 6, 8 and 9 of Agreement 02 of 2017.

The ANH will issue invitations to enter into other types of Contacts, with timing and conditions that will be set out and announced in advance.





CHAPTER THREE - AREAS

3.1 Universe

The Areas to be allocated in furtherance of this Selection Process correspond to the Free Areas that the ANH determines, delimits and classifies, based on the Request for Incorporation filed by Qualified Interested Parties, in accordance with that provided for in Chapter Seven of the Terms of Reference; the Areas not allocated in two consecutive cycles of the Process, which are the object of Manifestation of Interest; and those offered by initiative of the ANH, which will be identified in the Land Map published in the Agency's web page.

3.2 Classification and Location

The Areas that are the object of the Continuous Area Nomination Process are determined, delimited and classified in Annex A - Determination and Classification of the Selection Process Areas, in accordance with that provided for in articles 6, 8 and 9 of Agreement 2 of 2017, and other norms that add to or modify it, indicating precisely their georeferencing on the Land Map that will be published for such purpose in the Agency's web page. The Areas that are incorporated to the Process upon request of the Interested Parties will require the amendment of said Annex.

3.3 Minimum Economic Conditions of the Areas

The publication of areas by the ANH will include the following minimum economic conditions of each Area:

- Minimum Exploration Program.
- Percentage or "X% Minimum Production Share.

3.4 Socio-environmental Fact Sheets

In order to guide the Interested Parties, Participants, Proponents and Contractors, about the social and environmental aspects of each of the Areas to be allocated, the ANH prepares exclusively informative Socio-environmental Fact Sheets with general information on the Name and Type of each one; the municipalities in which they are located and the department to which these municipalities belong; the Regional Autonomous Corporation with jurisdiction and competence on environmental matters and natural resources in the Area; the "Collective Territories" legally constituted in favor of communities or ethnic groups, and the areas defined as "Protected Areas", including national and regional parks, special management areas and forest reserves, as well as the so-called "Strategic Ecosystems", such as wetlands, moors, and mangroves.

Similarly, the aforementioned Socio-Environmental Fact Sheets will contain the identification, as applicable, of the restrictions or exclusions imposed by judicial ruling.

The information included in the Socio-Environmental Fact Sheets does not include indigenous communities, Afro-Colombian communities and ROM towns, which have held ancestral possession of territories, but do not have collective ownership over them. This can only be known





at the time of issuing certification on the presence of communities or ethnic groups in the respective Area, by the Ministry of Interior, at the request of the respective Contractor.

The information registered in the socio-environmental fact sheets is prepared relying on official information of the competent authorities and entities of the National, Regional and Local order, with jurisdiction in the Selection Process Areas, prior offering thereof. Hence, the ANH makes it clear that the information contained in these fact sheets is subject to changes, without limitation, as provided for by the competent authorities and that it is the exclusive responsibility of the Proponents, counter proponents and Contractors to update this information and to strictly comply with the provisions that regulate all of the foregoing aspects.





CHAPTER FOUR - EXPLORATION PROGRAMS TO BE UNDERTAKEN

4.1 General aspects.

In accordance with and in furtherance of the Hydrocarbon Exploration and Production Contracts - E & P-, Technical Evaluation Agreements -TEA or Special Agreements that are the object of this Selection Process, during the Exploration Period, the Contractors are bound to perform specific, precise Exploration activities offered in their Proposals or COUNTEROFFERS, some Minimum activities valued in Points, and others that are Additional, also valued in Points according to their respective nature and type, according to the Table contained in the fifth paragraph in Article 33 of Agreement 2 of 2017; such activities must be carried out as per the opportunities and agreed deadlines, for which purpose they undertake to make all the investment required for their timely performance.

This set of activities is called the Exploration Program; it includes both the Minimum required by the ANH, and the Additional or supplementary included in the Proposal or Counteroffer that determines, without limitation, the Award. This Program is to be performed in accordance with the terms of the Draft corresponding to the type of Area and, in any event, pursuant to that provided for in Agreement 2 of 2017.

In general, all the Exploratory Wells must be Type 3. Exceptionally, in performance of the Exploration Program defined in the Agreement that is entered into, and prior request accompanied by the pertinent technical and economic justification, the ANH will assess its possible substitution for Type 2 Exploratory Wells.

The Exploration Period will be split in 2 Phases, 36-month each, when dealing with Hydrocarbon Exploration and Production Agreements - E&P for Onshore Areas, and 3 Phases, 36-month each, when dealing with Hydrocarbon Exploration and Production Agreements - E&P for Offshore Areas. The First Phase (Phase 1) starts with the Effective Date and subsequent phases, on the Calendar Day immediately after the end of the preceding Phase.

4.2 Minimum Exploration Program.

It consists in the minimum Exploration operations and activities required by the ANH or each Area, according to their classification and the basin to which they belong, for which the Contractors undertake the obligation to develop in each of the Phases that comprise the Exploration Period. Activities equivalent to the result of multiplying the total units corresponding to the various exploration commitments by the score assigned to each activity, in accordance with that provided for in article 33 of Agreement 2 of 2017.

The ANH has established the Minimum Exploration Program for each Area that is the object of Exploration and Production in the Annex B "Exploration Programs and Evaluation Criteria" of these Terms of Reference, as well as the term for execution of the activities and to make the pertinent investments, which is set forth in the respective Draft of the Agreement.

4.3 Additional Exploration Program

In addition to the performance and execution of the operations and activities that make up the Minimum Exploration Program required by the ANH for each Area, the Proponents and Counter





proponents must offer, and the Contractors undertake the obligation of performing the related Additional activities and valued in points under the so called Additional Exploration Program, in accordance with the Proposal or Counteroffer that gave rise to the allocation of the Area and the entering into the respective legal business, for which purpose it must make the necessary investment, if they are favored with the Award of the planned Contracts.

Consequently, each Proponent or Counter proponent must submit an Additional Exploration Program specifying the minimum technical Additional activities that it plans to carry out in each of the Phases that comprise the Exploration Period, with details of the amount corresponding to each one and the respective equivalent value in Points, pursuant to Article 33 of Agreement 2 of 2017.

Except for Stratigraphic and Exploratory Wells, which must be completed entirely once each one is started, the Proponents or Counter proponents must offer to develop at least fifty percent (50%) of the activities corresponding to the total Additional Exploration Program during the First Phase (Phase I) of said Period. The rest during the Second Phase (Phase 2). In those Contracts whose Exploration Period has 3 Phases, the execution of the Additional Exploration Program must be offered in accordance with the provisions in this subsection.

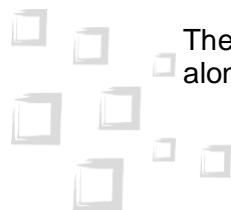
The failure to comply with this rule when completing the Exploration Program Form (Forms 25 and 25.1, as the case may be), will be cause for rejection of the Proposal, Counteroffer and proposal filed to exercise the option of outweighing the Most Favorable Counteroffer.

4.4 Exploration Program of the Proposal submitted by the Participant who request incorporation of an Area for transfer of investment.

The Exploration Program (comprising the Minimum and Additional) of the First Phase of the Proposal submitted by the Participant who requested the incorporation of an Area to the Process, in order to transfer to the Contract that is eventually awarded the remaining or not executed exploration investment in the Areas of one or more Contracts or Agreements previously entered into with the ANH, must include, at least, the equivalent in points of the investment that is the object of the eventual transfer, in accordance with that provided for in the last subsection of article 5 of Agreement 01 of 2020. For such purpose, when the Issuing Contracts or Agreements are not governed by Agreement 02 of 2017, the number of points equivalent to the Exploration investment to be transferred will be determined, according to the value listed in the table of article 33 of the latter, using the average of the Cushing, OK WTI "Spot Price" FOB reference, taken from the Data Base "US Energy Information Administration, EIA", of the six (6) calendar months preceding the date of presentation or filing of Proposals established in the Schedule.

Consequently, if the sum of points equivalent to the Minimum Exploration Program set by the ANH for the First Phase and of the Additional Exploration Activities offered for the same Phase by the Proponent that gave rise to the incorporation of the Area is less than the equivalence in points of the remaining or not executed investment in the Issuer Contracts or Agreements, in accordance with the formula that was previously established, the Proposal will be qualified as a non-valid offer and the payment obligation acquired with the subscription of the Letter of Intent will be applicable given said situation.

The determination of the equivalence in points of the investment that is the object of the transfer, along with the minimum points of the Exploration Program of the Proposal referred to in this





numeral, is intended to enable the comparison of the offers received for the Areas Incorporated in the Process as related to the provisions set in Article 5 of Agreement 01 of 2020, without prejudice of the application of article 11 of the latter to the Receiving Contracts that are eventually awarded, which Minutes must be added as appropriate.





CHAPTER FIVE – PROCESS DEVELOPMENT

5.1 Stages, Actions and 2019 Schedule

The Continuous Area Nomination Process will be developed in five (5) Phases, as follows: (i) Disclosure and Information; (ii) Qualification of the Interested Parties; (iii) presentation, evaluation of Requests for Incorporation of Areas, Manifestations of Interest, and Publishing of those Incorporated to the Selection Process; (vi) Filing and Validation of Proposals and COUNTEROFFERS, and (v) Allocation of Areas and Award and Execution of the respective Agreements and fulfillment of the requirements to commence their performance.

It is composed of the actions set forth in the following Schedule, indicating the dates in which they are to take place and/or the deadlines within which they must be performed.

Schedule

Stage/Activity	Date
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Disclosure and Information Stage	
Publishing of Land Map with Areas that are the subject of the Procedure of Nation-Territory Coordination and Concurrence - Third Cycle	07/15/20
Publishing of Land Map, with the Selection Process Areas - Third Cycle	08/18/20

Stakeholder Qualification Stage	
	Update of Qualified Parties List 2020
	Fifth Cut-off
Submittal of documents to obtain or update Qualification	05/20/20 to 08/31/20
ANH study of documents, requests for clarification, complementation and/or adjustments-	05/20/20 to 10/13/20
Publication of Preliminary List of Qualified Proponents	10/15/20
Observations on the Preliminary List of Qualified Proponents	10/16/20 and 10/19/20
Response by the ANH and publishing of Final List of Qualified Proponents	10/22/20

Stage of Presentation, Evaluation of Requests for Incorporation of Areas and Manifestation of Interest, and Publication of Areas Incorporated to the Selection Permanent Process	
Presentation of Requests for Incorporation of Areas	Permanent - As of 05/31/19
Presentation of Manifestations of Interest	05/20/20 to 06/30/20
Evaluation of the Request for Incorporation of Areas	Permanent - As of 05/31/19
Evaluation of Manifestations of Interest	05/20/20 to 07/10//20





Publication of Areas Incorporated to the Process, which request is submitted on 7 June 2019 at the latest. - First cut-off	09/17/19
Publication of Areas Incorporated to the Process, which request, or manifestation of Interest is submitted on 17 June 2020 at the latest. - Second cut-off	08/18/20

Stage for Filing and Validation of Proposals and Counteroffers	
	Third Cycle
Deposit of Proposals / Bid Bonds / Hearing for Opening of Proposals	10/30/20
Validation of Proposals	10/30/20 to 11/04/20
Publishing of Preliminary Declaration of Initial Proponent and/or Declaration on Non-Allocation of Areas	11/09/20
Comments on Publishing of Preliminary Declaration of Initial Proponent and/or Declaration on Non-Allocation of Areas	11/09/20 to 11/10/20
Answer to Comments received and publishing of declaration of Initial Proposal and/or Declaration of Non-Allocation of Areas	11/11/20
Filing of Counteroffers / Bid Bonds / Hearing for Opening of Counteroffers	11/17/20
Validation of Counteroffers	11/17/20 to 11/19/20
Publication of Preliminary Order of Selection of the most Favorable Counterproposal	11/20/20
Comments to the Preliminary Order of Selection of the most Favorable Counterproposal	11/23/20 and 11/24/20
Answer to Comments on Preliminary Order of Selection of the most Favorable Counterproposal and Publication of Declaration of Most Favorable Counterproposal	11/26/20
Exercise of Initial Proponent Option	11/30/20
Validation of offers submitted by the Initial Proponents	11/30/20 to 12/02/20
Publication of Preliminary Eligibility List	12/03/20
Comments to the Preliminary Eligibility List	12/04/20 and 12/07/20
Answer to Comments on the Preliminary Eligibility List and Publication of Preliminary Eligibility List	12/11/20

Stage for Allocation of Areas, Award and Execution of Contracts	
	Third Cycle
Allocation of Areas for which no Counteroffers were submitted	11/27/20
- Execution of Contracts	As of 11/30/20
Allocation of Areas that are the subject of Counteroffers	12/14/20
- Execution of Contracts	As of 12/15/20





5.2 Stages

In order to launch this Continuous Area Nomination Process, the ANH conducted prior studies, according to the objectives of the Agency's Strategic Plan; it determined and delimited the Areas to be allocated, after implementing the Nation - Territory Coordination and Concurrence Procedure, pursuant to that provided for in Ruling SU-095/18 issued by the Constitutional Court and defined the Free Areas susceptible of Requests for Incorporation.

Similarly, the Agency defined the Minimum Exploration Program to be developed by the Contractors; it also established the Draft Agreements to be entered into; the environmental restrictions and the presence of communities or ethnic groups in the selected Areas and prepared the Draft Terms of Reference aimed at setting out the Process applicable rules; the Stages, terms, hearings and actions inherent therein; the requisites for participation; the requisites for Qualification and the manner and timing to carry it out, including the required information and documents necessary to set the conditions of the Interested Parties Capacity; the causes for rejecting such Qualification: the manner, content and timelines for presenting the Proposals or Counteroffers; the repairable and non-repairable demands thereon; the causes for rejection; the terms and conditions for the required guarantees; the evaluation, rating and Awards, and the causes for not assigning any of the Selection Process Areas.

Furthermore, the rules were established to execute the aforementioned actions with respect to the Areas that are incorporated to the Selection Process, as related to the requests filed for such purpose by the Interested Parties.

Similarly, based on the provisions of articles 6 and 10 of Law 962 of 2005, numeral 8 of article 2 of Law 1431 of 2009, and the Presidential Instruction No. 2 of 12 March 2020, and taking into account the sanitary emergency caused by the COVID 19 pandemic, declared by the Ministry of Health and Social Protection by means of Resolution 385 of 12 March 2020, which in turn gave rise to the issuance of ANH Resolutions 152, 186 and 212 of 2020, the ANH will provide the Proponents with the supports, means and electronic applications for furtherance of the contractual activity that is the object of this Procedure, including the processing, notification, and publishing of the administrative acts issued in relation therewith, which will be conveyed on time to the Proponents by means of the Protocol for Filing Documents to Obtain or Update Qualification or the Notice publications, as appropriate.

5.2.1 Disclosure and Information Stage.

5.2.1.1 Process Opening

Through administrative act published in the web page of the ANH, www.anh.gov.co, on the date foreseen for such purpose in the schedule, the ANH will officially open the Continuous Area Nomination Process, and will simultaneously publish the Draft Terms of Reference of the bid, to obtain observations, comments and suggestions and exhaust the various stages of the Selection Process.

The observations and suggestions must be submitted to the Agency, within the term indicated in the Schedule, by means of e-mail messages to the address _ppaa@anh.gov.co or in written text referenced as "Continuous Area Nomination Process", delivered personally or sent to its





headquarters at Avenida Calle 26 No. 59-65, Edificio de la Cámara Colombiana de la Infraestructura, Piso 2, to the attention of the Vice Presidency of Area Promotion and Allocation.

The ANH will analyze the content of the messages received; it will respond any doubts or concerns within the term stipulated in the Schedule and through general publications on the web site of the Procedure; at the same time, it will evaluate the comments and suggestions it deems reasonable and according to law, to make the relevant adjustments in the final text of the Terms of Reference.

5.2.1.2 Information or Data Package.

With respect to the Areas that are the object of the Third Cycle of the Process, Data Packages will not be prepared or sold. Hence, the Proponents who wish to consult geological and technical information of the Areas of their interest that are held at the Petroleum Information Bank – BIP or EPIS, may acquire it directly from the Colombian Geological Service, or buy the Data Packages offered in the First and Second Cycles of the Bid, which contain information on the Areas of their interest, following the Protocol established for such purpose.

Hence, the purchase of the Data Package will be neither mandatory nor a condition to have the right to participate in the Third Cycle of the Process.

5.2.1.3 Data Room

The Data and, in general, the Information contained in the Package will be displayed for those interested in knowing and examining it, with the assistance and technical support of specialized ANH staff, who will clarify any doubts and concerns that may arise in the relevant sessions, in the so-called "*Data Room*".

For this purpose, the ANH has arranged activities, tools and information, as well as the necessary accompaniment, in "*Data Room*" sessions in Bogotá, during the period set out in the same Schedule.

The consultation and preliminary evaluation of the Exploration and Exploitation Technical Information can be performed in live and virtual sessions, offered to the Participants, whether Qualified or not, who are interested in reviewing the technical information of the Continuous Area Nomination Process for Allocation of Areas, in accordance with instructions contained in the respective Instructions.

Accessing the Data Room prior to the publication of the Land Map with the Areas that are the object of the Process, does not constitute an offer of Areas for their allocation and eventual award. The Offer for Areas will start only with the publishing of the Land Map that identifies the Areas that are the object of the Process and that of Annex B "Exploration Programs and Evaluation Criteria", on the dates established for such purpose in the Schedule.

Hence, the Participant who accesses the Data Room prior to the offering of the Selection Process Areas, knows and accepts that the exhibited polygon(s) corresponding to the Areas in the process of Coordination and Nation Territory Concurrence, are subject to the eventual redefinition of their boundaries, extension and number of sides, and even of some of them not being offered by the ANH.





5.2.1.4 Final Terms of Reference

On the date set out in the Schedule of the ANH will publish the final text of the Terms of Reference in the WEB page of the Agency.

The Final Terms may also be subject to comments and suggestions, as well as requests for clarification or precision, for a pre-determined time, and subject to changes or additions to the deadlines and within limits that ensure compliance with the guiding principles of contractual performance.

The ANH will analyze the content of the messages received; it will respond to any doubts or concerns within the term stipulated in the Schedule and through general publications on its website; at the same time, it will assess the comments and suggestions it deems reasonable and according to law, to make the relevant adjustments through the Addenda.

5.2.1.5 Addenda

The ANH is empowered to make additions, deletions, modifications, adjustments, clarifications, precisions and/or substitutions on the text of the Final Terms of Reference, its Annexes, including Formats, Instructions, Commitments and Draft of Contracts to be entered into, up to the third (3rd) Business Day before the due dates set out for filing the Proposals or COUNTEROFFERS.

The adjustments to the Process Schedule can be undertaken at any time, provided that these are published at least two (2) Business Days in advance of the date of the milestone or procedure or the expiry of the deadline.

The ANH reserves the right to suspend the hearings for filing of Proposals and COUNTEROFFERS, setting in an autonomous manner the date and time for continuation, in the event that because of the number of Proposals or COUNTEROFFERS received, the complexity or volume of some of the documents on which it is to conduct its analysis and verification, or any other event that so justifies it, will make it inviable to carry out all the stages of the hearing on the same Day. In such event, the ANH will take the necessary decision during the hearing, define the date and time for its continuation, communicate it in the same act to the Interested Parties, and will leave record of the situation. Such decision will be disclosed through a Notice published in the Agency's website.

The suspension of a hearing, per se, does not imply the modification of the Schedule. The foregoing without prejudice that, as per judgment of the Agency, if the date of conclusion of the respective hearing affects the development of the Continuous Area Nomination Process, the ANH can change the Schedule by means of Addenda, with the anticipation required to such end.

5.2.1.6 Interpretation of the Terms of Reference

The Terms of Reference must be interpreted according to the applicable legal framework, according to the First Chapter on Terms and Concepts, and according to the natural meaning of





the words, except for the technical expressions which understanding corresponds to that of the respective science or subject.

It is the sole responsibility of the Participants to examine, study and interpret the Terms of Reference, as well as to consult the ANH or third parties on its content and scope, so that all conclusions adopted, deductions made, as well as errors and omissions incurred, based on their own analyses, interpretation or corollaries will be at their sole account and risk.

5.2.1.7 **Actions, Publications, Determinations and Correspondence**

Unless these Terms of Reference expressly state otherwise and without prejudice to the fact that the legal framework requires to practice notifications, all actions; publications; notices; consultations; observations and suggestions; answers; Addenda; ANH determinations; communications, and, in general, correspondence and documentation related to the "Continuous Area Nomination Process" will be carried out by electronic means and will be posted in the web page of the Agency www.anh.gov.co , without prejudice to the fact that the interested parties, Participants, Proponents and Awardees file in psychical media, accompanied by magnetic file, requests, communications, comments and correspondence, the text of which will be published therein.

To such end, the respective addresses are listed herein below:

AGENCIA NACIONAL DE HIDROCARBUROS
Vice-presidency of Promotion and Area Allocation
Ref. "Continuous Area Nomination Process"
Avenida 26 Calle No. 59 – 65, Piso 2
Bogotá, Colombia
Tel: (571) 593-17-17
Fax: (571) 593-17-18
Email address: ppaa@anh.gov.co

Both the mails and electronic messages sent by the ANH during the Selection Process, as well as those sent to the Agency, are subject to the binding enforcement, legal effectiveness and other provisions of Law 527 of 1999 on Electronic Commerce, or the norms that amend, replace or supplement it.

5.2.1.8 **Costs and Expenses**

The costs and expenses incurred by the Interested Parties, Participants and Proponents during management of the Process and throughout all the Stages that comprise it, especially those required to prepare and submit to the Agency the documents inherent in the Qualification, as well as for preparing and submitting the Request for Incorporation, Manifestation of Interest, Proposal, shall be at their exclusive account and expense, so that the ANH will neither recognize nor refund any amount on such accounts.

5.2.2 **Stakeholder Qualification Stage**





It will be carried out according to the procedure; it will comprise the actions, and will be subject to the rules set out hereunder in Chapter Six.

5.2.3 Stage for Presentation, Evaluation of Requests for Incorporation of Areas and Manifestation of Interest, and Publishing of Areas Incorporated to the Continuous Area Nomination Process.

It will be developed in accordance with the processing, actions and rules set forth in Chapters Seven and Eight of these Terms of Reference.

5.2.4 Stage for Filing and Validation of Proposals and COUNTEROFFERS.

It will be performed according to the procedure, which will comprise the actions, and will be subject to the rules that are set out in Chapter Nine.

5.2.5 Stage for Allocation of Areas, Award and Execution of Contracts

It will be conducted according to the procedure; it will comprise the actions, and will be subject to the rules that are set out in Chapter Ten.





CHAPTER SIX - QUALIFICATION OF INTERESTED PARTIES

6.1 Proponents:

The Individual or Joint Proposal or Counteroffer, in furtherance of the "Continuous Area Nomination Process", can be filed and the Incorporation of Areas can be requested by the national and foreign legal entities accrediting the Capacity requirements set forth in this Chapter, for which purpose they must obtain prior Qualification from the ANH pursuant to the terms set out in Articles 22 to 27 of Agreement 2 of 2017 and the deadlines set out in the Schedule.

The Capacity requirements cannot be accredited by branches of national or foreign companies, as they lack the legal capacity to acquire rights and enter into obligations. Exceptionally, the evidence of the Environmental Capacity and Corporate Social Responsibility of the foreign corporation can be performed through the certifications referred to numerals 6.7 and 6.8 of these Terms of Reference, pertaining to the processes implemented in Colombia.

The Interested Parties, Proponents and Contractors must collect, accredit and maintain the required Capacity requisites to contract with the ANH. Exceptionally, they may accredit the Financial, Technical and Operational and Environmental Capacity requirements with the attributes and information corresponding to their Parent or Holding Company, or a subordinate Company of the latter, whether affiliate or subsidiary, and even a legal entity of the same business or corporate group to which the Parent Company belongs, to assume joint and several liability for the timely, efficient and effective fulfillment of the obligations and commitments of the Interested Party, Proponent and Contractor, by means of a Joint Debtor Warranty, as per the terms and requirements set forth in numeral 1.13 of Chapter One on Terms and Concepts; or certification issued in accordance with the provisions set out in numeral 13.3 of Article 13 of Agreement 2 of 2017, and with the addition of Agreement 3 of 2019.

6.2 Qualification in the Course of the Continuous Area Nomination Process

The ANH will examine and verify the information provided with the application for Qualification by Individual Proponents and by those who conform Plural Proponents, in order to prove that they meet the conditions and requirements of Legal, Economic Financial, Technical and Operational, Environmental Capacity and Business Social Responsibility, to undertake the Hydrocarbon Exploration and Exploitation activities object of the projected Contracts, pursuant to the terms contained in Agreement 2 of 2017 and its Annex No. 1 of the Glossary of Terms, Units and Equivalences, and will adopt the pertinent determination.

As of the date indicated in the Schedule, the Interested Parties may file the Request for Qualification for Requesting Incorporation of Areas and filing Proposals or Counteroffers in the course of the Continuous Area Nomination Process. The Qualification obtained is valid for any Selection Process, without prejudice that for the second semester of 2020 and subsequent years, the ANH provides for the rules through which the Qualified Participants must update on time the information presented to accredit the respective capabilities, conditioned to lose the Qualified capacity and, consequently, the Right to Participate in the Process.





6.3 Legal Capacity.

The persons that have the capacity to enter into Contracts for Hydrocarbon Exploration and Production, E&P, Technical Evaluation Agreements - TEA or Special Agreements, that are the subject of this Contractor Selection Procedure, are the national and foreign legal entities, public, private or mixed, considered legally capable by the legal framework and whose capital is represented in shares or quotas or registered interest share, or in investment funds units, either individually or jointly; in the latter case, in the form of Consortium, Temporary Union or Promise of Future Partnership, which meet and accredit compliance with the following requirements.

- 6.3.1** Its corporate object entailing furtherance of Hydrocarbon Exploration and Exploitation activities, when dealing with Individual Proponents or the Operator. For other members of Plural Proponents, who do not hold the status of Operator, said object must incorporate investment in those Hydrocarbon Exploration and Exploitation activities and/or performance of Supplementary Activities.

If, according to the country of origin legislation, the corporate purpose does not relate to or incorporate the sectors of activity that comprise it, or refers to industrial, commercial or service activities or businesses in general, the requirement referred to in this paragraph may be accredited with the supports presented to verify their Technical and Operational Capacity, if applicable, or through contracts or certifications to establish their engagement in Activities Supplementary to Hydrocarbon Exploration and Exploitation, including declaration under oath by the legal representative and the statutory auditor, the individual or company acting as external auditor, if required by the respective entity, or, otherwise, by the internal auditor or "Controller", or whoever replaces them, describing the framework of activity of the legal entity.

- 6.3.2** Having been incorporated with that corporate purpose or having incorporated it at least five (5) years in advance with respect to the date of filing the request for Qualification. In the case of Plural Proponents, this requirement is applicable to the Operator. For other members, the required incorporation time shall be of at least one (1) Year.

Nevertheless, the ANH may recognize the Capacity of legal entities not complying with this requirement, for having being incorporated or having supplemented their corporate purpose after the established deadline, but whose Parent or Holding Company, a subordinate company, whether an affiliate or subsidiary, or even a company of the same business or corporate group, appears in the latest publication of "*The Energy Intelligence Top 100: Global NOC & IOC Rankings*" of the firm "*Energy Intelligence Group Inc.*", as integrated companies or "*Upstream*" and/or in the latest publication of "*The Platts Top 250 Global Energy Company Rankings*" of "*S & P Global Platts*" in the categories: "*Oil & Gas Exploration and Production*" or "*Integrated Oil & Gas*", in this particular case numeral 13.2 of article 13 of Agreement 2 of 2017 shall apply as it corresponds to a similar *de facto* situation as described in the aforementioned article.

Similarly, the ANH will recognize the Capacity to the party that is interested in being qualified as Individual Participant or to the Operator in the case of Plural Participants, which has not been constituted or has not incorporated in its corporate purpose the





performance of the mentioned activities in advance pursuant to that referred to in the first subsection of this numeral, when it accredits, for the last fiscal period, having assets exceeding one billion dollars of the United States of America (USD 1,000,000,000) or its equivalent in other currencies and, that on the date of filing the request for Qualification it is the Operator of at least five (5) Contracts whose purpose is or incorporates thereto Hydrocarbon Exploration and Production activities from Traps, which include the development of Source Rock Reservoirs, or being the Operator of three (3) own Reservoirs of the same nature.

6.3.3 The term of the Individual Proponent and the members of Plural Proponents, as well as the validity of the respective association, Consortium, Temporary Union or Promised Partnership, may not be less than that of Contract performance or Projected Contracts and three (3) Years more.

6.3.4 Neither the Individual Proponent nor the members of the Plural Proponents being involved in cases of inability, incompatibility or prohibition in accordance with the Political Constitution and the law, and irrevocably committing to waive their Proposal of Contract, or to assign the legal business or their participation therein, with the express prior authorization in writing of the ANH, or to terminate it by mutual agreement, should any of those causes arise.

In dealing with conflicts of interest, actions taken will be in accordance with the law, in particular, article 40 of Law 1952 of 2019 and section 9 of the Contracting Manual of the ANH, adopted by Agreement 1 of 2009, of the Steering Council, or norms that modify, add to or supplement them.

Disabilities, incompatibilities, prohibitions and conflicts of interest are aimed at an objective, impartial contractual management; therefore, after determining the existence of one of these circumstances, prior or subsequent, has been identified or declared, the ANH must verify the factual assumptions making it up for law purposes.

The regime of incompatibilities, disqualifications, prohibitions and conflicts of interest is provided for in the Political Constitution, laws 80 of 1993, 734 of 2002, 1474 of 2011, 1778 of 2016, 1952 of 2019 and other norms of the same hierarchy that regulate the matter, as well as in those that modify, add to, substitute or supplement them.

Notwithstanding the duties of the ANH, it is the responsibility of the Participants, Proponents and Contractors to verify that they are not involved in a cause of incompatibility, inability, prohibition or conflict of interest, and immediately report to the Agency any occurrence during the various stages of the contractual action, to proceed according to the law.

6.3.5 Neither the Individual Proponent nor the members of Plural Proponents being involved in a judicial winding up process or similar circumstance according to the legislation of the country of origin, such as bankruptcy, voluntary or forced liquidation, and, in general, any process or circumstance that results in the extinction of the legal entity, nor having outstanding litigation, ongoing judicial proceedings or another situation or similar contingency, which may materially compromise the timely, effective and efficient fulfillment of the services, obligations and commitments arising from the filing of a





Proposal, the allocation of Area(s), and the Award of projected Contract(s), and their execution, performance, termination or settlement.

In the event of pending litigation, ongoing judicial proceedings or other similar situation or contingency, which may materially compromise the fulfillment of provision, obligations and commitments, the ANH reserves the right to verify the sufficiency of the provisions and/or warranties established to support its materialization, and/or demand additional warranties.

- 6.3.6** The Individual Proponent or the members of Plural Proponents not permitting or having permitted that their operations be used or to have been used as an instrument to conceal, manage, invest or benefit - in any way - from money or other assets derived from criminal activities or destined to their financing, or in order to give the appearance of legal to illicit activities or to transactions and funds linked thereto, without prejudice of the functions that as regards prevention and control of money laundering and terrorist financing are assigned by legal norms to the ANH, as well as to commit formally and irrevocably to not allowing this in performance of their activities and those of the proposed Contract(s).

In any event, based on article 27 of Law 1121 of 2006, which requires full identification the legal entities that enter into contracts with the Colombian State, as well as the origin of their resources, to prevent criminal activities, the ANH reserves the right to undertake analyses, consultations and verifications to establish the origin of the resources of the Participants, Proponents and Contractors, before or after the application for Qualification, the filing of the Proposal, the allocation of Areas and even the Award and entering into the respective Agreements.

- 6.3.7** Not having declared the expiration or unilateral termination for breach of a State Contract with the Participant, Individual Proponent or any of the members of a Plural Proponent for reasons attributable to the responsibility and diligence of the Contractor, nor having revoked the Award decision of those contracts, having confirmed that it was obtained by illegal means, according to article 9 of Law 1150 of 2007, in all events by means of a firm administrative act, during five (5) Years prior to the date of accreditation of the Capacity, nor having incurred in reiterative breaches of the terms and conditions set out in article 90 of Law 1474 of 2011.

- 6.3.8** Undertaking to establish a branch in Colombia or to extend the object and valid term of the existing one, if applicable, in the case of interested foreign legal entities, Individual Proponents and members of Plural Proponents not domiciled in the country, as well as to comply in a timely manner with the obligations of such branches, in the event of Award of the proposed Contracts.

- 6.3.9** That the legal representative of the Individual Proponent, or the conventional representative of the Plural Proponents, or their special attorneys, duly appointed and accredited, as the case may be, have specific and sufficient faculties and powers to file a Proposal in furtherance of the Continuous Area Nomination Process, including the filing of documents for its Qualification; meet the commitments arising from such filing in a timely, efficient and effective manner; enter into the proposed Contracts; meet all legalization and execution requirements; grant the required guarantees and, in general, commit the legal person or the association for all the foregoing effects, representing their





interests, and acting on their behalf in all acts, processing and procedures inherent in contractual actions.

- 6.3.10** Incorporate foreign companies not domiciled in the country, with an attorney who is domiciled in Colombia, with the capacity to represent them judicially and extra-judicially, in addition to being vested with the powers established in the preceding paragraph, pursuant to the law and until establishing the branch, with respect to the Award.
- 6.3.11** The Participant, Individual Proponent or the members of Plural Proponents, their partners or administrators not being reported in the latest publication of the Fiscal Responsibility Bulletin of the Comptroller General of the Republic, nor having a disciplinary record in the Office of the Attorney General of the Nation, which may entail inability, nor being reported in any restrictive list used in the framework of the fight against money laundering. This requirement is not applicable to partners of companies open or listed in stock exchanges.
- 6.3.12** The Individual Proponent and the members of Plural Proponents are in good standing as to their obligations related to the General Social Security System and parafiscal contributions, should they be subject to the respective regime in the country.
- 6.3.13** The Operator having and maintaining at least thirty percent (30%) share in the association in question and to assume the leadership and representation of the association and management of contractual performance and relationships with the ANH, in the case of Plural Proponents.
- 6.3.14** The Individual Proponent, the Operator and those who have accredited the Financial Economic Capacity in the case of Plural Proponents, shall formally and irrevocably undertake not to assign or transfer all or part of the proposed Contracts, nor their respective share and interest therein, without prior, express authorization in writing from the ANH. In any event, the transferee must at least meet the Capacity requirements of the assignor.

Furthermore, eventual assignments of the Operator to another member of Plural Contractor are limited to it maintaining at least a thirty percent (30%) share and interest in the Contract or Contracts and upholding the conditions that determine the Qualification, Award and Entering Into the respective Contract.

Any corporate transaction that involves change of Real Beneficiary or Holder of the Individual Proponent, the Operator and/or those who have accredited the Capacity requirements with respect to partnerships, may result in revocation of the Award or unilateral termination of the legal business for non-compliance, if not meeting the Capacity requirements that gave rise to the Qualification and Contract Award. Therefore, such transactions must be reported to the ANH, within thirty (30) Calendar Days following their performance, attaching the supports that allow to verify the upholding of such requirements. This commitment must be assumed by the Participants, Proponents and Contractors, and be included in the Proposals and legal businesses.

The same rules apply to mergers or spinoffs or transactions of equity integration of the Individual Proponent legal entity, the Operator or any other member of association, which





have accredited the Capacity requirements to confirm that the grounds and capacities that gave rise to the Qualification, the Award and the Contract are upheld.

Similarly, with the same purpose and time frame, the ANH must be advised of any event of assignment or transfer, whether in whole or in part, of the equity share in the legal entity of the Contractor, the Operator or other member of Plural Contractors who has accredited the Financial Economic Capacity, except for open companies or companies listed in Stock Exchanges.

The obligation of reporting to the ANH any change of Real Beneficiary or Holder, events of merger, spinoff or equity integration, and assignment or full or partial transfer of equity shares, except for open companies or companies listed in a Stock Exchange, as well as obtaining prior, express and written authorization from the Agency with respect to contract assignment and for all other events these must be likewise subject of a formal and irrevocable commitment and, in any event, must be reported to the ANH, within thirty (30) Calendar Days following their execution.

The provisions of this clause are based on the fact that State contracts are *intuito personae*.

6.3.15 Provide accurate, reliable and truthful information, a circumstance that they declare under the seriousness of oath, which is understood as taken with the signing of the letters of presentation of the Qualification documents, the Proposal or Counteroffer, the Request for Incorporation of Areas, the forms that accompany such documents, and the Contracts that are awarded thereto; as well as expressly and irrevocably authorize the ANH to verify all the information provided for Qualification and Proposal purposes, including each of the documents and supports presented to accredit Capacity and obtain a Contract or Contracts, a faculty that the ANH reserves at any time, be it before or after such Qualification, to the allocation of Area or Areas, the Award of the planned legal businesses an, the subscription thereto, due to the general interest involved in the contractual management of the ANH. The aforementioned declaration and authorization will be included in the Letter of Presentation of the documents for Qualification, in the Proposal or Proposals and in the pertinent Contracts.

6.3.16 Subscribe to Anti-Corruption Commitments; Prevention and Control of Money Laundering, Transnational Bribery, Terrorist Financing and other criminal activities relative to Exchange Control; Environmental Management, and Corporate Social Responsibility, pursuant to the terms of the Formats set forth by the ANH in the Continuous Area Nomination Process.

6.4 Accreditation of Legal Capacity

To prove that they meet the established conditions and meet the Legal Capacity requirements, each Individual Proponent or member of a Plural Proponent must submit the following documents:

6.4.1 Colombian legal entities: In addition to the common ones that are listed below:

6.4.1.1 Certificate of existence and legal representation or of Single Business and Social Registry, RUES, as applicable, issued by the Chamber of Commerce of the place of its





main domicile, with no more than thirty (30) calendar days in advance with respect to the date of submittal of the respective request.

- 6.4.1.2 Copy of the current by-laws, as well as of the reforms demonstrating the relevant amendments to the corporate purpose, as per the terms of above section 6.3.1 if necessary because said Certificate does not account for them.
- 6.4.1.3 Copy of the minutes of the competent social body recording the attributions and powers granted to the legal representative, according to above section 6.3.9, in the event of having limitations for any of the effects established therein.
- 6.4.1.4 Accreditation of the powers of the attorney, if appropriate, by a mandate granted with the full formalities of law.

6.4.2 Foreign Legal Entities:

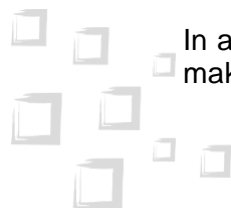
- 6.4.2.1 Certificate of existence and legal representation or equivalent document in accordance with the applicable law, issued by the competent authority of the country of origin or that of the main domicile, if other than that of incorporation or establishment, no more than ninety (90) calendar days in advance of the date of presentation of the respective Qualification application.

When the document does not contain full information about corporate purpose, validity term, legal representation and/or powers or attributions of the various management and administration bodies, a copy of the corporate bylaws containing such information or a certification of said representative and of the statutory auditor or individual or legal entity responsible for the external audit of its operations, or, otherwise the internal auditor or "Controller", or whoever acts on his behalf, in which the previous circumstances are registered must be submitted.

- 6.4.2.2 Copy of the current by-laws, as well as of the reforms demonstrating the relevant amendments to the corporate purpose, as per the terms of above section 6.3.2 if applicable.
- 6.4.2.3 Copy of the minutes, resolution, agreement or determination from the competent social body, recording the attributions and powers granted to the legal representative, according to above section 6.3.9, in the event of having limitations for any of the effects established therein.
- 6.4.2.4 Mandate in which the powers and attributions of the agent in Colombia are recorded, in accordance with clause 6.3.10. The Legal Entity may also be represented by the administrator of its Branch in the Country, as long as it has all the attributions and powers set forth in above numerals 6.3.9 and 6.3.10.

6.4.3 Consortia, Temporary Unions and Promises of Future Partnerships

In addition to the documents that demonstrate the Legal Capacity of each one, the persons that make up the corresponding partnership, according to above sections 6.4.1 and 6.4.2, those that





are established below must be presented, according to whether dealing with the first two (2) or the last one:

6.4.3.1 Consortia and Temporary Unions

6.4.3.1.1 Agreement in which the respective partnership is agreed, with the following details:

- a. Parties, representatives or attorneys; powers to subscribe to and to undertake all the activities and actions object of the same, which are described in the subsequent point, as well as to commit the legal person in question, represent its interests and act on its behalf in the acts, formalities and procedures inherent in contractual actions.
- b. Description of the object, including the presentation of Proposal or Counteroffer in furtherance of the Continuous Area Nomination Process under such association modality, as well as of the documents required for the Qualification of the Plural Proponent; the timely, efficient and effective fulfillment of the commitments derived from such presentation; the execution of the proposed Contracts, in case of Award; the fulfillment of the prerequisites and subsequent prerequisites, and their performance, which must include services, commitments and obligations, as well as the granting of the required guarantees.
- c. The term of the covenant or agreement, in accordance with that provided for in above numeral 6.3.3.
- d. The share percentage (%) of each of the members of the association therein, and the distribution of activities, if any.
- e. The legal entity that will act as Operator, which will be responsible for the exploration, appraisal and production activities, according to the type of Contract envisaged, the management of contract performance and relationship with the ANH.
- f. The designation of the conventional representative and two (2) substitutes, who will replace him in his temporary, accidental or absolute absences, while the holder is designated.
- g. The precise determination of its faculties and limitations.
- h. The management, coordination or administrative bodies, if established, and their respective responsibilities or functions.
- i. The circumstance of being the parties jointly responsible for the fulfillment of all and each of the benefits, obligations and commitments derived from the Qualification request, of the presentation of the Proposal, and of the execution. performance and termination of the proposed Contracts or, as the case may be, and until the final settlement thereof, in addition to assuming the commitments that extend after this procedure.





If the association modality is a Temporary Union, without prejudice to the solidarity imposed by the law, the responsibility for the payment of fines and other pecuniary sanctions will be distributed among those who integrate the respective association, in proportion to their percentage share therein.

6.4.3.2 Promise of Future Partnership

Agreement of Partnership Promise, duly executed and perfected, with strict subsection to article 119 of the Commercial Code, whereby all the members of the Plural Proponent agree on the following provisions:

6.4.3.2.1 Parties

- a. Name or corporate name, nature, nationality, domicile and object.
- b. Representation and faculties
- c. Each legal entity must act through a duly authorized representative or attorney-in-fact constituted in legal form for such purpose, whose names, identification, nationality, domicile, condition and powers are detailed in the corresponding part.

6.4.3.2.2 Object

The irrevocable and reciprocal promise of all parties to establish a commercial company in the Republic of Colombia in accordance with its legislation, with the exclusive purpose of executing, perfecting, performing, developing, terminating and settling the proposed Contracts, in the event of the group formed by them, under the modality of Promise of Future Partnership, being favored by the Award of the Process, a corporation that will have the characteristics and will be governed by the bylaws that are established in that same document, all in accordance with the legal system and the rules and documents of the procedure.

6.4.3.2.3 Suspensive Condition

The execution and formalizing of the Promise of Future Partnership shall be exclusively subject to the condition that the Selection Procedure favors or is awarded to the Parties associated in said modality of Promise of Future Partnership, so that the proposed Contracts are entered into with the Promised Partnership.

6.4.3.2.4 Timeframe of Incorporation

If the preceding condition effectively occurs, that is to say, if the parties to the Promissory Contract are favored by the Award of the Process, the Partnership Contract shall be executed and formalized, as the case may be, as well as the respective public or private instrument registered in the Register Public of the Chamber of Commerce of the principal domicile, within fifteen (15) calendar days following the date of notification of the respective determination, and, in any event, before the day of execution of the respective Agreements with the ANH.

6.4.3.2.5 Obligations of the Parties





In compliance with the Promise Agreement, each of the parties must contract the following, in addition to those agreed upon subject to the legal framework and the rules and documents of the contest:

- a. To concur in the timing of the conclusion and solemnization of the contract by which the Promised Venture is legally incorporated in the event of effectively complying with the suspensive condition, and to undertake any other procedure aimed at perfecting and registering the same, all in accordance with to the law and to the rules and documents of the contest.
- b. To remain as partner or shareholder of the new Company for the entire duration of the execution of the proposed Contracts and until its final settlement, or until its early termination, also once those, if it is the Operator, and the other partners that would have accredited the Proponent's Financial Economic Capacity, unless prior and express authorization from the ANH and provided that the transferee meets at least the same or better conditions than the assignor.

6.4.3.2.6 Solidarity

Pursuant to article 119 of the Commercial Code, the promising parties are jointly and severally liable for the actions and transactions they execute or carry out in the course of the business of the Promised Venture before its incorporation.

In addition, pursuant to paragraph 3 of article 7 of Law 80 of 1993, the partners of the Promised Venture will be jointly and severally liable to the ANH for the fulfillment of each and all of the obligations derived from the Continuous Area Nomination Process; the filing of the Qualification documents; the filing of the Proposal and of the proposed Contracts, as appropriate.

6.4.3.2.7 Appointment of Single Representative

The promissory legal entities must designate as sole representative of all of them a natural person and two (2) substitutes to replace them during their temporary, accidental or absolute absences, while the holder is designated. Such representatives should be granted ample powers to act on behalf of all, as well as on behalf of the group, without limitation, in all aspects concerning the Continuous Area Nomination Process and the proposed Contracts, from the presentation of the Qualification documents, filing of the Proposal, up to the incorporation of the Promised Venture, in particular, to present them and formulate it; sign any document that is part of it; answer any requirements or clarifications; receive notifications, including that of Award; attend hearings and act as spokesperson therein, as well as to commit and make accountable those who co-participate in the full Procedure process and the execution of the Promissory Contract.

6.4.3.2.8 Bylaws of the Promised Venture

According to Colombian law, according to its nature and type, in particular, article 110 of the Commercial Code.

6.4.4 Common Accreditation Requirements





6.4.4.1 Declaration subscribed to under oath by the Individual Proponent or by all the members of the Plural Proponent, which is understood as taken upon signing thereof, which states the following:

- a. Not being involved in cases of inability, incompatibility or prohibition, nor in conflicts of interest, in accordance with the Political Constitution and the law, and irrevocably committing to waive their Proposal; to assign the legal business or their participation therein, with the express authorization in writing of the ANH, or to terminate it by mutual agreement, should any of those causes arise, a circumstance that will also be registered in the respective Agreements.
- b. Not being involved in a judicial winding up process or similar circumstance according to the legislation of the country of origin, such as bankruptcy, voluntary or forced liquidation, and, in general, any process or circumstance that results in the extinction of the legal entity, nor having outstanding litigation, ongoing judicial proceedings or another situation or similar contingency, which may materially compromise the timely, effective and efficient fulfillment of the services, obligations and commitments arising from the request for Qualification; presentation of Proposal; allocation of Area(s) and the Award of Contract(s), and their execution, performance, termination or settlement.

Otherwise, the statement must specify such litigation, processes, circumstances and situations, indicating their nature, concept, amount, current status, risks and provisions. In these events, the ANH may request additional warranty that ensures the cancellation of eventual convictions or contingencies.

- c. The funds and resources destined to the execution of the proposed Contracts or projected, in particular, the required investments, of legal activities.
- d. The Individual Proponent, members of Plural Proponents, their partners or administrators, not being reported on any restrictive list used in the fight against money laundering. This requirement is not applicable to partners of open companies or companies listed in stock exchanges.
- e. Commitment of the Operator to have and keep at least thirty percent (30%) share in the partnership in question, and to undertake the Exploration, Appraisal and Production activities, the leadership of the association, and the management of the contractual performance and relations with the ANH, in the case of Plural Proponents.
- f. The Individual Proponent, the Operator and those who have accredited the Financial Economic Capacity in the case of Plural Proponents, shall formally and irrevocably undertake not to assign or transfer all or part of the Proposed Contracts, nor their respective share and interest therein, without prior, express authorization in writing from the ANH.





- g. Formal and irrevocable commitment by the Operator to maintain at least thirty percent (30%) share and interest in the respective Contract, in events of partial assignment to another Plural Proponent.
- h. Formal and irrevocable commitment of reporting to the ANH, expressly and in writing, within thirty (30) Calendar Days after its perfecting, any transaction that implies change in the Real or Holding Beneficiary, as well as any events related to merger, sale or equity integration of the Individual Proponent, the Operator and/or those who have accredited the Capacity requirements, in case of Plural Proponents, in order to determine that they uphold the requirements that determine the Qualification, Award and entering into the Agreement(s).
- i. Formal and irrevocable commitment to inform in advance, expressly and in writing to the ANH, within thirty (30) Calendar Days after its perfecting, any event of assignment or transfer, be it total or partial, of the shares in the Individual Proponent legal entity, the Operator or other member of a Plural Proponent who would have accredited the requirements of Financial Economic Capacity, in the case of Plural Proponents, in order to establish that they uphold the Qualification Capacity requirements that determine their Qualification and listed in Stock Exchanges.
- j. Formal and irrevocable commitment to provide accurate, credible and truthful information, as well as express authorization to the ANH to verify the information provided for purposes of Qualification, Proposal and Contract, faculty reserved by the Entity at any time, whether before or after such Qualification, to the allocation or Award or the proposed legal business and the entering into these.

6.4.4.2 Power duly granted to the relevant agent in accordance with the legal framework, in the event that the Individual Proponent or any of the members of the Plural Proponent resort to this representation instrument to act on their behalf, expressly indicating their powers and of the grantor, in accordance with sections 6.3.9 and 6.3.10.

6.4.4.3 Printed copy of the latest publication of the Fiscal Responsibility Bulletin of the General Comptroller's Office of the Republic, as well as of the Background Ordinary Certification of the Attorney General of the Nation confirming that neither the Individual Proponent nor the members of the Plural Proponent, their partners or administrators are reported as tax responsible or with disciplinary records, respectively.

This requirement is NOT applicable to partners of companies that are open or listed in stock exchanges.

6.4.4.4 Certification issued by the legal representative and the fiscal auditor, if required by the legal entity in question, or external auditor, as the case may be, or by the internal auditor or "Controller", or whoever acts on his behalf, certifying that the Individual Proponent and the members of the Plural Proponent are in good standing in relation with their obligations relative to the General Social Security System and parafiscal contributions, in the event of being subject to the corresponding regime in the country, in accordance with articles 50 of Law 789 of 2002 and 23 of Law 1150 of 2007; Law 1753 of 2015, or norms that develop, amend, supplement or replace them.





- 6.4.4.5** Holding or business group situations are accredited by certificate of existence and legal representation (i) issued by the Chamber of Commerce of the main domicile of the controlled legal entity and/or of the Holding company, in accordance with the provisions of article 30 of Law 222 of 1995 if the Proponent is national; (ii) by the competent authority of the country of the Holding, or (iii) accredited by certification of the Legal Representative and the Statutory Auditor or the person or firm that exercises the external audit, if required by the respective legal entity or, otherwise, by the internal auditor or "Controller", ", or whoever acts on his behalf, accompanied by the appropriate documents that certify the qualities of those who sign it. This last certification must be issued by the Holding company, in which it is clearly and precisely identified who holds the status of Real or Holding Beneficiaries of the Participant or of the members of Plural Participants, as well as the share or quota composition or social interest share of the Participant, unless it is listed in stock exchanges.

The participants whose Parent or Holding Company is included in the latest publication of *"The Energy Intelligence Top 100: Global NOC & IOC Rankings"* of the firm "Energy Intelligence", as integrated companies or *"Upstream"* and/or in the latest publication of *"The Platts Top 250 Global Energy Company Ranking"* of *"S&P Global Platts"* in the categories: "Oil & Gas Exploration and Production" or "Integrated Oil & Gas", if listed in stock exchanges or are security issuers, may accredit the holding or business group situation by submitting a simple copy of form 10-K or 20-F registered with the Securities and Exchange Commission (SEC), or the equivalent form registered in equivalent institutions, including the "Exhibit Significant Subsidiaries" or representative affiliated corresponding to the annual report of the last declared year the 20F or 10K form of The New York Stock Exchange | NYSE, or stock exchange of similar nature.

In the event that the corporation requesting qualification and that, given its conditions as member of the business group, whose parent or holding company is registered in the aforementioned publications, is not referenced in the public reports 10K or 20F of the New York Stock Exchange or its equivalent, must attach a certification issued only the Board of Directors, President or General Counsel of the Holding Company, where the capacity of the signing person must be recognized publicly in the published annual reports.

- 6.4.4.6** Solidary Debtor Guarantee, if applicable, pursuant to that provided for in Numeral 13.2 of Article 13 of Agreement 2 of 2017, duly signed, legalized, officially translated and accompanied by certification of validity and binding force according to the legislation of the country of origin of the grantor, in accordance with the provisions of Section 1.12 of the First Chapter on Definitions; or, if applicable, certification issued as per the terms of numeral 13.3 of the aforementioned article of Agreement 2 of 2017, as complemented by Agreement 3 of 2019.

6.5 Accreditation of Economic Financial Capacity

The Individual Proponent and the members of Plural Proponents must prove that they have the support and solvency of financial economic order, both to manage in a timely, efficient





and effective manner its regular operations and their commitments and liabilities, as well as to assume the obligations, services and commitments derived from the Contract or Contracts that are entered into as a result of this Selection Process.

The Financial Economic Capacity for the allocation of each Area object of Proposal or Counteroffer corresponds to that obtained as a result of determining the Net Residual Equity, the Hedging and Debt Ratio, based on the figures of the Financial Statements of the last Fiscal Year, duly audited and assessed, which are to be recorded in a special Format or Form, accompanied by the Financial Statements with their respective notes, identified precisely as Individual Proponent Economic Financial Capacity and Plural Proponent Economic Financial Capacity, as the case may be.

On an exceptional basis, the Participants who do not have available the audited and assessed Financial Statements for the last Fiscal Year by the first quarter of the Year in which the application for Qualification is filed, may accredit the aforementioned Capacity with the latest approved and assessed Financial Statements, with their respective Notes, provided they do not exceed two fiscal periods before the date of filing the application. The foregoing, without prejudice of the obligation of the Proponent to update the respective information, on time and in accordance with the terms set out in numeral 6.15.

The Economic Financial Capacity will be determined by applying the following formula:

$$CEF = (50\% * PNR) + (25\% * RC * PNR) + (25\% * RE * PNR)$$

Where:

CEF (FEC): Financial Economic Capacity

PNR (RNE): Residual Net Equity

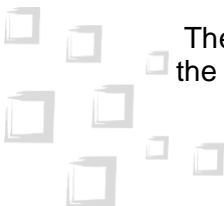
RC (cr): Hedging Ratio

RE (IR): Indebtedness Ratio

The Residual Net Equity of the Individual Proponent or the legal entities conforming the Plural Proponents corresponds to the Net Book Equity adjusted by the Capitalized Exploration Costs and Investments pending execution in performance of existing Contracts or commitments, which implies those associated with exploration, evaluation and production activities. This must be completed in a Special Format, called Residual Net Equity.

If the Individual Proponent or the members of Plural Proponents have Contracts in force with the ANH, with State entities managing hydrocarbon resources, or with third parties that have been entrusted with Exploration and Production activities, or commitments acquired from investing in such activities in any country, to establish the Residual Net Equity, it is necessary to discount the value of the foregoing investments pending execution during twelve (12) Months immediately following the cut-off date of the Financial Statements for the last fiscal year, duly audited and assessed, with their respective Notes.

The amounts corresponding to these items must be entered in a statement under oath, signed by the Legal Representative and the statutory auditor or by the individual or company responsible for





the external audit, or, otherwise, by the internal auditor or "Controller", in a Special Format, without prejudice to the right of the ANH to request the respective supports and to carry out the pertinent verifications.

In addition, for purposes of establishing the Net Residual Equity, the Capitalized Exploration Costs must be deducted from the Assets.

In order to determine the Hedging Ratio according to the Table below, that is, the facility to access credit, if required, either for investment or working capital, depending on the cash flow generated by the operation, it is necessary to complete a Special Format, called Hedging Ratio.

Net Debt/EBITDA	Hedging Ratio
< 1.00	1.00
1.00 <= 2.50	0.50
2.50 <= 4.00	0.25
> 4.00	0.00

The Net Debt reflects the actual borrowing situation and corresponds to the difference between the total Gross Financial Debt and the immediately available Financial Assets, in particular, Available and Short-term Financial Investments in negotiable securities.

The EBITDA (" *Earnings Before Interests, Taxes, Depreciation and Amortization* ") or net income from trading activities during a given period, is equal to Operating Income less Costs and Operating Expenses representing cash outflows. It can also be calculated as the sum of the Operating Result, EBIT (*Earnings Before Interests and Taxes*) plus Costs and Operating Expenses that do not represent cash outflows (Depreciation, Amortization and Provisions).

If the EBITDA is negative, the Hedging Ratio is 0.00.

If the EBITDA is positive and the legal entity has no Financial Obligations, or these are lower than the Available (Cash), in which case its Net Debt is negative, the Hedging Ratio is 1.00.

In order to determine the Indebtedness Ratio according to the Table below, that is, the facility to access credit, if required, either for investment or working capital, depending on the net worth soundness and equity structure, it is necessary to complete a Special Format, called Indebtedness Ratio.

Net Debt/Residual Net Equity	Indebtedness Ratio
< 0.25	1.00
0.25 <= 0.50	0.50
0.50 <= 1.00	0.25
> 1.00	0.00





If the Residual Net Equity is negative, the Debt Ratio is 0.00.

The Financial Economic Capacity of Plural Proponents is determined by the sum of the individual capacity of each of its members, weighted by their respective share in the association in question, as follows:

$$\text{CEF (each member)} = (50\% \text{ PNRc / member}) + (25\% * \text{RC} * \text{PNRc / member}) + (25\% * \text{RE} * \text{PNRc / member})$$

Consequently, the Economic Financial Capacity of the association is:

$$\text{CEFpp} = \%P1 * \text{CEF1} + \dots + \%Pn * \text{CEFn}$$

Where:

CEF1: Economic Capacity Member 1

CEn: Economic Capacity Member n

%P1: Percentage Share Member 1

%Pn: Percentage Share Member n

The Economic Financial Capacity of the Plural Participant shall be determined by applying the formula previously set out to establish that of the Individual Participants, when it is made up of a Parent or Holding Company and one or more of its subordinates (affiliate or subsidiary), it submits consolidated financial statements that reflect operating results, equity changes, cash flows and the financial situation of both the Parent or Holding company and their subordinates. In such events, the Financial Economic Capacity of the company submitting the consolidated financial statements will be considered.

Without prejudice of the obligation to fill out the corresponding Forms, the entities exempted from the evaluation to establish their Economic Financial Capacity are the Individual Proponents, the Operator and the members of Plural Proponents whose Parent or Holding Company, a subordinate company thereof, whether affiliate or subsidiary, and even a legal entity of the same business or corporate group are listed in the latest publication of *"The Energy Intelligence Top 100: Global NOC & IOC Rankings"* of the firm *"Energy Intelligence Group Inc."*, as companies of the integrated type or *"Upstream"*, and/or the latest publication of *"The Platts Top 250 Global Energy Company Rankings"* of *"S & P Global Platts"*, in the categories *"Oil & Gas Exploration and Production"* or *"Integrated Oil & Gas"*, as well as those who prove to the ANH that in the last year they obtained a risk rating equivalent to the Investment Grade of their long-term debt, on an international scale, equal to or higher than those established in the following table:

Risk Rating Agency	Rating
Standard & Poor's	BBB
Moody's	Baa





Risk Rating Agency	Rating
Fitch Ratings	BBB

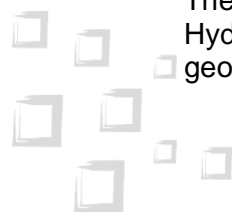
In this particular case, outlined in the preceding paragraph, number 13.2 of Article 14 of Agreement 2 of 2017 shall apply. Consequently, the Proponent must deliver the solidary debtor guarantee, or the certificate referred to in numeral 13.3 of the aforementioned Agreement, complemented by Agreement 3 of 2019, as applicable.

The Financial Economic Capacity required of the Individual Proponent and the Plural Proponents to obtain Qualification varies according to the number of Areas to which the Applicant may aspire, as well as their nature, category and Prospectivity. Said capacity is expressed in points.

Hence, both the Individual Proponents and the members of the Plural Proponents must record their Financial Economic Capacity, obtained as a result of the determination of Net Residual Equity, the Hedging Ratio and the Indebtedness Ratio, pursuant to this Section, in points, for which purpose they must use as a conversion factor the value of each point, as per the following Table, according to the average quotation of the monthly Cushing reference, OK WTI "Spot Price" FOB, taken from the Database "US Energy Information Administration, EIA", of the twelve (12) calendar months immediately preceding the filing date of the documents for obtaining Qualification.

Average Cushing Reference, OK WTI, "Spot Price", FOB Last twelve (12) Months (USD/bbl)	Point Value US dollars (USD)
X < 30	6.902
30 <= X < 35	7.466
35 <= X < 40	7.993
40 <= X < 45	8.485
45 <= X < 50	8.941
50 <= X < 55	9.209
55 <= X < 60	9.451
60 <= X < 65	9.683
65 <= X < 70	9.907
70 <= X < 75	10.112
75 <= X < 80	10.318
80 <= X < 85	10.506
85 <= X < 90	10.640
90 <= X < 95	10.863
95 <= X < 100	11.033
X >= 100	11.194

The following Table establishes the Financial Economic Capacity required to undertake Hydrocarbon Exploration and Production activities by Area, according to their nature and geographical location, category and prospectivity.





Financial Economic Capacity by Area expressed in Points	
Onshore, prospection for the development of Reservoirs in Traps	Points
Mature or Explored	1,500
Emerging or Semi-explored	1,200
Immature or Frontier	1,000
Prospective Offshore Areas for the Exploration and Exploitation of Accumulations in Traps or Conventional reservoirs.	24,000
Onshore prospective for Source Rock Reservoirs or other reservoirs defined in Article 1 of Decree 3004 of 2013	24,000
Discovered Undeveloped Reservoirs and Returned Producing Areas in Onshore Areas	300
Undeveloped Discovered Reservoirs and Returned Producing Areas, in offshore or prospective areas for Accumulations in Source Rocks or other reservoirs defined in Article 1 of Decree 3004 of 2013.	12,000

Consequently, the Financial Economic Capacity required from Individual and Plural Proponents to obtain Qualification varies according to the Area and Reservoir Type, according to that indicated in the preceding table.

6.6 Accreditation of Technical and Operational Capacity.

To obtain Qualification, both the Individual Proponents and the Operator of eventual Plural Proponents must prove that they have the set of background and proven experience to conduct Hydrocarbon Exploration and Exploitation activities, in terms of Production levels and Reserves volume, according to which it may be supposed that they can accept and fulfill in a timely, safe, efficient and effective manner the duties and obligations derived from the Exploration and Production, E & P, or Technical Evaluation Agreements, TEA, and/or Special Agreements to which execution they aspire, in accordance with the Best Practices and the most recent technologies of the Hydrocarbon industry.

For this purpose, Individual Proponents and the Operator, if it is a Plural Proponent must fill out the Annex Format called Technical and Operational Capacity and present it signed by the legal representative and the statutory auditor or the individual or company performing the external audit, if required by the respective legal entity, or, otherwise, by the internal auditor or "Controller", or by the person who replaces it.





The information related to Reserves corresponds to Own Proved reserves⁷ reported in the Financial Statements of the last period or Fiscal Year, and must be certified by an independent third party that meets the conditions required by the Oil Resources Administration System, SPE-PRMS. The certifications must be issued in accordance with the guidelines established by said system.

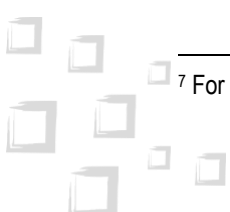
In the case of Operations in Colombia, the information will be confirmed with the Ministry of Mines and Energy and/or with the records of the ANH.

The Operational Production outside Colombia must be accredited by Certifications issued by the competent authority of the respective country, stating the faculties available to it. If there is no authority with these attributions, it can be accredited by Certification under oath, signed by the Legal Representative and the person or firm responsible for performing the external audit, and, otherwise, by the internal auditor or "Controller".

Without prejudice of the obligation to fill out the corresponding Format, those legal entities whose Parent or Controller Company is listed in the last publication of "*The Energy Intelligence Top 100*" are exempt from the evaluation to establish their Economic Financial Capacity. In the case of Plural Proponents, whose parent or Controlling company, a subordinate corporation of the latter, whether affiliate or subsidiary, or even a company of the same business or corporate group, included in the latest publication of the "*The Energy Intelligence Top 100: Global NOC & IOC Rankings*" of the firm "*Energy Intelligence Group Inc.*", as integrated companies or "*Upstream*" and/or in the latest publication of "*The Platts Top 250 Global Energy Company Ranking*" of "*S&P Global Platts*" in the categories: "*Oil & Gas Exploration and Production*" or "*Integrated Oil & Gas*", in this particular case numeral 13.2 of article 13 of Agreement 2 of 2017 shall apply.

Also exempt from the obligation to accredit the Technical and Operational Capacity requirements set forth in Article 24 of Agreement 2 of 2017, without prejudice to the obligation of submitting the duly completed Form, the Individual Proponent and the Operator in case of Plural Proponents who accredit fulfillment of one of the following conditions: i) Having operated Contracts whose object includes Hydrocarbon Exploration and Exploitation or Own Reservoirs in the past ten (10) Years, with effective investments above five hundred million US Dollars (US\$ 500,000,000), or its equivalent in other currencies, or Contracts whose object includes Hydrocarbon Exploration and Exploitation originated from Source Rock Reservoirs or other reservoirs defined in Article 1 of Decree 3004 of 2013, amended by decree 2638 of 2014, or Own Reservoirs of the same nature in the past five (5) Years, with effective investments above two hundred fifty million US Dollars (US\$ 250,000,000) or its equivalent, or ii) Having assets above one billion US Dollars (US\$1,000,000,000) or its equivalent in other currencies, during the last fiscal year and which on the date of accreditation of the Technical and Operational Capacity are Operators of at least five (5) Contracts whose object is or which involve Hydrocarbon Exploration and Production activities from Traps or Conventional reservoirs, or which on the same date are Operators of at least three (3) Exploration and Production Contracts, E&P, which imply development of Reservoirs from Source Rocks or other reservoirs defined in Article 1 of Decree 3004 of 2013, amended by Decree 2638 of 2014, or are Operators of three (3) own Reservoirs of the same nature.

⁷ For all purposes of this process, net certified Proved Reserves should be understood as Own Proved Reserves





The requirements for accrediting Technical and Operational Capacity vary according to the nature and geographic location and category of the Area or Areas to be allocated, as well as the Type of Accumulation for which they are considered prospective, as follows:

6.6.1 Discovered Undeveloped Reservoirs and Returned Producing Fields in Onshore Areas - E&P Contracts:

6.6.1.1 Own Proved Reserves, for the last fiscal year, reported in the Financial Statements, not less than one hundred thousand Barrels of Oil Equivalent (100,000 BOE).

6.6.1.2 Having achieved a Minimum Operated Production of five hundred Barrels of Oil Equivalent per Day (500 BOE / d), on average, for two (2) Years in the last five (5) immediately preceding years of the date of accreditation or update of the information.

6.6.2 Prospective Onshore Areas for Trapped or Conventional Reservoirs - Exploration and Production Contracts, E&P and TEA:

6.6.2.1 Own proved reserves, for the last fiscal year, reported in the Financial Statements, not lower than two million Barrels of Oil Equivalent (2,000,000 BOE).

6.6.2.2 Have reached a Minimum Operated Production of 1,000 Oil Barrel Equivalent Per Day (1,000 BOE/d), on average, for two (2) Years in the last five (5) immediately preceding years on the date of accreditation or update of the information.

6.6.3 Prospective Offshore Areas for Trap or Conventional Reservoirs - Exploration and Production Contracts, E&P and TEA:

6.6.3.1 Own Proved Reserves for the last fiscal year, reported in the Financial Statements, not less than fifty million Barrels of Oil Equivalent (50,000,000 BOE).

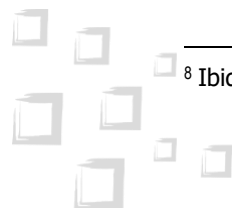
6.6.3.2 Have reached a Minimum Operated Production of twenty thousand Barrels of Oil Equivalent per Day (20,000 BOE/d), on average, for two (2) Years in the last five (5) immediately preceding years of the date of accreditation or update of the information.

6.6.4 Onshore Prospective Areas for Source Rock Reservoirs or other reservoirs defined in Article 1 of Decree 3004 of 2013 ⁸- E&P Contracts

6.6.4.1 Reserves Proposed for the last fiscal year, reported in the Financial Statements, not less than fifty million barrels of oil equivalent (50,000,000 BOE), or ten point three megatonnes (10.3 Mt) of Coal.

6.6.4.2 Have reached a Minimum Operated Production of twenty thousand Barrels of Oil Equivalent per Day (20,000 BOE/d), or four thousand ninety-three tons (4,093 t/d) per Day of Coal, on average, for two (2) Years in the last five (5) immediately preceding years of the date of accreditation or update of the information.

⁸ Ibid note 1.





For conversion purposes, one Barrel of Oil Equivalent (1 BOE) corresponds to five thousand seven hundred Cubic Feet (5,700 ft³) of Natural Gas, or to zero coma two zero five Coal Equivalent Tones (0.205 CET).

Production Experience, in joint or shared contracts, can only be accredited by the legal entity that has performed as the Operator of the same.

6.7 Accreditation of Environmental Capacity

The Individual Proponent and the Operator of any Plural Proponents, who aspire to obtain Qualification in furtherance of this Contractor Selection Process, must prove directly or with the attributes and information corresponding to their Parent or Holding company, or a subordinate company of the latter, whether affiliate or subsidiary, and even a legal person of the same business or corporate group to which the Parent company belongs, who assumes the solidary responsibility that they have adopted and effectively implemented a duly accredited Environmental Management System, according to the provisions on the National Quality Subsystem, or have International Certification that allows to consider that they are able to undertake the performance of the proposed Contracts with strict subjection to the legal framework on the matter; to the environmental licenses obtained or the environmental management plans approved by the competent authority, as the case may be; to the relevant provisions of such Contracts, and, in general, to the parameters established in this respect by the oil industry best practices and the most recent technologies of the Hydrocarbons industry.

This can be evidenced through ISO 14001 Certification, or another equivalent accreditation granted to the Participant. Exceptionally, pursuant to that provided for in the second paragraph of numeral 6.1 of these Terms of Reference, the Participant may accredit Environmental Capacity by presenting ISO 14001 Certification or similar pertaining to the processes implemented in Colombia.

If they do not have a similar certification, they must present a document containing the policy and the corporate environmental management system effectively implemented and underway, signed by the legal representative, without prejudice to assuming the contractual obligation of obtaining certification on environmental matters, within the three (3) years after the conclusion of the respective legal business, if favored with the Award of the Area or Areas.

In addition, Individual Proponents or the Operator, if it is a Plural Proponent, must fill out the Annex Format called Environmental Capacity, and submit it duly signed by the legal representative.

6.8 Accreditation of Capacity concerning Corporate Social Responsibility

The Individual Proponent and the Operator of eventual Plural Proponents, who wish to obtain Qualification for contracting Hydrocarbon Exploration and Exploitation, must accredit having adopted a set of open and transparent practices, based on ethical values and respect for the State, its workers and contractors, society, communities, the environment and renewable natural resources, which impose the administration of social affairs subject to the legal framework, to ethic values and public and commercial expectations; respect for diversity and cultural identity, as well





as setting goals to contribute to economic and social development and achieve sustainable and inclusive development.

This can be evidenced by means of a certificate proving that it has adopted and implemented national or international parameters or standards, such as those contained in ISO 26000 or similar. Exceptionally, pursuant to that provided for in the second paragraph of numeral 6.1 of these Terms of Reference, the Participant may accredit its Capacity pertaining to Corporate Social Responsibility by presenting ISO 26000 Certification or similar relative to the processes implemented in Colombia.

Otherwise, a document should be presented containing the corporate social responsibility rules, practices and goals implemented and underway, as well as respect for ethnically diverse groups or communities, expressing their commitment to comply with them, signed by the legal representative.

In addition, Individual Proponents or the Operator, in the case of Plural Proponents, must fill out the Annex Format called Capacity in Corporate Social Responsibility, and duly signed by such representative.

6.9 Request for Qualification

At any time, since the date set out in the Schedule for this purpose, the Parties interested in participating in the Continuous Area Nomination Process, that is, the Individual Participant, each of the members of the Plural Participant and the respective association, must submit the request for Qualification.

The act of filing said request is not subject to a deadline or term and, consequently, the requests for Qualification will be received by the ANH any business day of the year and it will proceed to its processing. The cut-off dates established in the Schedule for receiving documents are exclusively intended to determine the requests on which the ANH will undertake the review, verification and requests for clarification or addition to the documents submitted, in order to identify those who meet the Capacity requisites for contracting with the Agency and, hence, who are Qualified to file a Proposal or Counteroffer during the next hearing, according to the dates also pre-established in the aforementioned Schedule.

For requesting Qualification, it is necessary for the interested party to complete the Format called Letter of Submission for Qualification Documents, Individual Proponents or Letter of Submission of Qualification Documents, Plural Proponents, as the case may be, signed by the legal representative or attorney-in-fact or by the conventional representative, duly empowered for this purpose, accompanied by a photocopy of the Single Tax Registry, RUT, applicable to those subject to taxes in Colombia; photocopy of the identity document of the legal representative, conventional representative or agent, and all documents set out in this Chapter to accredit Legal, Economic Financial, Technical, Operational and Environmental capacity and Corporate Social Responsibility, subject to the legal framework and to these Terms of Reference.

Considering that provided for in ANH Resolutions 152, 186 and 212 of 2020, whereby face to face assistance to the public was suspended temporarily for salubrity reasons, during the Sanitary Emergency declared by the Colombian Government, the Agency will use





technological mechanisms to send the documents required to obtain or update the Qualification, which are to be submitted within the deadline set out in the Schedule, in the form and in accordance with the instructions given in the “Protocol for Filing Documents to Obtain or Update Qualification”. Once the face to face service to the public is reinstated with the respective receipt of physical documents, the Proponents that are interested in obtaining or updating the Qualification, if the deadline to request it has not expired, or those Qualified Proponents that have been awarded Exploration and Production Agreements must submit the aforementioned documents in both physical and magnetic media, at ANH headquarters located at Calle 26 No. 59 – 65, Piso 2, in Bogota D.C., from 7:00 a.m. to 4:00 p.m. continuously.

The aforementioned documents must be submitted in Spanish or accompanied by an official translation, and those issued abroad must be subject to the requirements set forth in Article 480 of the Commercial Code, except for public that come from countries that are signatories to the Hague Convention of October 5, 1961, approved by Law 455 of 1998, which require apostille, as per its terms.

The Proponent that, for force majeure reasons associated with the administrative difficulties undergone by some countries in the world because of the COVID 19 pandemic, cannot fulfill the requirements of the apostille or the legalization of public documents issued abroad and to submit them to the Agency within the deadline set for such purpose in the Schedule, must so declare under oath, to be understood as completed with the signature of the Letter of Submittal of Documents for Qualification, attaching thereto the pertinent statement and the support or evidence thereof. The ANH will verify the information submitted and, if it confirms the truthfulness of the information and the statement, it will proceed to evaluate the documents filed and to eventually declare the Qualification.

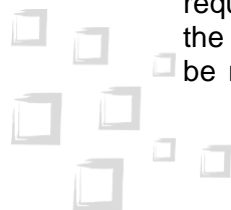
In any event, the Proponent that is declared Qualified by the ANH under the procedure described in the previous paragraph, must fulfill the apostille or legalization of the respective documents requirement at least three (3) days in advance of the deadline set out in the Schedule for publishing the Final List of Qualified parties; otherwise, the request for updating of Qualification can be denied and this they will lose the right to participate in the Process.

The address, telephone numbers and e-mail appearing in the Qualification request will be used by the ANH for all purposes related to the communications and notifications referred to in these Terms of Reference. Consequently, it is the sole responsibility of each Proponent to provide, in due time and in writing, any change registered in such data.

Formats or Forms must be filled in accordance with the Instructions given in their text, or in the Terms of Reference, without introducing changes or adjustments nor altering the order of the information requested.

6.10 Clarifications and Presentation of Rectifiable Documents

The ANH may request clarification regarding any documentation filed for purposes of Qualification, request supplementary data, and even require presentation or replacement of those not meeting the requisites set out in the legal framework or in these Terms of Reference; these requests will be made by the Agency via email, without prejudice of the delivery process of the respective





communication by post mail, sent to the address supplied by the Participant in the pertinent formats.

Such requirements should be responded to, the additional information provided, and the materials supplied or replaced delivered within the peremptory term set by the ANH in the respective notice, under penalty of rejecting the request for Qualification.

6.11 Verification and Validation of Qualification Documents

Upon delivery of the Qualification documents, the additional or supplementary data, the required clarifications and/or the revised documents, as the case may be, the ANH shall undertake the review and verification of the information and documents submitted.

In any event, the ANH reserves the right to verify the information provided and to carry out checks on the documents supplied, be it before or after the Qualification, Award, and even the execution of the respective Contract or Contracts. This circumstance must be expressly accepted by the Proponents in the Qualification Application Form and in the corresponding Letter of Presentation of the Proposal or Counteroffer. With the subscription thereto, the Proponents declare under oath that the information provided, and the documents submitted are accurate, truthful, reliable, and verifiable at any time.

Such verifications by written, physical or magnetic media, petition of conformity and, in general, in any manner allowing to establish their truthfulness and fidelity, without the need for special procedures or formalities inherent in jurisdictional proceedings, without prejudice to the duty of the ANH to file the relevant claims.

If as a result of such verification, the ANH establishes that the Proponent was untruthful or provided inaccurate information, it will refrain from approving: the requested Qualification, the award or execution of the Agreement; in addition, it may implement the pertinent contractual measures, as the case may be, and it will transfer them to the competent bodies.

6.12 Preliminary List of Qualified Proponents

After concluding the examination and verification of applications, documents and information provided for Qualification purposes, the ANH will publish on the website of the Agency the results thereof, with the Preliminary List of Qualified Proponents.

For each one, the List will establish the type of Areas for which it may submit a Proposal **or** Counteroffer, whether for Continental or Offshore; Mature or Explored, Emerging or Semi-Explored and Immature or Frontier areas, and their prospectivity for Reservoirs in Traps or Source Rocks, without prejudice of the power provided for in numeral 6.14 of these Terms.

The Participants may formulate, only once, observations and objections to the same, duly supported, within the term established in the Schedule for this purpose.

The Entity will address such observations or objections by means of a reasoned document, which will also be published, within the timeframe set out in the Schedule.





6.13 Final List of Qualified Proponents

After addressing the comments or objections from the Participants, the Final List of Qualified Proponents of the Continuous Area Nomination Process, or their updates, as the case may be, will be published, on the dates stipulated in the Schedule for such purposes.

Also, in this case the List will establish the type of Areas for which it may submit a Proposal or Counteroffer, whether for Continental or Offshore; Mature or Explored, Emerging or Semi-Explored and Immature or Frontier areas, and their prospectivity for Reservoirs with accumulations in Traps or Source Rocks.

The foregoing without prejudice of the faculty set out in numeral 6.14 below, and the reclassification made by the ANH when the variation in the Capacity of the Qualified Participants so merits, as a result of the reduction of Participant Capacity for the award of one or more Areas, the verification referred to in numeral 6.3.15 of these Terms of Reference, or the review and evaluation of the information presented, pursuant to the provisions of the second paragraph in numeral 6.2, or the review of that supplied by decision of the Participant for such purpose.

Should the Individual or Plural Qualified Participant lose one or more of the Capacity requisites referred to in Chapter Six of these Terms of Reference, it shall lose its Qualified status and, thus, the right to file Proposals or COUNTEROFFERS for the Areas that are the object of the Process.

6.14 Further Qualification of Plural Proponents

The Qualified Individual Proponents may form any of the associations provided for in these Terms of Reference to submit a Proposal or Counteroffer in the capacity of Plural Proponents, in which case they must accompany it with the relevant documents to verify that the Plural Proponent thus conformed is duly Qualified.

6.15 Update of Determinant Qualifying Information

Within the timeframe set out for such purpose in the Schedule, the Qualified Proponents must update the data supplied to accredit their Economic Financial and Technical and Operational Capacity, by filling out the respective forms.

Furthermore, they must report to the ANH the variation of any of the factors that determine their Legal, Environmental and Corporate Social Responsibility, submitting the documents and forms required in these Terms of Reference to accredit the respective Capacity; or, otherwise, submit a statement signed by their legal representative, whether conventional or proxy, if there are no changes in the mentioned capacities.

In agreement with the foregoing, the Qualified Proponents must meet the obligation of reporting any change related to Real Beneficiary or Holder, merger events, sale or equity integration, and total or partial assignment or transfer of shares or equity shares of the Individual Proponent or members of Plural Proponents that accredited the capacities required for contracting with the ANH (Legal, Economic Financial, Technical and Operational, Environmental and Corporate





Social Responsibility), as per the terms of numerals 6.3.14 and 6.4.4.1, letter h), or, otherwise, include the pertinent manifestation in the statement referred to in the previous paragraph. Failure to comply with the obligation set forth in this numeral will imply losing the Qualified Proponent capacity and, thus, the Right to Participate in the Process.





CHAPTER SEVEN - REQUEST FOR INCORPORATION OF AREAS

7.1 Presentation and Content of the Request for Incorporation of Areas

The Qualified Interested Parties may propose for consideration of the ANH the Areas of their interest, for these to be incorporated to the proposal of Areas of this Selection Process, if applicable. For such purpose, they must file at the respective office of the ANH, at Calle 26 No. 59-65 (piso 1) in Bogotá, Forms No. 28 "Request for Incorporation" and No. 29 "Letter of Intent", along with the respective attachments, in a sealed envelope with an external remittance letter, indicating the number of pages and magnetic media included.

In an exceptional manner, considering the provisions of ANH Resolutions 152 and 212 of 2020, whereby face to face assistance to the public was suspended, as a provisional measure due to public health reasons, the mentioned documents may be filed by email addressed to incorporacionppaa@anh.gov.co, notwithstanding that once public attention is back in service with the consequent receiving of physical documents, the ANH may demand the physical filing of the respective documents.

The ANH will treat as classified public information that supplied with the Request for Incorporation of Areas, in accordance with the provisions of Law 1712 of 2014.

The following requisites must be fulfilled for the ANH to carry out the respective evaluation:

7.1.1 It must be filed by Qualified Individual or Plural Proponent, whose Economic Financial Capacity is sufficient to support all the Requests for Incorporation submitted, considering that required in numeral 6.5 of these Terms of Reference for the type of the respective Area.

7.1.2 The maximum size of the polygon must be:

Type of Area	Maximum Size
Mature or Explored Onshore Areas	60,000 Ha.
Emergent or Semi-Explored Onshore Areas	120,000 Ha.
Immature or Frontier Onshore Areas	200,000 Ha
Offshore Areas	600,000 Ha.

7.1.3 The requested Area must correspond to an Area that, in its entirety, is classified as Free Area, pursuant to the latest version of the Land Map published by the ANH.

7.1.4 The polygon of the Area must be designed trying to meet the following characteristics:

7.1.4.1 Be adjacent to Allocated or Reserved Areas.

7.1.4.2 The sides of the polygon must correspond to the North-South and East-West direction.

7.1.4.3 If not adjacent to Allocated or Reserved Areas, the least distance from such Areas, in any direction, must be greater than the width of the Area that is the object of the request in the measured direction. The object of this measure is to allow for future incorporation





of a new Area in the space between the requested area and the Allocated or Reserved Areas.

7.1.5 The minimal information must include:

7.1.5.1 Georeferenced location of the Area Polygon, in “shape” format referred to the *Magna Sirgas datum* in flat coordinates with central origin and location referred to the latest version of the Land Map published by the ANH.

7.1.5.2 Proposal for classification of Area and denomination of the basin based on the parameters of Articles 6, 8 and 9 of Agreement 2 of 2017.

7.1.5.3 Technical justification, through a descriptive memory that includes the list of information existing in the Area, used for the technical evaluation that supports the Request.

7.1.6 The Interested Parties must hold a workshop to support the Request for Incorporation, at the headquarters of the ANH, or through the technological tool indicated by the Agency, on a date and time that will be scheduled in advance. During the workshop, the Interested Party must present the following:

- a) Description of the petroleum system.
- b) Map with the existing data (seismic lines and wells)
- c) Main and secondary objectives
- d) Estimation of prospective total resources of the area that is the subject of the Request.
- e) Description of the need to perform exploration activities (vision of the exploration program) for the identified opportunities, such as the acquisition of 2D/3D seismic, additional geological and geophysical studies, stratigraphic drilling and/or exploration wells.

The information contained in said workshop must not be delivered in either written or magnetic support.

7.1.7 The Request for Incorporation of two adjacent Areas is not acceptable.

7.2 Evaluation of the Request for Incorporation of Areas

Once the Request for Incorporation of Areas has been received, the ANH will assess the information submitted in order to decide, with full autonomy and independence, based on the rules and parameters established in Chapter two "Areas" of Agreement 2 of 2017, and in these Terms of Reference, whether to incorporate them or not to the Areas that are the object of the Selection Process.

Should the decision be to incorporate the Areas, and the ANH concludes that the classification made thereon by the Proponent is correct, and if it submitted and filled out on time and appropriately the Letter of Intent, it shall subject these to the Nation Territory Coordination and





Concurrence Procedure, in order to define and determine if these can be included as areas to be offered for performance of hydrocarbon exploration and production activities. If appropriate, the ANH will arrange for its publishing as Selection Process Areas, on the date established in the Schedule for such purpose.

If as a result of the review and verification of the information required in numeral 6.15 of the Terms of Reference, the ANH concludes that the Participant who filed a Request for Incorporation does not have the conditions that gave rise to its Qualification, or that its Economic Financial Capacity has been reduced and is insufficient to submit an offer for the respective Area, pursuant to that provided for in numeral 6.5 of these Terms, the obligation of presenting a Proposal that is acquired with the Letter of Intent extinguishes, due to impossibility of execution. Similarly, if as a result of the evaluation of the Request or the Nation Territory Coordination and Concurrence Procedure, the Area is not included in those of the Selection Process, or should it be necessary to reformulate the limits, extension and number of sides of the respective polygon, reducing it by more than 20% with respect to its initial size, the referred obligation acquired upon submittal of the Letter of Intent is extinguished in accordance with said resolutive condition and, consequently, in exercise of the faculty provided for in legal grounds No. 5 of these Terms of Reference, the ANH will exclude from the Process the Area that is the object of the Request for Incorporation and will classify it as Available in the Land Map.

Should the decision be to not incorporate the Areas, the Agency will notify the Participant of the rejection of such request, expressing the reasons therefor, without prejudice of the latter being able to reformulate it and file a new Request for Incorporation.

The decision made by the ANH in any sense can be changed later, should the circumstances that gave rise to the previous decision change.

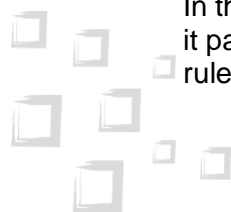
For purposes of evaluation, the ANH may require clarification or additional information from the proponent, the national and territorial authorities, and also assess the technical, social and environmental information gathered. Should the proponent fail to submit the required information on time, the request will be understood as denied.

The ANH will review the Request for Incorporation of Areas as it was filed; however, it reserves the right to reformulate the limits, extension and number of sides of the polygon of the Area that is the object of the Request for Incorporation, because on overlapping below 10% with Reserved Areas, Allocated Areas or any of the zones subject to the circumstances described in article 5 of Agreement 2 of 2017 and other reasons of a technical nature.

The Areas requested for incorporation that meet the technical criteria, shall be the object of the procedures provided for by the ANH to know the socio environmental conditions, as well as o the Nation-Territory Coordination and Concurrence Procedure, in order to define and determine if these can be included as areas to be offered for performance of hydrocarbon exploration and production activities.

7.2.1 Definition of Requests for Incorporation of Overlapping Areas.

In the event of the ANH receiving two or more Requests for Incorporation which Areas overlap, be it partially or totally, the ANH will define the possible Incorporation thereof, based on the following rules:





- a) It is considered that there is overlapping in the events that, two or more Requests for Incorporation of Areas are filed in the same month and Cut-Off, pursuant to the Schedule deadlines. Hence, the requests filed after said month that overlap with their Area will be rejected.
- b) The ANH may require the Applicants to submit the exploration activities expressed in points per Area which incorporation is being requested, broken down by Phase, and all other additional information or clarifications deemed pertinent. In the events in which the decision of the ANH is to choose one of the requested polygons and to reject other overlapping polygon(s), it shall apply as selection criteria the greater number of points for the Area requested in the First Phase, based on the manifestation made by the Proponents. Said manifestation will be used as the minimum of the offer submitted by the Proponent, subject to its rejection. The Proponent requesting the polygon that is chosen in this manner shall be considered, for all purposes, the only Proponent requesting the Incorporation of the respective Area.
- c) The ANH may consult the Applicants in relation with the polygons proposed by them or those redefined by the ANH for eventual incorporation, in order to obtain information that is not binding for the Agency, which enables taking the most convenient decision for the purposes of the Area Allocation Process. It may, therefore, include, reduce or divide the Areas that are the subject of the Request for Incorporation that overlap, redefine their boundaries, extension and number of sides, with full autonomy and independence, without being subject to the provisions of numeral 7.1.2 of these Terms.
- d) The ANH will grant the benefit discussed in numeral 1.10.2 of the Terms of Reference, to those Participants who filed Requests considered to define the resulting Area.

7.3 Causes for Rejection of the Request for Incorporation of Areas

The ANH will deny or reject the Request for Incorporation of Areas when one of the following causes exist and it will have three (3) months to communicate in writing to the Participant the rejection of the request, without prejudice of the latter being able to prepare and present again a new Request for Incorporation.

- 7.3.1 An overlapping equal to or greater than 10% with Reserved Areas, Allocated Areas, Areas of the Continuous Area Nomination Process, or with any of the zones referred to in the last paragraph of article 5 of Agreement 2 of 2017.
- 7.3.2 Overlapping with the Area or Areas of the Incorporation Requests filed before, in accordance with the provisions of numeral 7.2.1 of these Terms of Reference.
- 7.3.3 Not meeting all of the requisites set out in numeral 7.1 of these Terms of Reference.
- 7.3.4 Failure to submit the Letter of Intent at the same time with the Request for Incorporation, or not completing it appropriately.





7.3.5 When the Participant that submitted the Request loses its Qualified capacity, for not having fulfilled the obligation set out in numeral 6.15 of the Terms of Reference.

7.3.6 When the review and verification of the information updated that is determinant of the Qualification of the Participant that submitted the Request, it is concluded that its Economic Financial Capacity has been reduced and is insufficient to submit an offer for the Area of its interest, considering that provided for in numeral 6.5 of the Terms of Reference.

7.4 **Publishing of Areas Incorporated to the Continuous Area Nomination Process**

The decision of incorporating Areas to the Selection Process will be communicated by publishing it in the Agency's web page, including data on its denomination, classification, extension, limits and geographical location. The author of the Request for Incorporation will not be revealed.

The Qualified Proponent who gave rise to the incorporation of the Area to the Process and filed the pertinent Letter of Intention, is the only one entitled to file a Proposal thereon as per the timing set out in the Schedule and to be declared an Initial Proponent, should its proposal be valid. Hence, the Proponent who, in such conditions, is qualified as Initial Proponent, will have the option to enhance the Most Favorable Counteroffer submitted by a third party in relation with its Area of Interest.





CHAPTER EIGHT

3. MANIFESTATION OF INTEREST

8.1 Presentation and Content of the Manifestation of Interest

The Qualified Proponent interested in being awarded one or more of the Selection Process Areas, with respect to which no Proposal has been received in the first two (2) cycles of the bid, must expressly state so to the ANH, through a communication identifying which of the areas listed in Annex C of these Terms of Reference are of its interest, attaching the Letter of Intent (Form No. 29) thereto. Such documents must be filed in the correspondence office of the ANH, at Calle 26 No. 59-26 (piso 1) of Bogota, in a sealed envelope, with an external remittance letter indicating the number of pages included.

In an exceptional manner, considering the provisions of ANH Resolutions 152 and 212 of 2020, whereby live assistance to the public was suspended, as a provisional measure due to public health reasons, the mentioned documents may be filed by email addressed to incorporacionppaa@anh.gov.co, notwithstanding that once public attention is back in service with the consequent receiving of physical documents, the ANH may demand the physical filing of the respective documents.

8.2 Evaluation of the Manifestation of Interest

If the Proponent submits a Manifestation of Interest, attaching the properly completed Letter of Intent, the Area will be subjected to the Nation Territory Coordination and Concurrence Procedure, for its eventual determination, delimitation and classification as Area of the Continuous Area Nomination Process.

If, as a result of the review and verification of the information required in numeral 6.15 of the Terms of Reference, the ANH concludes that the Participant who filed a Request for Incorporation does not have the conditions that gave rise to its Qualification, or that its Economic Financial Capacity has been reduced and is insufficient to submit an offer for the respective Area, pursuant to that provided for in numeral 6.5 of these Terms, the obligation of presenting a Proposal that is acquired with the Letter of Intent extinguishes, due to impossibility of execution. Similarly, if as a result of the Nation Territory Coordination and Concurrence Procedure, the Area is not included within those of the Selection Process, or there is a need for reformulating the limits, extension and number of sides of the respective polygon, reducing it in more than 20% with respect to its initial size, the referred obligation acquired upon submittal of the Letter of Intent is extinguished in accordance with said resolutive condition.

Should there be two or more Manifestations of Interest for an Area, the provisions of letter b) of numeral 7.2.1 of the Terms of Reference shall apply, in order to define the Proponent acquiring the capacity as the only one entitled to submit the Initial Proposal.





8.3 Determination and Publication of Areas that are the subject of the Continuous Area Nomination Process

The Areas identified in Annex C not receiving a Manifestation of Interest; those with respect to which the Qualified Proponent who expressed interest in their award but fails to properly submit the Letter of Intent, fails to update on time its Qualification, or its Economic Financial capacity is reduced thus becoming insufficient to submit an offer for the Area, according to its classification, and those that in relation with the Nation Territory Coordination and Concurrence Procedure have their polygon reduced by more than 20% of the initial extension, will be excluded from the Selection Process and classified as Available in the Land Map.

The decision of incorporating Areas to the Selection Process will be communicated through publishing in the Agency's web page, including information on their denomination, classification, extension, limits and geographical location. The author of the Manifestation of Interest will not be identified.

The Qualified Proponent who expressed its interest in the Area and submitted the pertinent Letter of Intent is the only one entitled to submit a Proposal thereon as per the timing established in the Schedule and to be declared Initial Proponent, should its proposal be valid. Hence, the Participant that, in such conditions is qualified as Initial Proponent, will have the option to outweigh the Most Favorable Counteroffer submitted by a third party with regard to the Area of its interest.





CHAPTER NINE - FILING AND VALIDATION OF PROPOSALS AND COUNTEROFFERS

9.1 Content of the Proposal or Counteroffer

No Proponent can submit more than one proposal for the same Area. Neither can legal persons, Parent or Holding companies, their affiliates or subsidiaries and, in general, companies of the same business or corporate group directly or indirectly controlled by the former, submit more than one Proposal for the same Area. Failure to comply with the provisions of this subsection implies the rejection of all the Proposals.

In the event that the Proposal of an Individual Proponent has not been declared an Initial Proposal, it may submit a Counteroffer for the same Area only as an Individual Proponent. Similarly, the Plural Proponent who has not been qualified as Initial Proponent may file the Counteroffer for the Area for which the first Proposal was filed, only if its members and interest shares correspond to the same that they held at the time of filing the Proposal.

The Proposals and Counteroffers must be submitted in original, in Spanish, and they must contain:

- 9.1.1 **Presentation Letter** completed and properly signed, in the attached format corresponding to that of Individual Proponents, or Plural Proponents, as the case may be. Any amendment, deletion or inconsistency in the processing of the preference order for Area Allocation referred to in numeral 9.5, in the event that the Participant files a Proposal or Counteroffer for more than one Area, will give rise to the rejection of all of them.
- 9.1.2 **Minimal and Additional or Supplementary Exploration Activities offered**, with valuation in Points in accordance with article 33 of Agreement 2 of 2017, through the filling out of Formats titled Minimum Exploration Program and Additional Exploration Program, prepared for such purpose.

Any inconsistency that may arise in the processing of the Minimum Exploration Program Format is rectifiable and does not invalidate the Proposal, considering that the Proponent, with the presentation of its offer, assumes the execution of the score implied by the Minimum Program defined for each area, according to the projections, activities and equivalences contained in article 33 of Agreement 2 of 2017.

The amendments, deletions or inconsistencies that may arise when completing the Additional Exploratory Program Form, other than purely arithmetical errors, are not rectifiable and result in the rejection of the proposal.

- 9.1.3 **Percentage of Shared Production (X%)** proposed, which must correspond to the total production after royalties, also filled out in the attached Form, which is called Percentage of Shared Production (X%). A whole number equal to or greater than that established by the ANH for each Area must be entered. For this percentage, no fractions are accepted. Should it be the case, the ANH will round up the figure to the immediately higher whole number. The completion of the





format with a negative or zero value will be grounds for rejection of the Proposal or Counteroffer.

In this same Format or Form, the Percentage of Shared Production (X%) offered must be registered, foreseeing the event that during the execution of the Exploration activities in the Allocated Area the Contractor finds that it is prospective for Hydrocarbon Reservoirs in Source Rocks; that it is authorized to develop it or is associated with a party that meets the Capability requirements for such purpose and, therefore, agrees with the ANH to Explore and Produce the Hydrocarbons thus generated. For this percentage, no fractions are accepted. Should it be the case, the ANH will round up the figure to the immediately higher whole number. The completion of the format with a value below the minimum established for the Area, will be grounds for rejection of the Proposal or Counteroffer.

9.1.4 **Bid Bond**, pursuant to numeral 9.2 of this Chapter.

9.1.5 Pertinent documents to establish that the Plural Proponent, made up of previously Qualified Individual Participants, is also duly Qualified as such to submit the Proposal or Counteroffer for the respective Area or Areas.

Such documents are:

- Consortium Agreement, Temporary Union or Promise of Future Venture, as per the terms of numeral 6.4.3 of these Terms of Reference, and
- Statement provided for in numeral 6.4.4 referred to the circumstances described in letters e, f, g, h, e, i, through completion of Format No. 8 "Letter of Presentation for Plural Qualification".

The omission of any of the aforementioned documents is considered NOT rectifiable and results in the rejection of the Proposal or Counteroffer.

Every document in the Proposal or Counteroffer must be submitted in Spanish and accompanied by an official translation.

Those issued abroad must be subject to the requirements set forth in Article 480 of the Commercial Code, except for public that come from countries that are signatories to the Hague Convention of October 5, 1961, approved by Law 455 of 1998, which require apostille, as per its terms.

The Proponent that, for force majeure reasons associated with the administrative difficulties undergone by some countries in the world because of the COVID 19 pandemic, cannot fulfill the requirements of the apostille or the legalization of public documents issued abroad and to submit them to the Agency within the deadline set for such purpose in the Schedule, must so declare under oath, which is understood as taken with the signature of the Letter of Submittal of the Proposal or Counteroffer, attaching thereto the pertinent statement and the support or evidence thereof. The ANH will verify the information submitted and, if it confirms the truthfulness of the statement, it will proceed to evaluate the proposal.





In any event, the Proponent that submits a Proposal or Counteroffer as per the circumstance described in the previous paragraph, must fulfill the apostille or legalization of the respective documents requirement at least three (3) days in advance of the deadline set out in the Schedule for publishing the Final List of Qualified parties; otherwise, the ANH may reject the request for Qualification and its update and thus the Proponent will lose the right to participate in the Process.

The ANH is empowered to request in writing clarifications or explanations on the contents of the Proposals, physically submitted, or by electronic mail, a copy of which will be published on the website of the Agency.

These must be answered within the peremptory term set by the ANH in the pertinent communication, under penalty of the Proposal or Counteroffer be also rejected.

In view of these requirements, the Proponents or Counter proponents cannot complete, add, modify or improve in any way their proposals, nor present extemporaneously any documentation that was omitted.

The Letter of Presentation of the Proposal or Counteroffer and other Forms that comprise it, must be duly signed by the legal representative or the attorney-in-fact of the Individual Proponent, or by the conventional representative or attorney-in-fact of the Plural Proponent, duly accredited or constituted, as the case may be, with respect to the Qualification, under penalty of understanding the Proposal or Counteroffer as rejected.

The Proposals or COUNTEROFFERS and the Formats or Forms must be completed in accordance with the instructions given in the so-called Instructions or in the Terms of Reference, without any amendments or deletions, with pages duly numbered, indicating that they are page "x" of "y", with precise, clear and complete expression of all the data requested, without introducing changes or adjustments, nor altering the order of the information requested, preceded by the index and contained in sealed envelopes.

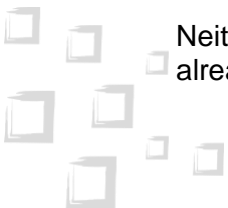
If the spaces provided in a Format or Form to fill in the pertinent Information are not sufficient, an equal space should be used.

Any explanation or additional clarification must be presented in a separate annex, with pages duly numbered.

Eventual amendments, upon request of the ANH, must be clarified and validated in the same document, with the signature of the representative or attorney-in-fact who signs the Letter of Presentation.

They should be sent to Agencia Nacional de Hidrocarburos; referencing the "Continuous Area Nomination Process"; indicate that they contain a Proposal for the Area so that it is specified according to its name and Type, Mature or Explored, Emerging or Semi-Explored or Immature or Frontier; be marked with the name of the Individual Proponent or the name of the Plural Proponent, domicile, address, telephone, facsimile and electronic mail.

Neither will alternative or supplementary Proposals be accepted, nor amendments to those already submitted, nor partial Proposals or containing any type of conditioning.





The presentation of the Proposal or Counteroffer implies the obligation of the Proponent or Counterproponent to keep it firm for its validation and eventual Award, as well as for the execution of the pertinent Agreement, if applicable, so that it must be understood as valid for the time between the delivery date and the allocation of the respective Area, or until the execution of the respective Agreement, if it is favored, period in which the Bid Bond must also remain in force, which will be made effective if the Proponent withdraws the Proposal or Counteroffer or fails to fulfill any of the commitments arising from such filing, unless there is an inability or incompatibility cause for reasons beyond its responsibility and diligence.

Consequently, no Proposal or Counteroffer can be withdrawn or modified after its presentation or deposit in the respective urn.

9.2 Bid Bond

To reinforce the seriousness of each Proposal or Counteroffer, the respective Individual or Plural Proponent, on its own or on behalf of a third party, pursuant to the provisions in article 1039 and 1040 of the Commercial Code, must constitute and accompany the guarantee in favor of the ANH, valid between the date of its filing and the Day on which the approval of the contractual guarantees takes place, provided that in the pertinent legal business there is no Preliminary Phase, or until its subscription, if any. The initial term of the guarantee will be for six (6) months, as of the date of filing of the Proposal or Counteroffer, which may be extended according to the foregoing, so that the subscriber undertakes to extend it, if applicable. In the event that the Initial Proponent exercises its right to improve the Most Favorable Counteroffer filed for the same Area, it must include in its new offer an extension of the Bid Bond valid term initially submitted, in order to meet the initial term referred to in this subsection.

The Participants whose offer has not been declared Initial Proposal, who file a Counteroffer for the same Area, may accompany their Counteroffer with the same Bid Bond that was submitted to cover the respective Proposal, with any applicable changes, including the term of its extension.

Said Bond must be intended for strengthening the seriousness and firmness of the respective offer; keeping firm its terms and conditions until the approval of the contractual guarantees, provided that the legal business does not have A Preliminary Phase, or until its subscription, if any; attend timely to the entering into, perfecting and commencement thereof, in the event of Award; present on time the aforementioned contractual guarantees, pursuant to the law and the respective legal business, as well as extending its term if the ANH so requires.

The sum insured must correspond to one hundred thousand Dollars of the United States of America (USD 100,000) or its equivalent in Colombian pesos, in accordance with the Dollar Market Representative Rate, MRR, in force on the date of granting the respective Guarantee; this rate must be entered in its text, for Proposals or Counteroffers on prospective Onshore Areas for Conventional Reservoirs, and for one hundred and fifty thousand Dollars of the United States of America (USD 150,000) or its equivalent in Colombian pesos, also in accordance with the Dollar Market Representative Rate, MRR, in force on the date of granting the Guarantee; this rate that must be entered in its text, for Proposals or Counteroffers on Offshore Areas and prospective areas for Hydrocarbon Reservoirs in Source Rocks.





The insured value constitutes both a pecuniary penalty for non-compliance with any of the obligations and commitments assumed by the Proponent or Counter proponent with the submission their Proposal, in accordance with articles 115 and 136 of Regulatory Decree 1510 of 2013, compiled by Articles 2.2. 1.2.3.1.6 and 2.2.1.2.3.2.8 of the one identified as Single Decree 1082 of 2015.

The Bid Bonds of the Proposals or COUNTEROFFERS Articles may consist in any of those regulated in articles 129 to 136 and 140 to 146 of Regulatory Decree 1510 of 2013, compiled by articles 2.2.1.2.3.2.1 to 2.2.1.2.3.2.8 and 2.2.1.2.3.3.1 to 2.2.1.2.3.4.1 of Single Decree 1082 of 2015, and must be adjusted to the requirements and conditions established in articles 110 to 113, 115 and 127 of the same Statute, compiled in articles 2.2.1.2.3.1.1 to 2.2.1.2.3.1.4, 2.2.1.2.3 and 2.2.1.2.3.1.18 of said Single Decree, o or the provisions that substitute, modify or supplement it.

The ANH will keep the bonds in custody and will return those granted by Proponents or Counter proponents who are not favored with the Award of the respective Area.

9.3 Deposit and Public Opening of Proposals

On the date indicated in the Schedule for holding the hearing for deposit and public opening of the Proposals, on the date, venue and time indicated by the ANH through a notice published in the web page of the Agency, the Proponents must deposit one Proposal for each Area of interest, in a closed, sealed and signed envelope, in the urn available for such purpose.

Additionally, at the time and according to the formalities and procedures established in the respective Protocol, the interested Proponents must submit their Proposals through the Blockchain. Should there be any contradiction or difference between the documents delivered by electronic means and those submitted in physical, those filed in physical form shall prevail and will be subjected to review and evaluation in the hearing.

Once the deposit of the Proposals for each Area has been completed, the Proposals deposited will be opened and listed with the details of the respective Proponent; the Area for which it is proposed; the list of constituent documents⁹; the Minimum Exploration Program; the Additional Exploration Program and the percentage of Shared Production (X%) offered.

Minutes will be prepared of this act, **describing, among aothers, the items referred to in the previous paragraph, including the overall description of the Bid Bonds of the proposals submitted, which is part of the documents that make up the Proposal. The respective minutes will be published in the ANH website.**

The Proposals of the Participant that gave rise to the inclusion of the Areas in the Process, through a Request for Incorporation or Manifestation of Interest, must submit to the Agency on the date set out in the Schedule, in a sealed envelope with the external remittance letter, with reference to the " Continuous Area Nomination Process", to the attention of the Vice Presidency of Promotion and Allocation of Areas, and showing the number of pages included.

9.4 Review, Verification and Validation of Proposals

⁹ Listed in numerals 9.1.1 to 9.1.5 of these Terms of Reference.





Once the hearing for filing Proposals has concluded, and during the term set out for such purpose in the Schedule, the ANH will formally verify that each Proposal is complete, that it, it includes all the documents required and the Formats duly filled out.

Upon formal verification, it will be established which Proposals meet the requisites and which don't. Those defects, deficiencies or omissions that according to said Terms can be corrected, will be brought to the attention of the respective Proponents through publication on the Agency's website, with the indication of the strict deadline to adopt the corresponding corrections and/or supply the missing information.

The defects or deficiencies that are not or cannot be corrected within the term established in the Schedule to submit comments to the evaluation of the Proposal, the Preliminary Order or the Selection of the Eligibility Preliminary List, as the case may be, will entail rejection of the respective Proposals.

The ANH reserves the right of requesting clarification of the Proposals, provided that their content is not altered nor is the scope changed, subject to the guiding principles on equality, transparency, objective selection, impartiality, publicity and contradiction.

The absence of requirements or the lack of documents regarding the future contracting or the Proponent, which are not necessary for comparing the Proposals, will not be sufficient grounds to reject the offers. Consequently, all those requirements that do not affect the order of eligibility may be a matter of clarification or supplementation in the form and opportunity set forth in the respective requirement.

In any event, the ANH reserves the right to verify the information provided and to carry out checks on the documents submitted in the whole course of the contractual action, whether before or after the filing of the Proposal, the Award, and even the execution of the respective Agreement. This circumstance shall be expressly accepted by the Proponents in the Letter of Submission of the Proposal, where the representatives or Attorneys-in-fact must declare under the seriousness of oath, which will be sufficient with the mere signature, the subscription, that all information and documents provided are accurate, truthful, reliable and verifiable at any time.

9.5 Evaluation and Rating of Proposals and COUNTEROFFERS

The ANH adopted, pursuant to the provisions of article 44 of Agreement 2 of 2017, as Primary Factor for evaluation and rating of the Proposals and COUNTEROFFERS, the Additional Exploration Activities (AEA) that make up the Additional Exploration Program offered, above the Minimum required by the ANH, measured in points according to article 33 of said Agreement.

The Additional Exploration Activities (AEA), correspond exclusive to those described and expressed as number of equivalent points in the Additional Exploration Program.

Said factor was derived from the knowledge that the Agency has of the Areas that are subject of the Process; their Hydrocarbon resource potential, and the Exploration risk, without prejudice of allowing for a freedom margin for the Proponents to structure their proposals, according to their expertise, other information sources, and the available investment resources.





Without prejudice of the restrictions arising from the Capacity of the Proponent, there is no limit to the number of Contracts to which it may aspire, provided that for each of them the Capacity requirements established in the legal framework, in this Agreement and in the Rules or in the Terms of Reference of the respective Selection or Allocation Procedure.

For each Area projected for allocation, the Economic Financial Capacity is reduced depending on the points corresponding to the exploratory commitment of the activities of the Minimum and Additional Programs of the first year of execution, for which, in the process of evaluation and qualification of bids, the ANH will divide the score of the Exploratory Programs in the number of years that make up the First Phase (Phase 1). For such purpose, the Proponent or Counter proponent shall, in the Letter of Presentation of the proposal, expressly indicate the preferred order for allocation of the Areas, should said Capacity be insufficient for the allocation of all of them.

The declaration of Initial Proposal and the Most Favorable Counteroffer demand having sufficient Economic Financial Capacity, pursuant to the order in which the Proponent prefers to have the Areas allocated.

In the event that the Proponent or Counter proponent submits offers in its capacity as Individual Participant and member of Plural Participant, and its Economic Financial Capacity is insufficient for the allocation of all those obtaining the highest score, with the presentation of its offer accepts that the respective declaration or allocation will be limited to the Area or Areas whose offer includes the greatest minimum exploration activity and additional in Phase 1, expressed in points.

Except for Stratigraphic and Exploratory Wells, which must be completed entirely once each one is started, the Proponents or Counter proponents must offer to develop at least fifty percent (50%) of the activities corresponding to the Additional Exploration Program during the First Phase (Phase 1) of said Period. The rest during the Second Phase (Phase 2). In those Contracts whose Exploration Period has 3 Phases, the execution of the Additional Exploration Program must be offered in accordance with the provisions in this paragraph.

In the event of a tie in the total score obtained by two (2) or more Proposals or COUNTEROFFERS, the First Tiebreaker Criterion will be applied, consisting in the greatest Production Share (X%) offered, which must correspond to a whole number greater than or equal to that established by the ANH for each Area.

Should the tie persist after exhausting the foregoing conditions, the ANH shall proceed to apply the Second Tiebreaker Criterion, consisting in the greater Additional Exploration Activity offered, expressed in points, to be executed during the First Phase (Phase 1).

If after exhausting the First and Second tiebreaker criteria, it persists, the ANH shall carry out a draw with ballots and will establish, based on these results, the Selection Preliminary Order, for which that set out in numerals 9.5.1 and 9.7 of the Terms of Reference shall be considered.

The offers must be completed in the Attached Formats or Forms called Exploratory Programs and Percentage of Shared Production (X%).

9.5.1 Preliminary Order of Proposal Selection





After applying the concepts of Evaluation and Rating of Proposals, the Selection Preliminary Order of those presented by each Area, which will be published by the ANH in its web site, along with the respective work memory, on the date established for such purpose in the Schedule. Said Order will contain the list of Proponents who presented an Offer for each Area, listed in descending order, from higher to lower, according to their respective offers.

The Participants may formulate, only once, comments and objections to the same, duly supported, within the term established in the Schedule for this purpose.

The Agency will address such observations or objections by means of a reasoned document, which will also be published, within the timeframe set out in the Schedule.

A Selection Preliminary Order will not be issued with respect to the Proposals filed by the Proponents that gave rise to their incorporation to the Process, through Manifestation of Interest or Request referred to in Chapter Seven of these Terms of Reference. **The interested parties may formulate, only once, comments and objections to said preliminary declaration, duly supported, within the term set out in the Schedule for this purpose. The Agency will settle such comments or objections, which will also be the purpose of publication, also at the time set out in the Schedule; in turn,** if the evaluation of the Proposals received under such condition concludes with its validity, these will be declared Initial Proposal of the respective Area; otherwise, these will be rejected.

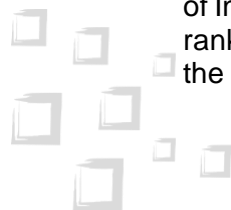
9.5.2 Declaration and Transfer of Initial Proposal

After addressing the comments or objections of the Proponents, it will be determined which is the best of the Valid Proposals presented and it will be declared and published as Initial Proposal, on the date set out in the Schedule for this act. If an offer other than that ranked first in the Preliminary Order of Proposal Selection is declared as Initial Proposal, the duly supported reasons that lead to such decision must be stated.

In this case also, the Statement will contain the list of Proponents who filed a Proposal for each Area, listed in descending order, from higher to lower, according to their respective offers.

After the Declaration of Initial Proposal of each Area, it will be conveyed to the rest of other Interested parties through the publishing of the following information in the Agency's web page, for the term set out in the Schedule until the holding of the hearing to file COUNTEROFFERS: (i) Corporate Name of the Initial Proponent, (ii) Minimum and Additional Exploration Program, expressed in points, and (iii) Percentage of Shared Production (X%) to perform eventual activities of Exploration and Production in Hydrocarbon Reservoirs in Source Rocks.

In the event that the Initial Proponent notifies to the ANH the perfecting of a transaction entailing the change of the Real Beneficiary or Holding, as well as merger, split or equity integration, the ANH will confirm that the Capacity requisites that determine Qualification have been fulfilled. Should the respective review and assessment lead the Agency to conclude that the Participant missed one or more of the aforementioned Capacity requirements, it will revoke the Declaration of Initial Proponent of the respective Area or Areas and will declare as new Initial Proposal the one ranked second in the selection, which will be reported to the other Qualified Participants as per the terms of the previous subsection.





Should closing of the Initial Proponent Capacity be verified by the ANH after the holding of the Counteroffer filing hearing, and the Initial Proponent made an offer greater than that of the Most Favorable Proposal, subject to that provided for in Annex B of these Terms of Reference, the ANH shall revoke the respective Eligibility Final List and will declare as first eligible the next party in the final selection order.

9.6 Filing, Evaluation and Rating of Counteroffers

On the date set out in the Schedule, the hearing for filing the Counteroffers will be held, during which the invitation for filing COUNTEROFFERS for each of the Areas in the Initial Proposal will be made. Additionally, at the time and according to the formalities and procedures established in the respective Protocol, the interested Proponents must submit their Proposals through the Blockchain, **except that the Proponent expressly states its intention of filing a Counteroffer only in physical means at least three (3) days before the hearing for filing and opening the Counteroffers through the email ppaa@anh.gov.co**. Should there be any contradiction or difference between the documents delivered by electronic means and those submitted in physical, those filed in physical form shall prevail and will be subjected to review and evaluation in the hearing **through Blockchain**.

Once the counteroffers have been received for each Area, these will be opened and listed with the details of the respective Proponent; the Area for which it files a proposal; the list of documents that make it up¹⁰; el Minimum Exploration Program, the additional Exploration Program and the Share Production (X%) offered.

Minutes will be prepared of this act, describing, among others, the items referred to in the previous paragraph, including the overall description of the Bid Bonds of the proposals submitted, which is part of the documents that make up the Proposal. The respective minutes will be published in the ANH website.

Once the hearing for filing of Counteroffers has concluded and during the following days provided for such purpose according to the Schedule, the ANH shall verify and issue the respective evaluation and qualification, applying the criteria set out in Annex B “Exploration Programs and Evaluation Criteria” of these Terms of Reference.

With respect to the Areas with an Initial Proposal that are not the object of the Counteroffer, the ANH will allocate them and award the respective Initial Proponent Contracts of each of them, as per the timing set out in the Schedule and in accordance with that in numeral 10.2 of these Terms of Reference. For such purpose, the Declaration of Initial Proposal is to be understood as equivalent to the Final Eligibility List referred to in the aforementioned numeral.

¹⁰ Relacionados en los numerales 9.1.1 a 9.1.5 de los presentes Términos de Referencia.





9.7 Preliminary Selection Order of the Most Favorable Counteroffer.

After applying the evaluation criteria or factors, the ANH will prepare and publish a list with the preliminary order of selection of the most Favorable Counteroffer, along with the memory of the respective evaluation and qualification work, at the time set out in the Schedule. Said Order will contain the list of Counter offerors who filed a Counteroffer for each Area, listed in descending order, from highest to lowest, as per their respective offers.

The Participants can present, only once, duly supported comments and objections thereon, within the term set out in the Schedule to do so, which will also be published.

9.8 Declaration and Transfer of the Most Favorable Counteroffer to Initial Proponent

If the comments or objections received are resolved, by means of a written note published in the web page of the Agency and on the date set out for such purpose in the Schedule, it will be determined which of the Counteroffers is the best one, and it will be declared and published as a more Favorable Counteroffer, on the date set forth in the Schedule for this action. If an offer other than the one that was ranked first in the Preliminary Order of Selection of Counteroffers is declared the most Favorable Counteroffer, the reasons that led to it, duly supported, will be explained.

In this case also, the Statement will contain the list of Proponents who filed a Counteroffer for each Area, listed in descending order, from higher to lower, according to their respective offers.

Having made the most Favorable Counteroffer declaration of each Area, it will be transferred to the respective Initial Proponent, so that, within the term established in the corresponding Instructions, the latter states in writing whether it will use its option to over-weigh the Most Favorable Counteroffer.

For this purpose, the Initial Proponent may file a new Proposal in the Format, during the term set out to do so and, at least, according to the conditions established in Annex B - Exploration Programs and Evaluation Criteria of these Terms of Reference, under penalty of rejection. The Proposal must be submitted in physical media, during continuous working hours, between seven am (7:00 a.m.) and four pm (4:00 p.m.), at the headquarters of the Agencia Nacional de Hidrocarburos, Calle 26 No. 59 – 65, Piso 2, in Bogotá, D.C. and through the Blockchain, at the time and as per the formalities and procedures established in the respective Protocol. Should there be any contradiction or difference between the documents filed through electronic media and those submitted in physical format at the ANH headquarters, those submitted in physical form shall prevail and be subjected to review and evaluation **of those submitted through Blockchain..**

In case the Initial Proponent over-weighs the Most Favorable Counteroffer, the ANH will announce it by publishing the Preliminary Eligibility List.

In the event that the Initial Proponent does not file a new Proposal within the term and Format provided for that purpose or, if presented, it does not outweigh the Most Favorable Counteroffer, the ANH will announce it and publish the Preliminary Eligibility List.





The ANH will receive only once, comments and objections to the Eligibility Preliminary List, within the term set out for such purpose in the Schedule, which it will answer, proceeding to publish the Final Eligibility List.

Should the Participant who filed the Most Favorable Counteroffer be declared first in the Eligibility Final List, and who later notifies to the ANH the perfecting of a transaction that entails the change of Real or Holding Beneficiary, as well as merger, split or equity integration operations, the ANH shall confirm that the Capacity requisites that determine the Qualification are maintained. In the event that, after the respective review and evaluation, the Agency concludes that the Participant missed any or some of the aforementioned Capacity requirements, it will revoke the respective Eligibility Final List, and will declare as first eligible party the next one in the final selection order.

9.9 Correction of Arithmetical Errors

The ANH will determine if there are any errors in the results of arithmetical operations of the Proposals and COUNTEROFFERS, related to the determination of scores on the activities offered to structure the Exploration Programs, and it will proceed to correct them. With the presentation of the Proposal or Counteroffer, the Participant agrees to be bound to the execution of the Exploratory Program resulting from such corrections.

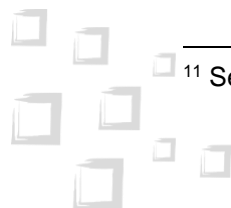
The arithmetical error is that derived from a purely arithmetical calculation when the operation has been done incorrectly. Consequently, its correction must concentrate on correcting the arithmetical operation that was wrong, without changing or altering its constituent factors or elements¹¹.

9.10 Causes for Rejection of Proposals and COUNTEROFFERS

The ANH will reject the Proposals and COUNTEROFFERS, as the case may be, in the events or circumstances established herein below:

- 9.10.1 The ANH has established that all or part of the information and documents presented are inaccurate or contrary to reality (Legal Presumption 6.5)
- 9.10.2 Not meeting the requisites referred to numerals 1.20.1, 1.20.3, 1.20.4, 1.20.5 o 1.20.6 of these Terms of Reference.
- 9.10.3 Offering an Additional Exploration Program that opposes or ignores the rule contained in the third subsection of numeral 4.3 of these Terms of Reference.
- 9.10.4 The filing of more than one Proposal for the same Area by the same Individual Proponent; by legal entities that make up more than one Plural Proponent, or by Plural Proponents conformed by any legal entity that has filed a Proposal, either directly or indirectly, on its own or through an intermediary. The failure to observe that provided for in this numeral leads to the rejection of all the Proposals or COUNTEROFFERS (number 8.1).

¹¹ Sentencia T-875/00 Corte Constitucional.





In the event that the Proposal of an Individual Proponent has not been declared Initial Proposal, it may file a Counteroffer for the same Area only as an Individual Proponent. Similarly, the Plural Proponent who has not acquired the capacity of Initial Proponent, can file a Counteroffer for the Area for which it filed a Proposal, only if its members and share interests correspond to those held at the time of filing the Proposal.

- 9.10.5 The presentation of more than one Proposal or Counteroffer for the same Area by Parent or Holding companies; their affiliates or subsidiaries and/or any another company of the same business or corporate group, directly or indirectly controlled by the Parent or Holding company. Failure to fulfill the provisions in this numeral leads to the rejection of all the Proposals or COUNTEROFFERS.
- 9.10.6 The Proposal fails to include the Presentation Letter, or it is presented without being signed by the representative or attorney, or they have not been duly constituted or accredited, or it is presented with amendments, deletions or inconsistencies related to the order of preference of the Area Allocation (numeral 9.1.1).
- 9.10.7 Amendments, deletions or inconsistencies when filing out the Additional Exploration Program Form, other than purely arithmetical errors (numeral 9.1.2).
- 9.10.8 The filling out of the attached Form called Percentage of Shared Production (X%), with a value lower than the minimum established for the Area (numeral 9.1.3).
- 9.10.9 The Proposal or Counteroffer does not contain the essential Formats or Forms and documents referred to in numerals 9.1.1 to 9.1.5 of these Terms of Reference.
- 9.10.10 Not having responded on time or in a thorough, satisfactory manner to a requirement or request for clarification from the ANH, not having submitted on time and in legal form a rectifiable document or requirement within the term set out in the Schedule to submit comments to the Selection Preliminary Order or the Eligibility Preliminary List, as the case may be (numeral 9.4, subsection 3)
- 9.10.11 The Initial Proponent has not presented a proposal vs. the Most Favorable Counteroffer, during the term provided for such purpose and as per the conditions set out in Annex B – Exploration Programs and Evaluation Criteria of these Terms of Reference (numeral 9.4, subsection 4).
- 9.10.12 Any other circumstance provided for in these Terms of Reference as grounds for rejection.







CHAPTER TEN

4. ALLOCATION OF AREAS, AWARD AND ENTERING INTO AGREEMENTS

10.1 Causes for no Allocation of Areas

10.1.1. When no Proposals are filed, or if filed, these are not Valid Proposals.

10.1.2. When there are justified reasons or causes that prevent an objective selection.

10.2 Allocation of Areas and Contract Award

Having exhausted the procedure described in Chapter Nine of these Terms of Reference, the ANH will allocate the Areas and award the respective Contracts to the Proponent or Counter proponent that was ranked first in the respective Eligibility Final List, through reasoned administrative acts, against which there are no resources applicable.

The Awarding act is irrevocable and binding for the Agency and the successful Proponent. Nevertheless, if within the period between the Award and the execution of the Agreement, a cause of inability, incompatibility or prohibition arises, or if it refuses to execute it without justification, it fails in one or more of the Capacity requirements that determine the Qualification, or if it is proved that the act was obtained by illegal means, it may be revoked. In the two last cases, the value of the Proposal or Counteroffer Bid Bond will be in favor of the ANH, as sanction, without prejudice of any legal action leading to the recognition of damage caused and not covered by the value of said Bond and the commencement of legal actions as applicable.

In the case of revocation of the Award administrative act, as explained above, the ANH will Award the Contract to the Initial Proponent or Most Favorable Counter proponent, as the case may be, ranked second in eligibility.

10.3 Timelines for Entering into Contracts

On the date and time set out by the ANH in the respective notice or summons, the Contract(s) will be executed with the awardees. For such purpose, they must present the following documents to the ANH:

10.3.1 Updating of those accrediting the substantive and adjective legal personality of the awardee, in the event of modifying any item.

10.3.2 Certification of the circumstance of being up to date regarding the timely, efficient and effective fulfillment of obligations inherent in the Social Security General System and the parafiscal payments, in accordance with numeral 6.4.4, or certificate of not being subject thereto, issued at least thirty (30) calendar days in advance.





10.4 Contents of the Agreement

The terms, conditions and, in general, the Contract provisions shall correspond to those established in the Draft Contract approved by the Steering Council of the ANH and published as Annex to these Terms of Reference, applicable to each area, according to its classification and the type of legal business, and which are in force at that time; pursuant to the common, civil and commercial codes, the general rules of the Regulations that govern them, and the best practices of the petroleum industry, without prejudice to the characteristics derived from the legal nature and representation of the Contractor, the favored Proposal or Counteroffer.

They may include the modality, conditions and, in general, the provisions that the Steering Council deems necessary and convenient, provided they are not contrary to the Constitution, the law, the public order, the principles and purposes of ANH contracting, and those of good management.

The whereas clauses and other clauses of the Contracts awarded to the Proponents, which gave rise to the incorporation of Areas into the Process, in order to transfer exploration investment as per the terms of Agreement 01 of 2020, must be amended or supplemented as applicable, pursuant to that provided for in articles 9, 10, 11, 12 and 13 of the latter.

10.5 Publishing of the Agreement

Once the Contracts have been executed, their text must be published on the WEB page of the ANH.

