

Application form

Application formular for exploration block of "Velça"

Applicant

Date of filling in the application

Date (dd/mm/yyyy)

Name of the contact person

Name, surname.

Phone number

E-mail address

Postal address.

A. General Information

a. Contract Area

Contract area (exploration block, oil field) for which is being applied for.

b. Commercial name of the applicant

Full commercial name of the applicant in accordance with the respective commercial register.

b.i. Legal form of the applicant

Legal Person

c. Contacts

Phone number

E-mail address

d Unique identification number

Unique identification number as recorded in the commercial register

e. Place of registration

Address of the place of registration of the company's headquarters.

City

Country

f. Description of the main activities of the applicant

A brief description of the main activities of the applicant

A. General Information (continued)

- g. Declaration of ownership** Declaration of company ownership (attach).
- h. Declaration of ownership** Declaration regarding any special control exercised by one of the shareholders or co-owners of the company (attach).

B. Financial data

- a.i. Details on the assets of the applicant** Income statement and balance sheet of the applicant for the last three years (attach).
- a.ii.** Financial reports for the last three years, of the applicant and of any other legal persons, which are its parent/s and/or sister/s companies (attach).
- a.iii.** Consolidated income statement and balance sheet, including consolidation standards and procedures (attach).
- b. Financial capacities** Data on financial capacities of the applicant, sorted by type (attach).
- c. Financial capital** Data on capital accounts of the applicant, sorted by type (attach).

d. Financing methods

A brief description on how the applicant plans to finance the hydrocarbon activities (attach detailed explanation).

C. Technical data

Experience related to previous hydrocarbon development and production activity

a. Countries/areas of previous activities

a.1

a.2

a.3

a.4

a.5

a.6

C. Technical data (continued)

b. Technical expertise of the applicant

Detailed explanation attached

c. Description of the applicant's experience in the conduct of the petroleum operations

Description of the operations for the development and production of petroleum conducted, in value and in kind (attach). Give detailed explanation, and the respective time periods for the conduct of such petroleum operations.

d. Description of the applicant's experience in similar oil fields

Description of the operations conducted for the development and production of petroleum, in value and in kind in similar oil fields (attach). Give detailed explanation, and the respective time periods for the conduct of such petroleum operations.

e. Personnel information

Technical capacities of the staff/personel that have conducted and lead the previous development and production operations, and those who shall engage in the development and production in the requested area (attach). Provide detailed explanation and copies of individual curriculum vitae.

f. Operator information

Data on the operator assigned for the technical management of the work, according to the executed operations (attached). Provide detailed explanation and copies of respective financial balance sheets.

D. Data on Main Terms and Conditions of the Hydrocarbon Agreement

a. Contract Area

Contract area (oil field) for which is being applied for.

b. Minimum work program

Minimum work program during the evaluation period and its duration (attach). Give detailed explanation.

b.i Evaluation period

b.i.a duration in months

b.i.b minimal amount in USD

b.i.c types of investment (type of operations to be conducted)

b.ii Production period

b.ii.a duration in months

b.ii.b description of the vision for the development of the oil field

D. Data on Main Terms and Conditions of the Hydrocarbon Agreement (continued)

c. Sharing of petroleum

- Method for sharing of production and the mechanism for cost recovery, including the provisions for the designation of a cost ceiling on petroleum costs (attach). Give detailed explanation.

c. i. Albanian Party Share of Production - APSP

c.i. Quantity of the Albanian Party Share of Production - APSP - expressed as a percentage of the total production, after deduction of PEP, if any (%)

c. ii. Pre-Existing Production - PEP

c.ii.a Quantity of the Pre-Existing Production, of the wells to be taken over (PEP_0), expressed as a percentage of the average production of the six months preceding the take-over date (%)

c.ii.b The decline formula for the monthly quantity of the Pre-Existing Production, the wells to be taken over (exponential decline formula - $PPE_n = PPE_0 e^{-D/12}$), exponential coefficient (D) expressed as a percentage (%).

c. iii. Petroleum costs recovery ceiling

c.iii. Amount of the petroleum costs recovery ceiling expressed as a percentage (%), but not more than 85%

c. iv. Available petroleum ceiling for cost recovery

c.iv. Amount Available petroleum ceiling for cost recovery expressed as a percentage (%), but not more than 85%

d. Bonuses

- Different Bonuses offered for training and signing the hydrocarbon agreement, production bonuses, etc. (attach). Provide detailed explanation.

d.i Signature bonus

d.i. Value of the signature bonus (USD)

d.ii Training bonus

d.ii. Value of the training bonus for Albanian Party's employees (USD/year)

d.iii Production bonus

- Production Bonus, for achieving certain production levels (expressed in bbl/days), paid and expressed in USD, for each proposed production level (attach). Provide detailed explanation.

e. Legislation

- Written declaration confirming that the laws of the Republic of Albania are applicable to the hydrocarbon agreement (attach).

f. Other proposals

- Other proposals (attach).

Explanations

The documentation must be in original form and it must be sent to the Albpetrol s.p.a address, which reviews the application. An applicant can submit applications for one or more oil fields, under the condition that each application should be sent through separate sealed envelopes.

Any subject, interested and fulfilling the criteria provisioned, can apply to enter into a Hydrocarbon Agreement.

Signature

This form must be signed in every page by the person authorized by the applicant (attach herein the respective authorization), with the respective company seal..

Also, it should be signed on each page of any documentation and/or explanation that is attached hereto, to this application form.

This application form is signed today on:

Signature date (dd/mm/yyyy)

This application form is signed by:

Signature of the authorized person (company seal)

Commercial name of the applicant