



**AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E  
BIOCOMBUSTÍVEIS – ANP (BRAZILIAN REGULATORY  
NATIONAL PETROLEUM, NATURAL GAS AND BIOFUEL  
AGENCY)**

**INITIAL TENDER PROTOCOL (REQUEST FOR PROPOSAL –  
RFP) FOR GRANTING CONCESSION AGREEMENTS**

**SECTION A**

**PROVISIONS APPLICABLE TO THE ACTIVITIES OF:**

**EXPLORATION, EVALUATION, DEVELOPMENT AND  
PRODUCTION OF PETROLEUM AND NATURAL GAS IN  
BLOCKS WITH EXPLORATORY RISK**

**7TH BID ROUND  
RIO DE JANEIRO, MAY 11, 2005**

## ADVICE:

### I – Concerning the division of the Preliminary RFP in A and B Sections

This Initial Tender Protocol, prepared for the 7th Bid Round, comprises 02 sections: Section A and Section B. Such division is required to adjust the bid to the provisions of the templates as provided in Article 3 of CNPE Resolution number 2, dated December 08, 2004 and Law 9478/97(The Petroleum Law). Such Resolution rules blocks containing inactive areas with marginal build-ups in which, after Declaration of Commerciality, shall occur the rehab aiming production.

Section “A” comprises provisions applicable to the exploration, evaluation, development and production of petroleum and natural gas in blocks with exploratory risk and Section “B” comprises the entry of the concessionary in the evaluation stage, and provisions applicable to the activities related with rehab and production in blocks containing inactive areas with marginal build-ups.

### || - Official version

This Initial Tender Protocol, as well as Sections A and B, is prepared in Portuguese, and this is the only Official version. A translation into English is available, just for guidance of participants and interested parties.

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## **SECTION A – PROVISIONS APPLICABLE TO THE ACTIVITIES RELATED WITH THE EXPLORATION, EVALUATION, DEVELOPMENT AND PRODUCTION OF PETROLEUM AND NATURAL GAS IN BLOCKS WITH EXPLORATORY RISK**

### **Purpose**

The purpose of this bid, concerning Section A, is the concession of authorization for exercising activities related with the exploration, evaluation, development and production of petroleum and natural gas in blocks with exploratory risk. The description of the bid areas is provided in ANNEX I attached herein.

For the 7<sup>th</sup> bid round, the bid involves blocks in 34 sectors of 14 Brazilian sedimentary Basins: Pelotas, Santos, Campos, Espírito Santo, Jequitinhonha, Camamu-Almada, Recôncavo, Sergipe-Alagoas, Potiguar, Barreirinhas, Pará-Maranhão, Foz do Amazonas, Solimões and São Francisco.

### **Bid Blocks**

The following exploratory models (templates) are provided in **Annex I** attached herein:

I – Blocks in High Potential Basins for Discovering Natural Gas and Petroleum, aiming recomposing the national reserves and addressing the growing domestic demand;

II – Blocks in New Technological and Knowledge Frontiers Basins, with the purpose to attract investments for the regions with few geological exploration or with technological frontiers to be surpassed, allowing identifying new production basins;

III – Blocks in Mature Basins, with the purpose to offer opportunities to small and medium size companies, in highly explored basins, allowing the continuity of the exploration and production of petroleum and natural gas in such regions, where such activities have a significant social-economic role.

## **1 MAIN PROVISIONS OF THE CONCESSION AGREEMENT FOR BLOCKS WITH EXPLORATORY RISK**

1. The main provisions of the Concession Agreement, pursuant with exploration template for blocks in sedimentary basins, are:

- Term up to 35 years, comprising the Exploration and Production Phases. The Exploration Phase will have the term from 03 to 08 years, divided in 02 periods, each associated to Minimum Exploratory Programs (PEM). At the end of the First Exploratory Period, the Concessionary shall choose: returning the area or assuming the commitment to drill an exploratory well, giving continuity and proceeding to the Second Period of Exploration. For each field discovered and commercially registered, through the evaluation plan, the Concessionary shall submit a Development Plan to be approved by ANP. The Production Phase, including the Development Stage, will have the maximum term of 27 years.
- The petroleum and natural gas are property of the Federal Government until reaching the Fiscal Measurement Point, as from which they will then belong to the Concessionary, provided that all taxes are fully paid. The Concessionary has the right to use the production pursuant with provisions of Law 9.478/97 and with the provisions of the Concession Agreement.
- The Concessionary shall pay the Governmental Interests pursuant to Law 9.478 dated August 06, 1997 (“Lei do Petróleo”, i.e., Petroleum Law): Subscription Bonus, *Royalties*, Special Participation (when applicable) and Area Occupation or Retention Fee, in addition to the taxes and financial charges provided in the Brazilian legislation applicable.

2. Due technically justified reasons, ANP has the right to remove the Blocks of the 7th Bid Round until the date of the presentation of the offers / proposals.

3. A summary of the general terms and conditions of the Concession Agreement for exercising the activities related with exploration, evaluation, development and production in Blocks offered in the 7th Bid Round, is provided below.

### **1.1 Exploration Phase and Minimum Exploratory Program (PEM)**

1. The Exploration and Evaluation Phase will have term of 03 to 08 years, depending of the Block, and will be divided in 02 periods. The Exploration Phase may have its term extended for the evaluation of discovers occurring along the last year of the Exploration Phase, based on an Evaluation Plan previously approved by ANP. Such prorogation will be valid only for the area covered by the Evaluation Plan, and the remaining area must be entirely relinquished.

2. Each Exploratory Period requires the commitment of the Concessionary through a Minimum Exploratory Program, and for the First Exploration Period such program shall be provided by the company participating in the bid as integral part of the proposal and expressed in Work Units (WUs).

3. The Concessionary may execute additional works, in addition to the Minimum Exploratory Program. At the end of the First Exploratory Period, the Concessionary may choose: total relinquishment of the Block or if will be committed with the drill of an exploratory

well. Based on the evaluation of technical justification delivered by the Concessionary, ANP may accept, in its sole and exclusive discretion, that Block(s) adjacent to the Block where the drilling of the well will be executed, to also be attached to the Second Exploration Period, without the specific commitment to drill a well in such Block(s).

4. Table 1 provided herein details the number of Blocks being offered in each sector, the term of the Exploration Phase, the obligations/liabilities to return such areas, Area Retention Fee, and the minimum technical qualification required for the Operator of the Blocks in each sector. Table 2 provided herein shows the equivalence between exploratory works acceptable to comply with the Minimum Exploratory Program of the First Period for the areas offered in the 7th Bid Round

5. The non-exclusive seismic surveys authorized by ANP of 2D Seismic, onshore or in transition area (water layer lower than 50 meters), of 3D, 4D and 4C Seismic in any location, in addition to the gravimetric, magnetometric, electromagnetic and geochemical surveys, when applicable, shall be computed for the purposes of the compliance with the Minimum Exploratory Program, using a reduction factor, based on time elapsed between the request of the reduction of the Minimum Exploratory Program provided by the Concessionary and the execution of the operation to collect the data, as provided in detail in Table 3 provided herein in Section A

6. For additional information related to the coordinates of the Blocks offered in the 7th Bid Round can be found in Annex I herein, Section A, and at [www.brasil-rounds.gov.br](http://www.brasil-rounds.gov.br).

7. The Concessionary will be responsible for all risks and expenses related with the Operations, pursuant with the terms and conditions of the Concession Agreement.

**TABLE 1**  
**GENERAL DESCRIPTION OF THE BLOCKS**

Basin	Sector	Exploratory Model (Template)	Number of Blocks <sup>1</sup>	Area offered (km <sup>2</sup> )	Exploration Phase <sup>2</sup> (years)	Exploratory Period (years)	Mandatory Devolution (return) of Area <sup>3</sup> (% of the original area)	Fee to Retain the Area <sup>4</sup> (R\$/km <sup>2</sup> /year)	Technical Qualification Required <sup>5</sup>
Barreirinhas Águas Profundas (Deep Waters)	SBAR-AP1	New Frontier	10	7691,72	8	6 + 2	100-100	246,00	A
	SBAR-AP2	New Frontier	11	8459,09					
Barreirinhas Águas Rasas (Shallow Waters)	SBAR-AR2	New Frontier	28	5382,48	6	5 + 1	100-100	246,00	B
Camamu - Almada	SCAL-AP1	New Frontier	6	4493,15	8	6 + 2	100-100	246,00	A
	SCAL-AP2	New Frontier	3	2237,54					
São Francisco	S-SF-S	New Frontier	43	126229,01	6	4+2	100-100	108,00	C
Campos	SC-AR3	New Frontier	12	2137,40	5	4 + 1	100-100	693,00	B
	SC-AR2	New Frontier	15	2809,66					
	SC-AP4	High Potential	16	10453,85					
Pará - Maranhão	SPAMA-AP1	New Frontier	12	9230,64	8	6 + 2	100-100	246,00	A
	SPAMA-AP2	New Frontier	11	8462,38					
Solimões	SSOL-C	New Frontier	28	63385,73	6	4+2	100-100	108,00	C
Espírito Santo	SES-AP2	High Potential	10	7215,54	6	4+2	100-100	693,00	A
	SES-AR2	High Potential	13	2296,62	6	5+1	100-100	693,00	B
	SES-T2	Mature Basin	34	1036,66	3	2+1	100-100	108,00	C
	SES-T4	Mature Basin	23	678,53					
	SES-T6	Mature Basin	13	399,64					

**Notes:**

- The detailed list of Blocks offered in each basin can be found in Annex I herein, Section A. ANP may, until the date of the delivery of the proposals, change the number of blocks in the bid.
- The Exploration Phase may be prorogated, in ANP sole and exclusive discretion and pursuant to the provisions of the Concession Agreement, for the execution of an Evaluation Plan previously approved.
- At the end of the First Exploration Period, the Concessionary shall fully return the Block or give continuity proceeding to the execution of the Second Period, assuming the obligation to drill an exploratory well. At the end of the Exploration Phase, the Concessionary may only retain the areas under Development Stage or Production Phase.
- Area Occupation or Retention Fee, in Reais, per Square Kilometer, 03/31/2005, applicable to the Exploration Phase. Such amounts shall be annually paid, and are subject to adjustment, based in the IGP-DI index accumulated (accrued) between such date and the date of the execution (signature) of the Concession Agreement. Such fees will have an addition of 100% in case of prorogation of the Exploration Phase, when applicable, and for the Development Stage. For the Production Phase, such fees will have an addition at a rate of 900%.
- Technical qualification required, pursuant to Section 3.3 herein, Section A, column "Technical Qualification". The qualified companies will be classified in 03 categories: Operator "A" is the company qualified to operate in any Block offered; Operator "B" is the company qualified to operate in the Blocks named as "B" or "C", and Operator "C" is the company qualified to operate ONLY Blocks named as "C".

**TABLE 1 (cont')**  
**GENERAL DESCRIPTION OF THE BLOCKS**

Basin	Sector	Exploratory Model (Template)	Number of Blocks <sup>1</sup>	Area offered (km <sup>2</sup> )	Exploration Phase <sup>2</sup> (years)	Exploratory Period (years)	Mandatory Devolution (return) of Area <sup>3</sup>	Fee to Retain the Area <sup>4</sup>	Technical Qualification Required <sup>5</sup>
Mouth of Amazonas	SFZA-AR1	New Frontier	55	10546,59	6	5+1	100-100	693,00	B
	SFZA-AR2	New Frontier	80	15360,76					
Jequitinhonha	SJ-AP	New Frontier	8	4444,65	8	6+2	100-100	171,00	A
Pelotas	SP-AP3	New Frontier	27	17463,09	8	6+2	100-100	32,00	A
Potiguar	SPOT-AP1	New Frontier	29	21914,32	3	2+1	100-100	108,00	C
	SPOT-T3	Mature Basin	22	738,34					
	SPOT-T2	Mature Basin	16	508,42					
	SPOT-T4	Mature Basin	43	1431,21					
	SPOT-T5	Mature Basin	13	459,07					
Recôncavo	SREC-T2	Mature Basin	46	1397,06	3	2+1	100-100	108,00	C
	SREC-T1	Mature Basin	46	1440,57					
	SREC-T3	Mature Basin	45	1293,36					
Santos	SS-AP2	High Potential	13	7982,01	5	4+1	100-100	693,00	B
	SS-AR4	New Frontier	158	27281,03					
		High Potential	16	2494,99					
	SS-AR3	New Frontier	73	12752,02					
High Potential		19	3202,53						
Sergipe_Alagoas	SSEAL-T5	Mature Basin	87	2735,25	3	2+1	100-100	108,00	A
	SSEAL-T4	Mature Basin	50	1570,69					

**Notes:**

1. The detailed list of Blocks offered in each basin can be found in Annex I herein, Section A. ANP may, until the date of the delivery of the proposals, change the number of blocks in the bid.
2. The Exploration Phase may be prorogated, in ANP sole and exclusive discretion and pursuant to the provisions of the Concession Agreement, for the execution of an Evaluation Plan previously approved.
3. At the end of the First Exploration Period, the Concessionary shall fully return the Block or give continuity proceeding to the execution of the Second Period, assuming the obligation to drill an exploratory well. At the end of the Exploration Phase, the Concessionary may only retain the areas under Development Stage or Production Phase.
4. Area Occupation or Retention Fees, in Reais, per Square Kilometer, 03/31/2005, applicable to the Exploration Phase. Such amounts shall be annually paid, and are subject to adjustment, based in the IGP-DI index accumulated (accrued) between such date and the date of the execution (signature) of the Concession Agreement. Such fees will have an addition of 100% in case of prorogation of the Exploration Phase, when applicable, and for the Development Stage. For the Production Phase, such fees will have an addition at a rate of 900%.
5. Technical qualification required, pursuant to Section 3.3 herein, Section A, column "Technical Qualification". The qualified companies will be classified in 03 categories: Operator "A" is the company qualified to operate in any Block offered; Operator "B" is the company qualified to operate in the Blocks named as "B" or "C", and Operator "C" is the company qualified to operate ONLY Blocks named as "C".

**TABLE 2**

## EQUIVALENCE OF WORK UNITS TO COMPLY WITH THE MINIMUM EXPLORATORY PROGRAM<sup>1</sup>

Basin / Sectors Offered	Exploratory well <sup>2</sup> (WU/well)	2D Seismic (WU/km)	3D Seismic (WU/km <sup>2</sup> )	Potential Methods <sup>3</sup> (WU/Block)	Geochemical <sup>4</sup> (WU/Block)	Minimum Depth <sup>5</sup>	Financial Guarantee for First Period (R\$/WU) <sup>6</sup>
Barreirinhas - <b>SBAR-AR2</b>	1.000	0,16	0,8	0	0	Gr. Canárias	18.000
Campos - <b>SC-AP4</b>	1.000	0,08	0,4	0	0	Fm. Ubatuba Mb. Tamoios	36.000
Campos - <b>SC-AR2 and SC-AR3</b>	1.000	0,16	0,8	0	0	Fm. Macaé	18.000
Espírito Santo (mar) - <b>SES-AR2</b>	1.000	0,16	0,8	0	0	Fm. Urucutuca	18.000
Espírito Santo <b>SES-AP2</b>	1.000	0,08	0,4	0	0	Gr. Barra Nova	36.000
Sergipe Alagoas <b>SSEAL-T5, SSEAL-T4</b>	1.000	10	50	10	10	Fm. Penedo	3.000
Barreirinhas - <b>SBAR-AP1 and SBAR-AP2</b>	1.000	0,08	0,4	0	0	Fm. Travosas	36.000
Camamu-Almada - <b>SCAL-AP1 and SCAL-AP2</b>	1.000	0,08	0,4	0	0	Fm. Urucutuca	36.000
Jequitinhonha - <b>SJ-AP</b>	1.000	0,08	0,4	0	0	Fm. Urucutuca	36.000
Pelotas - <b>SP-AP3</b>	1.000	0,08	0,4	0	0	Fm. Imbé	36.000

### Notes:

1. For the purposes of the compliance with the Minimum Exploratory Program, the exploratory works listed in this table will be accepted, converted in Work Units, multiplying the physical values executed (unit of exploratory well, km of 2D Seismic, km<sup>2</sup> of 3D Seismic, magnetometric, gravimetric, electromagnetic, and geochemical surveys) by the value provided in the table. Non-exclusive surveys authorized by ANP will ONLY be accepted if in compliance with the conditions provided in Section 1.1 herein, Section A.
2. Extension wells will not be computed for the purposes of the compliance with the Minimum Exploratory Program.
3. For the purposes of the compliance with the Minimum Exploratory Program, gravimetric, magnetometric and electromagnetic surveys covering the area of the Block, in its totality, will be accepted. If all 03 surveys are executed, 30 Work Units will be attributed.
4. For the purposes of the compliance with the Minimum Exploratory Program, geochemical surveys covering the Block, in its totality, will be accepted, with maximum spacing of 500 meters between the sampling points, with analysis of, at least, free hydrocarbons content, detailing the concentration of gases and liquids found.
5. To be computed for the purposes of the compliance with the Minimum Exploratory Program, the wells shall be drilled, at least, until reaching such lithostratigraphic goals. However, ANP may, in its sole and exclusive discretion, accept other goals with respective particulars duly evidenced.
6. The values provided represent the values of the Financial Guarantees, byWU, for the Minimum Exploratory Program of the First Exploratory Period. To obtain the value of the Financial Guarantee of each Block, the number of WUs of the Minimum Exploratory Program shall be multiplied by the value provided in the table. The values of the Financial Guarantees for the Second Period will be provided at the time of the beginning of such Period, based on costs existent at that respective moment.

**TABLE 2 (cont')**

**EQUIVALENCE OF WORK UNITS TO COMPLY WITH THE MINIMUM EXPLORATORY PROGRAM**

<b>Basin / Sectors Offered</b>	<b>Exploratory well2 (WU/well)</b>	<b>2D Seismic (WU/km)</b>	<b>3D Seismic (WU/km<sup>2</sup>)</b>	<b>Potential Methods3 (WU/Block )</b>	<b>Geochemical 4 (WU/Block)</b>	<b>Minimum Depth5</b>	<b>Financial Guarantee for First Period (R\$/WU)6</b>
Pará-Maranhão – <b>SPAMA-AP1 and SPAMA-AP2</b>	1.000	0,08	0,4	0	0	Fm. Travosas	36.000
Potiguar (AP) - <b>SPOT-AP1</b>	1.000	0,08	0,4	0	0	Fm. Pescada	36.000
Potiguar (terra) - <b>SPOT-T2, SPOT-T3, SPOT-T4 and SPOT-T5</b>	1.000	10	50	10	10	Fm. Açú	3.000
Recôncavo - <b>SREC-T1, SREC-T2 and SREC-T3</b>	1.000	10	50	10	10	Gr. Ilhas	3.000
Espírito Santo (terra) - <b>SES-T2, SES-T4 and SES-T6</b>	1.000	10	50	10	10	Fm. Mariricu	3.000
Solimões - <b>SSOL-C</b>	1.000	10	50	10	10	Fm. Juruá	3.000
São Francisco <b>S-SF-S</b>	1.000	10	50	10	10	Gr. Paranoá	3.000
Foz do Amazonas – <b>SFZA-AR1 and SFZA-AR2</b>	1.000	0,16	0,8	0	0	Fm. Amapá	18.000
Santos - <b>SS-AP2</b>	1.000	0,08	0,4	0	0	Fm. Guarujá	36.000
Santos - <b>SS-AR2 and SS-AR3</b>	1.000	0,16	0,8	0	0	Fm. Guarujá	18.000

**Notes:**

1. For the purposes of the compliance with the Minimum Exploratory Program, the exploratory works listed in this table will be accepted, converted in Work Units, multiplying the physical values executed (unit of exploratory well, km of 2D Seismic, km<sup>2</sup> of 3D Seismic, magnetometric, gravimetric, electromagnetic, and geochemical surveys) by the value provided in the table. Non-exclusive surveys authorized by ANP will ONLY be accepted if in compliance with the conditions provided in Section 1.1 herein, Section A.
2. Extension wells will not be computed for the purposes of the compliance with the Minimum Exploratory Program.
3. For the purposes of the compliance with the Minimum Exploratory Program, gravimetric, magnetometric and electromagnetic surveys covering the area of the Block, in its totality, will be accepted. If all 03 surveys are executed, 30 Work Units will be attributed.
4. For the purposes of the compliance with the Minimum Exploratory Program, geochemical surveys covering the Block, in its totality, will be accepted, with maximum spacing of 500 meters between the sampling points, with analysis of, at least, free hydrocarbons content, detailing the concentration of gases and liquids found.
5. To be computed for the purposes of the compliance with the Minimum Exploratory Program, the wells shall be drilled, at least, until reaching such lithostratigraphic goals. However, ANP may, in its sole and exclusive discretion, accept other goals with respective particulars duly evidenced.
6. The values provided represent the values of the Financial Guarantees, byWU, for the Minimum Exploratory Program of the First Exploratory Period. To obtain the value of the Financial Guarantee of each Block, the number of WUs of the Minimum Exploratory Program shall be multiplied by the value provided in the table. The values of the Financial Guarantees for the Second Period will be provided at the time of the beginning of such Period, based on costs existent at that respective moment.

**TABLE 3**  
**REDUCTION FACTOR OF THE NON-EXCLUSIVE SURVEYS FOR THE PURPOSES**  
**OF THE COMPLIANCE WITH THE MINIMUM EXPLORATORY PROGRAM OF THE**  
**FIRST EXPLORATORY PERIOD**

<b>Time between the date of beginning of the data collection operation and the date of request of the reduction of the Minimum Exploratory Program delivered to ANP</b>	<b>Reduction Factor <sup>1</sup></b>
0-1 YEAR	1
1-2 YEARS	0,9
2-3 YEARS	0,8
3-4 YEARS	0,7
4-5 YEARS	0,6
5-6 YEARS	0,5
6-7 YEARS	0,4
7-8 YEARS	0,3
8-9 YEARS	0,2
9-10 YEARS	0,1
more than 10 years	0

**Note:**

1. Only the non-exclusive surveys authorized by ANP will be accepted, provided that the data collection companies fully comply with all requirements of data to be delivered to the Exploration and Production Data Bank (BDEP). In order to compute the value to be considered to comply with the Minimum Exploratory Program of the First Exploratory Period, the value of the WUs related to the exploratory work executed will be multiplied by the value provided in the table, pursuant with the time elapsed between the date of the request of the reduction of the Minimum Exploratory Program and the date of beginning the operation to collect the data.

**1.2 Minimum Local Investments for the Exploration Phase and for the Development Stage (“Local Content”)**

1. The Concession Agreements will provide the minimum values required for acquisition of goods and services with local suppliers, expressed as a percentage of the total investments expended in the Exploration Phase and Development Stage, as provided in the Table 4 herein, Section A.

**TABLE 4**  
**MINIMUM PERCENTAGE REQUIRED FOR LOCAL INVESTMENTS**  
**IN THE EXPLORATION AND DEVELOPMENT PHASES \***

Operational Qualification required for Block	Exploration Phase <sup>1</sup>	Development Stage <sup>1</sup>
A	30%	30%
B	50%	60%
C	70%	70%

**\* Comments:**

- Exclusively for offshore Blocks, the costs expended in geophysical data collect operations will be excluded from the calculation for the purposes of admeasurements of the compliance with the minimum percentage required of Local Content in the Exploration Phase and Development Stage.
- As the drilling rigs are built abroad, such goods will not be computed for the calculation of the Minimum Content for the blocks located offshore. However, the expenses with services executed for the operation of the drilling units will be considered for the admeasurements of the compliance with the minimum % required.
- For admeasurements of the compliance with the Minimum % Required of Local Investments the methodology used will be the one provided in the *Cartilha do Conteúdo Local de Bens, Sistemas e Serviços Relacionados ao Setor de Petróleo e Gás Natural* (Instruction Leaflet of the Local Content of Goods, Systems and Services Related to the Petroleum and Natural Gas Sector, Annex III of the Agreement). For the purposes of the calculation of the percentage in Table 4, no good or service with Local Content below 10% will be computed.

### **1.3 Government Participation**

The Governmental Interests applicable herein were provided by the Petroleum Law and ruled by the Decree number 2.705 dated August 03, 1998, comprising: i) Signature Bonus, ii) Royalties, iii) Special Participation and iv) rentals: Area Occupation or Retention Fee.

i. Signature Bonus is detailed in section 3.4 herein. The values of Table 10 herein were defined using the methodology developed by ANP.

ii. Royalties are of 10% (ten percent) of the gross value of the production, and ANP may reduce it, in its sole and exclusive discretion, to up to 5% (five percent), considering the geologic risks inherent, the production expectations and other factors related (such as production in remote areas, of non-associated gas and heavy oil).

iii. The Special Participation will be calculated quarterly and is based on the net income of the individual production of each field. The rate to be adopted will be computed based on the volumes produced, in the location of the plough (onshore or offshore continental shelf, due the bathymetric depth) and on the number of production years (1st, 2nd, 3rd and 4th and beyond), pursuant to the provisions of Decree 2.705/98 and respective ANP Ordinances.

iv. Unit values for the payment of area surface rentals for the Exploration Phase are provided in Table 1 herein. In case of prorogation of Exploration Phase, when applicable, and in the Development Stage of the Production Phase, the values will be the double of the values provided in Table 1 herein. In the remaining of the Production Phase the unitary values will be 10 times higher than those in the First Exploratory Period. The unitary values of the payments for the occupancy or retention of the area as provided in Table 1 herein will be those in force in

03/31/2005 and will be subject to adjustment using the index “Índice Geral de Preços – Disponibilidade Interna (IGP-DI)” published by Getúlio Vargas Foundation (FGV), from this date until the date of execution (signature) of the Concession Agreement.

#### **1.4 Other Duties and Taxes**

1. The Concessionary will be subject to the taxation provided by the Brazilian legislation applicable, as well as to the payment of the financial compensation as provided in Article 52 of the Petroleum Law, which provides the payment of 1% of the value of the production to the land owner.

#### **1.5 Export and Import Duties (REPETRO)**

1. Decree 3.161 dated September 02, 1999, amended by Decree 4.543 dated December 26, 2002, established the export and import customs systems for goods to be used in the exploration and production of oil and natural gas (REPETRO) providing special taxation for specific goods, equipments and spare parts nationally manufactured. Regulatory Instruction number 04 of the Internal Revenue Service, dated January 16, 2001, provides a list with the goods subject to the REPETRO' provisions.

2. Decree 5.138 dated July 12, 2004 authorized the import, until December 31, 2020, of equipments used in the activities of exploration and production of petroleum and natural gas under temporary admission system, suspending the import duties (II) and the industrial products tax (IPI).

#### **1.6 Investments in Research, Development and Innovation**

1. The companies signing the Concession Agreement related to each Block offered in the 7th Bid Round will be liable to, in case of finding / discovering and developing fields that may have to pay Special Participation, to invest in Research and Development the value equivalent to 1% of the gross income in such fields.

2. Up to 50% of this amount can be invested in Research and Development (R&D) activities of the company executed in Brazil; the remaining shall be invested in cooperation with Brazilian universities and / or R&D institutions, duly registered in ANP. Investments executed in one fiscal year, superior to the minimum values required, can be credited to the subsequent years, pursuant with the provisions of the Concession Agreement.

#### **1.7 Commitment to Acquire Local Goods and Services**

1. The companies or consortia will comply with a minimum percentage of commitment required for the purchase of Brazilian suppliers' goods and services in the Exploration Phase and Development Stage, executed in each Block awarded. The minimum percentage of goods and services of the Exploration Phase and Development Stage will be incorporated into the respective Concession Agreements.
2. The minimum percentage of commitment required for purchase of goods and services provided by Brazilian suppliers shall obey the criteria provided in Table 4 herein.

3. For admeasurements of the compliance with the Minimum percentage Required of Local Investments the methodology used will be the one provided in the Cartilha do Conteúdo Local de Bens, Sistemas e Serviços Relacionados ao Setor de Petróleo e Gás Natural (Instruction Leaflet of the Local Content of Goods, Systems and Services Related to the Petroleum and Natural Gas Sector, Annex III of the Concession Agreement).

## **1.8 Safety Standards**

The Petroleum and Natural Gas Exploration and Production Activities will be subject to the Brazilian legislation applicable, to the regulation applicable issued by ANP, as well as to the best practices of the petroleum industry, specifically concerning worker safety and health and preservation of the environment and public safety.

## **1.9 Applicable Law**

The Concession Agreement will be subject to the Laws of the Federative Republic of Brazil. Unsettled disputed between Parties shall be subject to Arbitration, pursuant to Law 9.307 dated September 23, 1996. The Judicial Venue of the city of Rio de Janeiro is the venue elected to settle any disputes or conflicts arising between the Parties due the execution of the Concession Agreement.

## **2 CONDITIONS TO PARTICIPATE IN THE BID FOR BLOCKS WITH EXPLORATORY RISK**

1. ONLY may participate in the 7th Bid Round for blocks with exploratory risk the companies that, severally, comply with the following requirements:

- Submission of a formal Expression of Interest, containing all documents and information provided in section 2.2 of this Initial Tender Protocol, section A.
- Obtaining technical, legal and financial qualification, issued by ANP.
- Payment of the appropriate Participation Fee.
- Qualified in the modalities provided in Chapter 1 of the General Provisions of the Initial Tender Protocol, Table 1.

2. After complying with the requirements above, the company will be considered as qualified, and may deliver proposals exclusively in the sector(s) of the Basin for which the Participation Fee was paid, pursuant to the provisions of section 3 herein.

3. The company which has submitted the Expression of Interest containing all documents and information described in section 2.2 herein may, in its sole and exclusive discretion, pay the Participation Fee and, thus, have access to the Data and Information Packages, prior submitting to the technical, legal and financial qualification. In this case, only the company shall judge if can comply with the technical, legal and financial qualification criteria established by ANP, which are eliminatory. ANP will not reimburse the Participation Fee if the company gives up and do not want to participate in the bid anymore, it is not qualified, or it is qualified in category as Operator different from the category requested.

4. All documents shall be provided in 02 copies, delivered in the address provided in section 2.10 herein. Documents requiring notarization, legalization provided by Consulate / Embassy and sworn translation, when required, are described in Table 7 herein and section 2.5 of this Initial Tender Protocol.

5. No document delivered to ANP will be returned, except documents required to cancel the Bid Bonds pursuant to the conditions described in section 3.2 herein.

### **2.1 Bidding Permission for Parent or Controlling Company**

All documentation required for Bidding Permission shall refer to the Controller or Parent Company that, in case of being declared as bidder winner, may appoint an Affiliated company to sign the Concession Agreement, pursuant to the conditions described in general provisions herein, Chapter 5. ANP, in its sole and exclusive discretion, may allow the qualification of a significant subsidiary company.

### **2.2 Expression of Interest**

1. The qualification process starts with the submission of the Expression of Interest, which shall mandatorily contain the information described below, as well as, in addition, any other information that the company may consider as relevant:

- Name of the company(s) holding its share control or more than 20% of the voting capital, with the description of the respective share interests. ANP has the right to request

additional explanations whenever consider relevant, considering the company share control. Under no circumstances the companies whose share control chain is not duly and expressly described in the Letter of Intent will be qualified. Companies controlled by bearer shares, without explicit identification of share control, or whose company incorporation (or respective Affiliated) may prevent or cause hindrances to the identification of the controller will not be qualified. Under no circumstances will be accepted the allegation of application of the law of country of origin of the company aiming keeping secrecy about its share control.

- Power of attorney to appoint the Accredited Representative. Each company participating in the 7th Bid Round shall appoint one or more Accredited Representatives of the company before ANP, for which all mail related to the 7th Bid Round will be send. Such Accredited Representative(s) will be appointed through Power of Attorney pursuant to Annex III, signed by the Legal Representative of the Company. It is recommended that such Accredited Representative shall be an employee familiarized with the technical, financial and legal aspects of the company, to be available along all bid process, in order to ensure that the requests and information that will be send by ANP are duly forwarded to the respective sectors in the company. We shall highlight that the signatory of the Concession Agreement does not need to be the Accredited Representative(s) appointed for the bid process. This document may be in Portuguese or English. If in English, shall be notarized, legalized by the respective Consulate / Embassy, and translated by sworn translator.
- Name, title, full address, phone, fax and email of the Accredited Representative(s).
- A duly notarized Cover Letter, signed by the respective Accredited Representative, attesting the veracity of the information provided in the Expression of Interest. If signed abroad, the Letter of Presentation shall be notarized and legalized in the respective Consulate / Embassy in the country of origin. If signed in English, shall be translated by sworn translator. If the qualification documentation is provided in 02 or more part, each shall be attached with a Cover Letter.
- Confidentiality Agreement (Annex IV), signed by the Accredited Representative, duly notarized. If the Confidentiality Agreement is prepared in Portuguese, shall be notarized in Notary Public. When prepared abroad, shall be notarized in local Notary Public, or equivalent institution, and then legalized in the respective Brazilian diplomatic department in the respective country of origin. If in English, shall be translated into Portuguese by sworn translator in addition to the procedures described above. ANP recommends that the translation follows exactly the template provided in Annex IV herein and has the right to refuse translations that do not have full accuracy with the provisions described in such template.

2. Expressions of Interest shall be forwarded to the address provided in item 6.2 herein, at work time, up to August 25, 2005.

### **2.3 Technical Qualification**

1. The technical qualification of the companies will be based on the respective experiences evidenced in executing activities of exploration and production of petroleum and natural gas. Such companies may request their technical qualification as:

- Operator.
- Non-operator.

2. Such condition shall be expressly provided in the Expression of Interest, since the qualification as Operator is mandatory for the presentation of individual proposal. If not, the company may only participate in the 7th Bid Round in a consortium which has, as Operator, a company qualified to operate in the respective Block.

3. The technical qualification will always be based on the capacity of the controller group of the applicant company. Thus, the following information shall be provided:

- Companies that are not in the sector of exploration and production of petroleum and natural gas, or that want to be qualified as non-operators, shall provide a summary of its main business activity, as well as its relationship with respective parent or controller company, when applicable.
- Companies requesting to be qualified as Operators shall provide all information required for the evaluation of its technical capacity, including information about the places where the company currently executes exploration and / or production of petroleum and natural gas activities, in addition to the level of investments, divided by exploration and production, and production volumes executed in the last 05 years. Such information shall detail, separately, the volumes produced by the company in the condition as Operator and Non-Operator. They shall contain, also, specific references about the extent and location of the areas where the company acts as Operator and / or Non-Operator.

4. The companies qualified as Operators as provided herein will be classified in 03 categories:

- "A" Operator – company qualified to operate in any Block offered in the 7th Bid Round.
- "B" Operator – company qualified to operate in the Blocks named as "B" or "C", as provided in Table 1, column "Technical Qualification Required".
- "C" Operator – company qualified to operate in the Blocks named as "C", as provided in Table 1, column "Technical Qualification Required".

5. In order to classify the company as Operator "A", "B" or "C" the following characteristics of the company will be used as criteria:

- Onshore exploration and production operations: Will be computed 10 (ten) points for the company that develops, as operator, onshore exploration activities and 10 (ten) points for the company that has onshore production activity, also as operator. For companies evidencing experience in providing technical services for petroleum companies, or working as non-operators, will be provided 5 (five) points for onshore exploration and 5 (five) points for onshore production.
- Offshore exploration and production operations: Will be computed 10 (ten) points for the company that develops, as operator, offshore exploration activities and 10 (ten) points for the company that has offshore production activity, also as operator. For companies evidencing experience in providing technical services for petroleum companies, or working as non-operators, will be provided 5 (five) points for offshore exploration and 5 (five) points for offshore production.
- Exploration and production operations in deep and ultra deep waters: in addition to the points computed for the companies that develop offshore exploration and production activities, will be computed 10 (ten) points for the company that develops, as operator, deep

waters exploration activities and 10 (ten) points for the company that has deep waters production activity, also as operator. Such criteria will be applied for companies developing exploration and production activities in water layers over 400 meters.

- Equivalent oil production volume: One (01) point for each 01 thousand barrels / day of equivalent oil produced, up to 20 (twenty) points, considering only the production operated.
- Adverse (hostile or difficult) environments exploration and production operations: 10 (ten) points will be computed to companies evidencing experience in adverse environments. In these criteria will be considered, for instance: drilling under high pressure and temperature; drilling in depths greater than 400 m; production activities in distant areas and production of heavy oils.
- Experience in operations: companies evidencing previous experience in operation with exploration and production or petroleum or natural gas will be scored, due the time of experience and place of operation (onshore, shallow waters, deep waters), as values provided in Table 5.

**Table 5 – Score of Company due time of expertise and operation location**

Time of Expertise, T(years)	2 ≤ T < 5	5 ≤ T < 10	T ≥ 10
	SCORE		
<b>Operation Location</b>			
Onshore	5	10	15
Shallow Waters	10	15	20
Deep Waters	15	20	25

6. Expertise of the technical and managerial board of the Company: Companies not evidencing previous operational experience, but that want to obtain qualification "B" or "C", shall submit a detailed curriculum of the members of the technical staff board, with relevant experience in the exploration and production activities, specifying the type of contract with such staff with the company and the responsibility of each professional in the activity to be executed. The operational experience of the technical board of the Company will be evaluated in 04 (four) areas: exploration, drilling, evaluation of reservoirs and production. The Company will receive score in each area due the years of experience of the staff board in the respective activity, and may receive up to 36 points, as provided in Table 6 herein.

**Table 6 – Score of the company due the qualification of technical board: time of expertise and type of activity**

Time of Expertise, T(years)	2 ≤ T < 5	5 ≤ T < 10	T ≥ 10
	SCORE		
<b>Activity Area</b>			
Exploration	3	6	9
Drilling	3	6	9
Evaluation of Reservoirs	3	6	9
Production	3	6	9

7. In order to fit each company in the technical qualification, the Special Licensing Committee (CEL) will apply the following criteria:

- 1 to 24 points: Operator "C";
- 25 to 80 points: Operator "B";
- 81 points or more: Operator "A"

8. In order to speed up the technical qualification process, ANP recommends that the information provided are concise, clear and objective, and strictly address the requirements of ANP, or other relevant factors for the analysis of the technical qualification. ANP reserves the right to request any other additional information as it deems necessary.

9. The companies shall provide a technical summary, with 01 or 02 pages, about the information provided for the technical qualification, certifying its veracity, accuracy and exactness concerning the information provided. Such summary shall be signed by the respective Accredited Representative of the company, and duly notarized. If in English, such document shall be notarized, legalized by the respective Consulate / Embassy, and translated by sworn translator. The detailed technical information shall be submitted in Portuguese or English, without the need to notarized, legalize or translate.

## **2.4 Financial Qualification**

1. The financial qualification of the companies interested in participating in the 7th Bid Round will be evaluated based on the following information:

- Consolidated financial statements for the 03 last fiscal years. Such statements shall be audited by independent auditor.
- Auditor's Opinion letter referencing the Financial Statements of the company, notarized, signed by an independent public accountant, certifying that the documents are reflecting the reality and are in compliance with the usual accountability techniques and procedures. If in English, such document shall be notarized, legalized by the respective Consulate / Embassy, and translated by sworn legal translator.
- In case of state-owned companies from countries whose legislation prohibits audit in the company to be executed by external auditor, a notarized opinion letter of the Financial Statements of the company, signed by a certified public accountant, certifying that the documents are reflecting the reality and are in compliance with the usual accountability techniques and procedures shall be provided. The company shall include the legal opinion of 02 attorneys exercising their activities in the country of the law applicable, attesting such prohibition, and also the validity of the replacement statement according with the text of the law, its interpretation and enforcement, duly attached with certificates that such attorneys are qualified to exercise their occupation in such country. If provided in foreign language, such document shall be notarized, translated by sworn translator into Portuguese and, if notarized abroad, shall be legalized by the respective local Consulate / Embassy.
- Current and historic classification of the company, in compliance with Standard & Poors Rating Services (S&P) and Moody's Investor Services, Inc. (Moody's), or credit lines, credit agreements, or any other bank references.
- Description of the long-term debt, including major lease obligations and the identification of the major assets that are committed with the financial securities of the company.

- Description of all contingent liability comprised by liabilities materially relevant and recognizable, not accrued in the Balance Sheet, that may affect the future activities of the company.
- Details of the medium term planning, if they may significantly change the financial situation of the company.
- All additional information that may provide support for the financial capacity of the Bidder.

2. The financially qualified companies will be responsible for providing Financial and Performance Guarantees as required in the Concession Agreement. If in English, the Performance Guarantees shall be notarized, legalized in the respective Consulate / Embassy and translated by sworn translator.

3. Companies with shareholder equity below R\$ 22.000.000,00 (twenty two million Reais) will not be qualified for “A” Blocks listed in Table 1 herein.

4. Companies with shareholder equity below R\$ 20.000.000,00 (twenty million Reais) will not be qualified for “A” and “B” Blocks listed in Table 1 herein.

5. Companies with shareholder equity below R\$ 1.000.000,00 (one million Reais) will not be qualified for “A”, “B” and “C” Blocks listed in Table 1 herein. However, may be qualified, as Operators for “C” Blocks, companies with shareholder equity higher than R\$ 350.000,00 (three hundred and fifty thousand Reais) since presenting proposals through consortiums where the total shareholder equity of companies part of such consortium is higher than R\$ R\$1.000.000,00 (one million Reais).

6. ANP will use its sole and exclusive discretion to evaluate the shareholder equity of the company.

## 2.5 Legal Qualification

1. For the purposes of this bid the following documents shall be delivered (or equivalent):

- Presentation of the documents and information required in the Expression of Interest, pursuant to section 2.2 herein.
- A full notarized copy of the articles of incorporation or bylaws of the company, duly registered in the respective competent Trade Board ou Business Registry ??or equivalent, as applicable.
- Statement provided by the Accredited Representative of the company concerning all relevant legal or judicial pending issues, including those that may cause insolvency, creditors agreement, bankruptcy or any other event that may affect the financial credibility of the company.

2. The foreign bidder is also subject to provide, in addition to the documents listed above, the following documents:

- Evidence that the company is duly incorporated and in regular operation under the laws applicable in the respective country of origin.
- Commitment that, if declared as Bidder Winner, will incorporate a company in compliance with the Brazilian laws, with headquarters and management in Brazil.

3. The documents required to be notarized, legalized by Consulate/Embassy and sworn translation are provided in Table 7.

## **2.6 Regular Tax Situation**

The qualification depend upon previous consultation in the “Cadastro Informativo de Créditos Não-Quitados do Setor Público Federal” (CADIN, Briefing Notes about Unpaid Credits in the Federal Public Sector), and if the signatory company is registered as default company, such company cannot be qualified, unless if such company provides evidence that:

- Already filed suit with the purpose to discuss the nature of the liability or respective value, providing adequate guarantee for the Court, as provided by Law.

- The liabilities of the credit subject in the respective registration are suspended.

**Table 7 – Delivery of Qualification Documents**

Type of document	Document	Mandatory?	Notarized	Foreign Companies	
				Legalization of documents issued by Brazilian Consulate / Embassy (only if legalized abroad)	Translated by sworn translated in Brazil (only if prepared in foreign language)
<b>Formal Documents</b> (Foreign companies shall provide the document in the original language, attached with the respective sworn translation)	Bylaws	√	√	√	√
	Articles of Incorporation	√	√	√	√
	Legal Opinion of the independent auditor	√	√	√	√
<b>Specific Documents of the 7th Bid Round</b> (only in Portuguese or English, pursuant to templates provided by ANP)	Cover Letter	√	√	√	√
	Power of attorney	√	√	√	√
	Confidentiality Agreement	√	√	√	√
<b>Free Format Document (only in Portuguese or English)</b>	Technical Summary (1 or 2 pages)	(only for Operators)	√	√	√
	Statement of Validity of documents presented in prior bids	(only companies participating in prior rounds)	√	√	√
<b>Support Documents (only in Portuguese or English)</b>	Technical information	(only for Operators)	not required		
	Financial information	√			

## 2.7 Data and Information Packages

1. There will not be held formal work meetings concerning the areas offered. A technical workshop and a Legal-Tax Seminar were provided to solve eventual questions concerning the areas in the model of blocks with exploratory risk, where the representatives from companies, duly accredited, can participate, from companies manifesting their Interest in participating in the 7th Bid Round and ANP concessionary companies.

2. For each basin where are located the Blocks of the 7th Bid Round one or more Data Package and Digital Information was prepared. In the total, there are 20 Data and Information Packages, involving the sectors of basins listed in Table 9 herein. Each package comprises a set of regional data, including seismic lines and wells selected for each sector or group of sectors.

3. We shall highlight that the type, amount and quality of data contained in the Data and Information Packages may vary not only among Basins, but also between Sectors in the same Basin. The generic content of each Data and Information Package shall obey, when available, the following structure:

### **General Information:**

- Geological setting and Overview, such as: description of geology, stratigraphic column, schematic geologic sections and other relevant information.

### **Thematic Maps:**

- Map of Basin with location of Blocks.
- Map of Basin with division of Sectors.
- Regional framework showing division of sectors.
- Regional gravimetric and magnetometric maps, existing in most basins, except in some distal Blocks or in deep waters.
- Geologic maps with the onshore sectors.

### **Seismic Data:**

- Regional seismic data, in standard SEG-Y format.

### **Well Data:**

when available, the following data will be included:

- Composite logs.
- Log curves.
- Geochemistry data.
- Wells files containing geologic (description of waterway sampling, core analysis, sedimentology and geochemistry), drilling (fluids, coatings and cementation) and production (completion, tests, pilling/logging and analysis of fluids samples) data and other relevant information.

4. Part of information of the Data and Information Packages may be provided also in English; however, some data, as the wells files, will only be available in Portuguese.

5. Data and Information Packages can only be picked up by persons authorized by the accredited representatives or by the accredited representatives of the companies that delivered the Expression of Interest, with respective Confidentiality Agreement and Power of Attorney,

pursuant to section 2.2, after payment of respective participation fees (pursuant to section 2.8 herein). The Accredited Representative or the person duly authorized by this representative shall provide personal ID, the receipt of payment of the participation fee and the authorization for picking up the Data and Information Packages as provided by ANP.

6. The Data and Information Packages may be picked up as from May 13, 2005 between 09:00 and 11:45 AM and 02:00 and 05:00 PM, at the address provided in section 2.10 herein.

7. To the companies executing the payment of the participation fee for the sectors listed in Table 8 herein, will be provided a quota of wells data, as provided by ANP, to be exclusively chosen in the sector(s) of the basin for which the participation fee was paid. Such quota shall be requested only by the Accredited Representative(s), by fax, mail or email forwarded to the address provided in section 2.10 herein, pursuant to the procedures described in Annex II attached herein.

8. Table 8 herein provides details concerning the limitations of data to be requested by companies executing the payment of participation fee for each sector or group of sectors. Additional data exceeding the quota may be obtained with the Banco de Dados de Exploração e Produção (BDEP, i.e., Exploration and Production Data Bank), pursuant with the utilization agreement available at the website [www.bdep.gov.br](http://www.bdep.gov.br).

9. The quota wells data will comprise, when available, log curves, composed logs and wells files.

10. Geo-referenced projects containing the positioning of wells as available in BDEP will be provided in the Data and Information Packages, which may be requested as part of the data quota of a specific sector or group of sectors.

**TABLE 8**  
**QUOTA OF DATA TO BE WITHDRAWN IN BDEP**

Basin	Sector(s)	Wells
<b>ONSHORE</b>		
Recôncavo	SREC-T1	20 wells
	SREC-T2	
	SREC-T3	
Potiguar	SPOT-2	30 wells
	SPOT-3	
	SPOT-4	
	SPOT-5	
Sergipe-Alagoas	SEAL-T4	20 wells
	SEAL-T5	
Espírito Santo	SES T2	20 wells
	SES T4	
	SES T6	
Solimões	SSOL-C	5 wells
<b>OFFSHORE</b>		
Campos Águas Profundas (Deep Waters)	SC-AP4	4 wells

## 2.8 Participation Fee

1. In addition to obtaining technical, financial and legal qualification, to be qualified to participate in the 7th Bid Round, the companies must pay a Participation Fee, whose amounts differ for each Basin where the Blocks are located. Such fees may be paid by sectors or group of sectors, exclusively pursuant to Table 9 herein. The companies may only submit bids for the Blocks located in the sectors of Basins for which they have paid the respective Participation Fees. The value of Participation Fees are provided in Table 9. After the payment of the Participation Fee and the compliance of the requirements related to the Expression of Interest as provided in section 2.2 herein, the companies will receive the Data and Information Packages, as provided in section 2.7 herein.

2. The Participation Fees will be paid in Reais. The company paying Participation Fee for sectors of basins or group of sectors may pay, after, the Participation Fees related to other sectors or basins. Under no circumstances will be accepted the payment of Participation Fee for individual Blocks in each sector or basin or for groups of sectors different of those listed in Table 9 herein.

3. The payment of the participation fee is mandatory and individual for each company, even if the companies will be presenting the proposals in a consortium. The instructions for payment of the participation fee are provided in Annex II herein.

4. The payment shall be preferentially paid using bank slip, available at the *website* of the 7th Bid Round [www.brasil-rounds.gov.br](http://www.brasil-rounds.gov.br) or, exceptionally, using Electronic Transfer (TED), pursuant to ANNEX II attached herein.

5. The participation fee will not be returned or replaced, except if ANP, due technical or environmental reasons, exclude all Blocks in one sector.

**TABLE 9**  
**GROUP OF DATA PACKAGES AND PARTICIPATION FEE**

Basin	Sector(s)	Participation Fee <sup>1</sup> (R\$) (until August 01, 2005)	Participation Fee <sup>2</sup> (R\$) (in or after August 02, 2005)
<b>ONSHORE</b>			
Solimões	SSOL-C	15.000,00	18.750,00
São Francisco	SSF-C	5.000,00	6.250,00
Sergipe-Alagoas	SSEAL-T4	15.000,00	18.750,00
	SSEAL-T5		
Potiguar	SPOT-T2	15.000,00	18.750,00
	SPOT-T3		
	SPOT-T4		
	SPOT-T5		
Recôncavo	SREC-T1	15.000,00	18.750,00
	SREC-T2		
	SREC-T3		
Espírito Santo	SES-T2	15.000,00	18.750,00
	SES-T4		
	SES-T6		
<b>OFFSHORE</b>			
Barreirinhas	SBAR-AR2	45.000,00	56.250,00
Barreirinhas	SBAR-AP1	90.000,00	112.500,00
	SBAR-AP2		
Camamu-Almada	SCAL-AP1	90.000,00	112.500,00
	SCAL-AP2		
Campos	SC-AR2	75.000,00	93.750,00
	SC-AR3		
Campos	SC-AP4	150.000,00	187.500,00
Espírito Santo	SES-AR2	45.000,00	56.250,00
Espírito Santo	SES-AP2	150.000,00	187.500,00
Mouth of Amazonas	SFZA-AR1	45.000,00	56.250,00
	SFZA-AR2		
Jequitinhonha	SJ-AP	90.000,00	112.500,00
Pará-Maranhão	SPAMA-AP1	90.000,00	112.500,00
	SPAMA-AP2		
Pelotas	SP-AP3	90.000,00	112.500,00
Santos	SS-AR3	75.000,00	93.750,00
	SS-AR4		
Santos	SS-AP2	150.000,00	187.500,00
Potiguar	SPOT-AP1	45.000,00	56.250,00
<b>ALL SECTORS</b>		<b>1.310.000,00</b>	<b>1.637.500,00</b>

**Notes:**

1. The values listed are related to the sector or group of sectors provided in the table, as applicable.
2. For payments made in or after August 02, 2005, the value of the Participation Fee will be added in 25%.

## 2.9 Companies qualified in previous ANP Licensing Rounds

1. The companies that were qualified to participate in previous bid rounds may use a simplified qualification process, for which the following documents shall be delivered:

- Presentation of formal Expression of Interest, containing all documents and information provided in section 2.2 herein.
- Most recent financial statement available, pursuant to section 2.4 herein.
- Additional information, covering the current financial information as well as an explicit statement, signed by the Accredited Representative of the company for the 7th Bid Round, that the information provided by the company aiming the participation in one of the bid rounds already executed are still valid and were not amended since the date of

submission. If there were amendments, updated versions of the documents shall be delivered, considering the need of formalization as described in Table 7 herein.

- Statement provided by the legal representative of the company concerning all relevant legal or judicial pending issues, including those that may cause insolvency, creditors agreement, bankruptcy or any other event that may affect the financial credibility of the company.

2. ANP may, in its sole and exclusive discretion, request additional explanations and / or additional documents related to companies qualified in prior rounds, as well as to review the technical qualification obtained. The qualification in any other bid rounds already execute it is not a guarantee to obtain qualification for the 7th Bid Round.

## **2.10 Deadlines and Locations for delivering qualification documents and collecting the Data and Information Packages**

1. The deadline to deliver the qualification documents is August 25, 2005, 0430 PM, Brasília Time. The documentation shall be delivered in the following address:

Sétima Rodada de Licitações (7th Bid Round)  
AGÊNCIA NACIONAL DO PETRÓLEO, GÁS NATURAL E BIOCOMBUSTÍVEIS – ANP  
(Brazilian Regulatory National Petroleum, Natural Gas and Biofuel Agency)  
Superintendência de Promoção de Licitações (Bid Promotion Inspection Committee)  
Avenida Rio Branco 65, 18th floor  
20090-004 Rio de Janeiro - RJ, Brasil.

2. The company may, exceptionally, after the final deadline to send the qualification documents, amend the appointment of Accredited Representative, upon presentation of a new Power of Attorney (pursuant to Annex III), and ANP may, in its sole and exclusive discretion, accept the amendment, after evaluating the reasons to justify it.

## **2.11 Consortia (a.k.a., Pool of Companies)**

1. To participate in the 7th Bid Round, the companies shall be individually qualified. However, they are free to form bidding consortia to present proposals until the final deadline of submission of such proposals, provided addressing the following requirements:

- Each consortium shall have at least one company qualified as Operator for the respective Block or area.
- The operator company shall have, at least, a minimum participation of 30% in the consortium.
- Each company shall have, at least, a minimum participation of 5% in the consortium.
- No company, as provided in Article 38 Item IV of Law 9.478/97, may provide more than one proposal for the same Block, either in consortium or severally. Such limitation is also applicable to its Affiliated companies. However, the company or its affiliated companies may participate in other consortia to provide proposals for distinct Blocks.
- Evidence the commitment of incorporation of the consortium, signed by all members of the consortium, pursuant to template to be provided by ANP, part of the envelope of proposals presentation. Such envelopes will be used to deliver the proposals for Blocks and areas.

2. If some company wishes to withdraw from a consortium in the period comprised between the delivery of envelopes containing the proposals and the execution (signature) of the Concession Agreement, the other companies shall assume the commitments of the company that is not in the consortium anymore. Under no circumstances new members in the consortium will be accepted in this period.

## **2.12 Non-Disclosure Undertaking on the Part of the ANP**

1. Along all qualification process for the 7th Bid Round, ANP is liable to keep all information provided by the companies as confidential and proprietary, under strict secrecy. The documents delivered by such companies will be always considered as confidential, unless in cases authorized in written by the respective Accredited Representatives pursuant to the conditions of item 1.3 as provided herein, or in case provided by the Brazilian Legislation.

## **2.13 Disclosure of Information**

1. Upon request of the companies technically qualified and that have paid the Participation Fee, ANP may publish, at the *website* of the Bid Rounds ([www.Brasil-Rounds.gov.br](http://www.Brasil-Rounds.gov.br)), some information about the company and the interested Basins. The authorization document for the disclosure of such information can be found in the Annex V shall be signed by the Accredited Representative of the company.

## **2.14 Notification of Qualification**

1. The companies sending full technical information (severally or jointly with legal and financial information) will have its qualification evaluated as soon as possible. ANP expects notifying the qualification obtained up to 21 business days after receiving all documents required. Generally, the technical qualification will be defined prior the legal and financial qualification.

2. If there is the need to request additional explanations or information, the order of the notification for companies may not obey the order of receipt of the Expression of Interest by ANP.

## **2.15 Qualification**

1. Companies that paid the participation fee and received the technical, financial and legal qualification provided by ANP will be qualified to deliver the proposals, individually or in consortium, for the 7th Bid Round.

2. The decisions about the qualification of any company will be adopted by ANP through the Special Licensing Committee specially appointed by the ANP's Board of Directors.

## **2.16 Disqualification**

1. The bidders will have its qualification cancelled in the following circumstances:

- Bankruptcy or creditors arrangement, dissolution or liquidation of the bidder.
- Upon request of the interested party.
- Proven misrepresentation by the company.

- Non-compliance with the rules provided for the bid process.
- Practice of any illicit action, evidenced as provided by law.

## **2.17 Companies headquartered in specific countries**

1. The Special Licensing Committee may require additional documents and information not listed herein from companies headquartered in countries classified as tax havens by the Tax Authorities, as well as from companies located in countries classified as non-cooperators by the “Conselho de Atividades Financeiras” (Financial Activities Council) of the “Ministério da Fazenda” (Ministry of Finance).

2. Based on grounded technical and / or legal reports, the Special Licensing Committee may refuse the qualification to companies located in countries provided in section 2.17, if considering that the documentation provided is not enough to ensure the interests of the Federal Government as holder of rights to explore and product hydrocarbons in the country.

### 3 DELIVERY OF PROPOSALS FOR BLOCKS WITH EXPLORATORY RISK

#### 3.1 Sequence of Bidding

The place of the Bid is provided in section 3.1, General Provisions, herein.  
The bidding subject herein will be executed with the following schedule:

<i>Basin</i>	<i>Sector</i>
Camamu_Almada	SCAL-AP1
Campos	SC-AP4
Potiguar	SPOT-T3
Barreirinhas	SBAR-AP1
Potiguar	SPOT-AP1
Santos	SS-AR4
Foz do Amazonas	SFZA-AR1
EspíritoSanto_Mucuri	SES-AP2
Pelotas	SP-AP3
Recôncavo	SREC-T1
Pará_Maranhão	SPAMA-AP1
São Francisco	S-SF-S
Jequitinhonha	SJ-AP
Potiguar	SPOT-T2
Sergipe_Alagoas	SSEAL-T5
EspíritoSanto_Mucuri	SES-AR2
EspíritoSanto_Mucuri	SES-T6
Camamu_Almada	SCAL-AP2
Campos	SC-AR2
Potiguar	SPOT-T5
Barreirinhas	SBAR-AR2
Foz do Amazonas	SFZA-AR2
Santos	SS-AP2
EspíritoSanto_Mucuri	SES-T4
Recôncavo	SREC-T2
Campos	SC-AR3
Solimões	SSOL-C
Santos	SS-AR3
Sergipe_Alagoas	SSEAL-T4
Potiguar	SPOT-T4
Barreirinhas	SBAR-AP2
EspíritoSanto_Mucuri	SES-T2
Recôncavo	SREC-T3
Pará_Maranhão	SPAMA-AP2

#### 3.2 Bid Bond

1. In order to ensure the liability of the bidder winner in signing the Concession Agreement for the Block(s) in which is winner, each company or consortium shall provide, for each block to which has the purpose to provide proposal, the respective Bid Bonds to ANP. Such Bonds shall be provided prior the date of the presentation of the proposals. The values of the Bonds are R\$ 60.000,00 for Offshore Blocks and R\$ 6.000,00 for Onshore Blocks. These Bid Bonds as Letter of Credit or Insurance-guarantee, shall be delivered to ANP until 10/11/2005 as provided in Annexes VII e VIII attached herein.

2. In case of consortium the Bond can be provided by any company comprising such consortium. In this case, the envelope of presentation of proposal shall inform that the Bid Bond

of the company that provided it will be used by the consortium to ensure the signature of the Concession Agreement concerning the Block subject of the proposal.

3. Companies may deliver Bid Bonds in the amount and value that they want to. Along the proposals process, the value of the Bid Bond in which the company is declared as Bidder Winner, and for which the company shall present the Offer Guarantee Bond will be deduced of the value of the Bond(s) delivered by the company.

4. Companies or consortia with the intention to deliver proposals for more than one block shall ensure that they have the respective Bid Bonds with enough amount, so its capacity to present proposals is not limited.

5. If along the bid a company already used an Bid Bond to ensure the proposal declared winner for a specific Block, this can deliver to ANP additional Bid Bonds for any other Block in which has the intention to bid. Such delivery can be executed up to 1 hour prior the bid time of the respective block, so ANP may have time to verify the Bid Bond delivered, so see if it is as provided in ANNEX VII herein, and if the issuer bank or financial institution satisfies the criteria defined herein. ANP is not responsible for any eventual impediment of the company to present the proposal for the block, if the Bid Bond is not delivered timely, in order to allow such verification.

6. Bid Bonds are comprised by Letters of Credit issued by banks or financial institutions with a shareholder equity of at least R\$ 500.000.000,00 (five hundred million Reals) or that are classified as "A" or higher in the publications of Standard & Poor's Ratings Group or Moody's Investors Service, Inc. Insurance-guarantee will also be accepted, issued by insurance company duly registered in the Superintendência de Seguros Privados – SUSEP (i.e., Private Sector Insurance Comptrollership), executable as the letter of credit provided in the template of Annex VII.

7. Bid Bonds not used to ensure bidder winner proposals will be returned in the week after the bid, jointly with all documentation required to be cancelled. Any other documentation delivered to ANP will not be returned. Bid Bonds used, even partially, will be returned only after the signature of the Concession Agreements.

8. The Bid Bond will be executed when:

- The bidder winner, or any company participating in the consortium winner, or a company affiliated of the company, or consortium winner, does not sign the Concession Agreement within the term provided in the Initial Tender Protocol.
- The financial guarantee for the Minimum Exploratory Program is not delivered to ANP until the date provided in the Initial Tender Protocol, preventing the signature of the Concession Agreement.
- The Signature Bonus is not paid until the deadline provided in the Initial Tender Protocol for the signature of the Concession Agreement.
- The bidder winner company or consortium do not delivers a Guarantee of Performance for its Affiliated that would be the signatory of the Concession Agreement, pursuant to the template and the conditions provided in the Annex X of this Initial Tender protocol.

9. If any of those hypotheses above occur, ANP will return the Bid Bond for the company that delivered it, jointly with all documentation required to be cancelled.

### **3.3 Bidding Process**

1. The process of delivery of proposals and determination of the Bidder Winner will be ruled by the following rules:

- Bids for a specific Block may be presented by any company qualified as Operator for such block, or by any consortium where all members are severally qualified for such block and the leader of the consortium is qualified as Operator for such block.
- The proposals will be individual for each block. Proposals for groups of blocks will not be accepted.
- Each company or consortium presenting proposals for blocks located in a specific sector, shall provide an envelope containing the individual proposals for each block of such sector where the company wants to deliver the proposals. If the same company deliver proposals in distinct consortium for distinct blocks located in the same sector, the proposal shall be delivered in a distinct envelope.
- No company may provide more than one proposal for the same Block, either in consortium or individually. All proposals involving the same company, in the same block, will be rejected by the CEL. Such limitation is also applicable to its Affiliated companies.
- CEL will verify the completion of envelopes and may, in its sole and exclusive discretion, request relevant corrections / amendments.
- Envelopes containing the proposals will be opened soon after the closure of the deadline for delivering the envelopes, and to be analyzed by CEL.
- The bidder winner of each block in a specific sector of a basin will be known prior opening the process to deliver proposals for the next sector.
- The process will be public and clear.
- Proposals will be executed strictly in compliance with the instructions provided in the Initial Tender Protocol.
- Bids shall be delivered in sealed envelope, containing also the digital media that shall be provided by ANP. The proposal in digital media will be homologated and compared with the printed version, which is the official version. If there are any problems with the digital version or if the digital version is not provided in the envelope, the proposal will be accepted, if there is also provided a justification for not using the digital media, and such justification shall be accepted by CEL.

### **3.4 Signature Bonus**

1. The Signature Bonus cannot be lower than the minimum value provided. Table 10 herein provides details about the minimum values for each block. Any offer below the minimum values established will be disqualified.

**Table 10 – Minimum Bonus for the 7th Bid Round.**

Bacia	Setor	Classificação	Blocos	Bônus Mínimo
Barreirinhas	SBAR-AP1	Nova Fronteira	BAR-M-137; BAR-M-177; BAR-M-213; BAR-M-215; BAR-M-217; BAR-M-219; BAR-M-221; BAR-M-252; BAR-M-254; BAR-M-256	R\$ 360.000,00
	SBAR-AP2	Nova Fronteira	BAR-M-258; BAR-M-260; BAR-M-262; BAR-M-298; BAR-M-300; BAR-M-302; BAR-M-304; BAR-M-340; BAR-M-342; BAR-M-344; BAR-M-346	R\$ 230.000,00
	SBAR-AR2	Nova Fronteira	BAR-M-250; BAR-M-251; BAR-M-270; BAR-M-271; BAR-M-290; BAR-M-291; BAR-M-292; BAR-M-293; BAR-M-312; BAR-M-313; BAR-M-314; BAR-M-334; BAR-M-335; BAR-M-336; BAR-M-358; BAR-M-382; BAR-M-383; BAR-M-384; BAR-M-385; BAR-M-386; BAR-M-387; BAR-M-388; BAR-M-389; BAR-M-406; BAR-M-407; BAR-M-408; BAR-M-409; BAR-M-410	R\$ 36.000,00
Camamu-Almada	SCAL-AP1	Nova Fronteira	CAL-M-5; CAL-M-7; CAL-M-62; CAL-M-64; CAL-M-124; CAL-M-190	R\$ 690.000,00
	SCAL-AP2	Nova Fronteira	CAL-M-250; CAL-M-314; CAL-M-374	R\$ 680.000,00
Campos	SC-AR2	Nova Fronteira	C-M-41; C-M-42; C-M-55; C-M-56; C-M-57; C-M-75; C-M-76; C-M-77; C-M-143; C-M-144; C-M-170; C-M-171; C-M-172; C-M-199; C-M-200	R\$ 250.000,00
	SC-AR3	Nova Fronteira	C-M-198; C-M-229; C-M-230; C-M-263; C-M-264; C-M-296; C-M-297; C-M-330; C-M-331; C-M-364; C-M-365; C-M-398	R\$ 250.000,00
	SC-AP4	Elevado Potencial	C-M-401	R\$ 7.500.000,00
			C-M-403	R\$ 8.100.000,00
			C-M-405	R\$ 7.700.000,00
			C-M-407	R\$ 7.700.000,00
			C-M-471	R\$ 7.500.000,00
C-M-473	R\$ 7.700.000,00			

			C-M-475	R\$ 7.200.000,00
			C-M-477	R\$ 7.000.000,00
			C-M-535	R\$ 7.900.000,00
			C-M-537	R\$ 7.900.000,00
			C-M-539	R\$ 7.400.000,00
			C-M-541	R\$ 7.000.000,00
			C-M-600	R\$ 7.000.000,00
			C-M-602	R\$ 7.100.000,00
			C-M-604	R\$ 6.700.000,00
			C-M-659	R\$ 6.600.000,00
<b>Espírito Santo</b>	SES-AP2	Elevado Potencial	ES-M-592	R\$ 1.800.000,00
			ES-M-594	R\$ 1.300.000,00
			ES-M-596	R\$ 1.300.000,00
			ES-M-598	R\$ 1.200.000,00
			ES-M-665	R\$ 2.000.000,00
			ES-M-667	R\$ 1.400.000,00
			ES-M-669	R\$ 1.300.000,00
			ES-M-671	R\$ 1.300.000,00
			ES-M-673	R\$ 1.300.000,00
			ES-M-737	R\$ 1.700.000,00
	SES-AR2	Elevado Potencial	ES-M-383	R\$ 650.000,00
			ES-M-384	R\$ 640.000,00
			ES-M-385	R\$ 670.000,00
			ES-M-386	R\$ 640.000,00
			ES-M-387	R\$ 640.000,00
			ES-M-410	R\$ 600.000,00
			ES-M-411	R\$ 620.000,00
			ES-M-412	R\$ 650.000,00
			ES-M-413	R\$ 670.000,00
			ES-M-436	R\$ 600.000,00
ES-M-437	R\$ 640.000,00			
ES-M-438	R\$ 670.000,00			

			ES-M-439	R\$	640.000,00
	SES-T2	Bacia Madura	ES-T-11; ES-T-12; ES-T-13; ES-T-14; ES-T-26; ES-T-27; ES-T-28; ES-T-29; ES-T-45; ES-T-46; ES-T-48; ES-T-49; ES-T-66; ES-T-69; ES-T-70; ES-T-86; ES-T-87; ES-T-90; ES-T-106; ES-T-107; ES-T-108; ES-T-124; ES-T-125; ES-T-140; ES-T-141; ES-T-142; ES-T-157; ES-T-158; ES-T-173; ES-T-189; ES-T-201; ES-T-214; ES-T-226; ES-T-227	R\$	10.000,00
	SES-T4	Bacia Madura	ES-T-290; ES-T-291; ES-T-304; ES-T-305; ES-T-318; ES-T-331; ES-T-344; ES-T-352; ES-T-353; ES-T-354; ES-T-362; ES-T-363; ES-T-371; ES-T-372; ES-T-380; ES-T-383; ES-T-389; ES-T-392; ES-T-398; ES-T-401; ES-T-409; ES-T-410; ES-T-418	R\$	10.000,00
	SES-T6	Bacia Madura	ES-T-442; ES-T-454; ES-T-466; ES-T-504; ES-T-514; ES-T-515; ES-T-525; ES-T-526; ES-T-527; ES-T-537; ES-T-538; ES-T-550; ES-T-562	R\$	10.000,00
<b>Foz do Amazonas</b>	SFZA-AR1	Nova Fronteira	FZA-M-85; FZA-M-102; FZA-M-103; FZA-M-120; FZA-M-121; FZA-M-122; FZA-M-123; FZA-M-124; FZA-M-147; FZA-M-148; FZA-M-149; FZA-M-150; FZA-M-151; FZA-M-152; FZA-M-176; FZA-M-177; FZA-M-178; FZA-M-179; FZA-M-180; FZA-M-181; FZA-M-182; FZA-M-210; FZA-M-211; FZA-M-212; FZA-M-213; FZA-M-214; FZA-M-215; FZA-M-245; FZA-M-246; FZA-M-247; FZA-M-248; FZA-M-249; FZA-M-250; FZA-M-281; FZA-M-282; FZA-M-283; FZA-M-284; FZA-M-285; FZA-M-314; FZA-M-315; FZA-M-316; FZA-M-317; FZA-M-318; FZA-M-319; FZA-M-350; FZA-M-351; FZA-M-352; FZA-M-353; FZA-M-354; FZA-M-384; FZA-M-385; FZA-M-386; FZA-M-387; FZA-M-419; FZA-M-420	R\$	25.000,00
	SFZA-AR2	Nova Fronteira	FZA-M-322; FZA-M-323; FZA-M-355; FZA-M-356; FZA-M-357; FZA-M-358; FZA-M-388; FZA-M-389; FZA-M-390; FZA-M-391; FZA-M-392; FZA-M-421; FZA-M-422; FZA-M-423; FZA-M-424; FZA-M-425; FZA-M-426; FZA-M-454; FZA-M-455; FZA-M-456; FZA-M-457; FZA-M-458; FZA-M-459; FZA-M-460; FZA-M-490; FZA-M-491; FZA-M-492; FZA-M-493; FZA-M-494; FZA-M-495; FZA-M-496; FZA-M-527; FZA-M-528; FZA-M-529; FZA-M-530; FZA-M-531; FZA-M-532; FZA-M-563; FZA-M-564; FZA-M-565; FZA-M-566; FZA-M-567; FZA-M-568; FZA-M-600; FZA-M-601; FZA-M-602; FZA-M-603; FZA-M-604; FZA-M-636; FZA-M-637; FZA-M-638; FZA-M-639; FZA-M-640; FZA-M-641; FZA-M-642; FZA-M-643; FZA-M-644; FZA-M-671; FZA-M-672; FZA-M-673; FZA-M-674; FZA-M-675; FZA-M-676; FZA-M-677; FZA-M-678; FZA-M-707; FZA-M-708; FZA-M-709; FZA-M-710; FZA-M-711; FZA-M-712; FZA-M-741; FZA-M-742; FZA-M-743; FZA-M-744; FZA-M-745; FZA-M-776; FZA-M-777; FZA-M-778; FZA-M-811	R\$	25.000,00
<b>Jequitinhonha</b>	SJ-AP	Nova Fronteira	J-M-163; J-M-167; J-M-209; J-M-211; J-M-213; J-M-215; J-M-259; J-M-261	R\$	250.000,00
<b>Pará-Maranhão</b>	SPAMA-AP1	Nova Fronteira	PAMA-M-41; PAMA-M-85; PAMA-M-137; PAMA-M-190; PAMA-M-196; PAMA-M-198; PAMA-M-263; PAMA-M-265; PAMA-M-267; PAMA-M-269; PAMA-M-335; PAMA-M-337	R\$	270.000,00
	SPAMA-AP2	Nova Fronteira	PAMA-M-271; PAMA-M-339; PAMA-M-341; PAMA-M-410; PAMA-M-412; PAMA-M-414; PAMA-M-483; PAMA-M-485; PAMA-M-487; PAMA-M-556; PAMA-M-560	R\$	170.000,00
<b>Pelotas</b>	SP-AP3	Nova Fronteira	P-M-1106; P-M-1108; P-M-1188; P-M-1190; P-M-1192; P-M-1273; P-M-1275; P-M-1355; P-M-1357; P-M-1429; P-M-1431; P-M-1433; P-M-1435; P-M-1437; P-M-1506; P-M-1508; P-M-1510; P-M-1512; P-M-1514; P-M-1583; P-M-1585; P-M-1587; P-M-1589; P-M-1591; P-M-1664; P-M-1666; P-M-1668	R\$	100.000,00

<b>Potiguar</b>	SPOT-T2	Bacia Madura	POT-T-174; POT-T-186; POT-T-196; POT-T-198; POT-T-209; POT-T-223; POT-T-224; POT-T-225; POT-T-239; POT-T-240; POT-T-241; POT-T-255; POT-T-256; POT-T-276; POT-T-277; POT-T-298	R\$	10.000,00
	SPOT-T3	Bacia Madura	POT-T-331; POT-T-354; POT-T-367; POT-T-368; POT-T-396; POT-T-406; POT-T-407; POT-T-408; POT-T-439; POT-T-440; POT-T-441; POT-T-442; POT-T-445; POT-T-446; POT-T-447; POT-T-448; POT-T-449; POT-T-450; POT-T-481; POT-T-484; POT-T-488; POT-T-489	R\$	10.000,00
	SPOT-T4	Bacia Madura	POT-T-511; POT-T-553; POT-T-554; POT-T-555; POT-T-564; POT-T-565; POT-T-598; POT-T-605; POT-T-606; POT-T-608; POT-T-609; POT-T-612; POT-T-642; POT-T-650; POT-T-651; POT-T-652; POT-T-653; POT-T-656; POT-T-688; POT-T-696; POT-T-697; POT-T-698; POT-T-734; POT-T-743; POT-T-744; POT-T-745; POT-T-747; POT-T-748; POT-T-749; POT-T-781; POT-T-792; POT-T-794; POT-T-795; POT-T-795; POT-T-828; POT-T-841; POT-T-872; POT-T-882; POT-T-906; POT-T-907; POT-T-908; POT-T-910; POT-T-911; POT-T-915	R\$	10.000,00
	SPOT-T5	Bacia Madura	POT-T-525; POT-T-531; POT-T-573; POT-T-576; POT-T-619; POT-T-620; POT-T-662; POT-T-663; POT-T-664; POT-T-665; POT-T-705; POT-T-706; POT-T-751	R\$	10.000,00
	SPOT-AP1	Nova Fronteira	POT-M-309; POT-M-311; POT-M-389; POT-M-391; POT-M-393; POT-M-395; POT-M-473; POT-M-475; POT-M-477; POT-M-479; POT-M-481; POT-M-483; POT-M-567; POT-M-569; POT-M-571; POT-M-573; POT-M-575; POT-M-663; POT-M-665; POT-M-667; POT-M-669; POT-M-671; POT-M-673; POT-M-760; POT-M-762; POT-M-764; POT-M-766; POT-M-853; POT-M-855	R\$	350.000,00
	<b>Recôncavo</b>	SREC- T-1	Bacia Madura	REC-T-26; REC-T-27; REC-T-35; REC-T-36; REC-T-37; REC-T-44; REC-T-45; REC-T-46; REC-T-47; REC-T-54; REC-T-55; REC-T-56; REC-T-57; REC-T-64; REC-T-65; REC-T-66; REC-T-67; REC-T-73; REC-T-74; REC-T-75; REC-T-76; REC-T-77; REC-T-82; REC-T-83; REC-T-84; REC-T-85; REC-T-86; REC-T-91; REC-T-92; REC-T-93; REC-T-94; REC-T-95; REC-T-96; REC-T-101; REC-T-102; REC-T-103; REC-T-104; REC-T-105; REC-T-106; REC-T-111; REC-T-112; REC-T-113; REC-T-115; REC-T-116; REC-T-117; REC-T-118	R\$
SREC- T-2		Bacia Madura	REC-T-1; REC-T-2; REC-T-3; REC-T-4; REC-T-5; REC-T-6; REC-T-7; REC-T-8; REC-T-9; REC-T-10; REC-T-11; REC-T-12; REC-T-13; REC-T-14; REC-T-15; REC-T-16; REC-T-17; REC-T-18; REC-T-19; REC-T-20; REC-T-21; REC-T-22; REC-T-24; REC-T-25; REC-T-28; REC-T-29; REC-T-30; REC-T-31; REC-T-34; REC-T-38; REC-T-39; REC-T-48; REC-T-49; REC-T-52; REC-T-53; REC-T-59; REC-T-61; REC-T-62; REC-T-63; REC-T-72; REC-T-79; REC-T-80; REC-T-81; REC-T-90; REC-T-100; REC-T-110	R\$	10.000,00
SREC- T-3		Bacia Madura	REC-T-122; REC-T-123; REC-T-124; REC-T-125; REC-T-126; REC-T-135; REC-T-136; REC-T-137; REC-T-138; REC-T-148; REC-T-149; REC-T-152; REC-T-160; REC-T-161; REC-T-162; REC-T-164; REC-T-165; REC-T-174; REC-T-175; REC-T-176; REC-T-187; REC-T-188; REC-T-189; REC-T-190; REC-T-201; REC-T-202; REC-T-203; REC-T-204; REC-T-207; REC-T-216; REC-T-217; REC-T-218; REC-T-219; REC-T-230; REC-T-231; REC-T-232; REC-T-234; REC-T-246; REC-T-247; REC-T-250; REC-T-261; REC-T-262; REC-T-265; REC-T-274; REC-T-275	R\$	10.000,00

<b>São Francisco</b>	SSF-S	Nova Fronteira Terrestre	SF-T-81; SF-T-85; SF-T-86; SF-T-87; SF-T-90; SF-T-92; SF-T-93; SF-T-94; SF-T-95; SF-T-96; SF-T-100; SF-T-101; SF-T-102; SF-T-103; SF-T-104; SF-T-105; SF-T-106; SF-T-111; SF-T-112; SF-T-113; SF-T-114; SF-T-115; SF-T-118; SF-T-119; SF-T-120; SF-T-121; SF-T-124; SF-T-125; SF-T-126; SF-T-128; SF-T-130; SF-T-131; SF-T-132; SF-T-133; SF-T-134; SF-T-135; SF-T-137; SF-T-138; SF-T-139; SF-T-143; SF-T-144; SF-T-145; SF-T-150	R\$	10.000,00
<b>Sergipe-Alagoas</b>	SSEAL-T4	Bacia Madura	SEAL-T-272; SEAL-T-273; SEAL-T-274; SEAL-T-275; SEAL-T-284; SEAL-T-285; SEAL-T-286; SEAL-T-287; SEAL-T-288; SEAL-T-289; SEAL-T-295; SEAL-T-296; SEAL-T-297; SEAL-T-298; SEAL-T-299; SEAL-T-300; SEAL-T-301; SEAL-T-309; SEAL-T-310; SEAL-T-311; SEAL-T-312; SEAL-T-313; SEAL-T-314; SEAL-T-315; SEAL-T-323; SEAL-T-324; SEAL-T-325; SEAL-T-326; SEAL-T-327; SEAL-T-328; SEAL-T-329; SEAL-T-330; SEAL-T-331; SEAL-T-338; SEAL-T-339; SEAL-T-340; SEAL-T-341; SEAL-T-342; SEAL-T-343; SEAL-T-344; SEAL-T-354; SEAL-T-355; SEAL-T-356; SEAL-T-357; SEAL-T-358; SEAL-T-369; SEAL-T-370; SEAL-T-371; SEAL-T-381; SEAL-T-382	R\$	10.000,00
	SSEAL-T5	Bacia Madura	SEAL-T-307; SEAL-T-308; SEAL-T-321; SEAL-T-322; SEAL-T-335; SEAL-T-336; SEAL-T-337; SEAL-T-350; SEAL-T-351; SEAL-T-352; SEAL-T-353; SEAL-T-364; SEAL-T-365; SEAL-T-366; SEAL-T-367; SEAL-T-376; SEAL-T-377; SEAL-T-378; SEAL-T-387; SEAL-T-388; SEAL-T-389; SEAL-T-390; SEAL-T-391; SEAL-T-398; SEAL-T-399; SEAL-T-400; SEAL-T-404; SEAL-T-407; SEAL-T-408; SEAL-T-410; SEAL-T-412; SEAL-T-413; SEAL-T-416; SEAL-T-417; SEAL-T-418; SEAL-T-419; SEAL-T-420; SEAL-T-424; SEAL-T-425; SEAL-T-426; SEAL-T-427; SEAL-T-428; SEAL-T-429; SEAL-T-430; SEAL-T-431; SEAL-T-432; SEAL-T-433; SEAL-T-434; SEAL-T-435; SEAL-T-438; SEAL-T-439; SEAL-T-440; SEAL-T-441; SEAL-T-442; SEAL-T-443; SEAL-T-446; SEAL-T-447; SEAL-T-448; SEAL-T-449; SEAL-T-450; SEAL-T-453; SEAL-T-454; SEAL-T-455; SEAL-T-456; SEAL-T-458; SEAL-T-459; SEAL-T-460; SEAL-T-461; SEAL-T-462; SEAL-T-463; SEAL-T-464; SEAL-T-465; SEAL-T-466; SEAL-T-467; SEAL-T-469; SEAL-T-470; SEAL-T-472; SEAL-T-473; SEAL-T-474; SEAL-T-475; SEAL-T-476; SEAL-T-477; SEAL-T-478; SEAL-T-479; SEAL-T-480; SEAL-T-481; SEAL-T-482	R\$	10.000,00
<b>Solimões</b>	SSOL-C	Nova Fronteira Terrestre	SOL-T-145; SOL-T-146; SOL-T-148; SOL-T-149; SOL-T-150; SOL-T-151; SOL-T-152; SOL-T-168; SOL-T-169; SOL-T-170; SOL-T-171; SOL-T-172; SOL-T-173; SOL-T-174; SOL-T-191; SOL-T-192; SOL-T-193; SOL-T-194; SOL-T-195; SOL-T-196; SOL-T-197; SOL-T-214; SOL-T-215; SOL-T-216; SOL-T-217; SOL-T-218; SOL-T-219; SOL-T-220	R\$	10.000,00
<b>Santos</b>	SS-AP2	Elevado Potencial	S-M-405	R\$	4.300.000,00
			S-M-407	R\$	3.700.000,00
			S-M-409	R\$	3.100.000,00
			S-M-411	R\$	3.400.000,00
			S-M-506	R\$	4.600.000,00
			S-M-508	R\$	15.000.000,00
			S-M-510	R\$	15.000.000,00
			S-M-512	R\$	5.300.000,00
			S-M-518	R\$	3.200.000,00
			S-M-619	R\$	5.300.000,00

		S-M-621	R\$ 15.000.000,00
		S-M-623	R\$ 8.100.000,00
		S-M-736	R\$ 3.500.000,00
SS-AR3	Elevado Potencial	S-M-613	R\$ 1.300.000,00
		S-M-614	R\$ 1.300.000,00
		S-M-615	R\$ 1.300.000,00
		S-M-616	R\$ 1.300.000,00
		S-M-617	R\$ 1.300.000,00
		S-M-670	R\$ 1.300.000,00
		S-M-671	R\$ 1.300.000,00
		S-M-672	R\$ 1.300.000,00
		S-M-673	R\$ 1.300.000,00
		S-M-674	R\$ 1.300.000,00
		S-M-675	R\$ 1.300.000,00
		S-M-728	R\$ 1.300.000,00
		S-M-729	R\$ 1.400.000,00
		S-M-730	R\$ 1.300.000,00
		S-M-731	R\$ 1.300.000,00
		S-M-789	R\$ 1.400.000,00
		S-M-790	R\$ 1.400.000,00
		S-M-791	R\$ 1.300.000,00
		S-M-792	R\$ 1.300.000,00
			Nova Fronteira
SS-AR4	Elevado Potencial	S-M-1223	R\$ 1.700.000,00
		S-M-1224	R\$ 1.700.000,00
		S-M-1225	R\$ 1.700.000,00
		S-M-1285	R\$ 1.700.000,00

		S-M-1286	R\$ 1.700.000,00
		S-M-1287	R\$ 1.700.000,00
		S-M-1348	R\$ 1.700.000,00
		S-M-1349	R\$ 1.700.000,00
		S-M-1350	R\$ 1.700.000,00
		S-M-1413	R\$ 1.700.000,00
		S-M-1474	R\$ 1.700.000,00
		S-M-1475	R\$ 1.700.000,00
		S-M-1476	R\$ 1.700.000,00
		S-M-1535	R\$ 1.700.000,00
		S-M-1536	R\$ 1.700.000,00
		S-M-1537	R\$ 1.700.000,00
	Nova Fronteira	S-M-714; S-M-715; S-M-716; S-M-774; S-M-775; S-M-776; S-M-777; S-M-778; S-M-835; S-M-836; S-M-837; S-M-838; S-M-839; S-M-840; S-M-841; S-M-895; S-M-896; S-M-897; S-M-898; S-M-899; S-M-900; S-M-901; S-M-902; S-M-903; S-M-904; S-M-905; S-M-958; S-M-959; S-M-960; S-M-961; S-M-962; S-M-963; S-M-964; S-M-965; S-M-966; S-M-968; S-M-969; S-M-970; S-M-1022; S-M-1023; S-M-1024; S-M-1025; S-M-1026; S-M-1027; S-M-1028; S-M-1029; S-M-1030; S-M-1032; S-M-1033; S-M-1034; S-M-1035; S-M-1087; S-M-1088; S-M-1089; S-M-1090; S-M-1091; S-M-1092; S-M-1093; S-M-1094; S-M-1095; S-M-1096; S-M-1097; S-M-1098; S-M-1151; S-M-1152; S-M-1153; S-M-1154; S-M-1155; S-M-1156; S-M-1157; S-M-1158; S-M-1159; S-M-1160; S-M-1161; S-M-1162; S-M-1215; S-M-1216; S-M-1217; S-M-1218; S-M-1219; S-M-1220; S-M-1221; S-M-1222; S-M-1226; S-M-1228; S-M-1276; S-M-1277; S-M-1278; S-M-1279; S-M-1280; S-M-1281; S-M-1282; S-M-1283; S-M-1284; S-M-1339; S-M-1340; S-M-1341; S-M-1342; S-M-1343; S-M-1344; S-M-1345; S-M-1346; S-M-1347; S-M-1402; S-M-1403; S-M-1404; S-M-1405; S-M-1406; S-M-1407; S-M-1408; S-M-1409; S-M-1466; S-M-1467; S-M-1468; S-M-1469; S-M-1470; S-M-1471; S-M-1528; S-M-1529; S-M-1530; S-M-1531; S-M-1532; S-M-1589; S-M-1590; S-M-1591; S-M-1592; S-M-1645; S-M-1646; S-M-1647; S-M-1648; S-M-1701; S-M-1702; S-M-1703; S-M-1704; S-M-1753; S-M-1754; S-M-1755; S-M-1756; S-M-1757; S-M-1758; S-M-1759; S-M-1806; S-M-1807; S-M-1808; S-M-1809; S-M-1810; S-M-1852; S-M-1853; S-M-1854; S-M-1855; S-M-1856; S-M-1857; S-M-1900; S-M-1901; S-M-1902; S-M-1903; S-M-1904; S-M-1905	R\$ 130.000,00

### **3.5 Commitment to Acquire Local Goods and Services**

1. The company or consortium declared as Bidder Winner in the 7th Bid Round shall comply with the minimum obligations for Local Investments in the Exploration Phase and Development Stage ("Local Content"), as described in paragraph 1.2. Such minimum percentage in the 7th Bid Round shall not be considered in the judgment of the proposals.

2. For the exclusive purposes of inspection, each proposal presented shall deliver, mandatorily, the statement of the company or consortium, detailing the projections of local investments in the Exploration Phase and Development Stage, pursuant to ANNEX VI herein.

### **3.6 Minimum Exploration Program**

1. For the judgment of proposals will be considered the Minimum Exploration Program offered, expressed in Work Units (WU's), to be fully complied along the First Period of Exploration, exclusively in the area of the Block in offer. The exploratory works accepted and the table of WU's equivalences, with respective values of the Financial Guarantee of the Minimum Exploration Program, are provided in Table 2.

2. If the financial guarantee of the Minimum Exploratory Program is issued in Brazil, the values shall be converted into Reals and informed by ANP to the signatory companies prior to the signature of the Concession Agreements.

3. Minimum Exploration Program with value equal to zero will not be accepted. The delivery of offers of this nature will cause the company to be disqualified. Only Minimum Exploratory Program expressed in full numbers of Work Units will be accepted.

### **3.7 Evaluation of Bids**

1. The evaluation of bids of qualified bidders will be provided upon the attribution of points and weights, as provided below.

#### **3.7.1 Signature Bonus**

1. The value of the Signature Bonus, in Reals, shall be paid until the term provided by ANP. The score obtained with the offer of the Signature Bonus will have weight of 70 (seventy) for obtain the final score.
2. The Signature Bonus cannot be lower than the minimum value provided in paragraph 3.4. Any offer below the minimum values established will be disqualified.

$$\text{Score A} = [(\text{bonus offered}) / (\text{higher bonus offered})] \times 70$$

### **3.7.2 Minimum Exploration Program (in Work Units – WU's)**

1. The score obtained with the offer of the Minimum Exploratory Program will have weight of 30 (thirty) for obtain the final score.

2. The First Exploration Period requires the commitment of Concessionaries with one Minimum Exploratory Program, expressed in full numbers of Work Units (WU's). The WU's offered will be incorporated in the Concession Agreement, and shall be accomplished in equivalent exploratory works along the First Exploratory Period, as provided in Table 2 herein. Minimum Exploratory Program with zero values will cause the proposal to be considered null.

- **Score B = [(Exploration Program Offered, in WU's) / (higher Exploration Program Offered, in WU's)] x 30**

### **3.7.3 Participant's Final Score**

**Final Score = Score A + Score B**

1. The scores will be computed with 5 (five) decimals ignoring the values shown as from the sixth decimal. The final score will be computed through sum of scores, as applicable, rounding the final score for 4 decimals. When the fifth decimals is equal or higher than 5 (five), the fourth decimals of the final score will be rounded up.

2. The bids will be classified according with the descending order of scores, and the bidder winner will be the one whose offer obtains the higher score.

3. The Special Licensing Committee (CEL) will execute the analysis, evaluation and classification of proposals strictly in compliance with the criteria provided herein and in Law 9.478/97.

4. When two or more bidders obtain the same score and the provisions in article 42 of Law 9.478/97 are not applicable, a new term will be provided, so the tie bidders may present new proposals. Under no circumstances the proposals may be lower the precedent offers, concerning the Signature Bonus, as concerning PEM. The times for delivering the new proposals will be determined by the CEL's Chairman. If such bidders do not deliver new proposals or if there is a new tie, the raffle will be used as criteria to settle the tie, executed in public act, in time and place to be provided by CEL.

### **3.8 Bidding Submission Restrictions**

1. Exclusively for sectors of basins listed in Table 11 herein, the companies are limited to deliver offers, as Operators, up to 04 blocks of such sectors. Such restriction is also applied to Affiliated companies.

2. There will be no restrictions in sectors listed in Table 11 for companies delivering proposals as consortium, and not as Operators, even if such companies present the maximum number of proposals, as Operator, for such sectors.

3. The delivery of proposals in number higher than the listed in Table 11 will cause the disqualification of all proposals that such company may deliver, as Operator, for the listed sector.

**TABLE 11**  
**RESTRICTIONS TO THE DELIVERY OF PROPOSALS FOR MATURE BASINS**

Basin	Sector	Maximum number of proposals per Operator
Espirito Santo (onshore)	SES-T2	4
Espirito Santo (onshore)	SES-T4	4
Espirito Santo (onshore)	SES-T6	4
Recôncavo	SREC-T2	4
Recôncavo	SREC-T3	4
Potiguar	SPOT-T2	4
Potiguar	SPOT-T3	4
Potiguar	SPOT-T4	4
Potiguar	SPOT-T5	4

### **3.9 Detailed Description of Local Goods and Services Acquisition Plans**

1. Only for the purposes of inspection and supervision by ANP concerning the progress of the effective supply of goods and services provided by local suppliers, each proposal shall mandatorily attach the Statement of the company or consortium, containing the description of the local purchase plans, for future inspection of the minimum local content requirements liabilities 2. Such statement shall be provided in standard form to be provided by ANP, containing the information listed in Annex VI herein.

### **3.10 Fines for Non-Compliance with the minimum mandatory Percentage of Local Content**

For admeasurements of the compliance with the Minimum percentage Required of Local Investments the methodology used will be the one provided in the Cartilha do Conteúdo Local de Bens, Sistemas e Serviços Relacionados ao Setor de Petróleo e Gás Natural (Instruction Leaflet of the Local Content of Goods, Systems and Services Related to the Petroleum and Natural Gas Sector, Annex III of the Agreement).

### 3.11 Penalties due non-compliance with the Minimum Local Content

When the Local Content values executed are below the minimum percentage provided in the agreement (pursuant to values in Table 4 herein), the Concessionary will be subject to pay a fine. Such fine is computed due the percentage of the Local Content not executed and will be applied on the value of Local Content not executed, that is, on the value resulting from the difference between the value related to the Local Content committed by the Company and the value effectively executed.

The fine criteria was established in order to strongly discourage the non-compliance of the Local Content in amounts higher than 2/3 (two thirds) of the minimum value provided.

In the 7th Bid Round, the fines criteria due the non-compliance of the minimum Local Content required to be used for the blocks is described below.

If the percentage of Local Content not executed (NR%) is below 65% (sixty five percent), and not zero, the fine (M%) will be 60% (sixty percent) to be applied on the value of the Local Content not executed. If the percentage of Local Content not executed (NR%) is equal or higher than 65% (sixty five percent), the fine to be applied on the value of the Local Content not executed will be crescent, starting from 60% (sixty percent) and reaching 100% (one hundred percent) if the percentage of Local Content not executed in 100% (one hundred percent). Such criteria may be summarized by the equations provided below:

$$\text{If } 0 < \text{NR}(\%) < 65\% \quad \Rightarrow \quad \text{M}(\%) = 60(\%)$$

$$\text{If } \text{NR}(\%) \geq 65\% \quad \Rightarrow \quad \text{M}(\%) = 1,143 \text{NR}(\%) - 14,285$$

Figure 1 graphically illustrates the variance of the percentage value of the penalty due the percentage of the Local Content not invested.

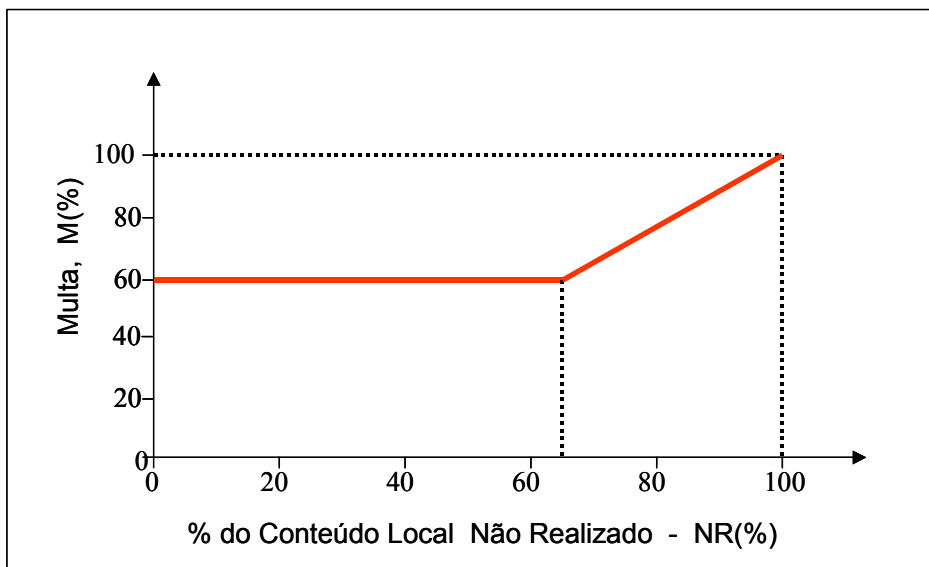


Figure 1 – Penalty (fine, %) to be applied on the value corresponding to the % of the Minimum Local Content not invested due the % of the Local Content not executed.