

# COLOMBIA ROUND 2021

**MAY 6TH, 2021**

**Continued Presentation**  
**Project**  
**New Contract Draft**

General bases of the new contract draft

New contractual framework

Economic Value of Exclusivity

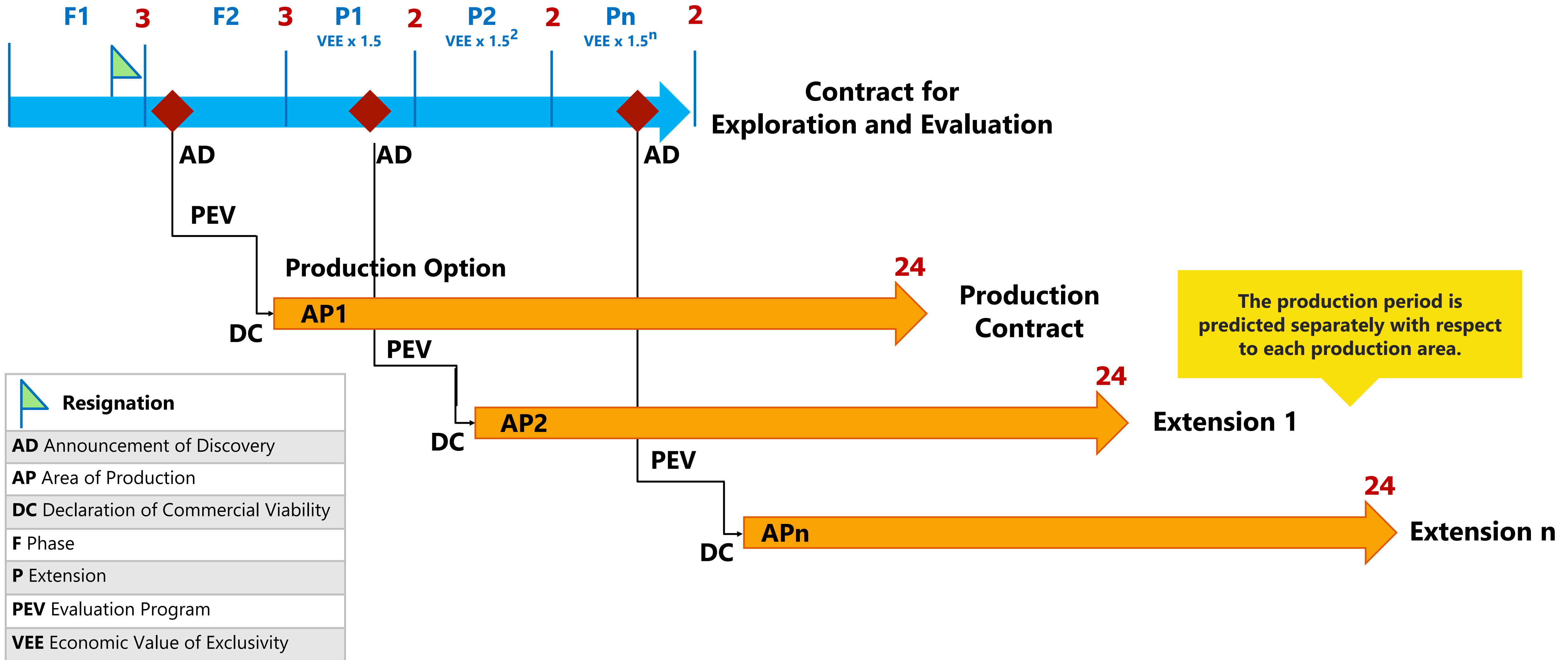
Award criteria

Production option

## General bases for the new contract draft

- Exclusive permit to explore and evaluate the hydrocarbon resources of the State
- Payment of the Economic Value of Exclusivity - VEE and economic rights
- The VEE is 100% refundable for the drilling of A3 and A2 exploratory wells
- The Effective Date is the day the contract is signed
- The Exploration Period is 6 years, with 2 phases of 36 months each, extendable
- No minimum or additional exploratory program is established
- The Evaluation Program - PEV keeps the same terms of an E&P contract

# New contractual framework



## The Economic Value of Exclusivity - VEE

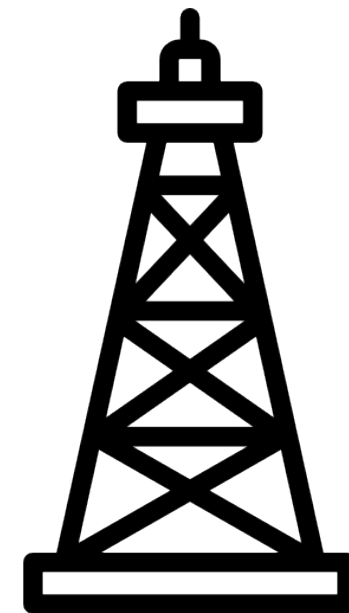
- Assessment of exclusivity to explore and evaluate in the contracted area
- Primary award factor in the Colombia Round 2021
- The VEE is determined by the bidders
- The minimum VEE is equivalent to the value of an exploratory well (table art. 33 Agreement 02 of 2017)
- Bids will be made by number of wells
- X% is the tie-breaker criterion
- The Contractor pays the VEE to the ANH
- Drilling incentive: Reimbursement for drilling exploratory wells A3 and A2 (up to the VEE)
- In case of resignation during the first phase, 50% of the VEE will be reimbursable

**Economic Value of Exclusivity - VEE**

**Table art. 33 Agreement 02 of 2017**

**Primary:**

**VEE ≥**



**Secondary:**

**X% ≥**

**1%**

Basin	Economic Proposal		
	Strategic Well	Exploratory Well	Development Well
CAG - PUT	850	748	230
CAT	1.331	1.158	306
CAU - PAT	1.524	1.325	543
CES - RAN	1.150	1.000	410
CHO	1.524	1.325	543
COR	1.524	1.325	543
GUA	1.150	1.000	410
LLA	745	648	288
LLA (Piedemonte)	6.746	5.866	4.346
SIN SJ	1.150	1.000	410
TUM	1.524	1.325	543
URA	1.150	1.000	410
VAU - AMA	1.524	1.325	543
VIM	1.150	1.000	613
VMM	1.147	997	263

Average Reference Cushing; OK WTI, "Spot Price", FOB Last six (6) Months (USD/bbl)	Value per Point U.S. 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

**Example: One (1) well in CAG - PUT**  
 WTI 54 = 748 x \$9.209 = \$6.888.332  
 WTI 57 = 748 x \$9.451 = \$7.069.348



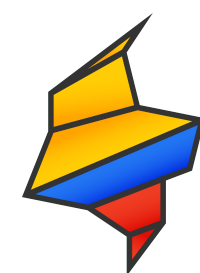
## Production option

- It grants the option to sign a Production Contract (draft attached to the Exploration and Evaluation Contract).
- To exercise this option, you must have declared commercially viable and be qualified in PPAA to subscribe it.
- Initial declaration of commerciality + subsequent declarations = Production Contract.
- The production period will be 24 years for each production area, extendable for 10 years.



**Thanks**

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