



## **AGÊNCIA NACIONAL DO PETRÓLEO (ANP)**

### **Final Tender Protocol (Edital de Licitações) For the Contracting of Oil and Gas Exploration, Development and Production Activities**

### **BRASIL ROUND 5**

***Notice:***

***The Portuguese language version of this Final Tender Protocol is the only official version. This English language version is provided for the convenience of Round participants and interested parties.***

**Rio de Janeiro, Brazil**

**July 2nd, 2003**

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## 1. INTRODUCTION

1. On August 6, 1997, the Brazilian Congress passed Law 9.478, (the “Petroleum Law”) which outlined the national energy policy and implemented other measures in accordance with Constitutional Amendment Number 9 of 1995 that made more flexible the manner in which the State’s monopoly on oil and gas exploration, development, and production activities was administered. The law also established the conditions for certain other activities of the monopoly related to the import and export of crude oil, refined products and natural gas, the refining of crude oil, the processing of natural gas, and the transportation of crude, crude products, and natural gas.

2. The Petroleum Law also created the Agência Nacional do Petróleo (the “ANP”) as the entity responsible for the regulation, contracting, and oversight of commercial activities in the oil industry including, among other things, the development of tender processes and promoting licensing, oil and gas exploration, development and production activities, executing the agreements which result from these processes, and overseeing their performance.

3. The ANP has concluded four Licensing Rounds in 1999, 2000, 2001 and 2002, with 88 exploration blocks conceded in these Rounds. On October 30, 2002, the ANP announced the fifth licensing round (“Brasil Round 5”).

4. This Final Tender Protocol follows the guidelines contained in ANP Portaria 174 of October 25, 1999 (a Portaria is a set of regulations), as well as other relevant legislation, and defines the rules which must be followed by all companies interested in participating in Brasil Round 5 and replaces the Initial Tender Protocol published on March 13<sup>th</sup>, 2003.

5. The timetable for Brasil Round 5 is as follows:

## SCHEDULE

Formal Announcement of Round	November 5 <sup>th</sup> , 2002
Presentation in Rio de Janeiro (public hearings)	November 26 <sup>th</sup> , 2002
Presentation in Salvador	November 29 <sup>th</sup> , 2002
Publication of Initial Tender Protocol	March 13 <sup>th</sup> 2003
Data Packages Available	March 13 <sup>th</sup> , 2003
Technical Workshop	April 28 <sup>th</sup> and 29 <sup>th</sup> , 2003
Publication of the Draft Concession Agreement (Minuta)	May 14, 2003
Legal/Financial Seminar	May 21 <sup>st</sup> and 22 <sup>nd</sup> , 2003
Publication of the Final Tender Protocol (Edital) and the Concession Agreement	July 2 <sup>nd</sup> , 2003
Deadline for submission of Expression of Interest and presentation of Documents	July 17 <sup>th</sup> , 2003
Deadline for payment of Participation Fees	August 8 <sup>th</sup> , 2003
Submission of Bids	August 19 <sup>th</sup> and 20 <sup>th</sup> , 2003
Contract Signature	up to November 30 <sup>th</sup> , 2003

## 2. OBJECTIVE OF THE OFFERING

1. The objective of the current offering is the award of contracts to companies or consortia of companies to carry out exploration, development, and production activities for oil and natural gas in blocks located in 9 Brazilian sedimentary basins, described in Annex I.

2. Winning companies or consortia must enter into a Concession Agreement in order to carry out such activities. The model Concession Agreement is included in this Final Tender Protocol as Annex XIII.

3. The main terms of the Concession Agreement are as follows:

- A duration of up to 35 years, comprised of both exploration and production phases. The Exploration Phase will have a duration of two (2) to eight (8) years divided into two periods, each of which will be associated with a Minimum Exploration Program. At the end of the First Period the Concessionaire must opt to relinquish the entire area or to assume the commitment to drill an exploration well and proceed to the Second Exploration Period. The Concessionaire must submit a Development Plan for the ANP's approval for each field discovered and declared commercial. The Production Phase (which includes the Development Stage) will have a duration of 27 years.
- All oil and gas in-place belongs to the State, although the Concessionaire is entitled to ownership of oil and gas actually produced and fiscalized. From this point, the Concessionaire will be entitled to lift and market such production according to the terms of the Concession Agreement and the Petroleum Law.
- In addition to taxes of general application in Brazil, the Concessionaire will be subject to the State Take defined in the Petroleum Law, including signature bonus, royalties, surface rental fees, and Special Participation (where applicable).

4. The following is a summary description of the general terms and conditions that will govern the exploration, development, and production of hydrocarbons in the Blocks offered in Brasil Round 5. This summary is qualified in its entirety by the terms of the Concession Agreement.

## **2.1. Exploration Phase and Minimum Exploration Program**

1. The Exploration Phase will have a duration of two to eight years, depending upon the Block in question, and will be split into two periods. The Exploration Phase may be extended, by means of an Evaluation Plan previously approved by the ANP, only for the evaluation of discoveries made near the end of the Exploration Phase. This extension will be only for the area covered by the Evaluation Plan, and the remaining area must be entirely relinquished.

2. Each Exploration Period entails a commitment by the Concessionaire in the form of a Minimum Exploration Program , which for the First Exploration Period will be presented by the participating company as an integral part of the bid and expressed in Work Units (WUs).

3. The Concessionaire may carry out additional work beyond that required in the Minimum Exploration Program. At the end of the First Exploration Period the Concessionaire will opt for the total relinquishment of the block or assume the commitment to drill one exploration well. Based on the technical justification evaluation sent by the Concessionaire, ANP may accept, at its sole discretion, that adjacent block(s) to the block where the well will be drilled, also pass to the Second Exploration Period without the need of a commitment to drilling a well in this (these) block(s).

4. Table 1 lists the number of blocks on offer for each sector, the duration of the Exploration Phase, the relinquishment obligations, area Retention Fee and the minimum necessary technical qualification for the operator of the blocks in each sector. Table 2 shows the comparison between exploration work acceptable for compliance with the First Period of the Minimum Exploration Program for the areas offered in Brasil Round 5.

5. The non-exclusive 2D seismic surveys authorized by the ANP of onshore or transition zone (water depths less than 50 meters), of 3D seismic in any locality, as well as the onshore gravimetric surveys, aeromagnetic and geochemistry, when applicable, will be considered towards the compliance with the Minimum Exploration Program by the application of a reduction factor based on the time elapsed between the request for a reduction in the Minimum Exploration Program by the concessionaire and the data acquisition operation, as per Table 3.

6. More details and coordinates of the blocks offered in Brasil Round 5 can be found in Annex I and at the site [www.Brasil-Rounds.gov.br](http://www.Brasil-Rounds.gov.br).

7. The Concessionaire will be responsible for all risks and expenses of the Operations, in accordance with the terms of the Concession Agreement.

**TABLE 1  
GENERAL DESCRIPTION OF BLOCKS**

Basin	Sector	Number of Blocks	Area on Offer (km <sup>2</sup> )	Exploration Phase <sup>2</sup> (years)	Exploration Periods (years)	Mandatory Area Relinquishment <sup>3</sup> (% of original area)	Area Retention Fee <sup>4</sup> (R\$/km <sup>2</sup> /year)	Required Technical Qualification
<b>ONSHORE</b>								
Potiguar	SPOT-T2, SPOT-T3, SPOT-T4 and SPOT-T5	153	5,608.4	4	1+1	100-100	85.00	C
Recôncavo	SREC-T2	41	1,245.59	4	1+1	100-100	85.00	C
Espírito Santo	SES-T2	29	885.29	2	2+2	100-100	85.00	C
	SES-T4 e SES-T6	39	1,228.81	4	1+1	100-100	85.00	C
<b>OFFSHORE</b>								
Barreirinhas	SBAR-AR2	62	11,917.01	6	5+1	100-100	195.00	B
Campos shallow water	SC-AR2 and SC-AR3	38	7,204.54	5	4+1	100-100	550.00	B
Campos deep water	SC-AP1	6	4,296.40	7	5+2	100-100	550.00	A
Espírito Santo	SES-AR1 and SES-AR2	175	32,248.39	6	5+1	100+100	550.00	B
Foz do Amazonas	SFZA-AR1 and SFZA-AR2	156	29,936.93	6	5+1	100-100	135.00	B
Jequitinhonha	SJ-AP	12	8,899.97	8	6+2	100-100	195.00	A
Pelotas	SP-AP3	33	21,360.48	8	6+2	100-100	25.00	A
Santos shallow water	SS-AR3 and SS-AR4	306	52,946.29	5	4+1	100-100	550.00	B
Santos deep water	SS-AP4	20	13,715.32	7	5+2	100-100	550.00	A

**Notes:**

- The detailed list of the blocks offered in each basin can be found in Annex I.
- The Exploration Phase may be extended, at the discretion of the ANP and in accordance with the terms of the Concession Agreement, for the completion of a previously approved Evaluation Plan.
- At the end of the First Exploration Period, the Concessionaire must relinquish the entire block or proceed to the Second Period assuming the obligation to drill one exploration well. At the end of the Exploration Phase, the Concessionaire will only retain the areas in the Development Stage or Production Phase.
- Occupation or retention Fees for the Area, in Reals per square kilometer, at 11/30/2002, applicable to the Exploration Phase. These values will be paid annually and are subject to correction, by the variation of the accumulated IGP-DI between that date and the Concession Agreement signing date. These fees will be increased by 100% if the Exploration Phase is extended, when applicable, and for the Development Stage. For the Production Phase these fees will be increased by 900%.
- The technical qualification required as section 3.3 of this Final Tender Protocol. The qualified companies will be classified into 3 (three) categories: Operator "A" is the company qualified for operating in any block offered by ANP, Operator "B" is the company qualified for operating in blocks classified as "B" or "C" and operator "C" is the company qualified for operating only blocks classified as "C".

**TABLE 2  
COMPARISON OF WORK UNITS FOR COMPLIANCE WITH THE MINIMUM EXPLORATION PROGRAM**

WORK UNITS (WU) <sup>1</sup>							
BASIN / SECTORS OFFERED	Exploration Well <sup>2</sup> (WU/well)	2D Seismic (WU/km)	3D Seismic (WU/km <sup>2</sup> )	Potential methods <sup>3</sup> (WU/block)	Geochemistry <sup>4</sup> (WU/block)	Minimum Depth <sup>5</sup>	Financial Guarantee – First Period (U\$/WU) <sup>6</sup>
Barreirinhas - <b>SBAR-AR2</b>	1,000	0.16	0.8	0	0	Gr. Canárias	6,000
Campos - <b>SC-AR2 e SC-AR3</b>	1,000	0.16	0.8	0	0	Fm. Macaé	6,000
Espírito Santo (mar) – <b>SES-AR1 e SES-AR2</b>	1,000	0.16	0.8	0	0	Fm. Urucutuca	6,000
Foz do Amazonas - <b>SFZA-AR1 e SFZA-AR2</b>	1,000	0.16	0.8	0	0	Fm. Amapá	6,000
Santos - <b>SS-AR3 e SS-AR4</b>	1,000	0.16	0.8	0	0	Fm. Guarujá	6,000
Campos - <b>SC-AP1</b>	1,000	0.08	0.40	0	0	Fm. Ubatuba/Mb Tamoios	12,000
Pelotas - <b>SP-AP3</b>	1,000	0.08	0.40	0	0	Fm. Imbé	12,000
Santos – <b>SS-AP4</b>	1,000	0.08	0.40	0	0	Fm. Itajaí-açu	12,000
Jequitinhonha - <b>SJ-AP</b>	1,000	0.08	0.40	0	0	Fm. Urucutuca	12,000
Potiguar (terra) - <b>SPOT-T2, SPOT-T3, SPOT-T4 e SPOT-T5</b>	1,000	10	50	10	10	Fm. Açu	1,000
Recôncavo - <b>SREC-T2</b>	1,000	10	50	10	10	Gr. Ilhas	1,000
Espírito Santo (terra) - <b>SES-T2, SES-T4 e SES- T6</b>	1,000	10	50	10	10	Fm. Mariricu	1,000

**Notes:**

1. For compliance with the Minimum Exploration Program, the exploration work listed in this Table will be accepted, converted into Work Units by multiplying the performed physical values (exploration well unit, km of 2D seismic, km<sup>2</sup> of 3D seismic, aeromagnetic, gravimetric and geochemistry surveys) by the value listed in the Table. Non-exclusive surveys authorized by the ANP will only be accepted in accordance with the conditions listed in section 2.1 of this Final Tender Protocol.
2. Extension wells will not be counted for the compliance with the Minimum Exploration Program.
3. For compliance with the Minimum Exploration Program, onshore gravimetric surveys will be accepted, and metric aeromagnetic surveys which cover the entire area of the block. If the two surveys are performed 20 Work Units will be credited.
4. For compliance with the Minimum Exploration Program, geochemistry surveys will be accepted, covering the entire block with a maximum spacing of 800 meters between sampling points with analysis of, at least, the free hydrocarbons content, detailing the concentration of gases and liquids detected.
5. In order to be considered for compliance with the Minimum Exploration Program, the wells must be drilled until they at least reach these lithostratigraphic objectives. However, the ANP may, at its sole discretion, accept other objectives with proven prospects.
6. The indicated values represent the Financial Guarantees values, by WU, for the Minimum Exploration Program of the First Exploration Period. To obtain the Financial Guarantee value of each block, the number of WUs of the Minimum Exploration Program must be multiplied by the value indicated in the Table. The values of the Financial Guarantees for the Second Exploration Period will be defined at the beginning of this Period, based on the costs applicable at that time.

**TABLE 3**  
**REDUCTION FACTORS OF THE NON-EXCLUSIVE SURVEYS FOR COMPLIANCE WITH THE**  
**MINIMUM EXPLORATION PROGRAM OF THE FIRST EXPLORATION PERIOD**

TIME BETWEEN THE ACQUISITION OPERATION START DATE AND THE DATE OF THE REQUEST FOR COMPLIANCE WITH THE MINIMUM EXPLORATION PROGRAM <sup>1</sup>	REDUCTION FACTOR <sup>2</sup>
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
>10 years	0

**Notes:**

1. Only non-exclusive surveys authorized by the ANP will be accepted provided the data acquisition companies have complied with all the data delivery requirements to the Exploration and Production Database (BDEP). For the purposes of accounting for the values to be considered for compliance with the Minimum Exploration Program of the first exploration period, the value of the WUs corresponding to the exploration work performed will be multiplied by the value in the Table, according to the time elapsed between the date of the request for compliance with the Minimum Exploration Program and the data acquisition start date.

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

1. The Concession Agreements will set minimum values for the acquisition of goods and services from local suppliers, expressed as a percentage of the Exploration Phase and Development Stage expenses, as shown in Table 4.

**TABLE 4**  
**MINIMUM MANDATORY PERCENTAGES OF LOCAL INVESTMENTS FOR THE**  
**EXPLORATION PHASE AND DEVELOPMENT STAGE**

Operational qualification for the block	Exploration Phase (Factor E)	Development Stage (Factor D)
A	30%	30%
B	50%	60%
C	70%	70%

**Note:**

1. Exclusively for offshore blocks, the total expenses for acquisition of geophysical data will be excluded from the calculations for assuring compliance with the minimum mandatory local content for the Exploration Phase and Development Stage.

2. In addition to the detailed minimum mandatory percentages shown in Table 4, applicable to all expenses in relation to the operations of the Exploration Phase and Development Stage, respectively, some activities may have additional specific percentages which will be volunteered by the companies during the bidding conference and considered for the purposes of determining the winning bid, in accordance with items 4.4 and 4.6.

### **2.3. Government Participation**

1. The form of Government Participation was established in the Petroleum Law and in Presidential Decree 2.705 of August 3, 1998. This consists of: i) signature bonus, ii)royalty, iii)special participation, and iv)rentals.

2. The royalty rate is 10% (ten percent) of the value of production, although the ANP has the right to lower this, in its sole discretion, to as little as 5% (five percent) to take into account geologic risk, production expectations and/or other relevant factors (such as production in remote areas, non-associated gas, and heavy oil). Special Participation (SP) will be calculated quarterly and is based on the net income from production for each field on an individual basis. The rate applicable will be calculated based on the volume of production, its location (onshore, offshore continental shelf or as a function of water depth) and the year of production (1st, 2nd, 3rd, or 4th and beyond) in accordance with the provisions of Decree 2.705/98 and specific Portarias promulgated by the ANP.

3. Unit values for the annual payment of area surface rentals for the Exploration Phase are defined in Table 1. In the event of extension of the Exploration Phase, if applicable, and for the Development Stage of the Production Phase, the values are double those contained in Table 1. Rentals in the Production Phase are ten times those in the first Exploration Period. The unit values for the payment of rentals are set out in Table 1 and are those in force on 11/30/2002. These are subject to annual indexation by the Índice Geral de Preços-Disponibilidade Interna (IGP-DI) published by the Fundação Getúlio Vargas (FGV), from that date to the date of the execution of the Concession Contract.

### **2.4. Other Duties and Taxes**

1. The Concessionaire will be subject to other duties and taxes in accordance with Brazilian Law. This includes, Article 52 of the Petroleum Law which establishes , a

payment of a percentage between 0.5% and 1% (to be set by the ANP) of the production value to the owner of the land where the production activity takes place.

### **2.5. Import and Export Duties (REPETRO)**

1. Decree 3161 of September 2, 1999, later consolidated by Decree 4543 of December 26, 2002, instituted a customs regime for the import and export of goods intended for the exploration and production of oil and gas (REPETRO) which provides special treatment for certain goods and replacement parts which are made locally and are used in these activities. Normative Rule 4 (Instrução Normativa nº 4) of the Federal Revenue and Customs Secretariat (Secretaria da Receita Federal ) of January 16, 2001, lists the goods subject to REPETRO provisions.

2. In addition, Decree 3787/2001 authorizes the import (before December 31, 2007) of equipment used in oil and gas exploration and production activities under temporary admission regime, with the suspension of import duties (“II”) and industrial products tax (“IPI”).

### **2.6. Investments in Research and Development**

1. Companies which enter into Concession Agreements for each of the Blocks offered in Brasil Round 5, and subsequently move on to discover and develop fields that pay Special Participation (SP), will be required to undertake commitments to the funding of research and development (R&D) in the amount of 1% (one percent) of the gross revenues from such fields subject.

2. Up to 50% of this may be used in the Company’s own R&D facilities within Brazil. The balance must be invested in collaboration with university and/or national R&D institutions registered with the ANP. R&D investments made in excess of the minimum in any one year may be credited against obligations in later years, in accordance with the terms of the Concession Agreement.

### **2.7. Commitment to Acquire Local Goods and Services**

1. As a part of the criteria for the evaluation of bids, Companies or Consortia may offer to commit to acquiring minimum mandatory amounts of goods and services from Brazilian suppliers for specific activities in the Exploration Phase and in the Development Stage of each block awarded. The percentage offered by the winning Companies or Consortia will be incorporated into the Concession Agreement.

## **2.8. Safety Standards**

1. Oil and gas exploration and production activities in the Blocks will be subject to Brazilian Law and the applicable regulations of the ANP, and must comply with the “best practices” of the petroleum industry, particularly with regard to health and safety of human resources, public safety, and preservation of the environment.

## **2.9. Applicable Law**

1. The Concession Agreement will be governed by the laws of the República Federativa do Brasil. Any issue which cannot be settled between the parties will be submitted to arbitration in accordance with Law 9307 of September 23, 1996. The venue for the settlement of any disputes, disagreements, or conflicts arising between the parties in the course of the Concession Agreement will be Rio de Janeiro.

### 3. CONDITIONS FOR PARTICIPATING IN THE BIDDING

1. In order to participate in Brasil Round 5, a company must be individually qualified by completing the following requirements:

- Submission of a formal Expression of Interest, containing all the documents and information described in section 3.2 of this Final Tender Protocol;
- Receiving from the ANP a notice of its technical, legal, and financial qualification; and
- Payment of the appropriate Participation Fee.

2. Once completed, the Company will be considered qualified, being able to bid exclusively for the sector(s) of the basin for which the Participation Fee was paid, in accordance with the provisions of Section 4 of this Final Tender Protocol.

3. A Company which has submitted the Expression of Interest, containing all the documents and information described in section 3.2 of this Final Tender Protocol, at its sole discretion, pay the Participation Fee in advance of submitting its technical, legal, and financial qualification material in order to gain more timely access to the Information Package. In this event, the Company is entirely responsible for assuring itself that it will be able to meet the technical, legal, and financial criteria established by the ANP for the qualification category it desires. The ANP will not reimburse the Participation Fee if a Company later withdraws from the bidding process, does not qualify or fails to receive the Operator category it seeks.

4. Two copies of all documents should be submitted, at the address mentioned in section 3.9 of this Final Tender Protocol. Those which require notarization, consularization and sworn legal translation (if necessary) are shown in section 3.5 of this Final Tender Protocol.

5. No documentation submitted to the ANP will be returned with the exception of any documents necessary for the cancellation of Bid Bonds subsequent to the terms outlined in section 4.3 of this Final Tender Protocol.

#### **3.1. Qualification of Parent or Controlling Company**

1. All documentation submitted should relate to the ultimate parent company which, as in accordance with section 5 of this Final Tender Protocol, may designate an affiliate to sign the Concession Agreement, in the event of success. The ANP may, at its sole discretion, allow the qualification of a significant subsidiary company.

### **3.2. Expression of Interest**

1. The qualification process begins with the submission of the Expression of Interest, which should contain at a minimum the following information along with any other information the Company deems relevant:

- The name of the Company and any persons which hold more than 20% (twenty percent) of the voting capital with the description of their respective participation. The ANP reserves the right to ask for further clarification as to Company ownership/control;
- Power of Attorney for the nomination of the Accredited Representative. Each company participating in Brasil Round 5 must nominate one or more Accredited Representative(s) to represent the company with ANP, to whom all and every correspondence related to Brasil Round 5 will be sent. The Accredited Representative(s) will be nominated by Power of Attorney under the terms of Annex III, signed by the company's Legal Representative. It is advisable that the Accredited Representative is an employee who will be available during the entire bidding process in order to ensure that requests and information sent to him by the ANP will be forwarded to the relevant sectors of the company. It must be emphasized that the signatory of the Concession Agreement does not obligatorily have to be the designated Accredited Representative(s) for the bidding process. This document may be written in Portuguese or in English. If written in English it must be notarized, consularized and translated by a sworn translator;
- The name, title, address, telephone and fax numbers, and e-mail address of the Accredited Representative(s);
- A duly notarized Cover Letter, signed by the Accredited Representative of the Company, certifying that all of the information contained in this Expression of Interest is true and correct. If signed abroad, it must be notarized and consularized in the country of origin, if written in English it must be translated into Portuguese by a sworn translator. If the Expression of Interest is submitted in two or more parts, each part should be accompanied by a Cover Letter; and
- A Confidentiality Agreement (in accordance with Annex IV) signed by the Accredited Representative of the Company. If the Confidentiality Agreement is written in Portuguese, it must be notarized at a local notary's office or an equivalent institution and then consularized at a Brazilian Consulate in the

country of issue. If the document is in English, in addition to the procedures above, it must be translated into Portuguese by a sworn translator. The ANP suggests the translation follows exactly the model in Annex IV of this Final Tender Protocol and reserves the right to refuse translations that do not reflect faithfully the requirements of that model.

2. Expressions of Interest may be submitted during normal business hours at the address listed in section 3.9 of this Final Tender Protocol at any time up to July 17th.

### **3.3. Technical Qualification**

1. Technical qualification of the companies will be based on their respective demonstrated experience in oil and gas exploration and production activities. A Company may seek technical qualification either as:

- Operator; or
- Non-Operator.

2. The qualification type sought should be clearly stated in the Expression of Interest, bearing in mind that qualification as an Operator is required in order to bid alone on a Block. Conversely, a Company qualified as a Non-Operator may participate in Brasil Round 5 in a consortium which has, as Operator, a Company qualified to operate the Block in question.

3. Technical qualification will always be based upon the demonstrated capability of the group controlling the applicant Company. Information supplied should include:

- For Companies that are not in the exploration and production business, or only requiring qualification as a Non-Operator, an overview of their activities in their primary business(es), and the relationship of the applicant Company to its parent company/group; or
- For Companies that seek qualification as an Operator, full information supporting their operating capability. This should include information on areas in the world where current exploration and production activities are conducted, along with current and recent (last five years) production and investment (exploration and production separately) levels. Detailed information should be provided separately by operated and non-operated production, as well as specific reference to the extent and location of the Company's (operated and non-operated) activities.

4. Companies qualified as Operators will be classified in three categories:

- “A” Operator - Company qualified to operate in any Block offered in Brasil Round 5
- “B” Operator - Company qualified to operate in Blocks designated “B” or “C”, as described in Table I under column “Required Technical Qualification; or
- “C” Operator –Company qualified to operate in the Blocks designated as “C”, as described in Table I under column “Required Technical Qualification.

5. The classification of the Company as an Operator “A”, “B”, or “C” will be established from the following parameters:

- Level of oil equivalent production: 1 (one) point will be awarded for each 10,000 barrels per day of oil equivalent production, up to a maximum of 40 (forty) points. Only operated production will be considered;
- Onshore exploration and production operations: 10 (ten) points will be awarded for companies that are involved, as Operator, in onshore exploration and 10 (ten) points will be awarded to companies which have, as Operator, onshore production activities. Companies that are not Operators that can prove their experience in providing technical services to the oil companies will be awarded 5 (five) points for services related to onshore exploration and 5 (five) points for services related to onshore production;
- Offshore exploration and production operations: 15 (fifteen) points will be awarded for companies that are involved, as Operator, in offshore exploration and 15 (fifteen) points will be awarded to companies which have, as Operator, offshore production activities. This criteria will be applied to the exploration blocks or producing fields with 50% (fifty percent) or more of its surface area in water depths 0 (zero) to 400 (four hundred) meters. Companies that are not Operators that can prove their experience in providing technical services to the oil companies will be awarded 5 (five) points for services related to offshore exploration and 5 (five) points for services related to offshore production;
- Exploration and production operations in deep and ultra-deep waters: 10 (ten) points will be awarded for companies that are involved, as Operator, in deepwater offshore exploration and 10 (ten) points will be awarded to companies which have, as Operator, deepwater offshore production activities. This criteria will be applied to the exploration blocks or producing

fields with 50% (fifty percent) or more of its surface area in water depths greater than 400 meters;

- Exploration and production operations in adverse (hostile or difficult) environments: 20 (twenty) points will be awarded to companies that can provide evidence of their experience in adverse environments (for example, drilling in high pressure and temperature conditions, activities in remote areas and production of heavy oils will be considered under this criterion;
- Experience with operations in environmentally sensitive areas: 10 (ten) points will be awarded to companies that can provide evidence of their experience in environmentally sensitive areas and present a track-record of care for the environment. Point deduction can be considered in this criterion, up to a maximum of –160 (minus one hundred and sixty) points ;
- Overall experience in international operations: companies that can prove their operational experience of exploration and production of oil and natural gas in 3 (three) or more continents will be awarded 20 (twenty) points. Companies with proven services to oil and gas or energy related activities in 3 (three) or more continents will be awarded 10 (ten) points. The following are considered separate continents to Latin America and the Caribbean– North America, Africa, Europe, Asia and Oceania;

6. Companies that do not have demonstrable operating experience, but who nevertheless wish to be considered for “B” or “C” operator classification, should submit detailed curriculum vitae for employees with relevant exploration and production operating experience detailing their engagement arrangements with the company. The number of professionals, their experience in oil and gas related activities and the nature of their relationship to the company (service contractor, temporary contract, part-time dedication, exclusive dedication, etc.) will be taken into consideration. 5 (five) levels of points will apply – 30 (thirty), 20 (twenty), 10 (ten), 5 (five) and 0 (zero) based on the quality of the technical group. 30 (thirty) points will be awarded for a professional team considered “excellent”, 20 (twenty) points for a professional team considered “very good”, 10 (ten) points for a professional team considered “good”, 5 (five) points for a professional team considered “average” and 0 (zero) points for a professional team considered “inadequate”.

7. For the purposes of categorizing each company’s technical qualification, the following criteria will apply:

- From 1 (one) to 29 (twenty-nine) points: “C” Operator
- From 30 (thirty) to 99 (ninety-nine) points: “B” Operator
- 100 (one hundred) points or more: “A” Operator

8. In the interest of minimizing the required time for the technical qualification process, the ANP suggests that the information be concise, clear and objective, and focused to that which is solicited by the ANP or other factors relevant to evaluation of the technical qualification. The ANP reserves the right to seek such additional information as it deems necessary.

9. Companies must submit a technical summary of one to two pages of the technical submission, warranting clearly that it is a fair and true summary of the technical information submitted. This summary must be signed by the Accredited Representative of the company and properly notarized. If submitted in English, the document must be notarized, certified by the relevant Brazilian consulate, and translated in Brazil by a sworn legal translator. Detailed technical information may be submitted in English or Portuguese without any requirement for notarization, consular certification or translation.

### **3.4. Financial Qualification**

1. Financial qualification for companies interested in participating in Brasil Round 5 will be established based on the following parameters:

- Consolidated financial statements for the applicant Company (the one that is to provide the guarantees required under the Concession Agreement). These statements should be audited (by an independent auditor), and complete with accompanying notes for the last three years;
- The auditor’s opinion letter referencing the financial statements of the company, signed by an independent public accountant, certifying that the documents reflect the real condition of the company and have been prepared in accordance with the relevant accounting and reporting standards. If prepared in English, the document must be notarized, certified by the relevant Brazilian consulate, and translated in Brazil by a sworn legal translator;
- In the case of state-owned companies from countries where legislation prohibits audit of the company by an independent auditor, a notarized opinion letter referencing the financial statements of the company, signed by a certified public accountant, certifying that the documents reflect the real condition of the

company and have been prepared in accordance with the relevant accounting and reporting standards. In this case, the company will need to include a legal certification from two lawyers independent of the company, working in the country where the law applies, certifying the prohibition and the validity of the substitute declaration attached to a certificate confirming the lawyers accreditation at his/hers specific Professional Organization. If prepared in a language other than Portuguese, the document must be notarized, certified by the relevant Brazilian consulate, and translated into Portuguese in Brazil by a sworn legal translator;

- The applicant Company's present and historical credit rating from Standard & Poors Rating Services and/or Moody's Investor Services ratings, if available, or lines of credit, credit agreements, and any other bank reference;
- Description of long-term debt, including major lease obligations, and identification of major assets which are the subject of financial security arrangements;
- Description of any material contingent liabilities or obligations not reflected on the Company's Balance Sheet and accompanying notes which may impact the future activities of the Company;
- Details of medium-term plans, if these are expected to materially alter the financial status of the Company; and
- Any additional information supporting the financial capacity of the applicant.

2. Financially qualified companies will be responsible for providing the Financial and Performance Guarantees required in the Concession Agreement. If prepared in English, the Performance Guarantees must be notarized, certified by the relevant Brazilian consulate, and translated in Brazil by a sworn legal translator.

3. Companies with less than the equivalent of R\$20,000,000 (twenty million Reals) of shareholder equity will not be qualified to operate "A" or "B" Blocks, listed in Table 1.

4. In no event will it be possible to qualify companies with less than R\$1,000,000 (one million Reals) of shareholder equity.

5. Companies wishing to participate in the bidding for "C" Blocks must have the equivalent of a minimum of R\$3,000,000 (three million Reals) of shareholder equity. However, Companies with minimum shareholder equity of R\$1,000,000 (one million Reals) may be qualified to participate in the bidding for the "C" Blocks provided they bid within a Consortium in which the aggregate shareholder equity for the Companies within the Consortium is greater than R\$3,000,000 (three million Reals).

6. The ANP will be the sole arbiter of what constitutes shareholder equity.

### **3.5. Legal Qualification**

1. In order to secure legal qualification for this process, the following documents (or equivalent) must be submitted:

- Delivery of documents and information required in the Expression of Interest, according to Section 3.2 of this Final Tender Protocol;
- A notarized complete copy of the Articles of Incorporation and By-laws of the applicant Company registered with the Business Registry (or equivalent competent body) in the place of incorporation; and
- An express declaration by the Company's Accredited Representative that there are no pending litigation, legal proceedings or other circumstances which may lead to the failure or bankruptcy of the Company.

2. Participants from other countries should present, along with the documents listed above, the following:

- Proof that the Company is legally constituted, organized and functions according to the laws of its home country;
- An undertaking that, in the event the Company is successful in the bidding, it will constitute a company with its headquarters and management in Brazil according to Brazilian laws.

3. The documents that must be notarized, consularized, and translated are indicated in Table 5.

Table 5 – Formalization of Documentation for Qualification

Type of Document	Document	Mandatory	Notarized	Foreign Companies	
				Certified by a Brazilian Consulate (when notarized abroad)	Translated by a sworn translator in Brazil (only when written in a foreign idiom)
Formal Documents (Foreign Companies should submit in the original language accompanied by the sworn translation.)	Articles of Incorporation	v	v	v	v
	By-laws	v	v	v	v
	Opinion of Independent Auditor	v	v	v	v
Brasil Round 5 Specific Documents (Only in Portuguese or English, according to models provided by the ANP)	Cover Letter	v	v	v	v
	Power of Attorney	v	v	v	v
	Confidentiality Agreement	v	v	v	v
“Free form” Documents (Only in Portuguese or English)	Technical Summary (1-2 pages)	(only for operators)	v	v	v
	Declaration confirming validity of documents presented in previous Rounds	Only for companies that participated in previous Rounds	v	v	v
Support Documents (only in Portuguese or English)	Technical Information	(Only for Operators)	<b>Formalization not required</b>		
	Financial Information	v			

### **3.6. Data and Information Packages**

1. Fully digital Information Packages have been prepared for each Basin and the respective Blocks offered in Brasil Round 5. In total, there are 12 Data and Information Packages covering the basin sectors listed in Table 6.

2. Each package is a set of regional data, including seismic lines and selected wells for each sector or group of sectors.

3. It should be noted that the type, quantity, and quality of the data in the Information Package will vary, not only between basins and Blocks, but also between sectors within the same basin. However, the generic contents for each Data and Information Package, when available, will be along the following lines:

#### **General Information:**

- Geological setting and overview such as: geological description, stratigraphic column, schematic cross-section, etc and other pertinent information.

#### **Location Maps**

- Basin map with Block locations;
- Basin maps showing division of sectors;
- Block maps with well locations and seismic coverage detailing the data included in the Data and Information Packages and the additional data existing in the Exploration and Production Database – BDEP;
- Regional framework structure map;
- Regional gravimetric and magnetic maps (most basins have coverage, although not always over the distal/deep waters Blocks);

#### **Seismic Data**

- Regional seismic data in standard SEG Y format;

#### **Well Data**

- Composite logs for all wells included in the Data and Information Package;
- All log curves for wells included in the Data and Information Package.
- Geochemistry Data, when available:

- Well files including geological (paleontological, core analyses, sedimentology, geochemistry, etc.) drilling (program, fluids, casing, cementing, etc.), and production (, completions, testing, logging, fluid sample analyses, etc.) data and other relevant information.

4. Part of the information provided in the Information Package is also provided in English, however some data (e.g. well files) will only be available in Portuguese.

5. The Data and Information Packages may only be retrieved by the Accredited Representative(s), or their designee(s), of the Companies who have delivered the Expression of Interest with the respective Confidentiality Agreement and Power of Attorney, according to Section 3.2, and after the payment of the appropriate Participation Fee (described in Section 3.7) of this Final Tender Protocol). The Accredited Representative or its designee must present personal document of identification, as well as the receipt sent by the ANP confirming payment of the Participation Fee and authorizing the retrieval of the Information Package.

6. The Data and Information Packages can be retrieved from March 13<sup>th</sup>, 2003 up to August 18<sup>th</sup>, 2003, from 9:00 to 11:45 AM and from 2:00 PM to 5:00 PM, at the following address:

Agência Nacional do Petróleo  
Licensing Rounds Promotion  
Rua Senador Dantas, 105, 11<sup>o</sup> andar  
Rio de Janeiro-RJ, Brazil

7. A quota of data, determined by the ANP will be provided to those companies that have paid the Participation Fees, which will be chosen exclusively in the basin sector(s) for which the participation fees has been paid. This quota shall be requested only by the Accredited Representative(s), by fax, letter or e-mail sent to the addresses mentioned in Section 6.1 of this Final Tender Protocol, following the procedures described in Annex II.

8. Table 6 details the maximum limits for the request of the quotas of data by the companies that pay the participation fees for each sector or group of sectors. Additional

data that are in excess of the quota may be obtained from the BDEP, according to the directions for use available on the web page <http://www.bdep.gov.br/>.

9. The well data in the quota of data is exclusively log curves, composed logs and well files.

10. All seismic lines requested as part of the quota of data will be entirely recovered (without cuts).

11. Georeferenced projects containing the position of the wells and the seismic lines available in the BDEP will be available in the Data and Information Package and may be requested as part of the quota of data for a determined sector or group of sectors.

**TABLE 6**  
**QUOTA OF DATA TO BE RETRIEVED FROM THE BDEP**

Basin	Sector(s)	Client Room (hours)	Wells	km of seismic lines post-stack 2D
<b>ONSHORE</b>				
Potiguar	SPOT-T2, SPOT-T3, SPOT-T4 e SPOT-T5	2	30	0
Recôncavo	SREC-T2	2	10	0
Espírito Santo	SES-T2, SES-T4 e SES-T6	2	20	0
<b>OFFSHORE</b>				
Barreirinhas	SBAR-AR2	2	0	1,500
Campos	SC-AR2 e SC-AR3	3	0	3,500
Campos	SC-AP1	2	0	1,500
Espírito Santo	SES-AR1 e SES-AR2	3	0	3,000
Foz do Amazonas	SFZA-AR1 e SFZA-AR2	3	0	1,000
Jequitinhonha	SJ-AP	2	0	1,000
Pelotas	SP-AP3	2	0	2,000
Santos	SS-AR3 e SS-AR4	3	0	4,500
Santos	SS-AP4	2	0	3,000

### 3.7. Participation Fees

1. Along with securing the technical, financial, and legal qualifications previously described, in order to take part in Brasil Round 5, Companies must pay a Participation Fee

which varies according to the basin where the Blocks are located. Such Fees may be paid by sector or group of sectors, exclusively according to the details in Table 7. Companies may only submit bids for Blocks located in the basin sectors for which they have paid Participation Fees. The Participation Fees are shown in Table 7. The Information Packages referred to in Section 0 of this Final Tender Protocol document will be made available to the Companies after payment of the Participation Fee and execution of the Expression of Interest described in Section 3.2 of this Final Tender Protocol.

2. Participation Fees may be paid in Reals. The amount will be equivalent to the US Dollars amount converted at the official “sell” exchange rate (BACEN/Ptax venda) published by the Central Bank one working day prior to the payment.

3. Companies who have paid Participation Fees for basin sectors or group of sectors, may later pay additional Participation Fees for other basin sectors. The payment of a Participation Fee for individual blocks in each basin sector or for groups of sectors other than those listed in Table 7 will not be permitted under any circumstances.

4. Companies are required to pay the appropriate Participation Fee whether bidding alone or in a Consortium. Instructions for the payment of the Participation Fee are attached as Annex II.

5. The Participation Fee will not be, under any circumstances, returned or substituted.

**TABLE 7**  
**GROUPS OF DATA PACKAGES AND PARTICIPATION FEES**

Basin	Sector(s)	Participation Fee (US\$) (Up to 31/May/2003)	Participation Fee (US\$) (By or up to 1/June/2003)
<b>ONSHORE</b>			
Potiguar	SPOT-T2, SPOT-T3, SPOT-T4 e SPOT-T5	7,000	8,750
Recôncavo	SREC-T2	7,000	8,750
Espírito Santo	SES-T2, SES-T4 e SES-T6	7,000	8,750
<b>OFFSHORE</b>			
Barreirinhas	SBAR-AR2	20,000	25,000
Campos	SC-AR2 e SC-AR3	25,000	31,250
Campos	SC-AP1	50,000	62,500
Espírito Santo	SES-AR1 e SES-AR2	20,000	25,000
Foz do Amazonas	SFZA-AR1 e SFZA-AR2	20,000	25,000
Jequitinhonha	SJ-AP	40,000	50,000
Pelotas	SP-AP3	40,000	50,000
Santos	SS-AR3 e SS-AR4	25,000	31,250
Santos	SS-AP4	50,000	62,500
<b>ALL SECTORS</b>		311,000	388,750

**Notes:**

1. The above values refer to the sector or group of sectors mentioned in the table, as the case may be.
2. For payments on or after June 1<sup>st</sup>, 2003, the payment fee will increase by 25%.

**3.8. Companies Qualified in Previous ANP Licensing Rounds**

1. Companies which were qualified to participate in previous Rounds can follow a simplified qualification process and should present the following documents:

- A formal Expression of Interest, including all the documents and information mentioned in section 3.2 of this Final Tender Protocol;
- The most recent financial documentation available in accordance with section 3.4 of this Final Tender Protocol;
- Supplementary information which should contain updated Company accounts and financial statements, as well as an explicit statement signed by the Accredited Representative of the Company for Brasil Round 5 to the effect that the documents

and information presented for participation in one of the previous Rounds remain valid and have not materially changed since they were submitted to the ANP. Where there has been material change, updated versions of all such documents must be submitted and in compliance with the formalization requirements described in Table 5.

- Express declaration by the Company's Accredited Representative in respect to all relevant pending litigation or legal proceedings including those which may lead to the failure, receivership or bankruptcy of the Company or any other event that can affect the Company's good financial standing.

2. The ANP may, at its sole discretion, require clarification and/additional documents from Companies qualified in previous Rounds, as well as to revise the technical qualification obtained. Qualification in any previous Round does not guarantee qualification for Brasil Round 5.

### **3.9. Deadlines and locations for delivering qualification documents**

1. Qualification documents will be accepted up to 5:00 p.m. (Brasilia time), 15 days after the publication of the Final Tender Protocol, at the following address:

Brasil Round 5  
Agência Nacional do Petróleo  
Superintendência de Promoção de Licitações  
Rua Senador Dantas 105, 11o Andar  
20031-201 Rio de Janeiro, RJ, Brasil

2. In exceptional circumstances, Companies may apply to change their designated Accredited Representative(s) after the above deadline by submitting a new Power of Attorney (in accordance with Annex III) and providing the ANP with suitable justification for the revision. Acceptance of this change will be at the sole discretion of the ANP.

### **3.10. Consortia**

1. In order to participate in Brasil Round 5, all Companies must be qualified individually. Qualified Companies will be free to form bidding Consortia up to the deadline for submission of bids for each Block. The only restrictions that will apply are:

- Each Consortium must contain a Company qualified as an Operator for the Block in question;
- The Operator must have a minimum 30% interest in the Consortium;
- The minimum interest that may be held by an applicant in a Consortium is 5%;
- As required in Law 9478 (Article 38, Paragraph IV), no Company, nor any of its affiliates or otherwise related companies, will be permitted to make more than one bid for the same Block, whether individually or in Consortia. A Company and its affiliates may, however, participate in other Consortia in order to make an offer for different Blocks.
- Evidence of a formal undertaking to form a Consortium, signed by all members of the Consortium, will conform to the form on the bidding envelope provided by the ANP. Bids for the Blocks must be delivered in these envelopes.

2. In the event a Company wishes to withdraw from a Consortium following submission of a successful bid but before signing the Concession Agreement, the remaining Consortium member(s) must assume the obligation of the withdrawing Company. In no circumstances will new Companies be permitted into the Consortium during this period.

### **3.11. Non-Disclosure Undertaking on the Part of the ANP**

1. The ANP commits to keep the identification of the participating companies confidential throughout the entire qualification process for Brasil Round 5. Documents submitted by the Companies will be considered permanently to be of a confidential nature and will not be disclosed except where authorized in writing by the relevant Accredited Representative pursuant to section 3.12 of this Final Tender Protocol, or where required under Brazilian law.

### **3.12. Disclosure of Information**

1. Companies who have qualified technically and who have paid the Participation Fee may request the ANP to disclose, on the Brasil Round 5 web-site ([www.Brasil-Rounds.gov.br](http://www.Brasil-Rounds.gov.br)), certain information about the Company and the basins in which they may be interested. The form to effect this disclosure, which must be signed by the Accredited Representative of the Company, is attached as Annex V.

### **3.13. Notification of Qualification**

1. Companies who submit technical qualification information (either on its own or along with financial and legal information) will have their qualification reviewed as soon as possible. The ANP expects to advise the results to the submitting Companies within 21 working days of submission. Generally, technical qualification will be dealt with ahead of legal and financial qualification.

2. As it may be necessary in some cases to seek clarification on various points, notification will not necessarily be based on the order in which Expressions of Interest are received by the ANP.

### **3.14. Qualification**

1. Companies who have paid the Participation Fee and received technical, financial and legal qualification notice from the ANP are eligible to present bids individually or in consortia in Brasil Round 5.

2. The decision as to whether and how to qualify an applicant will be made by the ANP through the Comissão Especial de Licitação (Special Licensing Committee or “CEL”) designated by the ANP’s Board of Directors.

### **3.15. Disqualification**

1. The qualification of prospective bidders may be cancelled in the following circumstances:

- Declaration of bankruptcy, dissolution, or sale of the Company;
- At the request of the Company;
- Proven misrepresentation by the Company;

- Failure to comply with the conditions of this bidding process; or
- Any illegal act proved in a court of law.

## 4. BIDDING STAGE

### 4.1 Bidding Schedule and Location

#### **Monday August 18<sup>th</sup>, 2003**

**4:00<sup>pm</sup> to 6:00<sup>pm</sup> hours** - Registration available for participants (collect badges).

#### **Tuesday August 19<sup>th</sup>, 2003**

**7:30<sup>am</sup>** - Registration available for participants. Registration will remain open until the Bidding Session for the first day is concluded.

**08:45<sup>am</sup>** - Commence Bidding Session for Brasil Round 5.

**09:00<sup>am</sup>** - Commence accepting bids for SJ-AP Sector, followed by the other Sectors according to the sequence below. The President of the Special Tender Committee will determine the point at which bidding on August 19th will cease for continuation on August 20th, observing strictly the sequence established herein.

#### **Wednesday August 20<sup>th</sup>, 2003**

**08:00<sup>am</sup>** - Registration available for participants. Registration will remain open until the Bidding Process is concluded.

**09:00<sup>am</sup>** - Commence accepting bids in strict conformity with the sequence below starting with the Block immediately following the last Section offered on August 19<sup>th</sup>.

### Sequence of Bidding:

SJ-AP
SPOT-T5
SS-AR4
SES-T6
SES-AR2
SPOT-T4
SC-AP1
SP-AP3
SES-T4
SS-AP4
SC-AR2
SPOT-T3
SFZA-AR1
SS-AR3
SREC-T2
SFZA-AR2
SC-AR3
SES-T2
SBAR-AR2
SPOT-T2
SES-AR1

The bidding process described in this Final Tender Protocol will take place at the following location:

#### **Hotel Sheraton Rio**

Av. Niemeyer 121

CEP 22450-220

Rio de Janeiro – RJ

#### **4.2 Bid Bond**

1. In order to guarantee the winning bidder's obligation to sign the Concession Agreement for the relevant Block(s), each Company or Consortium should present to the ANP Bid Bonds for each Block on which the Company presents a Bid. Such Bid Bonds must be presented before the date for the submission of Bids. The Bid Bonds will be in the amount of US\$20,000 (twenty thousand United States Dollars) for offshore blocks and in

the amount of US\$2,000 (two thousand United States Dollars) for onshore blocks. These Bid Bonds, in the form of a credit letter, must be delivered to the ANP up to 08/15/2003, as established in Annexes VII and VIII of this Final Tender Protocol.

2. In the case of a Consortium, the Bid Bond can be provided by any of the Companies in the Consortium, in which case the Bid Envelope should indicate whose Bid Bond will be used by the Consortium to guarantee the execution of the Concession Agreement for the Block being offered.

3. Companies may present Bid Bonds in any number and value they wish. During the bidding, the value of the Bid Bonds for blocks awarded to the winning Company and for which the Company has presented the Bid Bond, will be deducted from the value of the Bid Bond(s) presented by the Company.

4. Companies or Consortia that intend to present Bids for more than one Block must ensure that they have Bid Bonds of a sufficient value, in order not be limited in their capacity to present Bids.

5. If, during the bidding, a company has already used a Bid Bond to guarantee the winning bid of any Block, the company may deliver additional Bid Bonds to the ANP for any other Block it intends to dispute. This delivery may be made up to one hour before the bidding for the intended Block, in order to allow the ANP to verify if the Bid Bond presented is in accordance with Annexes VII and VIII of this Final Tender Protocol and the issuing bank or financial institution satisfies the criteria defined in this Final Tender Protocol. The ANP is not responsible for any eventual impediment to the company presenting a bid for a Block, if the Bid Bond is not delivered in time to allow the above mentioned verification.

6. Bid Bonds will take the form of Letters of Credit issued by a bank or financial institution which has net equity of at least R\$500,000,000 (five hundred million Reals), or which has obtained an "A" or higher classification in Standard & Poor's Ratings Group or Moody's Investors Service, Inc. publications. .

7. The Bid Bonds that were not used to guarantee winning bids will be returned the week following the Bidding Round, along with all other documentation necessary for their cancellation. Any other documentation sent to the ANP will not be returned. The used Bid Bonds, even those of partial value, will be returned only after the signing of the Concession Agreements.

8. The ANP may draw on the Bid Bond in the following circumstances:

- The winning Company, or any participating Company in the winning Consortium, or an affiliated Company of the Company or winning Consortium does not sign the Concession Agreement before the deadline established in this Final Tender Protocol ;
- The Letter of Credit for the Minimum Exploration Program is not provided to the ANP before the date to be specified in this Final Tender Protocol, thus precluding signing the Concession Agreement;
- The Signature Bonus is not paid before the date, to be specified in this Final Tender Protocol, for signing the Concession Agreement; or
- In the case of an affiliate signing the Concession Agreement, if a winning company or consortium does not present a Guarantee of Performance for that affiliate in accordance with the form and conditions established in Annex XI or in Annex XII of this Final Tender Protocol.

9. If none of the foregoing events occur, the ANP will return the Bid Bond to the Company that presented it, along with the documentation necessary for its cancellation.

#### **4.3 Bidding Process**

1. The Bidding Process and the determining of the winning bid will be guided by the following rules:

- Bids for a specific block can be presented by any Company that is qualified as Operator for the block, or by any Consortium where all of the members are individually qualified for the referenced block and where the leader of the Consortium is qualified as Operator for the block;
- Bids will be individual for each block offered. Bids for groups of blocks will not be accepted;
- Each Company or Consortium presenting bids for blocks in a determined sector will deliver an envelope containing the individual bids for each block in the sector for which the company wished to bid. If the same Company presents bids in different consortia for blocks in the same sector, the bid must be presented in a separate envelope;

- No Company can make more than one bid for the same block whether individually or in a consortium. Such limitation is also extended to its affiliates;
- The Special Tender Committee (CEL) will review the completion of the bid envelope forms and, at its sole discretion, ask for any required corrections;
- The bid envelopes will be opened immediately following the deadline for their submission and review by the Special Licensing Committee;
- The winning bidder for each block in a determined sector of the basin will be known before bids are submitted for the next sector;
- The bidding process will be carried out in a transparent and public manner;
- The bids will conform directly to the instructions contained in this Final Tender Protocol and in the Final Tender Protocol.

#### **4.4 Signature Bonus**

1. The Signature Bonus cannot be less than the established minimum bonus. For the Blocks designated for “C” Operators, the minimum Signature Bonus will be R\$10,000 (ten thousand Brazilian Reals). For the Blocks designated for “B” Operators, the minimum Signature Bonus will be R\$20,000 (twenty thousand Brazilian Reals). For the Blocks designated for “A” Operators, the minimum Signature Bonus will be R\$100,000 (one hundred thousand Brazilian Reals). Bids submitted for less than these minimum levels will be disqualified.

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

1. In addition to the minimum mandatory commitment for Local Investments in the Exploration Phase and Development Stage described in 2.2 (“Local Content”), a commitment to acquire local goods and services in the Exploration Phase and Development Stage will be considered in the evaluation of the bids, as detailed in the Concession Agreement.

2. The Local Goods and Services offers will be split into categories, each category consists of an operation, as shown in sections 4.7.3 and 4.7.4.

3. With the exclusive objective of following up the process in the future, each bid to be presented will obligatorily contain a declaration from the company or consortium, detailing the projections for local investments during the Exploration Phase and Development Stage in accordance with section 4.9.

#### **4.6 Minimum Exploration Program**

1. The Minimum Exploration Program offered, expressed in Work Units (WUs), to be entirely complied with during the First Exploration Period, exclusively in the area of the Block on offer will also be taken into account in the evaluation of the bids. The accepted exploration work and the table of comparison of WUs, with the respective Bid Bond values for the Minimum Exploration Program, is found in Table 2.

2. Minimum Exploration Programs with values equal to zero will not be accepted. The presentation of bids of this nature will cause disqualification of the bid. Only Minimum Exploration Programs expressed in whole numbers of Work Units will be accepted.

#### **4.7 Evaluation of Bids**

1. The evaluation of the bids will be made by attributing points and weights, as follows:

##### **4.7.1 Signature Bonus**

1. The Signature Bonus will have a weight of 30 (thirty) for the calculation of the final score

2. The Signature Bonus cannot be less than the minimum value established in section 4.4. Any bid lower than the minimum value will be disqualified.

$$\text{Score A} = [(\text{Offered Bonus}) / (\text{Largest Offered Bonus})] \times 30$$

##### **4.7.2 Minimum Exploration Program**

1. A weight of 30 (thirty) will be given to the minimum exploratory period for the calculation of the final score.

2. The First Exploration Period requires the commitment of the concessionaires to a Minimum Exploration Program, expressed in integers of Working Units (WUs). The offered WUs will be included in the Concession Agreement. The offered WUs must be executed as

equivalent exploratory work during the First Exploration Period, as shown in Table 2. Bids with a Minimum Exploration Program equal to zero will cause the bid to be disqualified.

$$\text{Score B} = \left[ \frac{\text{Exploration Program Offered, in WUs}}{\text{value of the highest Exploration Program offered, in WUs}} \right] \times 30$$

#### 4.7.3 Commitment to Acquire Local Goods and Services in the Exploration Phase

1. The minimum mandatory percentage of local content described in Table 4 (Factor E) will be applicable to the expenses relating to the Concession Agreement in the Exploration Phase. Additional specific commitments will be considered for the purpose of judging the bids and will be added to the minimum values established in Table 4 and will be inserted as additional obligations in the Concession Agreement. Bids less than the minimum mandatory value will be disqualified.

2. The score attributed for the offered commitment percentages in the Exploration Phase will be based on the PEXP index, which is calculated for each bid item by:

$$\text{PEXP} = (\text{Minimum Exploration Program Offered, in WUs}) \times \left[ \frac{\text{Percentage offered of Local Goods and Services}}{\text{Factor E}} \right]^2 - 0,8$$

3. For offshore blocks, the bid will consist of two percentage values expressed in integers which will represent the minimum commitment with local suppliers of goods and services for:

- i) Geological and geophysical data processing and interpretation operations;  
and
- ii) Well drilling, evaluation and completion.

4. The score for the commitment for the acquisition of local goods and services for the Exploration Phase in offshore blocks will have a weight of 15 (fifteen) The final grade will be divided in accordance with items i and ii described above. The weight for item i is seven and the weight for item ii is eight.

5. The score for each item consists of:

**Score C = [PEXP i offered / value of the highest PEXP i offered] x 7**

**Score D = [PEXP ii offered / value of the highest PEXP ii offered] x 8**

6. For onshore blocks, the bid consists of three percentage values expressed in integers detailing the minimum commitment with local suppliers of goods and services for:

- i) Geological and geophysical data acquisition operations;
- ii) Geological and geophysical data processing and interpretation operations;  
and
- iii) Well drilling, appraisal and completion.

7- The score for the commitment to acquire local goods and services for the Exploratory Phase in onshore blocks will have a weight of 15 (fifteen), which for the final score will be divided in accordance with items i, ii and iii described above. The weight for items i and ii is 4 (four) and item iii has a weight of 7 (seven).

8. The score for each item will be obtained by:

**Score E = [PEXP i offered / value of the highest PEXP i offered] x 4**

**Score F = [PEXP ii offered / value of the highest ii offered] x 4**

**Score G = [PEXP iii offered / value of the highest PEXP iii offered] x 7**

9. Compliance with the additional specific percentages, offered for the evaluation of the bids, is mandatory, independent of and in addition to the minimum mandatory percentage of local content as described in Table 4.

#### **4.7.4 Commitment to Acquire Local Goods and Services in the Development Stage**

1. The minimum mandatory percentage of local content described in Table 4 (Factor D) will be applicable to the expenses relating to the Concession Agreement in the Development Stage. Additional specific commitments will be considered for the purpose of judging the bids and will be added to the minimum values established in Table 4 and will be inserted as additional obligations in the Concession Agreement. Bids less than the minimum mandatory value will be disqualified.

2. The score attributed to the percentages of commitment offered in the Development Stage will be based on the PDEV index, which is calculated for each bid item, as follows:

$$\text{PDEV} = (\text{Percentage of Local Goods and Services Offered} / \text{Factor D})^5 - 0,5$$

3. For offshore blocks, the bid will consist of two percentages expressed in integers, detailing the minimum commitment with local suppliers of goods and services for:

- i) Services of detailing engineering design;
- ii) Well drilling, completion, evaluation, construction and assembly of the platform (production unit), process and utility facilities, production collection system (pipelines, production risers and subsea equipment) and production transfer system.

4. The final score for the commitment to acquire local goods and services for the Development Stage in offshore blocks will receive a weight of 25 (twenty five), which will be divided according to items i and ii described above. Item i will receive a weight of 7 (seven) and item ii a weight of 18 (eighteen).

5. Each score will be calculated as follows:

$$\text{Grade H} = [\text{PDEV i} / \text{value of the highest PDEV i offered}] \times 7$$

$$\text{Score I} = [\text{PDEV ii} / \text{value of the highest PDEV ii offered}] \times 18$$

6. For onshore blocks, the bid will consist of two integers expressed in percentages, detailing the minimum commitment with local suppliers of goods and services for:

- i) detailing engineering design;
- ii) Well drilling, completion, evaluation, separation and storage facilities, fluid treatment units and production gathering system.

7. The score for the commitment to acquire local goods and services for the Development Stage in onshore blocks will have a weight of 25 (twenty-five), which, for the

final score will be divided according to the items i and ii described above. Item i will have a weight of 7 (seven) and item ii a weight of 18 (eighteen).

8. The score for each item will be obtained as follows:

$$\text{Score J} = [\text{PDEV i} / \text{value of the highest PDEV i offered}] \times 7$$

$$\text{Score L} = [\text{PDEV ii} / \text{value of the highest PDEV ii offered}] \times 18$$

9. Compliance with the additional specific percentages, offered for the evaluation of the bids, is mandatory, independent of and in addition to the minimum mandatory percentage of local content as described in Table 4.

#### 4.7.5 Participants' Final Score

1. For onshore blocks:

$$\text{Final Score} = \text{Score A} + \text{Score B} + \text{Score E} + \text{Score F} + \text{Score G} + \text{Score J} + \text{Score L}$$

2. For offshore blocks:

$$\text{Final Score} = \text{Score A} + \text{Score B} + \text{Score C} + \text{Score D} + \text{Score H} + \text{Score I}$$

3. The scores are calculated to 5 (five) decimal. The values beyond the sixth decimal are not considered. The final score is calculated by the sum of the scores, as applicable. The final score is converted to 4 (four) decimals. When the fifth decimal is equal to or greater than 5 (five), the fourth decimal of the final score is converted to the first value above.

4. The bids will be classified in decreasing score order, the participant whose bid receives the highest score will be declared the winner.

5. CEL will evaluate and classify the bids, strictly conforming to the criteria set out in this Final Tender Protocol and in Law number 9.478/97 (Lei nº 9.478/97).

6. When two or more participants receive the same score and the provisions of the 42nd article of Law 9.478/97 (art. 42 da Lei nº 9.478/97) are not applicable, a new time limit will be established for participants to submit new bids. Under no circumstances the bids can be lower than the preceding ones, neither for the signature bonus nor for the

percentage for the acquisition of local goods and services and the Minimum Exploration Program. The time for presenting the new bids will be defined by CEL's Chairman. If the participants do not present new bids or in the case of another draw, a new winner will be chosen by drawing names, done publicly at a specific time and place which is going to be, established by the CEL.

#### **4.8 Bidding submission restrictions**

1. Exclusively for the sectors in the basins listed in Table 8, companies are limited to submitting bids, as operators, for a maximum of 2 (two) blocks in these sectors. This restriction also applies to affiliated companies.

2. There will be no restrictions, for the sectors listed in Table 8, for companies which submit bids in consortia, as non-operators, even if these companies submit the maximum number of bids, as operators, for these sectors.

3. Submission of a greater number of bids to that listed in Table 8 will disqualify all the bids submitted by the company, as an operator, for the listed sector.

**TABLE 8  
BIDDING SUBMISSION RESTRICTIONS**

<b>Basin</b>	<b>Sector</b>	<b>Maximum number of bids per operator</b>
Espírito Santo (onshore)	SES-T4	2
Espírito Santo (onshore)	SES-T6	2
Recôncavo	SREC-T2	2
Potiguar	SPOT-T2	2
Potiguar	SPOT-T3	2
Potiguar	SPOT-T4	2
Potiguar	SPOT-T5	2

#### **4.9 Detailed description of local goods and services acquisition plans**

1. In order for ANP to monitor the local suppliers' effective delivery of goods and services, each bid must be accompanied by a declaration from the bidding company or consortia, describing the local goods and services acquisition plan, for bidding conference and future compliance with the minimum mandatory commitments and specific additional commitments for local content.

2. This declaration will be completed on a standard form supplied by ANP, containing the information shown in ANNEX VI

#### **4.10 Fines for non-compliance with the minimum mandatory percentage of local content**

1. The compulsory minimum obligations for local goods and services (Table 4), as well as specific additional obligations offered for the judging of the bids, must be fully complied with.

2. According to the Concession Agreement, the non-compliance with the minimum mandatory percentages and additional specific percentages will imply the imposition of fines proportional to the value that would have been necessary to attain the percentage of local content offered.

3. For values of local content below the mandatory values shown in Table 4, the fine will be 50% (fifty percent) of the value which would have been necessary to reach the minimum mandatory percentage of Local Investments during Exploration Phase or The Development Stage.

4. For additional specific obligations offered above the mandatory minimum values established in Table 4, for judging purposes, the fine will be 20% (twenty percent) of the value which would have been necessary to reach the offered percentage of Local Investments during the Exploration Phase or Development Stage.

## 5. RATIFICATION OF AWARD

1. The final results of the bidding for each Block will be part of the Award Report, in which the CEL will award the Block being licensed to the company or consortium declared the winner. The Award Report will also include information concerning the bids that were not winners and those that were disqualified or declared void.

2. The Award Report will be submitted to the Board of Directors of the ANP for formal ratification.

3. Once the Award Report is ratified, the CEL will make public the results of the bidding in the Diário Oficial da União and in the mass media.

4. Once the results of the bidding judgment are published, the Board of Directors of the ANP will invite the winning companies or consortia for the signing of the Concession Agreement.

## 6. SIGNATURE OF THE CONCESSION AGREEMENT

1. Law No. 9478 establishes that oil and natural gas exploration, development and production activities will be carried out by means of Concession Agreements, preceded by a Licensing Round. Although the qualification and bidding processes can be effected by Brazilian or non-Brazilian Companies, a Brazilian Company must sign the Concession Agreement.

2. Companies or Consortia will be able to delegate the signing of the Concession Agreement to another Company or Consortium approved by the ANP, as follows:

- To an Affiliate of the winning Company, in which case the qualified winning Company must fully guarantee the obligations of the signing Company by means of a Performance Guarantee; or
- To a Company controlled by the winning Company (or its affiliates, according to the definitions in the Concession Agreement) or to a Brazilian company controlled by the Companies (or their affiliates) participating in the winning Consortium. In this case, the direct or indirect participation of each controlling Company (or its affiliates) should be identical to the participation defined on the envelope used to present the bids. The obligations of the signing Company should be fully guaranteed by means of Performance Guarantees from each of the qualified Companies participating in the Consortium.

3. In the situations mentioned above, each qualified Company should still provide the following:

- A Guarantee of performance of the contractual obligations, (Performance Guarantee, according to Annex XI and Annex XII of this Final Tender Protocol). If submitted in English, the document should be notarized by a properly accredited Notary Public (or equivalent) and then certified at a Brazilian Consulate in the country concerned and translated by a (registered) sworn legal translator in Brazil; and

- A Power of Attorney from the signing Company indicating the authorized person or competent person to sign on his behalf, in the form provided by the ANP.

4. In the event a signing Company is an affiliate of the qualified Company (as defined in the Concession Agreement), one copy of its By-laws or Articles of Incorporation should be provided. A legal representative of the signing Company should authenticate the original documents.

5. The signing of the Concession Agreement is predicated upon a review of the Company's status with the Cadastro Informativo de Créditos Não Quitados do Setor Público Federal ("CADIN"). A Company's presence on CADIN's registry of companies in default vis-à-vis the Federal Government will preclude execution of the Concession Agreement unless the Company can prove that:

- It has appealed in a Court against the finding of its status in default that such appeal is still pending and that it has provided the Court a satisfactory guarantee as provided for in the Law; or
- Its default status is solely the result of a condition that has since changed but the Company has not yet been removed from the registry.

6. Up to 20 days before the signing of the Concession Agreements, the winning Bidders should provide the following documents:

- In the event the qualified Company opts to sign the Concession Agreement through one of its subsidiaries or other Company created specifically for this purpose, it should provide Constituent Articles and Amendments of the Company that will sign the Concession Agreement duly filed in the appropriate places;

A legal opinion accepted by the ANP containing the information concerning the relationship between the qualified Company and the Company that will sign the duly notarized Concession Agreement. If written in a foreign language it must be notarized, consularized and translated by a sworn translator;

- Performance Guarantees should be provided in the event a winning Company or Consortium opts to sign the Concession Agreement with one of its affiliates or a Company specially created for this purpose;
- Duly authenticated documents proving the qualification of the legal representative who will sign the Concession Agreement on behalf of the Company;
- A Financial Guarantee for the obligations of the Minimum Exploration Program according to the form in Annex IX or Annex X. The ANP, at its sole discretion, may accept a performance certificate of the contractual obligations which can be executed in the same manner as the letter of credit shown in Annex IX or Annex X. This letter of credit or this a performance certificate of the contractual obligations must be issued by a bank or financial institution which has net equity of at least R\$500,000,000 (five hundred million Reals), or which has obtained an “A” or higher classification in Standard & Poor’s Ratings Group or Moody’s Investors Service, Inc. publications. For the second exploration period the criteria for accepting the guaranteeing banks or financial institutions will be established when available. In the case of consortia, the obligation to present a letter of credit or a performance certificate of the contractual obligations may be complied with by the presentation of more than one letter or certificate, if the total value is equal to the value specified for the Block object of the Concession Agreement, in accordance with the specifications of the Minimum Exploration Program.; and
- In the case of a consortium, the certificate of incorporation of the consortium, as established by article 38 of Law 9.478/97.

7. The proof of payment of the offered Signature Bonus must be presented at least five (5) working days before the date of the execution of the Concession Agreement.

8. The financial guarantee for the Minimum Exploration Program may be presented in more than one Letter of Credit or another instrument accepted by the ANP, provided the total amount is equal to the level required for the Block and specified in Table 2.

9. In the event that the winner is a Consortium and one of its Companies does not present the necessary documentation, the other Companies within the Consortium must

assume the responsibilities of the non-conforming Company. In this situation, under no circumstance will a new Company be allowed to enter into the winning Consortium before the signing of the Concession Agreement.

10. If a winning Bidder, for whatever reason, does not execute the Concession Agreement before the date given for its signature, the runner-up Bidder will be summoned and given the opportunity to sign the Concession Agreement for the block provided it meets the Signature Bonus and Local Goods and Services values offered by the winning bidder, and it also re-submits a Bid Bond.

11. Blocks in the same sector, with the same Consortium and identical Local Content bid for the Exploration Phase and Development Stage, will be grouped in one contract, with multiple objects, each one corresponding to one block. Each object can be fully negotiated generating, in this event, a new Concession Agreement. The Financial and Performance Guarantees, as well as all documents related to the management of the concession may be presented for each object, even if it is formed by multiple blocks.

## 7. ADDITIONAL EXPLANATIONS ON THE BIDDING

### 7.1 Jurisdiction

1. Question arising from the execution of the Final Tender Protocol, which can not be decided administratively, will be dealt with and judged in the Federal Courts – Judicial Section of the State of Rio de Janeiro, to the exclusion of any other as privileged as it may be.

### 7.2 Phone, Fax and E-mail Questions

1. The ANP is available to provide clarification or additional information regarding the process, the contract terms, or the Blocks to be bid. Questions may be communicated to the ANP by mail, telephone, fax or e-mail at the numbers listed below. While minor queries will be dealt with by phone, more complex questions should be submitted in writing. Questions of general interest and their respective responses will be published (without disclosing the identity of the questioning company) on the Brasil Round 5 web-site ([www.Brasil-Rounds.gov.br](http://www.Brasil-Rounds.gov.br)).

- In Writing:

Brasil Round 5  
Agência Nacional do Petróleo  
Superintendência de Promoção de Licitações  
Rua Senador Dantas 105, 11º andar  
20031-201 Rio de Janeiro - RJ, Brazil

- By Phone:

Within Brazil: (21) 3804 0200  
Outside Brazil: +55 21 3804 0200

- By Fax:

Within Brazil: (21) 3804 0202  
Outside Brazil: +55 21 3804 0202

- By E-mail:

[brasil-round5@anp.gov.br](mailto:brasil-round5@anp.gov.br)

- The ANP maintains a web-site for Brasil Round 5 at the following address:

<http://www.Brasil-Rounds.gov.br>

2. No technical questions will be answered other than to Companies that have paid the Participation Fees for the Blocks in question.

3. Questions or clarifications concerning the Concession Agreement or other legal matters should be submitted in writing.

4. All information requests will be handled on a first-come, first-served basis by the ANP's Superintendência de Promoção de Licitações.

### **7.3 Delivery of Documents**

1. All documentation submitted to the ANP should be registered in the Protocol office located at the address shown in section 6.1, Monday through Friday, between 9:00 a.m. and 11:45 a.m. and 2:00 p.m. to 5:00 p.m.

### **7.4 Information Visits**

1. No formal data room will exist for this Round. A Legal and Financial workshop and a technical workshop were held in Rio de Janeiro in April and May, 2003. Attendance and participation in this workshop -was available only to representatives of Companies who had paid the Participation Fee and representatives of ANP Concessionaire companies.

## 8. ANP'S RIGHTS AND ASSURANCES

1. The ANP may revoke, in full or in part, at any time, the current Offering, provided it is in the public's best interest, or may annul the process if its procedures are determined to be illegal.

2. The Special Licensing Committee (CEL), formed by the ANP representatives and members of the community, that oversees all phases of the licensing process, can take such steps that it considers necessary to clarify or complement the Offering process.

3. The ANP reserves the right to unilaterally revise the timetable and related procedures of Brasil Round 5, as well as to disqualify any previously qualified Company although, in this circumstance, the relevant Participation Fee would be refunded unless the decision to disqualify is due to misrepresentation, misconduct, or submission of a non-conforming Bid or document.

4. Subjects related to Brasil Round 5 not covered in this Final Tender Protocol will be analyzed by the CEL and submitted for the review of the ANP's Board of Directors.

### 8.1 Administrative Recourses

1. Any decision of the CEL may be challenged no later than five (5) working days from the date of the CEL's decision.

2. Any appeal of an interested Bidder must be made in writing, directed to the CEL, and supported by documents that prove the allegations and are registered by the ANP's Protocol Office.

3. Upon the lodging of a challenge, the CEL will make it known to the other Bidders to allow them the opportunity to oppose the challenge within the timeframe of five (5) working days, starting with the date of notice.

## 4.7.2 ANNEXES

- Annex I Detail of Blocks Being Offered*
- Annex II Payment of Participation Fees*
- Annex III Power of Attorney of Accredited Representative*
- Annex IV Confidentiality Agreement*
- Annex V Authorization for Release of Company Information*
- Annex VI Detailed Description of Local Goods and Services Acquisitions Plans*

**ANNEX I  
DETAIL OF BLOCKS BEING OFFERED**

1. The Brazilian sedimentary basins were divided into sectors, each one divided into blocks formed by cells of 3'45'' longitude and 2'30'' latitude. Details of the division of the sedimentary basins can be obtained at the web page [www.brasil-rounds.gov.br](http://www.brasil-rounds.gov.br).

2. The following blocks are on offer in Brasil Round 5:

RECÔNCAVO BASIN OFFERED BLOCKS (SECTOR SREC-T2) .....	54
ONSHORE ESPÍRITO SANTO BASIN OFFERED BLOCKS (SECTOR SES-T2) .....	62
ONSHORE ESPÍRITO SANTO BASIN OFFERED BLOCKS (SECTOR SES-T4) .....	66
ONSHORE ESPÍRITO SANTO BASIN OFFERED BLOCKS (SECTOR SES-T6) .....	73
POTIGUAR BASIN OFFERED BLOCKS (SECTOR SPOT-T2) .....	76
POTIGUAR BASIN OFFERED BLOCKS (SECTOR SPOT-T3) .....	82
POTIGUAR BASIN OFFERED BLOCKS (SECTOR SPOT-T4) .....	88
POTIGUAR BASIN OFFERED BLOCKS (SECTOR SPOT-T5) .....	99
BARREIRINHAS BASIN OFFERED BLOCKS (SECTOR SBAR-AR2) .....	104
CAMPOS BASIN OFFERED BLOCKS (SECTOR SC-AR2) .....	113
CAMPOS BASIN OFFERED BLOCKS (SECTOR SC-AR3) .....	116
CAMPOS BASIN OFFERED BLOCKS (SECTOR SC-AP1) .....	119
ESPÍRITO SANTO BASIN OFFERED BLOCKS (SECTOR SES-AR1) .....	120
ESPÍRITO SANTO BASIN OFFERED BLOCKS (SECTOR SES-AR2) .....	132
FOZ DO AMAZONAS BASIN OFFERED BLOCKS (SECTOR SFZA-AR1) .....	147
FOZ DO AMAZONAS BASIN OFFERED BLOCKS (SECTOR SFZA-AR2) .....	156
JEQUITINHONHA BASIN OFFERED BLOCKS (SECTOR SJ-AP) .....	169
PELOTAS BASIN OFFERED BLOCKS (SECTOR SP-AP3) .....	171
SANTOS BASIN OFFERED BLOCKS (SECTOR SS-AR3) .....	176
SANTOS BASIN OFFERED BLOCKS (SECTOR SS-AR4) .....	188
SANTOS BASIN OFFERED BLOCKS (SECTOR SS-AP4) .....	221

## ANNEX II

### Payment of Participation Fees

**To:** **Brasil Round 5 Office** **Fax:** **+55 21 3804 0202**  
**From:** ..... (Company)  
..... (Accredited Representative)  
**Date:** .....

We wish to submit a Participation Fee in respect of the following basins. In this regard, we have instructed<sup>1</sup> that the sum of US\$/R\$ ..... be transferred to your bank<sup>1</sup>.

We note that Participation Fees may only be paid by sector or group of sectors as the case may be. The amount of the Fees are specified in section 3.7 of the Final Tender Protocol (Table 7). We have placed an "X" against those basin sector(s) for which we have paid the Participation Fee (please leave other basins blank):

Potiguar (SPOT-T2, SPOT-T3, SPOT-T4 e SPOT-T5)	Espírito Santo (SES-AR1 e SES-AR2)
Recôncavo (SREC-T2)	Foz do Amazonas (SFZA-AR1 e SFZA-AR2)
Espírito Santo onshore (SES-T2, SES-T4 e SES-T6)	Jequitinhonha (SJ-AP)
Barreirinhas (SBAR-AR2)	Pelotas (SP-AP3)
Campos (SC-AR2 e SC-AR3)	Santos (SS-AR3 e SS-AR4)
Campos (SC-AP1)	Santos (SS-AP4)
<b>ALL SECTORS</b>	

We understand that payment of the Participation Fee entitles us to receive an Information Package in respect of each sector or group of sectors for which we have paid the fee, to receive a quota from the Exploration and Production Database, as defined in Table 6 of this Final Tender Protocol and, subject to qualification, to make a bid for the relevant blocks. It does not obligate us to bid on any Block, but we may only submit a bid on a Block that is covered by a Participation Fee that we have paid. We understand we may add to the sectors on which we may participate by tendering the appropriate Participation Fee at any time prior to the cut-off date which will in no event be earlier than 15 (fifteen) days after publication of the Final Tender Protocol. Finally, we understand that the rules governing the conduct of this round and bidding are as established in the Final Tender Protocol.

We further acknowledge the necessary qualification requirements for Brasil Round 5. To the extent that we have not yet received confirmation of our qualification from the ANP, either in respect of Operator status or in respect of our legal and financial standing, we understand that the ANP will not entertain any claim for a refund of Participation Fees should we subsequently fail to qualify or obtain our desired qualification status.

The person authorized to collect the Information Packages<sup>2</sup> for us is:

**Name:** .....  
**Title:** .....  
**Company:** .....

We understand that you will contact us immediately upon receipt of the Participation Fee, and that our authorized representative, above, will then be able to collect<sup>2</sup> the relevant Information Package(s) from the ANP from March 13<sup>th</sup>, 2003, between the hours of 9:00 am and 11:45am, and 2:00 pm and 5:00 pm.

The people authorized for access to the clients room and to request the quota<sup>3</sup> of data from the Exploration and Production Database (BDEP) are:

**Name:** .....  
**Position:** .....

**Company:** .....

**Name:** .....

**Position:** .....

**Company:** .....

**Signed:** .....(Accredited Representative)

**Notes:** \_\_\_\_\_

1. *The Participation Fee should be wired to:*

Banco do Brasil  
Rua Professor Lélío Gama, 105  
Rio de Janeiro - R.J 20031-201

Account Name: ANP  
Account Number: 333008-7  
Agency Number: 2234-9

In order to facilitate tracking of your payment, you are requested to fax us a copy of the funds transfer instructions. In particular, we need the tracking number generated by the remitting bank.

2. *Collection Instructions:*

- (i) The authorized representative should carry suitable personal photographic identity, and carry a completed copy of THIS FAX and the ANP's FAX confirming receipt of funds. If a duly executed Confidentiality Agreement has not been submitted, this should also be brought.
- (ii) That person should present himself to the ANP's reception desk, who will direct him to the Round 5 Office.
- (iii) While an appointment time is not strictly necessary, it is recommended to call ahead and confirm in order to avoid delays at busy times.

If point (i) above is not adhered to STRICTLY, for security reasons it will not be possible to release the materials. If you have any further queries, please do not hesitate to contact the **Round 5 Office**.

3. Instructions for requiring the quota of data from the BDEP:

- i) The designated representative(s) to use the clients room must present personal identification, as well as the fax from the ANP authorizing the delivery of the additional quota of data by the BDEP. The use of the clients room must be pre-booked by e-mail to helpdesk@bdep.gov.br. The address of the Exploration and Production database is as follows:

Banco de Dados de Exploração e Produção  
Rua Pasteur, 404 – bloco A4 - Urca  
Rio de Janeiro – RJ 22290-240  
Telephone: (21) 3981 0109

- ii) The period for the availability of the quota of data is 20 working days. The retrieval of the quota of data will be made at the ANP, following the same procedures used for the retrieval of the Data and Information Package described in Section 0 of this Final Tender Protocol.

- iii) The specific forms for requesting the quota of data will be sent to the Accredited Representatives of the Companies that pay the Participation Fee.

**ANNEX III**

**POWER OF ATTORNEY FOR NOMINATION OF THE ACCREDITED REPRESENTATIVE**

By the present mandate instrument, *[insert name of Company]*\_\_\_\_\_, constituted and existing in accordance with the laws of \_\_\_*[insert Company's country of origin]*\_\_\_, with headquarters in \_\_\_*[insert address of Company headquarters]*\_\_\_\_\_, through its legal representative, \_\_\_*[insert name(s) of legal representative(s) of Company]*\_\_\_\_\_, in this act nominates \_\_\_*[insert name of and full title of Accredited Representative]*\_\_\_\_\_, as its adequate Attorney empowered to represent us before the Agência Nacional do Petróleo (ANP), especially for the Fifth Licensing Round of Blocks ("Brasil Round 5") destined for the exploration of oil and natural gas, and with specific power for the practice of the acts and assume responsibility relative to negotiate and to propose that which is being presented, able to, in this regard, receive, submit and sign documents, to receive, and to authorize third-parties to receive, the Data and Information Package, pay fees/taxes, propose, resort to/obtain, agree, and also able to practice other acts necessary for the faithful compliance of this mandate.

IN WITNESS WHEREOF, this certificate has been executed on and as of ....., 2003

Name:

Title:

---

The undersigned, ..... of the Company, hereby certifies that the person whose signature appears immediately above is the duly elected ..... of the Company and that the signature set forth above is that of such person.

Name:

Title:

---

## **ANNEX IV**

### **CONFIDENTIALITY AGREEMENT**

The undersigned hereby acknowledges its interest in Brazil's fifth oil and gas licensing round ("Brasil Round 5") and the procedures for qualification and bidding for rights to enter into a Concession Agreement with the Agência Nacional do Petróleo (the "ANP") to explore for and, if successful, develop and produce hydrocarbon reserves in certain specific Blocks located in Brazil. Capitalized terms used herein and not defined have the meanings set forth in the Final Tender Protocol, which documents will also lay out and update, respectively, the Brasil Round 5 procedures.

The undersigned may receive, on behalf of the Company [insert company name], additional materials, data and information, including without limitation the Information and Data Package, and the quota of data from the Exploration and Production Database (BDEP). All such materials, data and information provided to the undersigned or any party acting on behalf of the undersigned by the ANP, or any party acting on their behalf, including any copies of such materials, data and information and any studies, reports, analyses or other materials based on such materials, data and information, in connection with Brasil Round 5 are referred to as "Confidential Information". The undersigned has no rights to use the data and information provided by the ANP after the conclusion of Brasil Round 5 except for those data pertaining specifically to an area in which, as a result of Brasil Round 5, the undersigned or an affiliated company created in accordance with the terms of the Final Tender Protocol to sign the Concession Agreement becomes a Concessionaire. In the event the undersigned or one of its affiliates becomes a Concessionaire, the right to use the data and information is limited to the area under concession and to the period in which the Concession Agreement is in force.

The undersigned agrees to treat all Confidential Information as confidential, and shall not disclose any Confidential Information to a third party unless the ANP has given its prior written consent to such disclosure.

Notwithstanding the foregoing, the undersigned may disclose Confidential Information to any of its officers, directors, employees, affiliate companies and their employees, agents and advisors who (i) has a need to know the same in connection with carrying out work relating to Brasil Round 5, and (ii) has been advised of, and agrees to

comply with, the restrictions upon such Confidential Information set forth in this Agreement as if it were the undersigned. In addition, the undersigned may disclose Confidential Information to a third party without the ANP's prior written consent to the extent such information:

- a. is already known to the undersigned as of the date of disclosure (with the exception of that information that was disclosed to the undersigned as Confidential Information, during the previous Rounds staged by the ANP);
- b. is already in possession of the public or becomes available to the public other than through an act or omission of the undersigned;
- c. is developed independently by the undersigned without the use of any Confidential Information; or
- d. is acquired independently from a third party, which is under no legal obligation known to the undersigned prohibiting such disclosure.

In the event that the undersigned is required by applicable law, decree, regulation, rule or order of any competent authority to disclose any Confidential Information, the undersigned shall promptly notify the ANP in writing so that the ANP may seek an appropriate protective order and/or waive the undersigned's compliance with the confidentiality requirement. In the event that such protective order or other remedy is not obtained, then the undersigned shall furnish only that portion of such Confidential Information that is legally required to be disclosed.

Upon the instruction of the ANP the undersigned shall destroy or return all Confidential Information following the conclusion of its participation in Brasil Round 5.

This Confidentiality Agreement shall be governed by, and construed in accordance with, the laws of the Republic of Brazil.

Executed on the ..... day of the month of ....., 2003.

By: ..... (Authorized Signatory)

Name: .....

Title: .....

Company: .....

**ANNEX V**

**AUTHORIZATION TO DISCLOSE INFORMATION ABOUT THE COMPANY**

From: .....(Company)  
.....(Accredited Representative)  
Date:.....

We request the ANP to publish on the Brasil Round 5 web-site, the information below in respect of the subject Company. We are aware that the ANP does not warrant the authenticity of this information and does not take any responsibility for any error that may occur in the transcription of this information to the web-site. Any contacts that we might make and any agreements which we enter as a result of the publication of this information will be our sole responsibility and the ANP will bear no responsibility in any way for any consequences, costs or damages resulting therefrom.

In the event we wish to modify any information provided by completing a new form, we acknowledge that the ANP has no commitment with respect to the timetable to publish such updated information. We are also aware that the ANP may not publish any information or comments which, in its sole discretion, are incorrect or inappropriate.

We are also aware that we cannot publish any Confidential Information except within the conditions of the Confidentiality Agreement of Brasil Round 5 and that before discussing any Confidential Information with potential partners we take full responsibility for verifying that such companies have paid the applicable Participation Fee and signed the Confidentiality Agreement.

The information we wish to be disclosed is the following:

Company:  
Contact Person:  
Title:  
Telephone:  
Fax:  
E-mail Address:  
Basins of Interest:  
Comments:  
Signed.....(Accredited Representative)

**ANNEX VI**  
**DETAILED DESCRIPTION OF LOCAL GOODS AND SERVICES ACQUISITIONS**  
**PLANS**

For the purpose of the declarations established in section 4.8, the bidding companies or consortia must present, along with the bidding envelope, goods and services plans for:

Exploration Phase:

- (a) geological and geophysical data acquisition operations;
- (b) geophysical data processing;
- (c) geological and geophysical interpretation operations;
- (d) Well drilling, evaluation and completion.

Development Stage (as applicable, for onshore or offshore activities):

- (a) services of basic engineering;
- (b) Services of detailing engineering design;
- (c) well drilling, completion and evaluation;
- (d) construction and assembly of the platform (production unit);
- (e) construction and assembly of the process and utility facilities
- (f) integration of the hull with the topsides and utility units;
- (g) production gathering system and oil & gas treatment facilities;
- (h) production collection system (pipelines, production risers and subsea equipment);
- (i) production transfer system.

**ANNEX VII – MODEL BID BOND (PORTUGUESE VERSION)**  
**CARTA DE CRÉDITO EM GARANTIA DE CARÁTER IRREVOGÁVEL**  
EMITIDO POR [ NOME DO BANCO]

Data:

Número:

Valor Nominal: [R\$            ]( valor equivalente a US\$            )

Agência Nacional do Petróleo  
Superintendência de Promoção de Licitações  
Rua Senador Dantas 105, 11º andar  
20031-201, Rio de Janeiro -- RJ  
Brasil

Prezados Senhores:

1. *Nome do Banco*, constituído de acordo com as leis de            , o “*Emitente*”, vem, por meio desta, emitir em favor da ANP, autarquia integrante da Administração Federal Indireta do Governo da República Federativa do Brasil, Carta de Crédito em Garantia de Caráter Irrevogável de nº            (a “Carta de Crédito”), através da qual o Emitente autoriza a ANP a sacar, em saque único, o valor de até R\$            (equivalente a US\$            ) (o “Valor Nominal”), mediante a apresentação de uma Ordem de Pagamento e um Comprovante definidos abaixo, no estabelecimento do Emitente mencionado na Cláusula 3 desta Carta de Crédito.
2. O Valor Nominal desta Carta de Crédito poderá ser sacado pela ANP na forma estabelecida na Cláusula 3 abaixo, entre 10:00 e 16:00, horário do Rio de Janeiro, em qualquer dia bancário, em ou após 1º de dezembro de 2003 e antes do vencimento desta Carta de Crédito. Entende-se por “Dia Bancário” qualquer dia, à exceção de sábado, domingo ou outro dia em que os bancos comerciais da cidade do Rio de Janeiro estejam autorizados ou obrigados por lei, norma reguladora ou decreto, a fechar.
3. Um saque somente poderá ser efetuado com base neste instrumento, mediante a apresentação pela ANP ao Emitente de um saque à vista, conforme instrumento anexo

como Documento 1 (a “Ordem de Pagamento”), juntamente com um comprovante apresentado pela ANP, consoante o modelo aqui anexado como Documento 2 (o “Comprovante de Saque”). A apresentação da Ordem de Pagamento e do Comprovante de Saque deverá ser feita no estabelecimento do Emitente, no Rio de Janeiro, situado \_\_\_\_\_, ou em qualquer outro endereço no Rio de Janeiro, designado pelo Emitente à ANP, através de notificação efetuada consoante o disposto na Cláusula 8 desta Carta de Crédito.

4. Após receber da ANP a Ordem de Pagamento e Comprovante de Saque em seu estabelecimento, designado segundo o disposto na Cláusula 3 desta Carta de Crédito, o Emitente efetuará o pagamento do Valor Nominal, através de transferência eletrônica de fundos imediatamente disponíveis para a conta que a ANP tiver em instituição financeira no Rio de Janeiro, designada no Comprovante de Saque. Se a apresentação do pedido se der após as 11:00, horário do Rio de Janeiro, em qualquer Dia Bancário, o Emitente deverá efetuar o pagamento até as 13:00, horário do Rio de Janeiro, no Dia Bancário imediatamente posterior.
5. Esta Carta de Crédito expirará na data em que ocorrer o primeiro dos seguintes eventos: (i) apresentação ao Emitente de exoneração, no modelo aqui anexado como Documento 3 (o “Comprovante de Exoneração”), (ii) pagamento irrevogável feito pelo Emitente à ANP, na forma estabelecida na Cláusula 4 desta Carta de Crédito, no Valor Nominal, mediante saque efetuado nos termos aqui estabelecidos, ou (iii) às 16:00, horário do Rio de Janeiro, do dia 31 de janeiro de 2004. Não obstante o anteriormente disposto, qualquer saque efetuado segundo o aqui determinado, antes do vencimento desta Carta de Crédito, será honrado pelo Emitente. Caso o estabelecimento do Emitente designado na Cláusula 3 desta Carta de Crédito esteja fechado na data mencionada em (iii) desta cláusula 5, a data de vencimento desta Carta de Crédito será prorrogada para o dia bancário subsequente, em que o referido estabelecimento estiver aberto.
6. Somente a ANP poderá sacar esta Carta de Crédito, bem como exercer quaisquer outros direitos aqui definidos.
7. Todas as notificações, exigências, instruções, desistências ou outras informações a serem prestadas relativamente a esta Carta de Crédito, devem ser redigidas em português e entregues por um mensageiro pessoal ou por courier, correio especial ou fax e encaminhadas para o endereço abaixo:

Se para o Emitente:  
*incluir endereço do Emitente*

Se para a ANP:  
Quinta Rodada de Licitações  
Superintendência de Promoção de Licitações - SPL  
Rua Senador Dantas 105, 11º andar  
20031-201  
Rio de Janeiro - RJ Brasil

Fax (21) 3804 0202

Os endereços e números de fax para encaminhamento de informações referentes a esta Carta de Crédito, poderão ser alterados pelo Emitente ou pela ANP, mediante notificação feita à outra parte pelo menos 15 dias bancários anteriores à data da mudança.

8. A presente Carta de Crédito estabelece em termos plenos a obrigação do Emitente e tal obrigação não será de modo algum alterada ou aditada com base em qualquer documento, instrumento ou acordo aqui mencionado, salvo a Ordem de Pagamento, o Comprovante de Saque e qualquer Comprovante de Exoneração.
9. Esta Carta de Crédito, nos termos e condições aqui apresentados e para o fim que se destina, é um documento válido, legal e executável na praça de sua cobrança e o Emitente não poderá opor à ANP alegação de qualquer natureza que impeça a sua plena e total execução.

Atenciosamente,

*Nome do Banco*

---

Nome:

Cargo:

**Documento 1**  
**Modelo de Saque**

Carta de Crédito nº

Rio de Janeiro -- RJ

Data do Saque\_\_\_\_\_

À Vista

Pague-se à ordem da Agência Nacional do Petróleo o valor nominal de R\$ \_\_\_\_\_, . Saque  
contra a Carta de Crédito nº \_\_\_\_\_ emitida por *nome do Emitente*.

p/ Agência Nacional do Petróleo - ANP

\_\_\_\_\_

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

*À Nome do Emitente*

*Endereço do Emitente*

## Documento 2

### Modelo de Comprovante de Saque

O presente refere-se à Carta de Crédito (a “Carta de Crédito”), nº \_\_\_\_\_, datada de \_\_\_\_\_, emitida por \_\_\_\_\_ em favor da Agência Nacional do Petróleo. As palavras redigidas em letras maiúsculas e aqui não definidas têm seus respectivos significados estabelecidos ou entendidos, por referência, na Carta de Crédito ou no Edital de Licitação publicado em 2 de julho de 2003.

O abaixo-assinado, devidamente autorizado a firmar este comprovante em nome da ANP, certifica que, em decorrência da Quinta Rodada de Licitações ocorrida em agosto de 2003, \_\_\_\_\_(designados, individualmente, como "Concessionário Classificado" e, coletivamente, como os "Concessionários Classificados") foram qualificados para assinar Contrato de Concessão do(s) bloco(s) denominado(s) com a ANP, e que:

1. Um dos Concessionários Classificados (ou alguma Afiliada do referido Concessionário Classificado) deixou de assinar o Contrato de Concessão (e fornecer as garantias pertinentes) em \_\_\_\_\_ de 2003; ou
2. Alguma das Cartas de Crédito necessárias para garantir o Programa Exploratório Mínimo não foi entregue à ANP até a assinatura do Contrato de Concessão; ou
3. O Bônus de Assinatura não foi pago até a assinatura do Contrato de Concessão, como ali determinado.

O pagamento do Valor Nominal constante da Carta de Crédito deverá ser feito pelo Emitente na seguinte conta:

A ANP fornecerá os detalhes da sua conta bancária

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Este documento foi firmado pelo abaixo-assinado em \_\_\_\_\_

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

### **Documento 3**

#### **Modelo de Comprovante de Exoneração**

O presente refere-se à Carta de Crédito em Garantia de Caráter Irrevogável (a “Carta de Crédito”), nº \_\_\_\_\_ datada de \_\_\_\_\_, emitida por \_\_\_\_\_ em favor da ANP.

As palavras redigidas em letra maiúscula e aqui não definidas têm seus respectivos significados estabelecidos ou entendidos, por referência, na Carta de Crédito.

O abaixo-assinado, estando devidamente autorizado a firmar este comprovante em nome da ANP, certifica pelo presente que, tendo ocorrido um dos eventos que autorizam a exoneração da Carta de Crédito, a data de exoneração passa a ser a data de emissão deste Comprovante.

Este Comprovante foi firmado pelo abaixo-assinado em \_\_\_\_\_ de 2003.

**ANNEX VIII – MODEL BID BOND**

**IRREVOCABLE STAND-BY LETTER OF CREDIT**

Issued by *Name of Bank*

Date:

No.:

Face Amount: [U.S.\$            ]

Agência Nacional do Petróleo

Superintendência de Promoção de Licitações

Rua Senador Dantas 105, 11º andar

20031-201 Rio de Janeiro

Brazil

Dear Sirs:

1. *Name of Bank*, a                    organized under the laws of                    (the “Issuer”), hereby establishes in favor of Agência Nacional do Petróleo (“ANP”), an agency of the Government of the Federal Republic of Brazil, its irrevocable stand-by Letter of Credit No.                    (this “Letter of Credit”), whereby the Issuer authorizes ANP to draw hereunder, in a single drawing, the sum of U.S.\$                    [(the “Face Amount”) by presentation of a Draft and a Drawing Certificate (each as defined below) at the Issuer’s office specified in Clause 3 of this Letter of Credit.

2. The Face Amount of this Letter of Credit may be drawn by ANP in the manner specified in Clause 3 of this Letter of Credit between 9:00 a.m. and 5:00 p.m., New York City time, on any Banking Day, on or after December 1<sup>st</sup>, 2003 and prior to the expiration of this Letter of Credit. A “Banking Day” is any day other than a Saturday, a Sunday or a day on which commercial banks in New York City are authorized or required by law, regulation or executive order to close.

3. A drawing may be made hereunder only by the presentation by ANP to the Issuer of a sight draft of ANP drawn on the Issuer in the form attached hereto as Exhibit 1 (a “Draft”) and a certificate executed by ANP in the form attached hereto as Exhibit 2 (a “Drawing Certificate”). Presentation of a Draft and Drawing Certificate must be made at the Issuer’s office in New York City located at                    , or at such other address in New York City as the Issuer may designate to ANP by notice given in accordance with Clause 8 of this Letter of Credit.

4. Upon the presentation by ANP to the Issuer of the Draft and Drawing Certificate at the office of the Issuer designated pursuant to Clause 3 of this Letter of Credit, the Issuer shall pay the Face Amount by wire transfer of immediately available funds to ANP’s account with a financial institution in New York City designated in the Drawing Certificate. If presentation is duly made at or prior to 11:00 a.m., New York City

time, on any Banking Day, payment shall be made by the Issuer at or prior to 5:00 p.m., New York City time, on the same Banking Day. If presentation is duly made after 11:00 a.m., New York City time, on any Banking Day, payment shall be made by the Issuer at or prior to 1:00 p.m., New York City time, on the immediately following Banking Day.

5. This Letter of Credit shall expire upon the earliest of (i) the date on which a certificate executed by ANP, in the form attached hereto as Exhibit 3 (an "Expiration Certificate"), is presented to the Issuer, (ii) the indefeasible payment by the Issuer to ANP in the manner set forth in Clause 4 of this Letter of Credit of the Face Amount upon a drawing properly made hereunder, and (iii) 5:00 p.m., New York City time, on January 31, 2004. Notwithstanding the foregoing, any drawing properly made hereunder prior to the expiration of this Letter of Credit shall be honored by the Issuer. Notwithstanding anything contained in Article 17 of the Uniform Customs (defined below) or herein, in the event that the Issuer's office designated in Clause 3 of this Letter of Credit is closed on the date set forth in (iii) of this Clause 5, the expiration date of this Letter of Credit shall be extended to the next Banking Day on which such office is open.

6. This Letter of Credit may only be drawn by, and other rights hereunder may only be exercised by, ANP.

7. This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500 (the "Uniform Customs"). As to matters not covered by the Uniform Customs, this Letter of Credit shall be governed by, and construed in accordance with, the laws of the State of New York, including without limitation Article 5 of the Uniform Commercial Code as in effect in the State of New York.

8. All notices, demands, instructions, waivers or other communications to be provided pursuant to this Letter of Credit shall be in writing in English, shall be effective upon receipt, and shall be sent by personal delivery, courier, first class mail or fax, to the following addresses:

If to the Issuer, to:

If to ANP, to:

Superintendência de Promoção de Licitações  
Agência Nacional do Petróleo  
Rua Senador Dantas 105, 11º andar  
20031-201 Rio de Janeiro, Brazil  
Fax: (+55 21) 38040202

The addresses and fax numbers for notices given pursuant to this Letter of Credit may be changed by the Issuer or ANP by means of a written notice given to the other at least 15 Banking Days prior to the effective date of such change.

9. This Letter of Credit sets forth in full the Issuer's undertaking, and such undertaking shall not in any way be modified or amended by reference to any document, instrument or agreement referred to herein, except the Draft, the Drawing Certificate and any Expiration Certificate.

Very truly yours,

*NAME OF BANK*

By:\_\_\_\_\_

Name:

Title:

**[FORM OF DRAFT]**

Letter of Credit No.  
New York, New York  
Date \_\_\_\_\_

At sight

PAY TO THE ORDER OF AGÊNCIA NACIONAL DO PETRÓLEO the sum of [U.S. \$  
(            Thousand U.S. Dollars)] [R\$            (            Brazilian Reals)], FOR VALUE  
RECEIVED. DRAWN UNDER [NAME OF ISSUER] LETTER OF CREDIT NO.            .

AGÊNCIA NACIONAL DO PETRÓLEO

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

To:            *Name of Issuer*

Address:

EXHIBIT 2

**[FORM OF DRAWING CERTIFICATE]**

Reference is made to the Letter of Credit (the "Letter of Credit"), No. \_\_\_\_\_, dated \_\_\_\_\_, issued by \_\_\_\_\_ in favor of Agência Nacional do Petróleo. Capitalized terms used herein and not defined have the respective meanings set forth in the Letter of Credit or the *Edital* (Final Tender Protocol) dated July 2, 2002.

The undersigned, being duly authorized to execute this certificate on behalf of ANP, hereby certifies that pursuant to a bidding round held in August, 2003,

\_\_\_\_\_ (each a "Selected Concessionaire") and collectively, the "Selected Concessionaires") were selected to enter into a Concession Agreement with ANP, and that either:

- (i) Any Selected Concessionaire (or any duly designated Jointly Held Company or Affiliate of such Selected Concessionaire) did not sign the Concession Agreement(s) of the block(s) \_\_\_\_\_ (and provide the related guarantees) by \_\_\_\_\_, 2003; or
- (ii) Any required Letter of Credit for the Minimum Work Obligation was not delivered to ANP simultaneously with or prior to execution of the Concession Agreement; or
- (iii) The Signature Bonus was not paid in full concurrently with execution of the Concession Agreement, as provided therein.

Payment of the Face Amount of the Letter of Credit is to be made by the Issuer to the following account: (to be communicated by the ANP in due course)

This certificate has been duly executed by the undersigned as of the \_\_\_\_\_ day of \_\_\_\_\_, 2003.

AGÊNCIA NACIONAL DO PETRÓLEO

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**[FORM OF EXPIRATION CERTIFICATE]**

Reference is made to the Letter of Credit (the "Letter of Credit") No. \_\_\_\_\_, dated \_\_\_\_\_, issued by \_\_\_\_\_ in favor of Agência Nacional do Petróleo. Capitalized terms used herein and not defined have the respective meanings set forth in the Letter of Credit.

The undersigned, being duly authorized to execute this certificate on behalf of ANP, hereby certifies that conditions permitting the expiration of the Letter of Credit have occurred, and that accordingly the Letter of Credit shall expire as of the date of this Certificate.

This certificate has been duly executed by the undersigned as of the \_\_\_\_\_ day of \_\_\_\_\_, 2003.

AGÊNCIA NACIONAL DO PETRÓLEO

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ANNEX IX – MODEL LETTER OF CREDIT TO GUARANTEE MINIMUM EXPLORATION PROGRAM (PORTUGUESE VERSION)**

**CARTA DE CRÉDITO EM GARANTIA DE CARÁTER IRREVOGÁVEL**

Emitida por *[Inserir o nome do Banco]*

Data:

N<sup>o</sup>:

Valor Nominal Inicial: US\$

Agência Nacional do Petróleo  
Rua Senador Dantas 105, 11<sup>o</sup> andar  
20031-201 Rio de Janeiro  
Brasil

Prezados Senhores:

1. *[Inserir o nome do Banco]*, constituído de acordo com as leis , o “Emitente”, vem por meio desta, emitir em favor da Agência Nacional do Petróleo (ANP), uma Autarquia integrante da Administração Federal Indireta do Governo da República Federativa do Brasil, Carta de Crédito em Garantia de Caráter Irrevogável N<sup>o</sup>. (a “Carta de Crédito”), através da qual o Emitente autoriza a ANP a sacar, em saque único, o Valor Nominal, em Reais, convertido pela taxa de câmbio oficial do dia anterior ao saque (BACEN - Ptax / venda), equivalente a até US\$ <sup>1</sup> (“o Valor Nominal”), mediante a apresentação de uma Ordem de Pagamento e um Comprovante de Saque (definidos abaixo) no estabelecimento do Emitente mencionado na Cláusula 5 desta Carta de Crédito, durante o Período de Saque (conforme definido no item 4 abaixo).

2. Esta Carta de Crédito foi elaborada de acordo com o Contrato de Concessão (o Contrato) n<sup>o</sup> , celebrado em de 2003, entre a ANP, *[Inserir o CONCESSIONÁRIO 1]*, constituído segundo as leis da República Federativa do Brasil e *[Inserir o CONCESSIONÁRIO n<sup>o</sup>]*, constituídos segundo as leis da República Federativa do Brasil. Os termos grafados com maiúsculas (incluindo os documentos em anexo) e aqui não definidos, terão os respectivos significados definidos no Contrato.

3. O Valor Nominal da Carta de Crédito será inicialmente de US\$ <sup>1</sup>. O Valor Nominal poderá ser reduzido mediante apresentação pela ANP, ao Emitente, de um Comprovante (Comprovante de Redução), na forma definida no Documento 1, especificando um novo Valor Nominal, mais baixo.

4. O Valor Nominal da Carta de Crédito pode ser sacado pela ANP segundo o disposto na Cláusula 5 desta Carta de Crédito, em qualquer Dia Bancário durante o Período de Saque com início às 10:00, horário do Rio de Janeiro, do dia <sup>2</sup>, e término às 16:00 h, horário

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<sup>1</sup> Inserir o valor nominal da Carta de Crédito

<sup>2</sup> Inserir a data referente ao dia anterior à data de assinatura do Contrato de Concessão

do Rio de Janeiro, do dia <sup>3</sup> (o "Período de Saque"). Entende-se por "Dia Bancário" qualquer dia que não seja sábado, domingo ou dia em que os bancos comerciais no Rio de Janeiro estejam autorizados ou obrigados por lei, norma reguladora ou decreto, a fechar.

5. Um saque só poderá ser realizado mediante apresentação, pela ANP ao Emitente, de Ordem de Pagamento como apresentado no *Documento 2* (Ordem de Pagamento), e de um Comprovante de Saque, executado pela ANP, como apresentado no *Documento 3* (Comprovante de Saque). A apresentação da Ordem de Pagamento e do Comprovante de Saque deverão ser feitos no estabelecimento do Emitente na cidade do Rio de Janeiro, localizado à \_\_\_\_\_, ou em outro endereço na cidade do Rio de Janeiro designado pelo emitente à ANP em comunicação feita consoante a Cláusula 9 desta Carta de Crédito.

6. Mediante a apresentação pela ANP, durante o Período de Saque, da Ordem de Pagamento e do Comprovante de Saque no estabelecimento designado pelo Emitente na Cláusula 5 desta Carta de Crédito, o Emitente deverá pagar, em Reais, o Valor Nominal relativo à data da apresentação, por transferência eletrônica de fundos imediatamente disponíveis para a conta da ANP em instituição financeira na cidade do Rio de Janeiro, conforme designado no Comprovante de Saque. Se a apresentação for efetivada até às 11:00h., horário do Rio de Janeiro, em qualquer Dia Bancário, o pagamento deve ser concretizado pelo Emitente até às 16:00 h, horário do Rio de Janeiro, no mesmo Dia Bancário. Se a apresentação for efetivada depois das 11:00 h, horário do Rio de Janeiro, em qualquer Dia Bancário, o pagamento deverá ser concretizado pelo Emitente até às 13:00, horário do Rio de Janeiro, no primeiro Dia Bancário imediatamente a seguir.

7. Esta Carta de Crédito expirará na ocorrência do primeiro dos seguintes eventos: (i) em \_\_\_\_\_ 3, (ii) a redução do Valor Nominal desta Carta de Crédito a zero, (iii) a data em que a ANP apresentar ao Emitente um Comprovante executado pela ANP consoante o Documento 4 (Comprovante de Conclusão), e (iv) o pagamento irrevogável pelo Emitente à ANP conforme definido na Cláusula 6 desta Carta de Crédito do Valor Nominal através de um saque adequado. Entretanto, qualquer saque corretamente realizado antes de expirada esta Carta de Crédito será honrado pelo Emitente. Caso o estabelecimento designado pelo Emitente na Cláusula 5 desta Carta de Crédito esteja fechado na data definida em (i) desta Cláusula 7, a data de vencimento desta Carta de Crédito e do Período de Saque se estenderá até o próximo Dia Bancário em que o referido estabelecimento estiver aberto.

8. Somente a ANP poderá sacar esta Carta de Crédito, bem como exercer quaisquer outros direitos aqui definidos.

9. Todas as notificações, exigências, instruções, desistências ou outras informações a serem prestadas relativamente a esta Carta de Crédito, devem ser redigidas em português e entregues por um mensageiro pessoal ou por *courier*, correspondência registrada ou fax e encaminhadas para os seguintes endereços:

(i) Se para o Emitente: [Inserir o endereço do Emitente]

(ii) Se para a ANP:  
Superintendência de Exploração

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<sup>3</sup> Para cada Período de Exploração, inserir a data referente a 180 dias após o último dia do Período de Exploração em questão.

Rua Senador Dantas 105, 11º andar  
20031-201  
Rio de Janeiro – RJ  
Brasil  
Fax (21) 38040101 / 0102

Os endereços e números de fax para encaminhamento de informações referentes a esta Carta de Crédito, poderão ser alterados pelo Emitente ou pela ANP, mediante notificação feita à outra parte pelo menos 15 dias bancários anteriores à data da mudança.

10. A presente Carta de Crédito estabelece, em termos plenos e incondicionais, a obrigação do Emitente e tal obrigação não será de modo algum alterada ou aditada com base em qualquer documento, instrumento ou acordo aqui mencionado, salvo a Ordem de Pagamento, o Comprovante de Saque e qualquer Comprovante de Conclusão.

Atenciosamente,

*[Inserir o nome do Banco ]*

por: \_\_\_\_\_

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

### COMPROVANTE DE REDUÇÃO

Em referência à Carta de Crédito em Garantia de Caráter Irrevogável (Carta de Crédito), No \_\_\_\_\_, datada \_\_\_\_\_, emitida por \_\_\_\_\_ em favor da ANP. Os termos grafados com maiúsculas a partir deste ponto e não definidos neste, têm os respectivos significados definidos na Carta de Crédito.

Os abaixo-assinados, devidamente autorizados a assinar este Comprovante em nome da ANP, certificam pelo presente que:

- (i) A quantia em Dólares Americanos, especificada abaixo (a), corresponde à quantia alocável no Valor Nominal da Carta de Crédito aos trabalhos realizados pelos concessionários relativamente ao Programa Exploratório Mínimo até a data deste Comprovante; e
- (ii) O Valor Nominal da Carta de Crédito será reduzido para um valor igual ao Valor Nominal Remanescente, especificado abaixo (b), efetivo a partir da data deste Comprovante.

(a) Quantia em Dólares Americanos alocável para trabalhos  
no Programa Exploratório Mínimo

(b) Valor Nominal Remanescente US\$

Este Comprovante foi efetivamente firmado pelo abaixo-assinado no dia \_\_\_\_\_.

AGÊNCIA NACIONAL DO PETRÓLEO

Por: \_\_\_\_\_

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

ORDEM DE PAGAMENTO

Carta de Crédito Nº.  
Rio de Janeiro -RJ  
Data \_\_\_\_\_

À vista

PAGAR À AGÊNCIA NACIONAL DO PETRÓLEO o valor nominal de R\$  
(            Reais), valor equivalente nesta data a US\$            (            dólares dos Estados  
Unidos), segundo conversão efetuada pela taxa oficial de câmbio do dia anterior à apresentação  
desta ordem de pagamento (BACEN - Ptax / venda).

SAQUE CONFORME CARTA DE CRÉDITO EM GARANTIA DE CARÁTER  
IRREVOGÁVEL NO.            emitida por [Inserir o nome do Banco].

AGÊNCIA NACIONAL DO PETRÓLEO

Por: \_\_\_\_\_

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

Para:            [Inserir o nome do Emitente]

Endereço: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

COMPROVANTE DE SAQUE

Refere-se o presente à Carta de Crédito em Garantia de Caráter Irrevogável (Carta de Crédito) No \_\_\_\_\_, datada de \_\_\_\_\_, emitida por \_\_\_\_\_ em favor da Agência Nacional do Petróleo (a ANP). Os termos grafados com maiúsculas e aqui não definidos terão os respectivos significados definidos na Carta de Crédito.

Os abaixo-assinados, devidamente autorizados a assinar este Comprovante em nome da ANP, certificam pelo presente que (i) a Concessão terminou sem o cumprimento do Programa Exploratório Mínimo ou (ii) o Programa Exploratório Mínimo não foi cumprido pelos Concessionários a partir de \_\_\_\_\_ 4.

O Pagamento do Valor Nominal atualizado em Reais, nesta data, da Carta de Crédito no \_\_\_\_\_ deve ser efetuado, pelo Emitente, na seguinte conta:

[inserir detalhes da conta da ANP no Rio de Janeiro]

Este Comprovante foi efetivamente firmado pelo abaixo-assinado em \_\_\_\_\_.

AGÊNCIA NACIONAL DO PETRÓLEO

Por: \_\_\_\_\_

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

\_\_\_\_\_

<sup>4</sup> Inserir o ultimo dia do Período de exploração para o qual a Carta de Crédito foi emitida

COMPROVANTE DE CONCLUSÃO

Refere-se o presente à Carta de Crédito Irrevogável em Garantia (Carta de Crédito) No. \_\_\_\_\_, datada de \_\_\_\_\_, emitida por \_\_\_\_\_ em favor da Agência Nacional do Petróleo (a "ANP"). Os termos grafados com maiúsculas aqui não definidos terão os respectivos significados definidos na Carta de Crédito.

Os abaixo assinados, devidamente autorizados a assinar este Comprovante em nome da ANP, certificam pelo presente que:

- (i) O montante alocável à Carta de Crédito, relativo ao cumprimento do Programa Exploratório Mínimo, foi cumprido pelo(s) Concessionário(s), ou a Carta de Crédito foi devidamente substituída por outro instrumento de garantia aceito pela ANP; e
- (ii) A Carta de Crédito expira na data deste Comprovante.

Este Comprovante foi efetivamente executado pelo abaixo-assinado em \_\_\_\_\_.

AGÊNCIA NACIONAL DO PETRÓLEO

Por: \_\_\_\_\_

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

**ANNEX X – MODEL LETTER OF CREDIT TO GUARANTEE MINIMUM EXPLORATION PROGRAM**

**IRREVOCABLE STAND-BY LETTER OF CREDIT**

Issued by *[Insert name of Bank]*

Date:

No.:

Initial Face Amount: [U.S. \$           ] <sup>5</sup>

Agência Nacional do Petróleo

Rua Senador Dantas 105, 11<sup>o</sup> andar

20031-201 Rio de Janeiro – RJ

Brazil

Dear Sirs:

1. *[Insert name of Bank]*, a           organized under the laws of           (the “Issuer”), hereby establishes in favor of Agência Nacional do Petróleo (“ANP”), an agency of the Government of the Federal Republic of Brazil, its Irrevocable Standby Letter of Credit No.           (this “Letter of Credit”), whereby the Issuer authorizes the ANP to draw hereunder, in a single drawing, the Face Amount of this Letter of Credit as of the date of drawing (determined in the manner set forth in Clause 3 of this Letter of Credit) by presentation of a Draft and a Drawing Certificate (each as defined below) at the Issuer’s office specified in Clause 5 of this Letter of Credit, during the Drawing Period (as defined below).

2. This Letter of Credit is being established in accordance with the Concession Agreement (the “Agreement”) number           , dated           , 2003, between the ANP, *[Insert Concessionaire #1]*, a [           ] organized under the laws of Federal Republic of Brazil , and *[Insert Concessionaire n]*, a           organized under the laws of *Federal Republic of Brazil*.<sup>6</sup> Capitalized terms used herein (including in the Exhibits hereto) and not defined have the respective meanings set forth in the Agreement.

3. The Face Amount of this Letter of Credit shall initially be U.S.\$           .<sup>7</sup> The Face Amount shall be reduced upon presentation by the ANP to the Issuer of a certificate (a “Reduction Certificate”), in the form set forth in Exhibit 1 hereto, specifying a new, lower Face Amount.

4. The Face Amount of this Letter of Credit may be drawn by the ANP in the manner specified in Clause 5 of this Letter of Credit on any Banking Day during the period (the “Drawing Period”) beginning at 9:00 a.m., New York City time, on           ,           ,<sup>8</sup> and ending at 5:00 p.m.,

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<sup>5</sup> Insert the amount for the first Exploration Period

<sup>6</sup> Add or delete spaces as appropriate to reflect the number of Concessionaires.

<sup>7</sup> Insert the amount for the first Exploration Period.

<sup>8</sup> Insert a date prior to the Effective Date of the Concession Agreement for the Letter of Credit

New York City time, on \_\_\_\_\_, \_\_\_\_\_.<sup>9</sup> A “Banking Day” is any day other than a Saturday, a Sunday or day on which commercial banks in New York City<sup>10</sup> are authorized or required by law, regulation or executive order to close.

5. A drawing may be made hereunder only by the presentation by the ANP to the Issuer of a sight draft of the ANP drawn on the Issuer in the form attached hereto as Exhibit 2 (a “Draft”), and a certificate executed by the ANP in the form attached hereto as Exhibit 3 (a “Drawing Certificate”). Presentation of a Draft and Drawing Certificate must be made at the Issuer’s office in New York City located at \_\_\_\_\_, or at such other address in New York City as the Issuer may designate to the ANP by notice given in accordance with Clause 10 of this Letter of Credit.

6. Upon the presentation by the ANP to the Issuer during the Drawing Period of the Draft and Drawing Certificate at the office of the Issuer designated pursuant to Clause 5 of this Letter of Credit, the Issuer shall pay the Face Amount as of the date of presentation, by wire transfer of immediately available funds to the ANP’s account with a financial institution in New York City designated in the Drawing Certificate. If presentation is duly made at or prior to 11:00 a.m., New York City time, on any Banking Day, payment shall be made by the Issuer at or prior to 5:00 p.m., New York City time, on the same Banking Day. If presentation is duly made after 11:00 a.m., New York City time, on any Banking Day, payment shall be made by the Issuer at or prior to 1:00 p.m., New York City time, on the immediately following Banking Day.

7. This Letter of Credit shall expire upon the earliest of (i) \_\_\_\_\_,<sup>11</sup> (ii) the reduction of the Face Amount of this Letter of Credit to zero, (iii) the date on which the ANP presents to the Issuer a certificate executed by the ANP in the form attached hereto as Exhibit 4 (a “Completion Certificate”), and (iv) the indefeasible payment by the Issuer to the ANP in the manner set forth in Clause 6 of this Letter of Credit of the Face Amount upon a drawing properly made hereunder. Notwithstanding the foregoing, any drawing properly made hereunder prior to the expiration of this Letter of Credit shall be honored by the Issuer. Notwithstanding anything contained in Article 17 of the Uniform Customs (defined below) or herein, in the event that the Issuer’s office designated in Clause 5 of this Letter of Credit is closed on the date set forth in (i) of this Clause 7, the expiration date of this Letter of Credit and the Drawing Period shall be extended to the next Banking Day on which such office is open.

8. This Letter of Credit may only be drawn by, and other rights hereunder may only be exercised by, the ANP.

9. This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500 (the “Uniform Customs”). As to matters not covered by the Uniform Customs, this Letter of Credit shall be governed by, and construed in accordance with, the laws of [the State of New York, including without limitation Article 5 of the Uniform Commercial Code as in effect in the State of New York].<sup>12</sup>

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<sup>9</sup> For each Exploration Period, insert the date that is 180 days after the last day of the Exploration Period concerned.

<sup>10</sup> If the Issuer is a Brazilian bank or financial institution, the references to New York City throughout this Letter of Credit should be changed to Rio de Janeiro, except where otherwise noted.

<sup>11</sup> For each Exploration Period, insert the date that is 180 days after the last day of the Exploration Period concerned.

<sup>12</sup> Change to Brazilian law if the Issuer is a Brazilian bank.

10. All notices, demands, instructions, waivers or other communications to be provided pursuant to this Letter of Credit shall be in writing in English,<sup>13</sup> shall be effective upon receipt, and shall be sent by personal delivery, courier, first class mail or fax, to the following addresses:

i) If to the Issuer, to:

ii) If to the ANP, to:

Superintendência de Exploração  
Rua Senador 105, 11º andar  
20031-201  
Rio de Janeiro – RJ  
Brazil  
Fax (+55 21) 38040101 / 0102

The addresses and fax numbers for notices given pursuant to this Letter of Credit may be changed by the Issuer or the ANP by means of a written notice given to the other at least 15 Banking Days prior to the effective date of such change.

11. This Letter of Credit sets forth in full the Issuer's undertaking, and such undertaking shall not in any way be modified or amended by reference to any document, instrument or agreement referred to herein, except the Draft, the Drawing Certificate, any Completion Certificate and any Reduction Certificate.

Very truly yours,

*[Insert Name of Bank]*

By: \_\_\_\_\_

Name:

Title:

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<sup>13</sup> Change to Portuguese if the Issuer is a Brazilian bank.



**EXHIBIT 2**

**[FORM OF DRAFT]**

Letter of Credit No.  
[New York, New York]  
*[Insert Date of Draft]*

At sight

PAY TO THE ORDER OF AGÊNCIA NACIONAL DO PETRÓLEO the sum of U.S.\$ \_\_\_\_\_ ( U.S. Dollars), FOR VALUE RECEIVED. DRAWN UNDER *[Insert Name of Issuer]* IRREVOCABLE STANDBY LETTER OF CREDIT NO. \_\_\_\_\_ .

AGÊNCIA NACIONAL DO PETRÓLEO

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

To: *[Insert Name of Issuer]*  
*[Insert Address of Issuer]*

**EXHIBIT 3**

**[FORM OF DRAWING CERTIFICATE]**

Reference is made to the *Irrevocable* Standby Letter of Credit (the "Letter of Credit"), No. \_\_\_\_\_, dated \_\_\_\_\_, issued by \_\_\_\_\_ in favor of Agência Nacional do Petróleo ("ANP"). Capitalized terms used herein and not defined have the respective meanings set forth or incorporated by reference in the Letter of Credit.

The undersigned, being duly authorized to execute this certificate on behalf of the ANP, hereby certifies that either (i) the Agreement has terminated without completion of the Minimum Work Obligation or (ii) the Minimum Work Obligation has not been completed by the Concessionaires as of \_\_\_\_\_, \_\_\_\_\_<sup>14</sup>.

Payment of the current Face Amount of the Letter of Credit is to be made by the Issuer to the following account:

[insert details for account in New York City]

This certificate has been duly executed by the undersigned as of the \_\_\_\_\_

AGÊNCIA NACIONAL DO PETRÓLEO

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

<sup>14</sup> Insert the last day of the Exploration Period

**EXHIBIT 4**

**[FORM OF COMPLETION CERTIFICATE]**

Reference is made to the Irrevocable Standby Letter of Credit (the "Letter of Credit"), No. \_\_\_\_\_, dated \_\_\_\_\_, issued by \_\_\_\_\_ in favor of Agência Nacional do Petróleo. Capitalized terms used herein and not defined have the respective meanings set forth or incorporated by reference in the Letter of Credit.

The undersigned, being duly authorized to execute this certificate on behalf of the ANP, hereby certifies that:

- (i) The amount allocated to the Letter of Credit, in relation to compliance with the Minimum Exploration Program, has been fulfilled by the Concessionaire(s), or the Letter of Credit has been duly replaced by another instrument of guarantee accepted by the ANP.; and
- (ii) The Letter of Credit shall expire as of the date of this Certificate.

This certificate has been duly executed by the undersigned as of the \_\_\_\_\_-  
\_\_\_\_\_

AGÊNCIA NACIONAL DO PETRÓLEO

By:

\_\_\_\_\_

Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

## ANNEX XI - PERFORMANCE GUARANTEE (PORTUGUESE VERSION)

### GARANTIA DE PERFORMANCE

A presente refere-se ao Contrato de Concessão nº \_\_\_\_\_ (o "Contrato"), referente aos blocos \_\_\_\_\_ celebrado nesta data entre a Agência Nacional do Petróleo (a "ANP"), Autarquia integrante da Administração Federal Indireta do Governo da República Federativa do Brasil e \_\_\_\_\_ (a "Garantida"), uma \_\_\_\_\_ constituída de acordo com as leis brasileiras.

Com referência às obrigações assumidas pela Garantida no Contrato ou que possam ser impostas à Garantida no Contrato ou a ele relacionadas, \_\_\_\_\_ (o "Garantidor"), uma \_\_\_\_\_ constituída segundo as leis de \_\_\_\_\_, uma Afiliada da Garantida, concorda com o seguinte:

1. Os termos escritos em letras maiúsculas e aqui não definidos terão seus significados estabelecidos no Contrato.
2. O Garantidor, por meio desta Garantia, declara à ANP que: (i) está constituído de acordo com as leis de sua jurisdição; (ii) dispõe de todos os poderes societários e de representação legal para firmar, apresentar e cumprir esta Garantia; (iii) esta Garantia representa as obrigações legais validamente assumidas pelo Garantidor e é executável contra o Garantidor, de acordo com os seus termos; (iv) não são necessárias aprovações governamentais quanto à execução, apresentação e cumprimento desta garantia, salvo as que já foram obtidas e ora estão em vigor; e (v) a execução, apresentação e cumprimento desta Garantia pelo Garantidor não violarão qualquer dispositivo de lei ou regulamento existentes, aos quais o Garantidor esteja sujeito, bem como qualquer disposição dos documentos societários do Garantidor ou de quaisquer acordos ou contratos dos quais o Garantidor faça parte.
3. O Garantidor pela presente garante à ANP, em caráter incondicional e irrevogável, como devedor principal, o cumprimento devido e pontual de todas as obrigações da Garantida em razão do Contrato ou com ele conexos.
4. Esta Garantia é irrevogável e incondicional e terá força e efeito até que todas as obrigações da Garantida no Contrato, ou em conexão com o mesmo, estejam total e irrevogavelmente satisfeitas e extintas, não obstante (a) qualquer aditivo ou término do contrato, (b) qualquer extensão de prazo ou outra tolerância ou concessão feita pela ANP, ou (c) qualquer atraso ou falha por parte da ANP na obtenção de soluções disponíveis contra a pessoa jurídica Garantida. Não obstante o anteriormente disposto, esta Garantia extinguir-se-á em relação às responsabilidades decorrentes do inadequado abandono de poços ou instalações em qualquer área objeto do Contrato, no prazo previsto na legislação aplicável.
5. A ANP não estará obrigada a recorrer a qualquer outra garantia ou iniciar qualquer ação contra, ou com respeito à Garantia, antes de executar seus direitos decorrentes desta Garantia diretamente contra o Garantidor. O Garantidor, ademais, não poderá alegar que a ANP poderia ter evitado ou tolerado, de qualquer

maneira, ou através de qualquer ação, os prejuízos resultantes do descumprimento da Garantida no Contrato ou recorrer a qualquer outra garantia existente em qualquer tempo em seu favor, antes de agir contra o Garantidor em conexão com as obrigações deste, consoante esta Garantia. As obrigações do Garantidor nos termos desta Garantia serão independentes e indivisas e o Garantidor não terá direito a compensação ou oposição com relação a quaisquer reivindicações que possa ter contra a ANP ou qualquer outra pessoa.

6. Todas as obrigações do Garantidor aqui estabelecidas obrigarão o Garantidor e seus sucessores. O Garantidor não poderá ceder ou delegar seus deveres e obrigações sem o prévio consentimento por escrito da ANP, e qualquer alegada cessão ou delegação, sem tal consentimento, será nula e sem qualquer valor. O Garantidor confirma que esta Garantia será válida com relação a qualquer cessionário que seja Afiliada da Garantida, nos termos deste Contrato. Ocorrendo tal cessão, o cessionário será considerado como a Garantida para todos os fins da presente, na extensão das obrigações cedidas.
7. Esta Garantia será regida e interpretada de acordo com as leis da República Federativa do Brasil.
8. Qualquer descumprimento, demora ou tolerância da ANP em exercer qualquer direito, em todo ou em parte, em razão deste instrumento, não será entendido como renúncia ao exercício do referido direito ou de qualquer outro.
9. Nenhum aditivo ou alteração desta Garantia será válido, a menos que sejam feitos por escrito e assinados pelo Garantidor e pela ANP.
10. Qualquer controvérsia relativa à interpretação desta Garantia será resolvida, em termos exclusivos e definitivos, mediante arbitragem realizada consoante as Regras da Câmara de Comércio Internacional.
11. O Garantidor pagará à vista e contra apresentação das faturas, os custos e despesas efetivamente incorridos pela ANP em decorrência da execução desta Garantia, inclusive e sem limitação, às custas e aos honorários advocatícios.
12. Todas e quaisquer notificações, pedidos, instruções, renúncias ou outras comunicações relativos a esta Garantia, bem como quaisquer consentimentos previstos nesta Garantia, serão redigidos em português ou inglês e só serão considerados válidos após o recebimento, devendo ser entregues pessoalmente ou remetidos por courier, sedex ou fax, para os endereços abaixo:

Se para o Garantidor: \_\_\_\_\_ (incluir endereço do Garantidor)

Se para a ANP:

Superintendência de Exploração  
Rua Senador Dantas 105, 11<sup>o</sup> andar  
20031-201  
Rio de Janeiro -- RJ  
Brasil  
Fax (+55 21) 3804 0101 / 3804 0102

Os endereços e números de fax acima de quaisquer das Partes poderão ser alterados, por meio de notificação por escrito, de uma parte a outra, com uma antecedência mínima pelo menos 15 dias úteis anteriores à data efetiva de mudança.

13. Esta Garantia será apresentada em \_\_\_\_\_ (\_\_\_\_\_)  
vias, sendo qualquer uma de tais vias considerada como original.

14. Esta Garantia foi devidamente assinada pelo Garantidor e pela ANP, por seus representantes legais, em \_\_\_\_\_ de \_\_\_\_\_ de 2003.

\_\_\_\_\_ (Nome do Garantidor)

\_\_\_\_\_ (signatário)

\_\_\_\_\_ (nome do signatário)

\_\_\_\_\_ (cargo do signatário)

Recebido e Aceito

Agência Nacional do Petróleo

\_\_\_\_\_ (signatário)

\_\_\_\_\_ (nome do signatário)

\_\_\_\_\_ (cargo do signatário)

## ANNEX XII - MODEL PERFORMANCE GUARANTEE

### PERFORMANCE GUARANTEE

Reference is made to the Concession Agreement N<sup>o</sup>. (the "Agreement") for block of even date herewith among Agência Nacional do Petróleo ("ANP"), an agency of the Government of the Federal Republic of Brazil, and (the "Guaranteed Entity"), a organized under the laws of Brazil.

With regard to the obligations assumed by the Guaranteed Entity under the Agreement or that may be imposed upon the Guaranteed Entity under or in connection with the Agreement, (the "Guarantor"), a organized under the laws of , an Affiliate of the Guaranteed Entity, agrees as follows:

1. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.
2. The Guarantor hereby expressly represents and warrants to the ANP that: (i) it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) it has all requisite corporate power and authority to execute, deliver and perform this Guarantee, (iii) the execution, delivery and performance of this Guarantee have been duly authorized by all necessary corporate action, (iv) this Guarantee constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, (v) no governmental approvals are required in connection with the execution, delivery and performance of this Guarantee, except as have been obtained and are in force, and (vi) the execution, delivery and performance of this Guarantee by the Guarantor will not violate any provision of any existing law or regulation to which the Guarantor is subject or any provision of the Guarantor's constitutive documents or of any material agreements to which it may be a party.
3. The Guarantor hereby unconditionally and irrevocably guarantees to the ANP, as a primary obligor, the due and punctual performance of all of the obligations of the Guaranteed Entity under or in connection with the Agreement. If the Guaranteed Entity fails to perform any such obligation in the manner and at the time required, the Guarantor shall perform or procure the performance of such obligation upon demand by the ANP.
4. This Guarantee is irrevocable and unconditional and shall remain in full force and effect until all obligations of the Guaranteed Entity under or in connection with the Agreement are fully and irrevocably satisfied and discharged, notwithstanding (a) any amendment or termination of the Agreement, (b) any extension of time or other indulgence or concession granted by the ANP, or (c) any delay or failure by the ANP in pursuing any remedies available against the Guaranteed Entity. Notwithstanding the foregoing, this Guarantee shall terminate with respect to liabilities arising from improper abandonment of wells or facilities in any area subject to the referenced Agreement in accordance with applicable legislation.

5. The ANP shall have no obligation to pursue any remedy or take any action against or in respect of the Guaranteed Entity prior to enforcing its rights under this Guarantee directly against the Guarantor. In addition, the Guarantor may not claim that the ANP could have avoided or mitigated, in any manner or through any action, the damages resulting from a default of the Guaranteed Entity under the Agreement or resort to any other guarantee held at any time in its favor, before proceeding against the Guarantor in connection with its obligations under this Guarantee. The Guarantor's obligations under this Guarantee shall be independent and absolute, and the Guarantor shall have no right of set-off or counterclaim with respect to any other claims it may have against the ANP or any other Person.
6. All of the obligations of the Guarantor set forth herein shall bind the Guarantor and its successors. The Guarantor may not assign or delegate its duties or obligations hereunder without the prior written consent of the ANP, and any purported assignment or delegation without such consent shall be null and void. The Guarantor confirms that this Guarantee shall remain in effect with respect to any assignee of the Guaranteed Entity under the Agreement that is an Affiliate of the Guaranteed Entity. Upon any such assignment the assignee shall be considered the Guaranteed Entity for all purposes hereunder to the extent of the assigned obligations. The Guarantor additionally confirms that any assignee of the ANP under the Agreement permitted in accordance with the Agreement may exercise all rights and remedies of the ANP under this Guarantee. No other person or entity shall be a beneficiary of this Guarantee or have or acquire any rights by reason of this Guarantee.
7. This Guarantee shall be governed by and construed in accordance with the laws of the Republic of Brazil.
8. Any failure or delay by the ANP to exercise any right, in whole or in part, hereunder shall not be construed as a waiver of the right to exercise the same or any other right.
9. No amendment or modification of this Guarantee shall be effective unless in writing and signed by the Guarantor and the ANP.
10. Any dispute concerning the legal interpretation or construction of this Guarantee shall be settled exclusively and finally by arbitration conducted in accordance with the ICC Rules.
11. The Guarantor shall pay upon demand and presentation of invoices all reasonable and actual costs and expenses incurred by the ANP in connection with the successful enforcement of this Guarantee, including, without limitation, reasonable fees and expenses of counsel.
12. All notices, demands, instructions, waivers or other communications to be provided pursuant to this Guarantee, and any consents contemplated in this Guarantee, shall be in writing in Portuguese or English, shall be effective upon receipt, and shall be sent by personal delivery, courier, first class mail or fax to the following addresses:

(i) If to the Guarantor, to:

*[insert name of Guarantor]*

*[insert address of Guarantor]*

(ii) If to the ANP, to:

Superintendência de Exploração  
Rua Senador Dantas 105, 11º andar  
20031-201 Rio de Janeiro - RJ, Brazil  
Fax (021) 3804 0101 / 0102

The addresses and fax numbers of either party for notices given pursuant to this Guarantee may be changed by means of a written notice given to the other party at least 15 Business Days prior to the effective date of such change.

13. This Guarantee may be executed in any number of counterparts, each of which shall be deemed to be an original.

This Guarantee has been duly executed by the Guarantor and the ANP by their respective officers thereunto duly authorized as of the \_\_\_\_\_ day of \_\_\_\_\_, 2003.

*[insert name of Guarantor]*

\_\_\_\_\_  
*[insert name]*  
*[insert title]*

ACKNOWLEDGED AND ACCEPTED:

AGÊNCIA NACIONAL DO PETRÓLEO

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

ANNEX XIII – CONCESSION AGREEMENT

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