

Application form

Application form for the free blocks of production and exploration of gross oil

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, source) 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

Natural Person

c. Contacts

Phone number

E-mail address

d. Unique identification number

Unique identification number as recorded in the commercial register

e. Registration location

Address of the location registration of the company's headquarters

City

State

f. Activity of the applicant

A brief description of the activities and developing objectives of the applicant

A. General Information (continued)

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

B. Financial data

1. If the request is filed by a natural person:

a. Net asset value

<i>Applicants' net asset value.</i>	<i>Currency</i>

- b. Details on applicant's assets** Assets and different obligations composing the abovementioned capital in letter A (attached).
- c. Financial balance sheets** Balance sheets of profits and losses of the last three financial years and a balance of the last three years of each business unit the applicant owns (attached).
- d. Financing methods**

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

2. If the request is filed by a legal person:

- a.i. Details on the assets of the applicant** Balance sheets of profits and losses and the accounting balance drafted by the end of the three years (attached).
- a.ii.** Financial report of the last three years of the applicant and legal persons who, according to the applicant, might be the parent company and/or related one (attached).
- a.iii.** Consolidated balance sheet of the profits and losses and the accounting balance, including the consolidation's assessment principles (attached).
- b. Financial capacities** Data on financial capacities of the applicant, according to type (attached).
- c. Financial capital** Data on credited capitals of the applicant, according to type (attached).

B. Financial data (continued)

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 the previous hydrocarbon exploration and production activity

a. Countries/areas where activity is exercised

a.1

a.2

a.3

a.4

b. Technical expertise of the applicant

Seismic works

Geological works

Drilling of wells

Production operations

Attached detailed explanation

c. Other hydrocarbon operations

Other executed exploration or production works, in nature and value (attached). Provide detailed explanation.

d. Exploration operations

Assessment of accomplished oil or gas exploration and discovery, as well as realized expenses of the applicant or legal persons who, according to the applicant, might be its parent companies or members of the group the applicant belongs to (attached). Provide detailed explanation.

e. Production operations

Quantity of oil and gas produced during the calendar year, indicated in 1000 m³, in total and for each state (attached). Provide detailed explanation.

e.i. Total quantity produced during the previous academic year (ton)

e.ii.1 State

e.ii.2 Total quantity produced (ton)

e.iii.1 State

e.iii.2 Total quantity produced (ton)

C. Technical data (continued)

e.iv.1 State

e.iv.2 Total quantity produced (ton)

e.v.1 State

e.v.2 Total quantity produced (ton)

f. Staff data

- Technical capacities of the staff that have conducted and lead the previous exploration and production works, and those who shall engage in the exploration and development in the requested area (attached). Provide detailed explanation and copies of individual curriculum vitae.

g. Operator data

- 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.

h. Operation period

- Data on the period, during which has been performed the previous activity of hydrocarbon exploration or production (attached). Provide detailed explanation for the operation period and location where respective operations took place.

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

a. Contract Area

Contract area (exploration block, source) being applied for.

b. Minimum work programme

- Minimum work programme during the exploration, including their respective timelines. In case of hydrocarbon agreement for the exploration and discovery of hydrocarbons from existing sources, the minimum work programme for the assessment period and its duration (attached). Provide detailed explanation.

1. For exploration agreement:

b.1.i First exploration phase

b.1.i.a duration in months

b.1.i.b minimal amount in USD

b.1.i.c types of investment (type of operations to be conducted)

b.1.ii Second exploration phase

b.1.ii.a duration in months

b.1.ii.b minimal amount in USD

b.1.ii.c types of investment (type of operations to be conducted)

b.1.iii Third exploration phase

b.1.iii.a duration in months

b.1.iii.b minimal amount in USD

b.1.iii.c types of investment (type of operations to be conducted)

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

b.1.iii Third exploration phase

b.1.iii.a duration in months

b.1.iii.b minimal amount in USD

b.1.iii.c types of investment (type of operations to be conducted)

b.1.iv Assessment period

b.1.iv.a duration in months

b.1.iv.b minimal amount in USD

2. For production agreement:

b.2.i Assessment period

b.2.i.a duration in months

b.2.i.b minimal amount in USD

b.2.i.c types of investment (type of operations to be conducted)

b.2.ii Production period

b.2.ii.a duration in months

b.2.ii.b minimal amount in USD

b.2.ii.c types of investment (type of operations to be conducted)

c. Production division

Forms of production division and costs control mechanisms, including the clauses to set a ceiling of the expenses to cover hydrocarbon costs (attached). Provide detailed explanation.

c. i. Production Portion Albpetrol - PPA

c.i. Amount of the Production Portion of Albpetrol - PPA –indicated in percentage on the total production, upon deducting PEP, if any (%)

c. ii. Pre-existing production – PEP

c.ii.a Amount of the pre-existing production of wells to be assigned by Albpetrol, indicated in percentage of the average production of the six months preceding the date of assignment (%)

c.ii.b Formula of the monthly decrease of the amount of the pre-existing production, of wells to be assigned to Albpetrol (formula with exponential decay), exponential coefficient indicated in percentage (%).

c. iii. Hydrocarbon costs coverage ceiling

c.iii. Amount of the hydrocarbon costs coverage ceiling indicated in percentage (%)

c. iv. Ceiling of available oil to cover hydrocarbon costs

c.iv. Amount of the available oil ceiling to cover hydrocarbon costs indicated in percentage (%)

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

- d. Bonuses** Different Bonuses offered for training and signing the hydrocarbon agreement, production bonuses etc. (attached). Provide detailed explanation.
- d.i Bonus Agreement**
d.i. Value of the Bonus Agreement (USD)
- d.ii Training Bonus for Albpetrol**
d.ii. Value of the annual bonus for the training of Albpetrol' employees (USD/year)
- d.iii Production Bonus for Albpetrol** Production Bonus for Albpetrol, for achieving certain production levels (indicated in bbl/days), paid and indicated in USD, for each proposed production level (attached). Provide detailed explanation.
- e. Legislation** Written declaration confirming that the laws of the Republic of Albania are applicable to the hydrocarbon agreement (attached).
- e. Other proposals** Other proposals (attached).

Explanations

The documentation must be original and it must be sent to the Albpetrol sh.a address, which reviews the application. An applicant can submit applications for one or more blocks/sources, under the condition that each application should be sent through a separate special sealed envelope.

Any subject, interested in and fulfilling the criteria foreseen in the legal acts, can apply to sign 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, signature must be put in every page, every document or accompanying explanation attached to this application form.

This application form is signed today, on:

Date of signature (dd/mm/yyyy)

This application form is signed by:

Signature of the authorized person (company seal)

Commercial name of the applicant