Invitation to Bid

BLOCKS B & E

[9 ***March 2021***]

REPUBLIC OF ALBANIA

MINISTRY OF INFRASTRUCTURE AND ENERGY

NATIONAL AGENCY OF NATURAL RESOURCES

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1. INTRODUCTION

1.1. In accordance with the Petroleum Law, the Ministry invites Bids for Blocks B & E.

1.2. This ITB, published on the AKBN website pursuant to the Petroleum Law and the Tender Regulations, describes the block on offer, the process for submitting a Bid, the necessary qualifications of a Bidder, the information a Bidder must submit with its Bid and the Bid evaluation criteria.

1.3. Before submitting a Bid, Bidders should familiarize themselves with Albania's regulatory regime for the allocation, management and regulation of rights to explore and produce petroleum.

1.4. A virtual data room has been prepared with technical evaluation material relating to the Bid Area. The virtual data room includes location maps, geological reports, existing seismic, data, and general information.

1.5. To obtain access to the virtual data room, interested companies should contact f.male@akbn.gov.al , providing a copy of a signed Non-Disclosure Declaration in the form included in Schedule 2. Following receipt of the Non-Disclosure Declaration, an AKBN representative will contact the Bidder and provide directions regarding access to the virtual data room.

1.6. Access to the virtual data room is provided only for the purpose of evaluating the Bid Area. Data in the virtual data room may not be sold, published or used for any purpose other than evaluating the petroleum prospectivity of the Bid Area and preparing a Bid.

1.7. Neither the Ministry nor AKBN are responsible or liable for the accuracy or completeness of the information provided in the virtual data room.

1.8. A Petroleum Agreement entered into with a successful Bidder will be based on the key terms and subject to the criteria set out in Schedule 1 and the work program submitted with the Bid.

1.9. With the exception of questions relating to this ITB, which are to be sent to the email address provided in Section 4 (Bidding Process), Bidders must not contact, solicit (including seeking to influence or offer inducements of any kind) or approach any person at AKBN or the Ministry. The Ministry reserves the right to disqualify any Bidder who breaches this requirement.

2. BID AREA

ONSHORE BLOCK B

2.1. The Contract Area covered by Block B is an area of approximately 776 km2, enclosed by the following point coordinates that define lines and as shown on the map for Block B.

2.2. The Coordinates are in Geographic Coordinate System, Albanian 1987 [EPSG 4191].

2.3. Coordinates of Block B:

Termination of latitude 41° 40' 00" N at the coastline of the Adriatic Sea

41° 40' 00" N, 19° 45' 00" E

41° 20' 00" N, 19° 45' 00" E

Termination of latitude 41° 20' 00" N at to the coastline of the Adriatic Sea

The western extent of Block B follows the coastline from point 1) 41° 40' 00" N to point 4) 41° 20' 00" N

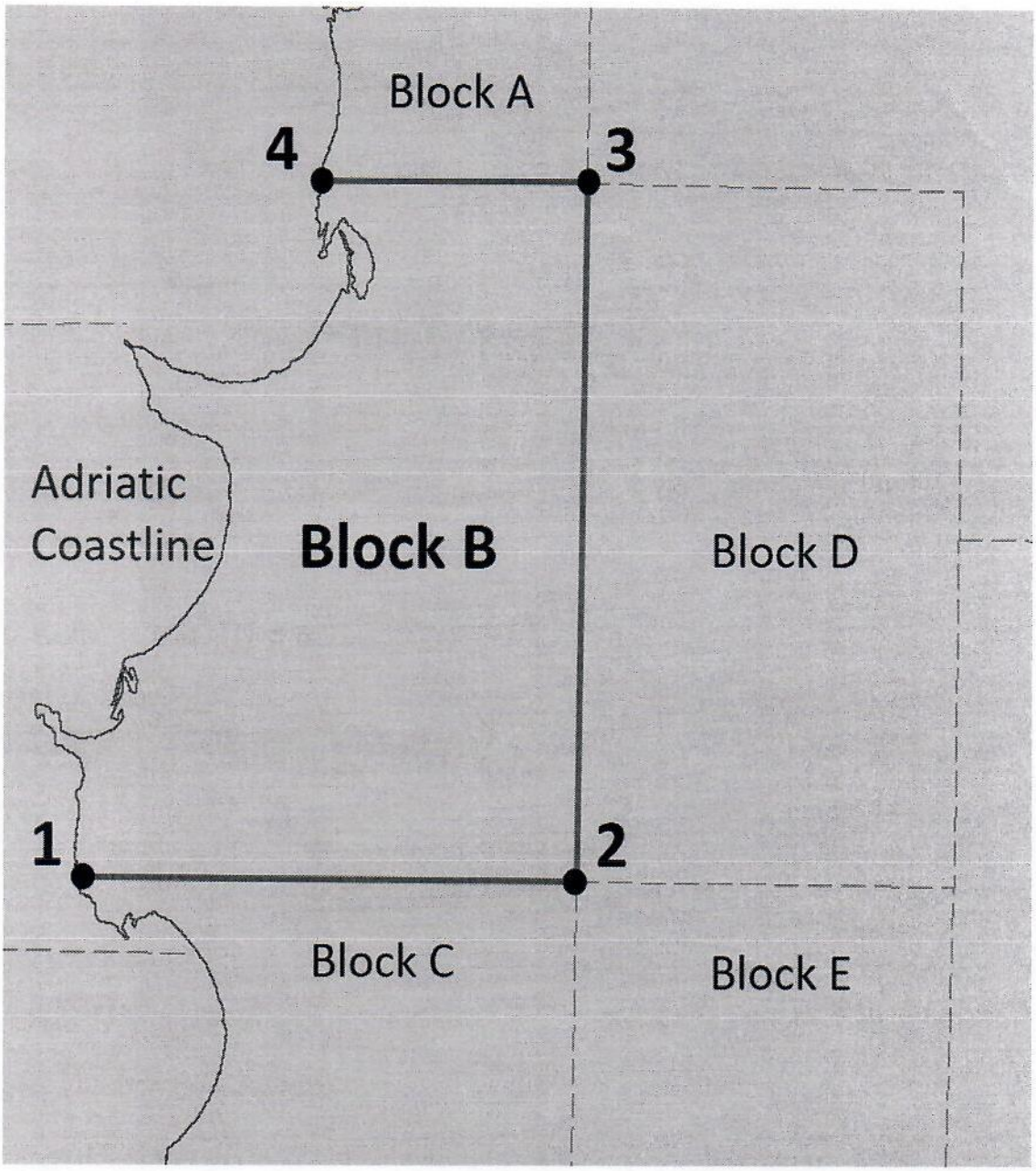
2.4. Prospective stratigraphic intervals of geologic interest are the Carboniferous-Eocene carbonates, Oligocene flysch, and Messinian molasse.

2.5. The vast majority of Block B is a relatively flat with a central hilly area having elevations up to 200 meters. A major highway (SH2) connects Tirana to Durres, is in the southern portion of the block. Much of the flatlands are cultivated and the hillsides are covered with Mediterranean vegetation. Monthly average temperatures and precipitation are given below.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Min (°C)	6	6	8	11	15	19	21	21	18	14	9	6	12.9
Max (°C)	12	13	14	18	22	25	28	28	26	22	17	13	19.9

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Prec.(mm)	130	115	100	95	75	50	30	45	75	110	160	140	1125

2.6. Map of Block B:



ONSHORE BLOCK E

2.7. The Contract Area covered by Block E is approximately 700 km2 and is enclosed by the following point coordinates that define lines, also shown on the map comprising Annex E.

2.8. The Coordinates are in Geographic Coordinate System, Albanian 1987 [EPSG 4191].

2.9. Point Coordinates of Block E:

1. 41° 20′ 00" N 19° 45′ 00" E

2. 41° 20′ 00" N 20° 00′ 00" E

3. 41° 05′ 00" N 20° 00′ 00" E

4. 41° 05′ 00" N 19° 48′ 00" E

5. 41° 00′ 00" N 19° 48′ 00" E

6. 41° 00′ 00" N 19° 45′ 00" E

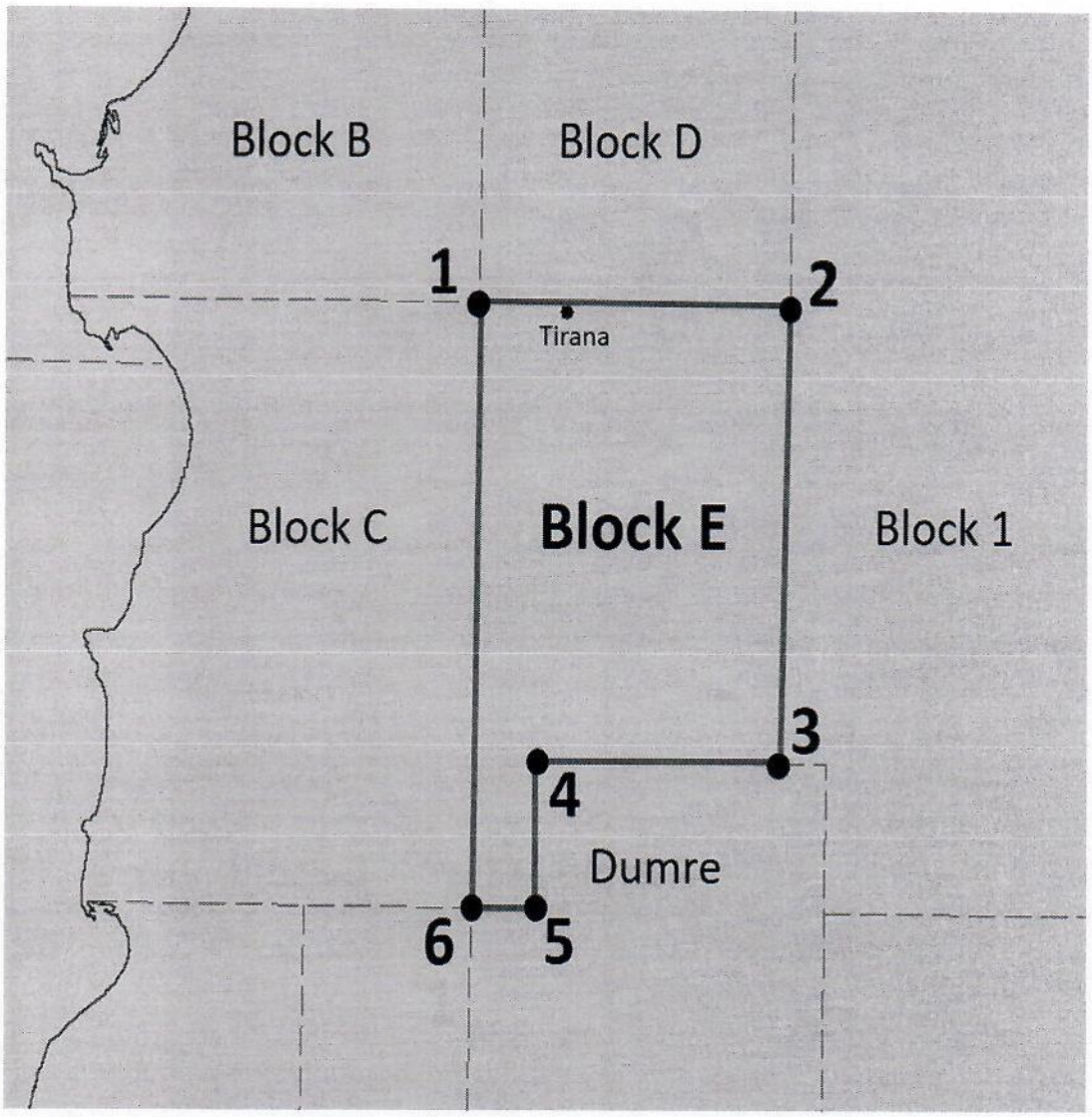
2.10. Prospective stratigraphic intervals of geologic interest are the Carboniferous-Eocene carbonates, Oligocene flysch, and Messinian molasse.

2.11. The vast majority of Block E is hilly to mountainous area having elevations that vary from 100 to 1000 meters, however most peaks to not exceed 500 meters. A major highway (SH3) connects Tirana to Elbasan and crosses the block from the NW to SE corner. The Tirana city area is densely populated, while the rest of the block is dotted with small towns in the valleys. The vegetation is typical of the Mediterranean area. Monthly average temperatures and precipitation are given below.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Min (°C)	2	2	3	7	12	15	17	17	14	10	7	3	9.1
Max (°C)	11	12	13	18	22	27	31	32	27	22	16	13	20.4

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
Prec.(mm)	135	150	130	115	120	85	30	30	60	105	210	175	1345

2.12. Map of Block E:



3. QUALIFYING BID CHECK

3.1. Prior to substantive evaluation, all Bids will be subject to a qualifying Bid check in which they will be checked for compliance with this ITB. The Minister will not accept any Bids that do not materially comply with the requirements of this ITB. Bids will only be further evaluated if they pass the qualifying Bid check.

3.2. In order to participate in this ITB, a company wishing to Bid as an operator must qualify individually. All Petroleum Activities on the Bid Area must be conducted by an entity that qualifies as an operator, with the minimum technical experience, financial capability and HSE requirements outlined in Schedule 3.

3.3. If the Bidder is a consortium, the consortium member that is the proposed operator must qualify individually with the experience and capability requirements outlined in Schedule 2 and must hold at least a 50% interest in the consortium.

3.4. Bidders must deliver, for each block on which they are bidding, a bid guarantee in an amount of USD 50,000 (fifty thousand United States Dollars) from an issuing bank holding a license to operate in Albania and in the form provided in Schedule 4, Part 4. The bid guarantee must be issued by a first-class bank that is acceptable to AKBN. The bid guarantee will be collected if the Bidder:

3.4.1. withdraws from the Bid for the relevant Block during the term of validity of the Bid;

3.4.2. gives false data in its Bid;

3.4.3. fails to agree to the key terms of the Petroleum Agreement as attached to this ITB and forming the basis of a Bid; or

3.4.4. following award, fails to deliver a guarantee for performing minimum work obligations.

3.5. The bid guarantee will be returned to bidders on the earlier of (i) successful award of the Block for which a bid guarantee was provided; and (ii) 180 days after the Bid Submission Date.

3.6. Bids must contain the following forms and documents:

ITB Item	Description
Schedule 3, Part 1	Evidence of Technical Capability
Schedule 3, Part 2	Evidence of Financial Capability
Schedule 3, Part 3	Evidence of HSE Capability
Schedule 4, Part 1	Bid Confirmation Statement
Schedule 4, Part 2	Details of Bidder/Consortium
Schedule 4, Part 3	Technical Bid
Schedule 4, Part 4	Bid Guarantee

4. BIDDING PROCESS

4.1. The block offer timetable is as follows:

Event	Date
Publication of Invitation to Bid	9 March 2021
Data Room Available	9 March 2021
Last date for questions	15 April 2021
Last answer to questions posted on the AKBN website	16 April 2021
Bid Submission Date	22 April 2021, 04:30 PM, Albania Time

4.2. All requests for clarification related to this ITB should be submitted to AKBN, by email to f.male@akbn.gov.al .

4.3. Answers to any questions related to this ITB will be published on the AKBN website to be viewed by all Bidders. The identity of the questioner will not be disclosed. AKBN is not obliged to (and reserves the right not to) answer any questions at its absolute discretion.

4.4. Bids must be submitted with the information required in Schedule 3 (Capability Requirements) and with the completed forms included in Schedule 4 (Bid Submission Forms).

4.5. Bids must be delivered, by registered mail or by hand, in a sealed envelope marked "CONFIDENTIAL: BLOCK [*insert name/number of Block*] BID ROUND".

4.6. Bids must be submitted no later than the Bid Submission Date, at the following address:

National Agency of Natural Resources
Bul. Bajram Curri, No. 18
Blloku Vasil Shanto
Tirana
Albania

4.7. Bids must be submitted in both hardcopy (1 copy) and digital, text-searchable format (1 copy). The digital copy should be stored on a CD-ROM, DVD-ROM or memory stick, or other commonly used electronic media compatible with a Windows operating system.

4.8. Bids received later than the Bid Submission Date will not be accepted.

4.9. There is no application fee to submit a bid.

4.10. Bids must remain valid for a period of 180 days following the Bid Submission Date.

4.11. The official language of the bidding round is Albanian. An English translation of this ITB has been provided to Bidders, and in case of any discrepancy between the Albanian and English versions of this ITB, the Albanian version shall prevail.

4.12. Bidders are obliged to submit their Bids in English together with a certified translation to Albanian. Both versions must meet the rules for preparation and submission of Bids set out in this ITB.

4.13. AKBN will decide whether it will provide or not provide a recommendation to the Ministry to accept any Bid submitted as a result of this ITB. The Ministry may or may not accept AKBN's recommendation and is not obliged to enter into a Petroleum Agreement with a winning Bidder selected after this ITB.

5. BID EVALUATION

5.1. Bids will only be evaluated after the Bid Submission Date.

5.2. All Bids must comply with the requirements of this ITB and its schedules.

5.3. The criteria that shall be taken into consideration for the award of the Bid Area are:

5.3.1. the technical, financial and professional capabilities of the Bidder;

5.3.2. the manner in which the Bidder plans to perform the Petroleum Activities;

5.3.3. the technical work program proposed by the Bidder in relation to its potential to prove and discover potentially commercial oil and gas; and

5.3.4. the fiscal terms offered by the Bidder for the grant of an award.

5.4. Bids will be evaluated on the basis of the criteria set out in Table 1 (Technical Bid Terms) and Table 2 (Evaluation Criteria) below.

5.5. A qualifying Bid must contain not less than the minimum requirements set out in Table 1, along with evidence of the technical, financial and HSE capabilities required by this ITB.

5.6. Bids will be scored relative to the highest proposal for each criterion.

5.7. Bids will be ranked in descending order, from the overall highest to the overall lowest.

5.8. AKBN will evaluate the bids and present the evaluation to the Ministry. The Minister will take a final decision on the winning Bidder utilizing, but not limited to, AKBN's recommendation.

Table 1: Technical Bid Terms

BLOCK B

Component	Minimum Requirement	Award Criteria/ Penalties to apply under Minimum Work Guarantee
Exploration well	Commitment to drill at least one exploratory well with a minimum penetration of 4,500m true vertical depth	Well depth will be assigned a value of USD 2,500 per meter.
Seismic reprocessing	Not less than 400km	Seismic processing will be assigned a value of USD 500 per kilometer.
2D seismic survey and processing	Not less than 300km	2D shooting and processing will be assigned a value of USD 2,000 per kilometer.
3D seismic survey and processing	Not less than 480km^2	3D shooting and processing will be assigned a value of USD 20,000 per square kilometer.
Training & capacity building	Not less than USD 1,000,000. Please specify the quantum of training and capacity building to be provided each year during the exploration period.	Dollar value of the training to be provided.

BLOCK E

Component	Minimum Requirement	Award Criteria/ Penalties to apply under Minimum Work Guarantee
Exploration well	Commitment to drill at least one exploratory well with a minimum penetration of 5,500m true vertical depth	Well depth will be assigned a value of USD 2,500 per meter.
Seismic reprocessing	Not less than 300km	Seismic processing will be assigned a value of USD 500 per kilometer.
2D seismic survey and processing	Not less than 300km	2D shooting and processing will be assigned a value of USD 2,000 per kilometer.
3D seismic survey and processing	Not less than 200km^2	3D shooting and processing will be assigned a value of USD 20,000 per square kilometer.
Training & capacity building	Not less than USD 1,000,000. Please specify the quantum of training and capacity building to be provided each year during the exploration period.	Dollar value of the training to be provided.

Table 2: Evaluation Criteria

Component	Determining criteria	Minimum Requirement
Technical Bid (Minimum Work Program)	Financial value of proposed exploration activities and training.	Per Table 1
Signing Bonus	Financial value of bonus on signing of the Petroleum Agreement.	USD 2,500,000
General evaluation	The general evaluation criteria will include consideration of: a) the proposed operator's experience in areas with similar conditions; b) the manner in which the Bidder intends to explore and begin exploitation (production) of the area, including the Bidders technical research and design capabilities, HSE systems and procedures and environmental standards; and (c) Bidders demonstrated technical analysis of the data as part of the Bid preparation.	Not applicable

6. TERMS OF THE PETROLEUM AGREEMENT

6.1. Key terms of the Petroleum Agreement to be awarded to the winning Bidder are set out in Schedule 1 (Key Terms of the Petroleum Agreement).

6.2. Each Bidder is obliged to deliver a Bid Confirmation Statement in the form provided in Schedule 4, Part 1, confirming that they have reviewed and familiarized themselves with the key terms of the Petroleum Agreement, and providing their consent for these terms to constitute the basis of the final Petroleum Agreement that is to be signed with the Ministry, as represented by AKBN.

6.3. The Ministry reserves the right to negotiate terms with a winning Bidder, in compliance with the Petroleum Law and the Regulations and where such negotiation provides an overarching benefit to the Albanian people.

7. ADDITIONAL GENERAL CONDITIONS

7.1. The Ministry reserves the right to:

7.1.1. vary this ITB at any stage prior to the Bid Submission Date (in which case the varied ITB or a notice setting out the particular variation will be posted on the AKBN website);

7.1.2. withdraw this ITB (or any part of it) at any time;

7.1.3. reject a Bid which, in the Minister's opinion, includes information that is false or misleading, or contains material errors or inaccuracies or data that the Bidder may not be entitled to;

7.1.4. not grant an award, even where there are one or more compliant Bids over the area; and

7.1.5. not give any reason for the rejection or decline of any Bid.

7.2. Any variations to this ITB will become part of this ITB upon the posting of the variation on the AKBN website.

7.3. By submitting a Bid, the Bidder warrants and represents that:

7.3.1. all the information contained in the Bid is complete and accurate in all material respects; and

7.3.2. the use by AKBN (and third parties authorised by AKBN or the Ministry), of the information contained in the Bid for the purposes of evaluating the Bid (or for further evaluating Albania's petroleum resources), will not breach any intellectual property rights held by the Bidder or any third party and the Bidder indemnifies AKBN and the Ministry for any loss or damage (including legal costs) resulting from any claim against AKBN or the Ministry for breach of any intellectual property rights.

7.4. Bids will become the property of AKBN on receipt and will not be returned to the Bidder.

7.5. Neither this ITB nor the ITB process creates any contractual, tortious (including in negligence), equitable or other obligation on AKBN or the Ministry or its employees, contractors, advisers or agents, to any Bidder or potential Bidder or any other person, nor do they give rise to any right enforceable by a Bidder or potential Bidder or any other person against AKBN or the Ministry.

7.6. This ITB is governed by and will be construed in accordance with Albanian law and each participant agrees to submit to the exclusive jurisdiction of the Albanian courts.

8. DEFINITIONS

AKBN	National Agency of Natural Resources
Bid	A bid submitted in response to this ITB
Bid Area	The bid area described in Section 2 of this ITB
Bidder	A company submitting a Bid
HSE	Health, Safety and Environment
ITB	Invitation to Bid
Minister	Minister of Infrastructure and Energy
Ministry	Ministry of Infrastructure and Energy
Petroleum Law	Petroleum Law No. 7746 dated 28.07.1993 (Exploration and Production), as amended
Tender Regulations	Regulations for Determining the Approval Procedures of the Petroleum Agreement, License Agreement, and Relevant Deadlines

SCHEDULE 1 – KEY TERMS OF THE PETROLEUM AGREEMENT

PART 1: DEFINITIONS

"Appraisal" means any appraisal activities, including appraisal wells, the purpose of which at the time such activity is commenced is to appraise and evaluate the extent, volume and quality of Petroleum reserves contained in a Discovery, and all related activities.

"Associated Gas" means Natural Gas which overlies and is in contact with significant quantities of Crude Oil in a Reservoir, and solution gas dissolved in Crude Oil in a Reservoir.

"Commercial Discovery" means a Discovery of Petroleum that the Contractor declares as commercial as contemplated in the Petroleum Agreement.

"Contract Area" means the area, extended and restricted, respectively in the vertical and horizontal axes, within which the Contractor is authorized to explore for, develop and produce petroleum under a Petroleum Agreement.

"Crude Oil" means crude mineral oil, asphalt, ozokerite and all kinds of hydrocarbons and bitumens, both in solid and liquid form in their natural state or obtained from Natural Gas by condensation or extraction, but does not include coal, or any substance which can be extracted from coal.

"Development" means the building and installation of facilities for the production of petroleum and the drilling of development wells.

"Development Plan" means a plan for the Development and Production of Petroleum discovered on the Contract Area prepared in accordance with the requirements of Section 6 of this Law and the relevant provisions of the Petroleum Agreement covering that Area.

"Discovery" means a discovery of Petroleum, whose existence within the Contract Area was unknown prior to the Effective Date, encountered in the first well drilled on a structure which can be recovered at the surface in a flow measurable by conventional petroleum industry testing measures.

"Exploration" means the search for petroleum by geological, geophysical and other means and includes the drilling of exploration and appraisal wells.

"Good Oilfield Practices" means all those things that are generally accepted in the international petroleum industry as good, safe, economical and efficient in exploring for and producing petroleum.

"Ministry" means the Ministry of Industry, Natural Resources and Energy (revised by further legislation to be the "Ministry means the ministry in charge of the activity,"[1] currently the Ministry of Infrastructure and Energy or MIE).

"Natural Gas" means all hydrocarbons which are in a gaseous state under normal atmospheric conditions, including wet gas, dry gas, casing head gas and residual gas remaining after the

[1] Law No. 8297, dated 4.3.1998, Amendment of Law No. 7746 dated 28.7.1993 "Petroleum (Exploration and Production) Law", as amended by Law No. 7853, dated 27.7.1994 "Supplementing the Petroleum (Exploration and Production) Law No. 7746 dated 28.7.1993.

extraction or separation of liquid hydrocarbons from wet gas, and non-hydrocarbon gas produced in association with liquid or gaseous hydrocarbons.

"Petroleum" means:

(a) Any naturally occurring hydrocarbon, whether in gaseous, liquid, or solid state;

(b) Any mixture of naturally occurring hydrocarbons, whether in a gaseous, liquid, or solid state; or

(c) Any mixture of one or more naturally occurring hydrocarbons, whether in a gaseous, liquid, or solid state, as well as other substances produced in association with such hydrocarbons.

"Petroleum Agreement" means an agreement entered into by the Ministry pursuant to subsection (1), Section 5 of this Law authorizing the Contractor to conduct operations in the Contract Area and may take the form of a Production Sharing Agreement or any other form agreed between the Ministry and the Contractor which is not inconsistent with this Law.

"Petroleum Operations" means all or any of the operations related to the exploration for development, extraction, production, separation and treatment, storage and transportation and sale or disposal of petroleum up to the point of export, or to the agreed delivery point in Albania or the point of entry into a refinery and includes natural gas processing operations but does not include petroleum refining operations.

"Production" means is the process of extracting hydrocarbons to the surface, through natural flow or through artificial well exploitation regimes.

"Production Sharing Agreement" means a Petroleum Agreement which provides for the recovery of certain costs from Petroleum produced and sold from the Contract Area or from a proportionate part thereof, and for the division between the State and Contractor of the balance of petroleum remaining after the recovery of certain costs in accordance with the Petroleum Agreement.

"Reservoir" means a discrete accumulation of Petroleum.

PART 2: KEY TERMS

1. Duration

a. Exploration Period - The exploration period is a maximum of five years, with a possible extension for another two years; provided that the Contractor has satisfied the Ministry that special circumstances exist. The Appraisal Period is not included in the Exploration Period.

b. Appraisal Period – The appraisal period will begin when the contractor has made a discovery and shall be for the sole purpose of evaluating a Discovery to determine whether it is commercial. The appraisal period may not be longer than three years from the date of the Discovery unless additional time is granted by AKBN at its sole discretion.

c. Production Period – The production period should not exceed 25 years but may be extended or renewed pursuant to the terms of the Petroleum Agreement, on every occasion, no more than five years.

2. Rights granted by the Petroleum Agreement

The Petroleum Agreement grants the Contractor the exclusive right to explore for and produce petroleum in the Contract Area.

3. Work Program

a. The work program committed to in the Bid will constitute an integral part of the Petroleum Agreement.

b. The Contractor shall implement the work program with due diligence and in accordance with Good Oilfield Practice.

c. The work program will be supported by a first demand (on-demand) performance guarantee or other security guarantee acceptable to AKBN.

4. Relinquishment Obligations

The Contractor shall have the option to relinquish 100 percent of the Contract Area at the end of the third (3rd) contact year during the Exploration Period. If the Contractor elects to relinquish the Contract Area under this option, the Contractor shall be relieved of obligations in the minimum work program directly related to drilling an exploration well only. The option to relinquish the Contract Area at the end of the third (3rd) contract year shall NOT relieve the Contractor of any other minimum work program commitment or obligation, including but not limited to, seismic data processing/reprocessing, 2D and 3D seismic survey commitments, and/or any other terms of the minimum work program. If the Contractor does not exercise this option and proceeds to drill one or more exploration wells as described in the minimum work program, the Contractor shall then relinquish any part of the contract area that is not included in the Development Plan at the conclusion of the Exploration Period (not to exceed an additional two (2) years), unless an extension of the Exploration Period is granted by the Minister.

5. Subcontracting

a. Contractor agrees to submit contracts where materials can be manufactured locally and with an estimated value in excess of five hundred thousand US Dollars for open, competitive bidding.

b. Contractor agrees to follow international leading practices in all procurement actions.

c. Contractor will disclose to AKBN any transactions, including procurement of goods or services, with companies in which the Contractor, one of its executives, board members, senior employees or any relative of the

executives, board members, or senior employees has or may have a beneficial interest.

d. Contractor will provide written justification to AKBN for any procurement decisions on cost recoverable items that result in payment or liabilities above or below 10% of the prevailing market price for such goods or services.

6. Reporting and Records

a. All petroleum data, including, but not limited to, geological, geophysical, petrophysical, seismic, geological formation data, magnetic survey data, samples, cores, petroleum composition, well test data, petroleum production, and any other data gathered by the Contractor, one of its subcontractors, or any other party shall be the sole property of the State of Albania. The State will grant an exclusive license to the Contractor (and its subcontractors, if any,) to use such data pursuant to its petroleum operations on the Contract Area. At the conclusion of the Petroleum Agreement, the Contractor will return all data related to the Contract Area to the State.

b. AKBN shall be entitled to use the data and information as it deems fit for the optimal development of petroleum resources in Albania. The State shall not publicly disclose or make available, other than for purposes required by law or as part of dispute resolution, any data or information provided by the Contractor until the earlier of 1) five years after the data was collected; or 2) the Petroleum Agreement no longer applies in respect of the point at or in respect of which the data was acquired.

c. The Contractor shall submit all petroleum data to AKBN as soon as reasonably practicable; provided that any delay beyond 60 days from the date of data collection must be approved in advance by AKBN.

7. Employment of Albanian employees, purchase of goods and services from Albania

a. Contractor agrees to employ Albanian personnel; provided that their professional skills, knowledge and experience meet the Contractor's requirements. Contractor will commit to replacing non-executive expatriate staff with qualified Albanian staff. Contractor will prepare and carry out a training and capacity building program, subject to approval by AKBN, to train Albanian personnel engaged in Petroleum Operations on all aspects of the petroleum industry that may be required to facilitate the hiring of Albanian nationals. The Contractor will reasonably cause its subcontractors to follow these procedures.

b. Contractor shall give preference to local contractors; provided that their prices, quality and availability are reasonably comparable to international prices and performance. Contractor shall also give preference to locally manufactured materials; provided that the prices, quality and availability are reasonably comparable to international prices and performance.

8. Environmental protection

a. Contractor will follow all Albanian laws and regulations on protecting the environment and preventing contamination from Petroleum Operations.

b. Contractor will adopt internationally accepted measures to avoid or minimize environmental contamination so that such contamination will not cause degradation to the quality of life or health of humans, animals and other natural flora and fauna.

c. Contractor agrees to be exclusively responsible for any environmental damage or contamination caused directly or indirectly by Petroleum Operations in the Contract Area. Contractor will follow Good International Petroleum Industry Practices in all areas of Petroleum Operations and will remediate any areas affected by Petroleum Operations to its original condition prior to the commencement of Petroleum Operations.

9. Royalties

The royalty tax is set at ten percent (10%) by Law No. 153/2020, "For the fiscal system in hydrocarbon sector".

10. Cost Recovery and Profit Sharing

a. Expenditures related to Petroleum Operations are recoverable only in the case of a commercial discovery in the Contract Area. The Allowable Expenditures in any one period (monthly) is defined by the sum of Eligible Costs less Net Revenue (after transportation and royalty costs), where negative; Allowable Expenditure = Eligible Costs, and where positive, Allowable Expenditures = Net Revenue and the difference of Net Revenue and Eligible Costs can be carried forward to the next period.

b. The percentage of petroleum revenues that may be allocated to cost recovery shall be limited to no more than 85% in a contract year, in accordance with Law No. 153/2020 "For the fiscal system in hydrocarbon sector".

c. Profit petroleum is defined as all available petroleum remaining after deducting the Royalty Tax and Government Allocation and all recoverable costs and expenses for a Calendar Month shall be Profit Petroleum.

d. The distribution of Profit petroleum is determined by the following:

The "R" Factor shall be used for purposes of determining the Parties' respective entitlement to Profit Petroleum and Government Allocation in each Calendar Month.

"R" Factor shall mean and be calculated as the ratio of Contractor's cumulative receipts from the Effective Date until the end of the preceding

Calendar Year to the Contractor's cumulative expenditures incurred from the Effective Date until the end of the preceding Calendar Year.

The cumulative receipts shall be the aggregate value of: (a) Contractor's share of Profit Petroleum plus (b) the Cost Recovery Petroleum, less all of Contractor's Albanian profit taxes paid.

The cumulative expenditures shall be the aggregate amount of all costs, expenses, and expenditures previously incurred by Contractor under the Contract, whether as development expenses, exploration expenses, or operating expenses.

Bids will summarize the range of R factor and Government share as per the following table;

R factor	Government Share	Contractor Share
$0 < R < 1.0$	3 %	97 %
$1.0 \leq R < 1.5$	5 %	95 %
$1.5 \leq R < 2.0$	7 %	93 %
$2.0 \leq R < 2.5$	12.5 %	87.5 %
$R \geq 2.5$	17.5 %	82.5 %

11. Taxation

a. The Contractor is subject to a tax on profit, according to the Law No. 153/2020 "For the fiscal system in hydrocarbon sector". The tax rate is 50 percent of the realized profit, payable annually.

b. The accounting procedure for calculating the realized profit is defined in each Petroleum Agreement. The Law generally describes the deduction of capital, operations and administrative expenses from realized revenue, provided the expenses are permitted according to ministerial criteria and consistent with international practices.[2]

c. AKBN will be entitled to a Government Allocation on Petroleum production, which shall be calculated using a "R-Factor" as part of the Petroleum Agreement.

12. Guarantees

The Contractor will deliver a bank guarantee for the duration of the relevant Exploration Period to AKBN.

13. Bonuses

a. Government shall be entitled to a signature bonus of [BIDDABLE].

[2] Law No. 153/2020 "For the fiscal system in hydrocarbon sector.

b. On declaration of the first Commercial Discovery, Contractor shall pay Government a bonus of not less than USD 1,000,000 (one million United States Dollars).

14. Rights and Obligations Relating to Natural Gas

If Natural Gas is discovered in the Contract Area, AKBN and the Contractor will consider possible economic opportunities for its use or sale and jointly decide on the best alternative. Should the Natural Gas lack a commercial market, the Contractor's obligations under the Petroleum Agreement may be suspended for a period not to exceed five years while a commercial market for the Natural Gas is sought or developed. During this period, Contractor shall use its best efforts to secure a market for the Natural Gas.

15. Domestic Supply Requirements

a. The Government of Albania will have the right to take its share of Petroleum under the Petroleum Agreement either in cash or in-kind. In the case of a national emergency, including but not limited to war, natural disaster, or other extraordinary circumstance, the Government of Albania shall have the right to purchase, at the market price on the day immediately prior to the national emergency, all output from the Contract Area.

b. In the case of Natural Gas, if no market can be found or the Contractor and AKBN determine that it is not economic to sell the Natural Gas, the Government of Albania shall be entitled to use any produced Natural Gas from the Contract Area, free of charge. In such case, the Government of Albania shall be responsible for any gathering, processing, and/or any transportation infrastructure that may be required to utilize the gas.

16. Abandonment/Decommissioning

a. Contractor will prepare and submit an abandonment plan and budget proposal for approval by AKBN no later than one year after submitting the Development Plan to AKBN. The abandonment plan will include a detailed technical and engineering description of the removal and abandonment measures, along with any environmental remediation that may be required by law or regulation.

b. Contractor will create an abandonment account, consistent with the approved abandonment plan, comprised of guaranteed funds that will be available to complete abandonment of all facilities and equipment used in Petroleum Operations in the Contract Area.

17. Assignment/Transfer/Change of Control

Contractor may not sell, assign or transfer an interest in the Petroleum Agreement to another party without the advance written consent of AKBN. If the Contractor is comprised of a consortium, advance written consent of AKBN shall be required for a change in operatorship. The incoming party or operator must meet the same

technical and financial requirements as other parties to the Petroleum Agreement. These requirements shall apply to affiliated companies of any party to the Petroleum Agreement.

18. Dispute Resolution

Dispute resolution shall be through international arbitration. The Contractor and Government of Albania shall first attempt to negotiate an amicable settlement of the dispute. If no settlement is possible, the matter may be referred to an expert. If the expert determination does not resolve the dispute, the matter may then be referred to international arbitration. Arbitration shall be through [specify arbitral rules - negotiable] and shall take place in [location - negotiable]. Any arbitration award shall be final and binding on the parties.

19. Applicable Law

a. The Petroleum Agreement shall be governed by and interpreted in accordance with the laws and regulations of Albania.

b. The Contractor and its subcontractors, if any, agree to follow all applicable laws and regulations, whether national, provincial, or local, while conducting Petroleum Operations in Albania.

SCHEDULE 2 - NON-DISCLOSURE DECLARATION

NON DISCLOSURE DECLARATION

for the data package of _____ oilfield

The undersigned _____, declares that he/she is
(the name of the signatory of this form)

representing _____,
(legal name and address of bidder – name must match a certificate of incorporation/trade license)

hereinafter referred to as the "**Recipient**".

The Recipient intends to bid for entry into a Petroleum Agreement for _____ oilfield ("**Oilfield**"). For that purpose, AKBN will make certain Information in Confidence (as defined below) available to the Recipient. As a condition to, and in consideration of, AKBN furnishing such Information in Confidence to the Recipient, the Recipient agrees to the undertakings contained in this Declaration.

The Recipient agrees that all information disclosed by AKBN to the Recipient through the Virtual Data Room shall be considered to be Information in Confidence. "**Information in Confidence**" relates to (without limitation) technical data, geological, production and other data, whether written, graphic, or electronic made available in the Virtual Data Room or provided to the Recipient on a CD in relation to the Oilfield.

The Recipient agrees moreover:

- to use Information in Confidence solely for purposes of evaluating the Oilfield in order to prepare its bid;
- to use all possible means to maintain the confidentiality of and not disclosure the Information in Confidence, using at least those measures that it employs for the protection of its own confidential information, and in any event not less than a reasonable degree of care;
- to disclose the Information in Confidence only to the Recipient's Representatives or particular employees of subcontractors who are required to have the information for the purpose of completing its bid;
- to not make any copies of the Information in Confidence without the written permission of AKBN unless it is necessary for the purpose of submitting its bid;
- to immediately notify AKBN, in writing, in the event of any unauthorised use or disclosure of the Information in Confidence.

The term "Representative" means, as to the Receipt, its controlling companies or controlled companies - their employees, persons authorized to represent the company according to law, agents

and other person entitled to act on behalf of Receiving party under any contract (including financial advisors and legal counsel).

All Information in Confidence remains the property of the AKBN and no license or other rights in the Information in Confidence are granted, except as expressly provided above.

This Declaration does not constitute any contract, partnership or other such business agreement.

The Recipient hereby acknowledges that unauthorized disclosure or use of Information in Confidence could cause irreparable harm, the quantum of which may be difficult to ascertain. Accordingly, the Recipient agrees that AKBN shall have the right to seek and obtain immediate injunctive relief from breaches to this Declaration, in addition to any other rights and remedies it may have.

The Recipient's obligations hereunder shall survive until all Information in Confidence disclosed hereunder becomes publicly known (through no action or inaction of the Recipient) or until the Recipient is required to disclose Information in Confidence by courts of competent authority.

By signing and submitting a copy of this document to AKBN, I confirm my understanding and acceptance of the above clauses and agree to comply with them.

For and on behalf of: _____

Name, Title and signature: _____

Date: _____

SCHEDULE 3 - CAPABILITY REQUIREMENTS

PART 1: Technical Capability

The following information must be provided in the Bid to enable assessment of technical capability in respect of the proposed operator:

No.	Criteria
1.	Names, qualifications, and length of tenure of directors and key management staff, including the CEO and those managers responsible for HSE, operations (exploration and development), geoscience, engineering, drilling and research & development.
2.	Details of previous operating experience in relation to operations performed in similar physical conditions to the Bid Area. Minimum required Operatorship experience onshore is 5 years.
3.	Details of worldwide acreage holding (lease/license/permit/concession/petroleum agreement) for exploration or development/production in accordance with the laws of respective countries.
4.	A description of the proposed operator's in-house capabilities in the areas of: (a) exploration geology and geophysics; (b) reservoir geology and engineering; (c) exploration well design, drilling and completion; (d) production development and engineering; and (e) facilities management.
5.	A description and chart showing the management structure (with assigned hierarchical decision-making responsibilities) and systems currently in place in relation to exercising supervision of operations in accordance with good industry practice. This should include identification of what operational management skills exist in-house, what is/will be contracted and what systems exist or are being implemented to cover interfaces and control of any contracted support.
6.	**Block B** Bidder shall have a proven track record for drilling, testing, and completion of wells with minimum depths of 4,500 meters. Also experience mitigating sour oil and gas danger, which may contain up to 15 percent H2S. Bidder shall also provide evidence of experience with such projects, including details of project location(s), and number of wells drilled/tested/completed (with depth range). Bidder must demonstrate they have developed fields through integration of 3D land seismic. Bidder must also provide details of their companies HSE protocols which meet international occupational health and safety (OHS) standards. **Block E** Bidder shall have a proven track record for drilling, testing, and completion of wells with minimum depths of 5,500 meters. Also experience mitigating sour oil and gas danger,

	which may contain up to 15 percent H2S. Bidder shall also provide evidence of experience with such projects, including details of project location(s), and number of wells drilled/tested/completed (with depth range). Bidder must demonstrate they have developed fields through integration of 3D land seismic. Bidder must also provide details of their companies HSE protocols which meet international occupational health and safety (OHS) standards.

Part 2: Financial Capability

The following information must be submitted to enable assessment of the prospective Bidder's financial capabilities.

No.	Requirement
1.	A copy of the audited financial statements of the Bidder of the last three (3) years, and any associated group financial statements.
2.	Annual corporate reports for the last three (3) years.
3.	Current paid-up capital.
4.	Current debt/equity ratio.
5.	Evidence of financial capability for completing the work program.

Part 3: HSE Capability

The following information must be provided in the Bid, with respect to the proposed operator's HSE capability and systems.

General

1. Details of other activities of a similar kind to those proposed in the work program that the proposed operator is currently undertaking in Albania or in Europe, Australia, Canada, or the United States.
2. If the proposed operator is not currently undertaking similar activities in Albania or in a comparable jurisdiction:
    a. details of similar activities in any non-comparable jurisdictions and a summary of the HSE regulatory framework for those jurisdictions;
    b. details of the proposed operator's understanding of Albania's regulatory requirements relating to HSE as those requirements apply to the type of activities proposed in the work program, including any consultation processes prescribed in the relevant legislation (the "Requirements");
    c. a description of the HSE risks (and proposed management of those risks) relating to the activities proposed in the proposed work program (the "Risks");
    d. a description of the systems, processes and capabilities they have to meet the Requirements and manage the Risks;
    e. a list of the personnel who have appropriate qualifications and experience to enable the operator to meet the Requirements and manage the Risks. If the proposed operator does not currently employ personnel in these roles, they must set out the steps they will take to engage those persons prior to the activities being undertaken.

If the proposed operator does not currently have the appropriate systems, processes, capabilities or personnel that are likely to be required to comply with the Requirements and manage the Risks, they must set out the process and timeframe by which the appropriate systems, processes or capabilities will be put in place, or suitable personnel employed, prior to the activities being undertaken.

Health and Safety

3. Details of the operator's policies in relation to process safety and occupational health and safety.
4. A description of the operator's management structure (directors/managers/personnel) identifying specific responsibilities for process safety and occupational health and safety, up to and including board level.
5. A list of the key personnel involved in decision-making (up to and including board level), including their previous experience with respect to managing process safety and occupational health and safety.
6. Details of the operator's safety management system.
7. Details of the operator's (or their parent company's) record of compliance with health and safety legislation over the 10 years immediately prior to the Bid Submission Date, including details of:
    a. any enforcement action taken against either company;
    b. any incidents involving fatalities, loss of containment, fires, or explosions;

c. any investigation reports from such incidents;
d. where there has been an incident, the proposed operator should demonstrate they have the ability to analyze the cause(s)(and their contribution to the cause(s)) of the incident and to identify actions to prevent the recurrence of the same or a similar type of incident;
e. contact information for any regulator involved in any such issues;
f. details of any civil legal action taken against the operator or their parent company in relation to any such incident, whether or not it has been determined.

Environmental

8. Details of their environmental policies, including any environmental management statements and, in particular, their policies in relation to avoiding, mitigating or remedying environmental hazards (or risks) associated with the types of activities proposed in the work program. These policies should be consistent with industry best practice.
9. A description of their management structure (directors/managers/personnel) identifying specific responsibilities for environmental risk management up to and including board level.
10. A list of the key personnel involved in decision-making up to and including board level, including their previous experience with respect to managing environmental risks.
11. Details of their (or their parent company's) record of compliance with environmental legislation in Albania or other comparable jurisdictions over the 10 years prior to the Bid Submission Date including details of:
    a. any enforcement action taken against either company;
    b. any incidents involving oil spills or other air, water or land pollution, or otherwise that resulted in a significant environmental incident;
    c. any investigation report from such an incident;
    d. where there has been an incident the proposed operator should demonstrate they have the ability to analyse the cause(s) (and their contribution to the cause(s)) of the incident and to identify actions to prevent the recurrence of the same or a similar type of incident;
    e. contact information for any regulator involved in any such issues;
    f. details of any civil legal action or arbitration proceedings taken against either company in relation to any environmental incident (including details of the judgment, award or settlement to the extent it is not confidential).

SCHEDULE 4 - BID SUBMISSION FORMS

Part 1: Bid Confirmation Statement

To: The National Agency of Natural Resources (AKBN)

We hereby submit our bid for Block [*insert name/number of block*] in accordance with the Invitation to Bid issued on [*9 March 2021*].

We agree to all terms and conditions of the Invitation to Bid.

By submitting our Bid, we warrant and represent that all the information contained in our Bid is complete and accurate in all material respects.

We understand and accept the obligations that shall be applicable to us if our Bid is accepted, including the key terms to appear in the Petroleum Agreement. We have reviewed and familiarized ourselves with the key terms of the Petroleum Agreement, and provide our agreement to these terms constituting the basis of the final Petroleum Agreement to be signed with the Ministry of Infrastructure and Energy, as represented by AKBN.

Upon the announcement of the winning Bid, we undertake to timely submit all documents and meet all requirements necessary for award and finalization of the Petroleum Agreement.

Yours sincerely,

[Bidders' authorized representative - name and job title]

BIDDER'S MUST PROVIDE PROOF OF AUTHORITY FOR THE AUTHORIZED SIGNATORY. IF SUBMITTING A CONSORTIUM BID, PROOF OF AUTHORITY MUST BE PROVIDED TO BIND THE CONSORTIUM.

Part 2: Details of Bidding Company/Consortium

Company Information (for each consortium member)		
1.	Company Name	
2.	Registered Address	
3.	Representative of the Bidder: - Name - Function - Phone - Email	
Consortium composition (applies to consortiums only)		
	Name/Company	**Percentage of Participation**
1.	Operator	*[Operator not less than 50%]*
2.		
3.		

Part 3: Technical & Financial Bid

The technical bid must be signed by the Bidder's authorized representative(s) (and if the bidder is a consortium, by each of the consortium members' representatives).

The work program must indicate the timing and duration of each of its activities and the relevance of each activity to assess the prospectivity of the Bid Area and must include a commitment to complete, at minimum, the work program set out in Table 1 of the ITB.

The work program committed to in the successful Bid will form an integral part of the Petroleum Agreement, and the contracting party will be obliged to carry it out diligently, and according to good oil field practices.

Block B MWP								
Year	Exploration Phase	Signing Bonus	Training	Seismic Reprocessing	2D Shoot & Process	3D Seismic Shoot & Process	Total Proposed Drill meters (min. one 4500 m TVD wellbore)	100% Reliquishment @ end of Phase 1 (less discovery areas), earn to deepest reserves or contingent resources
		USD	USD	Km	km	km2	m	
Minimum Bid required		2500000	1000000	400	300	480	4500	
1								
2								
3	1							EOY 3: Option to Reliquish 100% prior to drilling well(s), no drill penalties, subject to seismic and training penalties
4								
5								EOY 5: Retain Discoveries: Reserves + Contingent Resources*, relinquish all remaining lands subject to 2 year extension
6	2, Extension							Subject to approval by MIE based on proposed WP
7								
Sum								
Work Commitment / Award Criteria / Penalties		USD 1 USD Total ?	USD 1 USD Total ?	USD/km 500 USD Total ?	USD/km 2,000 USD Total ?	USD/km2 20,000 USD Total ?	USD/m 2,500 USD Total ?	*based on a 3rd party SPE-PRMS audit

Block E MWP								
Year	Exploration Phase	Signing Bonus	Training	Seismic Reprocessing	2D Shoot & Process	3D Seismic Shoot & Process	Total Proposed Drill meters (min. one 5500 m TVD wellbore)	100% Reliquishment @ end of Phase 1 (less discovery areas), earn to deepest reserves or contingent resources
		USD	USD, MM	Km	km	km2	m	
Minimum Bid required		2500000	1000000	300	300	200	5500	
1								
2								
3	1							EOY 3: Option to Reliquish 100% prior to drilling well(s), no drill penalties, subject to seismic and training penalties
4								
5								EOY 5: Retain Discoveries: Reserves + Contingent Resources*, relinquish all remaining lands subject to 2 year extension
6	2, Extension							Subject to approval by MIE based on a proposed WP
7								
Sum								
Work Commitment / Award Criteria / Penalties		USD 1 USD Total ?	USD 1 USD Total ?	USD/km 500 USD Total ?	USD/km 2,000 USD Total ?	USD/km2 20,000 USD Total ?	USD/m 2,500 USD Total ?	*based on a 3rd party SPE-PRMS audit

Part 4: Bid Guarantee

[On the letterhead of the Bank]

To: National Agency of Natural Resources (**AKBN**)
Bul. Bajram Curri, No. 18
Blloku Vasil Shanto
Tirana
Albania

Reference: Ministry of Infrastructure and Energy – Invitation to Bid for Block [*insert name/number of Block*]

Number:

Issuance Date: [*date*] (**Issuance Date**)

WHEREAS:

Reference is made to the Invitation to Bid dated [*insert date of issuance of the ITB*] issued by the Ministry of Infrastructure and Energy (**Ministry**) with a view to selecting a private sector entity to enter into a Petroleum Agreement for the conduct of petroleum operations in relation to Block [*insert name/number of Block*] (**ITB**).

Capitalised terms defined in the ITB (or related documents) and used but not otherwise defined herein shall have the meaning given to them in such ITB (or related documents). References to sections are references to sections of the ITB.

[*Bidder/Consortium name*] (**Bidder**) has submitted to AKBN its Bid for entry into a Petroleum Agreement with the Ministry for Block [*insert name/number of Block*] in response to the ITB. The ITB contemplates that the Ministry will enter into a Petroleum Agreement with the Bidder. Pursuant to the requirements of the ITB, the Prequalified Bidder is obliged to procure, in favour of the National Agency of Natural Resources (**Beneficiary**), a demand guarantee.

We, [*name of Guarantee provider*] (**Bank**) have agreed to issue this demand guarantee (this **Guarantee**) to secure certain undertakings and obligations of the Bidder in respect of the ITB and, if the Bidder is selected as the winning bidder, the Petroleum Agreement.

THE BANK AGREES AS FOLLOWS:

1. Subject to the terms of this Guarantee, the Bank irrevocably and unconditionally undertakes to the Beneficiary that it shall, upon receipt of a written demand to the Bank in the form set out in Appendix A of this Guarantee (a **Demand**), immediately pay the amount stated in such Demand in accordance with the terms of this Guarantee, without proof or conditions.

2. A Demand shall state that the amount claimed by the Beneficiary has become due and payable in accordance with sections 3.4.1, 3.4.2, 3.4.3, or 3.4.4 (as applicable) of the ITB. No further supporting statement under Article 15(a) of the URDG shall be required.

3. A Demand shall be conclusive evidence of the Bank's liability and of the amount of the sum or sums which it is liable to pay to the Beneficiary, as applicable.

4. The Bank's obligation to make payment under this Guarantee shall be a primary, independent and absolute obligation and it shall not be entitled to delay or withhold payment for any reason and such payment shall be made free, clear of, and without any set-off, counterclaim or deduction on account of any liability whatsoever including, without limitation, any present or future taxes, duties, charges, fees, deductions or withholdings of any nature whatsoever and by whomsoever imposed.

5. If any deduction or withholding is required to be made by law or regulation binding on the Bank, the Bank shall pay that additional amount which is necessary to ensure that the Beneficiary receives a net amount equal to the full amount which it would have received if the payment had been made without the deduction or withholding.

6. All payments under this Guarantee shall be in United States Dollars and made in cleared funds not later than 5 business days following receipt of a Demand to the following account (or such other account as the Beneficiary may notify to the Bank in writing):

   Bank: [*specify Beneficiary bank account details*]
   SWIFT: [*specify Beneficiary bank account details*]
   Account No.: [*specify Beneficiary bank account details*]
   Account Name: [*specify Beneficiary bank account details*]

7. The maximum aggregate liability of the Bank under this Guarantee shall not exceed the sum of USD 50,000 (fifty thousand United States Dollars) (**Guarantee Amount**).

8. This Guarantee shall come into effect on the Issuance Date, is a continuing obligation and shall remain in full force and effect (and shall not be affected by any act, omission, matter or thing which but for this provision might operate to release or otherwise exonerate the Bank from its obligations hereunder in whole or in part) until:

   a. in the case of a Bidder which is a winning bidder, the earlier of:

      i. the payment by the Bank to the Beneficiary of a sum or sums in aggregate which equal(s) the Guarantee Amount; and

      ii. the execution of a Petroleum Agreement and the simultaneous delivery of a substitute guarantee for performing the agreed minimum work obligations; and

   b. in the case of a Bidder which is not a winning bidder [*insert relevant date*] [*Note: Expiry date to be 180 days after the Bid Submission Date*];

   when it shall expire and cease to be valid whether or not this Guarantee is returned to the Bank.

   The Guarantee shall be returned to the Bank within 30 days of its expiry, by personal delivery or international courier to the address listed below at Clause 9 of this Guarantee.

9. A Demand to be made in accordance with Clause 1 of this Guarantee must be in writing and sent by personal delivery, international courier or facsimile to the Bank at:

Address:	[*address*]
Facsimile:	[*fax number*]
Attention:	[*name*]

10. A Demand, if sent by:

   a. personal delivery will be deemed to have been delivered on the date actually delivered;

   b. international courier will be deemed to have been delivered on the date set out on the relevant courier's delivery receipt; and

   c. facsimile is deemed to have been delivered on the date set out on the delivery confirmation report received by the sender,

   and must be delivered on or before Expiry.

11. The Bank may by five business days' written notice (delivered by international courier only) to the Beneficiary change its postal or facsimile address or addressee for receipt of such Demand.

12. The Beneficiary may not assign its rights under this Guarantee without the written approval of the Bank.

13. This Guarantee and any non-contractual obligations arising out of or in connection with it are governed by and construed in accordance with the laws of Albania and the parties irrevocably submit to the exclusive jurisdiction of the Albanian Courts with respect to any dispute or difference arising out of or in connection with this Guarantee. Nothing in this clause shall affect the ability of the Beneficiary to enforce any judgment against the Bank in any jurisdiction.

14. This Guarantee is subject to the Uniform Rules for Demand Guarantees 2010 revision, ICC Publication No. 758 (**URDG**).

[*Issuing Bank*]

.....

Authorized signatory

Appendix A to Guarantee

To: [*name of Bank*]

From: National Agency of Natural Resources, Albania

[*Date*]

Dear Sirs

Guarantee No. [•] (the "Guarantee")

We refer to the Guarantee. Terms defined or incorporated by reference in the Guarantee and not otherwise defined herein bear the same meaning herein.

We hereby confirm our entitlement to make this demand as a result of [*Note: specific events to be set out*], as set out in Clause 2 of the Guarantee and hereby demand that you promptly pay to us the amount of [[*specify currency*] [*specify amount in numbers*] ([*specify amount in words*] [*specify currency*])] in accordance with and subject to the Guarantee.

Payment by the Bank shall be made to [*the account specified in paragraph 6 of the Guarantee / the following account: [•]*].

Yours faithfully

_____

For and on behalf of National Agency of Natural Resources, Albania