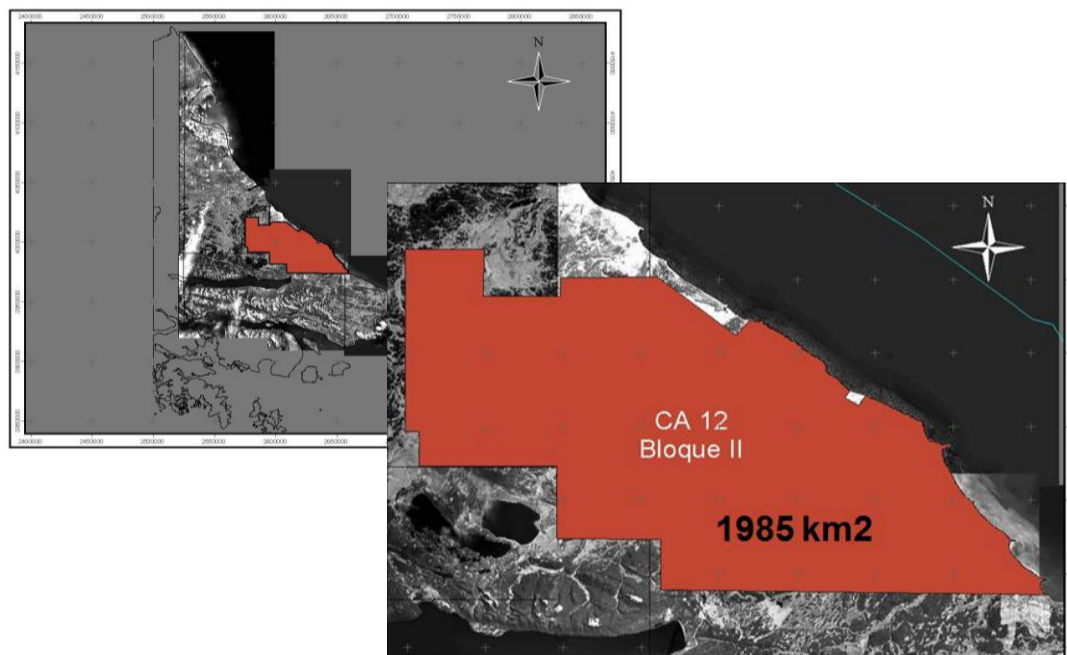


ANNEX I - S.E.H. RESOLUTION No. 01/18.-



PROVINCE OF TIERRA DEL FUEGO, ANTARCTICA
AND THE SOUTH ATLANTIC ISLANDS

SECRETARIAT OF ENERGY AND HYDROCARBONS



BIDDING TERMS AND CONDITIONS OF TENDER NO. 01/2018 FOR THE EVALUATION AND SELECTION OF APPLICANTS INTERESTED IN BEING GRANTED A HYDROCARBON EXPLORATION PERMIT AND POTENTIAL EXPLOITATION CONCESSION IN THE PROVINCE OF TIERRA DEL FUEGO, ANTARCTICA AND THE SOUTH ATLANTIC ISLANDS, IN AREA CA - 12, BLOCK II.

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NATIONAL AND INTERNATIONAL TENDER

ARTICLE 1 – OBJECT

1.1.- In view of Provincial Decree No. 3047/17, National and International Call for Tenders No. 01/2018 is hereby issued for the granting of a HYDROCARBON EXPLORATION PERMIT and potential EXPLOITATION CONCESSION within the perimeter of the AREA offered for tender, whose location and size are described in the Exploration Plan, which, as Attachment I Annex I, constitutes an integral part of these Bidding Terms and Conditions, in accordance with the provisions of Article 124 of the Argentine Constitution; Articles 81 and 84 of the Provincial Constitution; Title II, Article 16, et seq. and related provisions of Argentine Law No. 17,319 with the amendments introduced by Argentine Laws No. 26,197 and 27,007; National Decree No. 1671/69; S.E. Resolutions No. 188/93, 435/04; and any other legislation that may be applicable; as well as the conditions stipulated in these Terms and Conditions, and the Provincial Executive Decree approving the awarding of the tender and granting the EXPLORATION PERMIT.

1.2.- Those interested in participating in this Tender shall purchase the Tender Documents and the Technical Information Package corresponding to the AREA, from the headquarters of the SECRETARIAT OF ENERGY AND HYDROCARBONS, located at 7050 Pedro Giachino, in the city of Rio Grande (zip code 9420), from Monday to Friday from 9:00 a.m. to 4:00 p.m.

The cost of the Tender Documents and the cost of the Technical Information Package for the AREA tendered are specified in Attachment I, Annex I.2 and 3.

The amounts stated in U.S. dollars must be paid in pesos at the seller exchange rate published by the Banco de la Nación Argentina, at the close of the business day immediately prior to the date of acquisition of the Tender Documents. The allocation of funds resulting from the sale of the Tender Documents and the Technical Information Package will be regulated through Article No. 99 of Law 17,319.

The amounts referred to in the preceding paragraph shall be deposited at the Banco de Tierra del Fuego in Current Account No. 1710650/6, at the Ushuaia, Rio Grande and Buenos Aires Branches, as appropriate. The Tender Documents and the technical documentation - Technical Information Package - available on the AREA shall be presented to the interested parties upon provision of proof of payment of the amount established for both sets of documentation and signature of a confidentiality agreement by the legal representative of the interested company, who shall establish legal domicile of said party in the city of Rio Grande in that act.

1.3 - The present call for tenders will be disseminated via publication for TEN (10) DAYS in the Argentine Official Gazette, in the Provincial Official Gazette, on the Provincial Government web page, and in those newspapers with the highest circulation at the provincial

and national level, as well as in any other way that the ENFORCEMENT AUTHORITY deems appropriate, thereby ensuring equal opportunity for all BIDDERS.

Invitations may be sent to provincial, national and foreign oil companies that might be considered to have a potential interest in participating in the Tender.

ARTICLE 2 – SCOPE OF BID SUBMISSION

2.1.- The submission of a bid signifies that the BIDDER has full knowledge of all the regulations governing this tender, the evaluation of all the conditions pertaining thereto, the anticipation of its consequences and the acceptance of all the terms and conditions stipulated, and thus cannot claim ignorance of the aspects related thereto.

2.2.- Submission of the BID implies that the bidder is familiar with the area covered by this tender, the climatic conditions and their characteristic features; the concrete objectives of the work and its performance; as well as the fact that the said person has understood the scope of the terms and conditions contained in these Bidding Terms and Conditions, accepts them accordingly and has furnished the necessary financial means to carry out the entire program of execution detailed in the BID.

2.3.- Consequently, the submission of a bid for this tender and the obligations thus incurred imply the waiver of any claims subsequent to the awarding of the tender based on a lack of knowledge of the deposits, productivity-related issues, the territory and the present documentation or the incumbent responsibilities.

ARTICLE 3 – DEFINITIONS

3.1.- SUCCESSFUL BIDDER: BIDDER selected to obtain the EXPLORATION PERMIT for the AREA offered for tender by the Provincial Executive Branch, and approved by the Provincial Legislature.

3.2.- AREA: The one whose size and location are specified in Annex I of Attachment I of this document.

3.3.- AWARDING AUTHORITY: The Executive Branch of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands.

3.4.- ENVIRONMENTAL AUTHORITY: The Provincial SECRETARIAT OF ENVIRONMENT, SUSTAINABLE DEVELOPMENT AND CLIMATE CHANGE or whichever provincial body should replace it and exercise general authority over environmental matters.

3.5.- ENFORCEMENT AUTHORITY: The Provincial SECRETARIAT OF ENERGY AND HYDROCARBONS, which exercises the powers conferred in Title IX of Argentine Law No.

17,319, and in the applicable legislation, and those powers established in these Bidding Terms and Conditions.

3.6.- FEE: Sum of money received by the Provincial Government, determined by acreage of land, for the protection of rights over an area devoted to hydrocarbon exploration or exploitation in accordance with the provisions of Articles 57 and 58 of Argentine Law No. 17,319.

3.7.- ACT OF GOD or FORCE MAJEURE: The definition, scope and effects will be those set out in Articles 1,730, 1,733 and related articles of the Argentine Civil and Commercial Code.

3.8.- CLARIFICATORY CIRCULAR: A written communication addressed to all interested parties containing clarifications and/or responses to questions they have submitted in relation to these Bidding Terms and Conditions.

3.9.- EVALUATION AND PRE-AWARD COMMITTEE: The Committee set up by administrative act of the SECRETARIAT OF ENERGY AND HYDROCARBONS to intervene in the tender process in accordance with current regulations. Its members exercise the powers conferred by these Bidding Terms and Conditions.

3.10.- EXPLOITATION CONCESSION or CONCESSION: Set of rights and obligations arising from Article 27, et seq. and related articles, of Argentine Law No. 17,319, and applicable legislation, which cover the entire surface area of the EXPLOITATION LOT determined by the PERMIT HOLDER and approved by the ENFORCEMENT AUTHORITY.

3.11.- CONCESSION HOLDER: THE EXPLORATION PERMIT HOLDER who is granted an EXPLOITATION CONCESSION, in accordance with articles 17, 22 and related articles of Argentine Law No. 17,319.

3.12.- SCHEDULE: Chronological sequence of the tender process, which, as Attachment VI, constitutes an integral part of these Bidding Terms and Conditions.

3.13.- DECREE No. 2829 / 17: Decree by which the Private Initiative presented by the company YPF S.A. is declared to be of Provincial Public Interest.

3.14.- DAY: Time interval running from 0:00 a.m. to 12:00 p.m.

3.15.- BUSINESS DAY: Working day for the Public Administration throughout the Province.

3.16.- OPENING DAY: Date set in the schedule (Attachment VI) for the opening of envelopes as established in Article 12 herein.

3.17.- UNCONVENTIONAL EXPLOITATION: Unconventional Exploitation of Hydrocarbons shall be understood as the extraction of liquid and/or gaseous hydrocarbons using unconventional stimulation techniques applied to deposits located in geological formations made up of shale or slate (shale gas or shale oil), compact sandstones (tight sands, tight gas, tight oil), coal layers (coal bed methane) and/or characterized, in general, by the presence of low-permeability rocks.

3.18.- EFFECTIVE DATE OF THE PERMIT: The day following the date on which the interested party is notified of the approval by the Provincial Legislature, by a vote of two thirds of all its members, of the Provincial Executive Decree granting the EXPLORATION PERMIT for the AREA.

3.19.- HYDROCARBONS: CRUDE OIL and NATURAL GAS, in any state or ratio in which they are found together.

3.19.1.- CRUDE OIL: Mixture of liquid HYDROCARBONS, in their natural state and those obtained through the condensation or extraction of NATURAL GAS, which remains liquid under normal pressure and temperature conditions (760 mm Hg and 15.6°C). This includes hydrocarbons that are obtained from the gaseous phase after the first separation of oil (gas condensates) for transportation by gas pipeline (gasoline from gas).

3.19.2.- NATURAL GAS: Mixture of HYDROCARBONS consisting of methane, ethane, propane and butane, and other higher gases, which is extracted from natural gas reservoirs and which under atmospheric temperature and pressure conditions (760 mm Hg and 15°C) exists in a gaseous state.

a) ASSOCIATED GAS: Gas that occurs with oil deposits and which can be found, under the pressure and temperature conditions of the reservoir, in the form of gas dissolved in the oil or as a free gas "cap" in contact with it.

b) GAS FROM GAS-CONDENSATE FIELDS: Gas that, when in this state, under the pressure and temperature conditions of the reservoir, has components that, by isothermal decrease in pressure, undergo the phenomenon of "retrograde" condensation.

c) GAS FROM GAS FIELDS: Gas that, when in this state, under the pressure and temperature conditions of the reservoir, lacks "retrograde" condensation properties.

3.19.3.- LIQUEFIED GASES: Propane and Butane, contained in natural gas.

3.20.- EXPLOITATION LOTS: Those defined in Articles 33 et seq. of Argentine Law No. 17,319 with the amendment introduced by Law 27,007.

3.21.- BIDDER: Natural Person, Company or Companies that submit bids under the conditions set out in these Bidding Terms and Conditions.

3.22.- BID or PROPOSAL: Declaration of irrevocable and unilateral intent made by a bidder in accordance with the conditions set out in these Bidding Terms and Conditions.

3.23.- OPERATOR: Company that the BIDDER has proposed in their BID or one that replaces it during the term of the PERMIT or CONCESSION, upon acceptance by the ENFORCEMENT AUTHORITY.

3.24.- ENVIRONMENTAL LIABILITIES: Any events or actions involving spills and/or any other impact that may affect the water, soil, air, flora, fauna and landscape and the corresponding remediation, which take place during the exploration and/or exploitation period.

3.25.- ZERO-BASED STUDY: Report examining the environmental situation of the area in its current state.

3.26.- EXISTING ENVIRONMENTAL LIABILITIES: Those found by the OPERATOR and/or PERMIT HOLDER when taking possession of the area, consisting of:

3.26.1.- Existing natural and/or artificial basins, locations and access roads to locations at the sole discretion of the ENFORCEMENT AUTHORITY.

3.26.2.- Existing wells in an inactive state according to S.E. Resolution No. 05/96.

3.26.3.- Disused industrial and civic spaces.

3.26.4.- Old seismic trails.

3.27.- WORK PLAN: Implementation plan for the WORK UNITS agreed to be undertaken during the FIRST PERIOD and the corresponding implementation schedule.

3.28.- PERMIT HOLDER: Holder of the right to perform all the tasks entailed in the search for hydrocarbons, such as conducting geological and geophysical studies, drawing up plans, carrying out tasks involving measurement and demarcation, analysis and surveying of topographic and geodetic data, and drilling exploration wells within the perimeter of the area for which an EXPLORATION PERMIT has been granted. They will also be obligated to carry out, as a minimum, the program of execution agreed to be undertaken for each of the exploration periods.

3.29.- EXPLORATION PERMIT or PERMIT: The right granted to the PERMIT HOLDER by Provincial Executive Decree over the AREA tendered.

3.30.- EXPLORATION PERIOD(S): Those established in Article 23 of Law No. 17,319, with the amendments introduced by Law No. 27,007.

EXPLORATION WITH A CONVENTIONAL OBJECTIVE:

3.30.1.- FIRST PERIOD: the time T established in the proposal, up to three (3) years.-

3.30.2.- SECOND PERIOD: the time T established in the proposal, up to three (3) years.

3.30.3.- EXTENSION PERIOD: the time T established in the proposal, up to five (5) years.-

EXPLORATION WITH AN UNCONVENTIONAL OBJECTIVE:

3.30.4.- FIRST PERIOD: the time T established in the proposal, up to four (4) years.-

3.30.5.- SECOND PERIOD: the time T established in the proposal, up to four (4) years.-

3.30.6.- EXTENSION PERIOD: the time T established in the proposal, up to five (5) years.-

3.31.- S.E.N. or S.E.: Argentine Secretariat of Energy.

3.32.- US\$ (USD): United States Dollars.

3.33.- TERM OF PERMIT: The sum of the terms stated in Article 3.27 herein, plus the respective extensions requested and effectively granted in accordance with the provisions of Article 57 of Argentine Law No. 17,319.

3.34.- EXPLORATION WELL: Any well drilled in what may be a separate trap, in which no well-considered economically productive has previously been drilled. Also, any well intended for investigating stratigraphic traps.

3.35.- OIL COMPANIES REGISTRY: The registry belonging to the Argentine Ministry of Energy and Mining.

3.36.- OUTSTANDING BALANCE: Difference on a certain date between the valuation of the WORK UNITS agreed to be undertaken by the PERMIT HOLDER and those actually completed.

3.37.- DEFINITIVE TITLE: The instrument granted in accordance with the provisions of Article 55 of Argentine Law No. 17,319, according to the procedures of Article 16 of these Bidding Terms and Conditions.

3.38.- PROVISIONAL TITLE: Copy authenticated by the ENFORCEMENT AUTHORITY of the Provincial Executive Decree granting the EXPLORATION PERMIT approved by the Provincial Legislature to the successful bidder.

3.39.- WORK UNIT or UNITS: Conventional economic unit(s) that make it possible to compare, measure and add up work and services of different kinds (drilling meters, electrical and geophysical logging, cores, kilometers of 2D seismic lines and square kilometers of 3D seismic and other geophysical work, surface geology and special studies such as radiometric dating, AFTA, SHRIMP, paleontological, palynological, petrophysical, petrographic, geochemical, and paleomagnetic studies, fractures, stratigraphic and structural studies, isochronous maps on known and/or deeper reservoirs and others), to obtain a total amount representative of the various items of the exploration program offered. The unit value is set at US\$ 5000 (Five Thousand US Dollars) for each Work Unit.

ARTICLE 4 – GENERAL CONDITIONS OF ELIGIBILITY FOR TENDER. RIGHTS AND OBLIGATIONS.

4.1.- Participation in this tender is open to natural persons or legal entities that have purchased the Tender Documents together with the Technical Information Package on the AREA, meet the requirements established in these terms and conditions and are registered with the Oil Companies Registry.

4.2.- Those participating shall establish special domicile in the city of Rio Grande and must have the financial solvency and technical capacity required to perform the tasks intrinsic to the

right offered for tender. Furthermore, they shall bear sole responsibility for the risks associated with the exploration activity. The following are excluded from being bidders:

- 4.2.1.- Agents of the National, Provincial or Municipal Public Administration, acting on their own behalf or as directors or administrators of a legal entity.
 - 4.2.2.- The spouse and relatives up to the second degree of consanguinity or affinity of Public Administration agents and their spouses who, among their functions, have the power to decide on any aspect of the tender.
 - 4.2.3.- Those who have been suspended and/or disqualified within the last ten (10) years from entering into contract with the National or Provincial Government.
 - 4.2.4.- Those who have been suspended or disqualified in the Argentine Secretariat of Energy's Oil Companies Registry.
 - 4.2.5.- Companies that are the successors of companies included in section 4.2.4, when there is sufficient evidence to presume that fraudulence has taken place in an attempt to escape the effects of the sanctions imposed on their predecessors.
 - 4.2.6.- Individuals or legal entities that have been declared bankrupt, unless their disqualification has been lifted.
 - 4.2.7.- Those in arrears with the National or Provincial government or the Municipalities of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands.
 - 4.2.8.- Individuals who have been legally declared incompetent.
- 4.3.- Bids will not be accepted from consortia, cooperatives, joint ventures (of the kind classified as 'sociedades accidentales' under Argentine law) or de facto corporations, with bids only being accepted from those companies detailed in the following article and from Uniones Transitorias de Empresas, or UTEs (a specific type of joint venture governed by the Argentine Companies Law), under the conditions stipulated in these Bidding Terms and Conditions. When bidders come together to submit a single BID, must declare, by affidavit, certified by a Notary Public, that they meet the conditions set forth in this article both individually and collectively.

ARTICLE 5 – COMPANIES

5.1. - The following are accepted as bidders:

- 5.1.1.- Limited Liability Companies that are duly incorporated and registered.
- 5.1.2.- Joint Stock Corporations that are duly incorporated and registered.
- 5.1.3.- Companies incorporated abroad, provided that they comply with the provisions of Article 118, paragraph three, and related articles of the Commercial Companies Act, Law No. 19,550 and its amendments.

5.2.- Companies that are not registered with the SUPERVISORY BOARD OF COMPANIES (IGJ) of TIERRA DEL FUEGO, ANTARCTICA AND THE SOUTH ATLANTIC ISLANDS and are selected as successful bidders shall register a branch in this Province, as provided for in Article 5, final paragraph, of the Commercial Companies Act. This procedure must be completed within thirty (30) business days following notification of approval by the Provincial Legislature of the award decree, under penalty of revoking the award, unless the ENFORCEMENT AUTHORITY has extended the term for justified reasons, in which case the revocation of the award will serve as a penalty for breach of the new term agreed. The bidding companies must have a term of duration that exceeds by twelve (12) months the expiration date of all the obligations arising from their participation in the tender and potential awarding thereof.

ARTICLE 6 – UNIONES TRANSITORIAS DE EMPRESAS

6.1.- Uniones Transitorias de Empresas (UTE) must meet the following requirements:

6.1.1.- Their duration may not expire earlier than twenty-four (24) months after the maturity of the obligations arising from this tender.

6.1.2.- Their members must expressly assume joint and unlimited liability vis-à-vis the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands and third parties for fulfilling each and every one of the obligations arising from the bidding terms and conditions, which will cease until all outstanding accounts are settled, regardless of the duration of the UTE.

6.1.3.- Dissociation from or the transfer of rights or shares in the UTE is explicitly prohibited for all its members, unless expressly authorized by the ENFORCEMENT AUTHORITY.

6.1.4.- All the contributions of the members of the UTE are subject to the fulfillment of the obligations arising from the tender and potential awarding thereof, and are prohibited from being released or transferred.

6.1.5.- UTEs comprising or composed of companies incorporated abroad shall comply with the authorization and operation requirements established in Article 118, paragraph three of Argentine Law No. 19,550 and its amendments.

6.1.6.- Filing for reorganization proceedings, declaration of bankruptcy or the dissolution of any of the companies belonging to the UTE does not result in the latter's dissolution, and the remaining members must assume that company's obligations to the UTE within the terms and time limits established for such cases in the founding instrument.

6.1.7.- The companies that make up the UTE will be jointly and severally liable for any labor-related and/or social security claim that may arise from engagement in the tender process and the subsequent permit and/or concession, and during their validity.

6.1.8.- The UTE contract shall clearly indicate the capacity in which its members are acting and the nature of their association, explicitly identifying whether they are financial members or participants in the technical work arising from the tender, and indicating their area of specialty.

6.1.9.- The foundations of the association must respect the following guidelines, which will be considered necessary conditions of association and formation of the UTE:

- a) The representative of the UTE shall have a special mandate with sufficient powers from each and every one of the members to exercise rights and contract obligations pertaining to the implementation or execution of the EXPLORATION PERMIT and/or EXPLOITATION CONCESSION, under the terms and extension of Article 1465 of the Argentine Civil and Commercial Code.
- b) The agreements entered into by the UTE shall be adopted unanimously by its members, unless otherwise agreed.
- c) They shall enclose an authenticated copy of the resolution by the corporate bodies approving the incorporation of the UTE, in accordance with the corporate majorities established in their respective bylaws or charters.
- d) The inclusion of new members will only be permitted with the prior authorization of the ENFORCEMENT AUTHORITY.
- e) They shall determine the contributions due to the common operating fund and the means of financing or funding shared activities.
- f) They shall irrevocably determine the proportion or method for establishing the participation of each of the companies in the distribution of earnings or, as the case may be, the revenues and expenses of the UTE.

6.2.- When submitting the bid, it shall be accompanied by the contract for the formation of the UTE, in compliance with the aforementioned requirements. In the event of being selected as the successful bidder, the registration procedure for the UTE must be completed within thirty (30) business days from notification of approval by the Provincial Legislature of the decree granting the EXPLORATION PERMIT, under penalty of revoking the award, unless the ENFORCEMENT AUTHORITY has extended the term for justified reasons, in which case the revocation of the award will serve as a penalty for breach of the new term agreed.

6.3.- They shall sign the affidavit and commitment letter. (Attachment II - Annex III)

ARTICLE 7 – ACCREDITATION AND LEGAL STATUS

7.1.- Proof of the legal status of the representatives and/or attorneys-in-fact must be provided through instruments certified by a Notary Public and duly legalized. Those issued abroad must be legalized through the consular authorities or legalized through The Hague Apostille process and translated in accordance with the provisions of Article 6 of Argentine Law No. 20,305.

7.2.- All signatures provided in the capacity of representative shall be accompanied by the printed name and surname of the representative and identify the person they are representing.

ARTICLE 8 – BID SUBMISSION

8.1.- Bids will be received at the headquarters of the ENFORCEMENT AUTHORITY, located at 7050 Pedro Giachino, in the city of Rio Grande (CP 9420), Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, Argentina, in a sealed envelope, with the following written on it: - LICITACIÓN NACIONAL E INTERNACIONAL N° 01/2017 (NATIONAL AND INTERNATIONAL TENDER No. 01/2017), the NAME of the AREA and the accompanying Annex Numbers. The DATE and OPENING TIME shall also be included.

Inside the abovementioned envelope there shall be TWO (2) separately sealed ENVELOPES, one corresponding to "Experience and background information", identified with the letter "A", which must contain the information indicated in Article 10 herein, and the other with the letter "B", which will contain the "Bid", prepared according to the provisions of Article 11 herein. Both envelopes shall also have written on them the name of the BIDDER and the name of the AREA with the respective Annex Number of these Bidding Terms and Conditions.

8.2.- BIDS shall be clear and complete, written in Spanish and typed or word processed, and shall be submitted in original and THREE (3) copies. Each page shall be numbered and signed by the person(s) who provide(s) proof of being duly authorized by the BIDDER, and shall include a signature beside the heading of any erasures, amendments, additions and/or deletions that they may contain. The three (3) copies may be photocopies of the original signed copy of the BID. All the documentation contained in the aforementioned envelopes shall be presented in magnetic form as backup (CD, DVD or similar) in PDF format.

8.3.- Bids will be received up to 5 business days prior to the OPENING DAY, after which a Certificate of Closure of Receipt of Bids will be drawn up. The OPENING DAY ceremony, which will be held at the headquarters of the ENFORCEMENT AUTHORITY, indicated in point 8.1 herein, shall be carried out in accordance with the provisions of Article 12.

8.4.- Any questions and queries that purchasers may have shall be submitted in writing to the ENFORCEMENT AUTHORITY by the date established in the schedule for such purpose.

Questions shall be submitted in Spanish, in typewritten or word-processed text, and must clearly and precisely state the reason for the enquiry.

These will be evaluated by the ENFORCEMENT AUTHORITY, and the interested parties will be notified of the responses, in the form of circulars, at the special domicile established at the time of purchasing the Tender Documents.

Notwithstanding the foregoing, the abovementioned circulars shall accompany the Tender Documents for the information of those interested parties who, at the time of issuance and notification, have not yet acquired the document, taking into account the deadlines established in Attachment VI.

It is the responsibility of all interested parties to notify themselves of any clarifications that may be provided, for which purpose they may visit the offices of the Secretary of Energy and Hydrocarbons, located in the city of Rio Grande, from 10:00 am to 2:00 pm up to the business day prior to the opening ceremony. The government shall not be held responsible for failure by the interested party to visit the offices for notification, irrespective of whether they have submitted questions for clarification.

ARTICLE 9 – BID GUARANTEE AND MAINTENANCE PERIOD

9.1.- Applicants shall provide a bid maintenance bond for the sum of fifteen thousand US dollars (US \$ 15,000.00).

9.2.- The proof of provision of the bid maintenance bond to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, shall be inserted into envelope "A", in any of the following forms:

9.2.1.- A deposit in pesos at the seller exchange rate published by the Banco de la Nación Argentina made at the Banco de Tierra del Fuego, Checking Account No. 1710650/6 or through delivery of an automatically renewable thirty (30) day fixed-term deposit certificate from the same bank. In this case, the interest on the amount of the bond required shall be part of that guarantee.

9.2.2.- A security from a bank or financial institution authorized by the Argentine Central Bank payable unconditionally at the request of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, issued as guarantor and principal payer, waiving the benefits of excussion and division and prior legal action against the principal debtor in the terms of Article 1,584 of the Argentine Civil and Commercial Code. The text of the security shall mention the identification of this tender, the beneficiary and the term or duration. The signatures of the guarantor's legal representatives and their power to issue the security must be certified by the Notary Public of the bank's domicile, with the corresponding legalization. Bank securities must meet the following basic conditions:

- a) Appoint as beneficiary the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands.
- b) Cover, or contribute together with other guarantors a pro rata share of, the total amount of the guarantee that is required and maintain its validity until the obligations whose fulfillment it covers expire.
- c) Establish that the legal acts of the BIDDER or SUCCESSFUL BIDDER in the tender, acting as the security holder, shall not in any case affect the rights of the beneficiary or insured vis-à-vis the guarantor or insurer.

9.2.3.- A deposit in the Bank of Tierra del Fuego, Checking Account No. 1710650/6 of government bonds issued by the Argentine Republic after January 1, 2002, in sufficient quantity, at market value, to cover the guarantee required plus an additional margin of twenty percent (20%). Any interest accrued on the bonds or securities will belong to their depositors and shall be placed at their disposal when it is paid out by the issuing entity.

9.2.4.- A surety bond in accordance with policies in force approved by the Argentine Insurance Superintendence, with the corresponding payment receipt.

9.3.- The guarantees shall be issued to the full satisfaction of the ENFORCEMENT AUTHORITY, which must give its consent to the text, the supporting documents and the institutions and persons issuing them. In the event that any of these aspects is commented on or rejected, the text must be adapted or the entity or guarantee replaced to the authority's full satisfaction.

9.4.- BIDDERS shall be obliged to maintain their bids for a period of one hundred and twenty (120) calendar days counted from the date scheduled for the opening of the tender and any subsequent extension. The obligation to maintain the bid shall be renewed automatically, as of right, if the bidder should fail to duly notify the ENFORCEMENT AUTHORITY of their firm intention to withdraw it, at least ten (10) business days prior to the deadline.

9.5.- If the BIDDER announces the withdrawal of their BID before the end of the original maintenance period, or during the automatic extension of that period, they will lose their bid maintenance guarantee made out to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, without the need for judicial or administrative inquiry.

9.6.- All guarantees must cover the periods set out in the bidding terms and conditions, ensuring full compliance with the contracted obligations, and may only be replaced with the prior authorization of the ENFORCEMENT AUTHORITY.

9.7.- Within fifteen (15) days of notification of the award, the guarantee may be returned to those BIDDERS that have not been selected and to the person who, as the successful bidder, provides the performance bond corresponding to the execution stage.

9.8.- In the event that, after being notified at the established domicile, bidders do not withdraw their guarantees, they may claim their refund within a period of one (1) year, to be counted in calendar days from the date of notification.

Failure by the holder of the right to submit a request for refund within the period indicated shall imply a tacit waiver of those guarantees in favor of the state and they shall be received by the competent authority, which will order whatever value the guarantee holds to be claimed as assets by the state.

The Government General Accounting Department, under the Ministry of Economy, shall carry out the necessary procedures to claim amount of the guarantee deposits of those holders to whom the right to receive them is prescribed, crediting said amounts in accordance with the provisions of Article 99 of Argentine Law No. 17,319.

ARTICLE 10 – CONTENT OF THE ENVELOPES - ENVELOPE "A"

The envelope "A" - "EXPERIENCE AND BACKGROUND INFORMATION" shall contain:

10.1.- Index of documentation submitted.

10.2.- Bidding Terms and Conditions signed on each page.

10.3.- Identification, name or corporate name of the BIDDER and, in the case of a UTE, those of its members. It must be stated whether they are acting on their own behalf or through a representative and documents evidencing this attached under the terms of Article 7.

10.4.- In the case of a UTE, the requirements established in Article 6 of these Bidding Terms and Conditions apply.

10.5.- An express declaration of acceptance of all the rules and clauses of the Bidding Terms and Conditions and agreement with its content. (Attachment II - Annex IV).

10.6.- Establishment of a special domicile in the city of Rio Grande, where the Circulars and Clarificatory Notes of the ENFORCEMENT AUTHORITY will be sent. Their telephone numbers, fax and e-mail shall also be provided. (Attachment II - Annex IV).

10.7.- Declaration of the bidder's home and business address and, where applicable, those of its members.

10.8.- Proof of provision of the bid maintenance guarantee under the terms of article 9.

10.9.- Original receipt for the purchase of the Bidding Terms and Conditions.

10.10.- Authorization permitting the ENFORCEMENT AUTHORITY and the EVALUATION AND PRE-AWARD Committee to request information related to the bid from the public or private organizations mentioned in the technical and economic background information provided in the bid.

10.11.- An express agreement to submit to the jurisdiction of the Ordinary Provincial Courts, excluding any jurisdiction, including the Federal one and the jurisdiction of the International

Center for Settlement of Investment Disputes (ICSID), for the settlement of any dispute that may arise during this tender process or in relation to the EXPLORATION PERMIT and/or EXPLOITATION CONCESSION granted as a result, with conflicts of a contentious administrative nature being irrevocably subject to the original jurisdiction of the Supreme Court of Justice of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, in accordance with the provisions of Article 157, paragraph 4 of the Provincial Constitution, and shall be dealt with in accordance with the procedure established in Provincial Law No. 133 as amended by Provincial Law No. 460 or any that may later amend or replace it (Attachment II - Annex IV).

10.12.- An express declaration that the BIDDER is familiar with the location and conditions under which the object of the EXPLORATION PERMIT and/or the potential EXPLOITATION CONCESSION granted as a result of this tender, in accordance with the provisions of Article 2 herein, will be fulfilled.

10.13.- Originals or copies certified by a Notary Public and legalized by the respective Notary Association of documents providing evidence of joint agency, where applicable.

10.14.- An express acceptance that the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands does not provide any guarantee of the AREA's exploration and/or exploitation potential.

10.15.- Certificates of registration with the Federal Administration of Public Revenues (AFIP) and the Revenue Collection Agency of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands for local taxpayers or those included in the multilateral agreement regime, accompanied by the respective certificates of fiscal compliance.

10.16.- The corresponding certificates of fiscal compliance issued by national, provincial, municipal and/or communal tax authorities.

10.17.- At least two (2) bank records detailing conceptual and financial capacity rating, financing granted, if any, and duration of the relationship.

10.18.- Certificates of registration with the Oil Companies Registry in the category of the Argentine Ministry of Energy and Mining Operators, as provided by Article 50 of Argentine Law No. 17,319, S.E. Resolution No. 193/03, and amending and complementary regulations.

10.19.- Documents evidencing the bidder's experience and capability in regard to both the technical aspects as well as economic solvency and financial support to ensure that, in the opinion of the ENFORCEMENT AUTHORITY, they can fulfill their commitments in relation to this tender. When documents evidencing technical, economic or financial support are provided by non-bidder third parties, they must be drawn up in terms that explicitly ensure their enforceability. These documents cannot be replaced during the validity of the EXPLORATION PERMIT and/or EXPLOITATION CONCESSION, without the prior and

justified consent of the ENFORCEMENT AUTHORITY. Both the BIDDER and their potential guarantor shall comply with the asset conditions laid down in S.E. Resolution No. 193/03.

10.20.- Financial statements corresponding to the last three (3) fiscal years and of one (1) fiscal year ending not more than six (6) months earlier, signed by the persons legally responsible for the companies and approved by a Public Accountant certified by the respective Professional Council. The same requirement applies to those of Argentine branches with headquarters abroad, which must be translated into Spanish and converted into national currency in accordance with professional accounting standards. Failing this, a balance sheet for an irregular fiscal year shall be presented. Also added shall be details of the projected financial flows for a period of five (5) years with annual opening, a precise indication of the necessary and committed sources of financing for carrying out the exploratory work that the bidder undertakes to perform during the first exploration period.

The Public Accountant shall provide a report specifying the projected variation in income and expenditure.

10.21.- If the BIDDER is a legal entity, they shall, in addition, submit:

10.21.1.- Documentation proving the existence and legal capacity of the company and the representation of its directors or administrators, duly updated and registered with the corresponding authority in each case.

10.21.2.- Documentation proving that the duration of existence of the legal entity is longer than the period established for the permit and any extension thereof, in accordance with the provisions of Article 5.2 herein.

10.21.3.- In the case of a company incorporated abroad, the required documentation shall be submitted in accordance with the regulations of the company's country of origin, in compliance with the provisions of Article 118 of Argentine Law No. 19,550.

10.21.4.- Indication of the individuals who have the power to bind the company and the nature of their representation, along with the supporting documentation to prove this.

10.21.5.- Certificate of appointment of persons in authority valid at the time of submission.

10.21.6.- List of the members of the board of directors, managing partners and trustees or members of the supervisory board or equivalent positions.

10.21.7.- Proof of registration with the Supervisory Board of Companies of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, if applicable.

10.21.8. – Should the documents submitted be foreign, they shall be attached along with a translation into Spanish, signed by a Sworn Translator, certified by the competent authority, and bearing The Hague Apostille, if applicable.

10.22.- If the BIDDER is an individual, in addition to complying with all the sections of this article applicable to them, they shall indicate their full name, date of birth, nationality, marital status, profession, identity document number and actual residence.

10.23.- BIDDERS who are of foreign origin and have not had or do not have contracts in Argentina shall submit proof of having applied to register with each of the local tax collection agencies, and, in the event that they are selected as successful bidders, these procedures must be concluded within thirty (30) business days from the notification of the legislative approval of the Provincial Decree of award.

10.24.- Affidavit stating:

10.24.1.- Full compliance with the existing obligations towards the National or Provincial Government regarding the ownership of other exploration permits and/or current or previous exploitation concessions in exploration and exploitation areas of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands.

10.24.2.- A list of exploration permits with tasks still to be carried out, detailing the successful bidder, total amount of the investment, total amount executed, amount pending execution and indicating in which fiscal year the company will make said investments, and the amount that will be executed in each of the future fiscal years.

10.24.3.- The truthfulness, accuracy and validity of all the information included in the submission, which must be made by the BIDDER, in person or through a representative or attorney-in-fact.

10.24.4.- The fact that the bidder does not fall within the cases enumerated in article 4.2.

10.25.- Documentation proving that they have in place an environmental quality management system and a corporate social responsibility program.

ARTICLE 11 — ENVELOPE "B" (BIDS)

11.1.- Envelope "B" - "BIDS" shall contain the following or be liable to be considered inadmissible:

11.1.1.- The WORK UNITS (WU) that the BIDDER shall carry out during the FIRST EXPLORATION PERIOD. The WUs tendered shall be equal to or greater than Base K, set at 1500 (one thousand five hundred) WORK UNITS. All WORK UNITS tendered shall be binding and shall refer to an exploration program that includes the geophysical and geological work to be carried out in accordance with the latest and most efficient techniques, valued and grouped according to the items indicated in Annex VIII. The bid shall be made using the Quotation Spreadsheet appearing in Annex VIII.

11.1.2.- The commitment to carry out, during the SECOND PERIOD OF EXPLORATION, at least 1000 (thousand) WORK UNITS, plus the drilling of 1 (one) exploratory well, in the

event of opting for access to the same. The aforementioned well shall be drilled to a minimum depth to reach at least one hydrocarbon objective in the basin of the AREA in question.

11.1.3.- In the event that the company holding the concession for the exploration area requests it be changed from a Conventional to an Unconventional Concession, the provisions of Argentine Law No. 17,319, amendments and regulations shall apply.

11.1.4.- Should the PERMIT HOLDER not make the investments committed to for the FIRST PERIOD, they shall pay to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands the amount of unfulfilled committed WORK UNITS, the balance of which shall be updated and paid within THIRTY (30) days of relinquishing the area or the end of the FIRST PERIOD, whichever occurs first.

11.1.5.- In subsequent periods, should the permit holder fail to fulfill the committed WORK UNITS, they shall pay to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands the outstanding amount of WORK UNITS committed to and not undertaken, however, in the event excess units have been carried out, the permit holder may be compensated for the excess.

11.1.6.- The time "T" established in the proposal for the duration of the FIRST PERIOD, expressed in full years, with the following options:

three (3), two (2) or one (1) year(s). The time "T" shall be incorporated into the Quotation Spreadsheet appearing in Annex VIII.

11.1.7.- The proposal shall contain the commitment of a minimum payment equivalent to 30 (thirty) WORK UNITS per EXPLORATION PERIOD, as a COMMITMENT TO TRAINING, a payment which shall be earmarked for postgraduate training (courses, upgrades, specializations, Masters, Doctorates, attendance at conferences, etc.), travel and per diem costs related to the same outside of the Province , and for permanent ENFORCEMENT AUTHORITY staff in matters related to the exploration and exploitation of hydrocarbons. This amount shall be paid when the ENFORCEMENT AUTHORITY so requires.

ARTICLE 12 — BID OPENING

The Opening of the Envelopes shall be held at the place, date and time specified in the call for tender, in the presence of the officials designated for this purpose, the EVALUATION AND PRE-AWARD COMMITTEE, the bidders and the public in attendance. The session will begin by briefly checking if the documentation submitted in Envelope "A" complies with the formal requirements of the tender, without verifying their basic conditions. The omission or failure to comply with the requirements established in Article 10 shall prevent the respective Envelope "B" from being opened. Immediately afterwards, the corresponding "B" envelopes shall be opened and the financial proposals read.

Next, the acting officials or legal representatives of the BIDDERS may present observations, which must be concrete and concise, and limited strictly to the required forms and related documents. Observations shall be expressed verbally, without discussion, with the exception of questions from the officer presiding over the act that he deems appropriate for duly clarifying the matter at hand.

A record of all proceedings of the act shall be made in minutes prepared for said purpose, in which the following shall be recorded:

1. Date and time of opening and closing.
2. Names of the authorities present and those of the intervening officials.
3. Sequence number of the opening of the envelopes.
4. Name, company name or denomination of each BIDDER.
5. Reference to the documentation presented, indicating the number of pages in each bid.
6. Amount of each bid.
7. Observations that have been made.
8. Any additional information that the presiding officer considers to be of interest.

The minutes of the act shall be signed by the intervening officials and the legal representatives of the bidders who wish to do so.

ARTICLE 13 — OBSERVATIONS AND CHALLENGES

13.1.- Up to thirty (30) calendar days prior to the date on which the reception of BIDS begins, those bidders who consider themselves aggrieved by the call for tender, for whatever reason invoked, may lodge a written objection before the ENFORCEMENT AUTHORITY, accompanied by the documentation on which it is founded, in accordance with the provisions of Article 22 of Argentine Law No. 17,319.

Within twenty-five (25) calendar days of the expiration of the period corresponding to the above, the ENFORCEMENT AUTHORITY shall resolve the challenges presented.

Said authority may suspend the tender if, in its opinion, the opposition is sufficiently documented and well-founded.

In this regard, no opposition from the surface landowner of the area referred to in the call for tender shall be admitted based solely on the damage that could be caused by the award, without prejudice to the provisions of Title III, Argentine Law No. 17,319.

13.2.- Within two (2) business days following the opening of the envelopes, the EVALUATION AND PRE-AWARD COMMITTEE may require that those BIDDERS whose bids present formal or non-substantial shortcomings correct them and/or present the additional and/or clarifying information and documentation it deems necessary, provided that it does not

imply a modification of the BID, and which shall be delivered within three (3) days of notification.

BIDDERS may consult copies of the documentation presented during the three (3) business days following the opening of the envelopes, or, as established in the previous article, in the event the EVALUATION AND PRE-AWARD COMMITTEE requests the information indicated therein, and may formulate challenges within the following three (3) business days, which shall be duly founded under penalty of rejection.

The prerequisite to a challenge shall be the payment of a guarantee worth three-thousand US Dollars (US\$3000) to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, and shall be paid, in cash, by means of a deposit at the Banco de la Provincia and attached to the letter of challenge. The allocation of the guarantee shall be regulated through Article 99, Argentine Law No. 17,319.

This guarantee shall be paid for each of the challenges formulated.

All challenges formulated shall be sent to respondent for a period of three (3) days, after which the proceedings will go to resolution.

Challenges shall not have a suspensive effect and shall be resolved at the moment of the pre-award selection.

The guarantee shall be returned in the event the challenge is accepted in its totality. Should it be partially accepted, a ruling shall determine whether a partial refund corresponds. In the event of a total rejection, the guarantee shall go to the benefit of the Province.

ARTICLE 14 — BIDDER SELECTION

14.1.- The award shall go to the BIDDER who has presented the BID that is considered, in short, the most advantageous to the interests of the Province. To be the successful bidder, it shall be of particular importance to have achieved the highest score during the assessment of the awards criteria carried out by the EVALUATION AND PRE-AWARD COMMITTEE, in accordance with the guidelines established in Annex VII of Attachment IV.

14.2.- Notwithstanding the foregoing, following the launch of this tender in accordance with the Second Paragraph, Article 46 of Argentine Law No. 17,319, the bid author shall be selected on equal award terms.

14.3.- Equal award terms are considered to exist when the difference between the top-scoring bid and the initial bid does not exceed seven percent (7%) of the score obtained by the top-scoring bid.

14.4.- If the difference between the top-scoring and the initial bids is higher than indicated above, and up to twenty percent (20%), the top-scoring bidder and the initial bid author shall be invited by the EVALUATION AND PRE-AWARD COMMITTEE to simultaneously

improve their bids, presenting them in a sealed envelope, wherein the application of equal award conditions does not apply.

14.5.- If the initial bidder is a consortium or part of a Unión Transitoria de Empresas (UTE) with another bidder, the advantage granted to the initial bid shall only be applicable if the bid author owns fifty percent (50 %) or more shares in said consortium or UTE.

14.6.- The EVALUATION AND PRE-AWARD COMMITTEE may reject bids it deems not to be in the interests of the Province or that do not comply with the tender specifications, without any right of compensation in favor of the BIDDER.

ARTICLE 15 — AWARDING OF THE TENDER

15.1.- The ENFORCEMENT AUTHORITY shall designate the members of the EVALUATION AND PRE-AWARD COMMITTEE for the tender, who shall be professionals and/or technicians with specific expertise in the different matters to be evaluated.

Said committee shall be competent to carry out the process, the prequalification phase and to establish scores or order of merit for the BIDS presented, for which it shall have the sufficient powers to: receive, open envelopes and evaluate bids. It may also extend terms, issue rulings, recommendations, require reports and specifications, facilitate non-working days and hours and perform any act necessary to carry out its functions.

It shall communicate all these acts and those that may be pertinent to the ENFORCEMENT AUTHORITY.

The committee shall be domiciled at Pedro Giachino No. 7050, in the city of Rio Grande (CP 9420).

15.2.- Within five (5) business days following the expiration of the corresponding deadline provided in Article 13 above, the EVALUATION AND PRE-AWARD COMMITTEE shall analyze the documentation included in Envelope "A" and shall decide based only on the admissibility or inadmissibility of the BIDS as regards "Experience", (Attachment IV, Annex VII), without establishing any score or order of merit at this instance. A designation of "Prequalified" shall be assigned to all those BIDDERS that comply with the requirements of Article 10. A designation of "Not Prequalified" shall result in the rejection of the bid. Next, the EVALUATION AND PRE-AWARD COMMITTEE shall analyze the financial proposals presented in Envelope "B" of those prequalified BIDDERS, recommending them for the pre-award phase and subjecting them to the guidelines indicated in Article 14 above. (Attachment IV, Annex X).

15.3.- The rulings of the EVALUATION AND PRE-AWARD COMMITTEE shall not be binding for the ENFORCEMENT AUTHORITY.

15.4.- Within three (3) business days of the EVALUATION AND PRE-AWARD COMMITTEE issuing a decision, the ENFORCEMENT AUTHORITY shall pre-award the tender, subject to a well-founded resolution of any challenges presented, and shall notify the successful BIDDER and all prequalified BIDDERS of the pre-award selection.

In the event that the ENFORCEMENT AUTHORITY deems that no suitable bids were presented, the tender may be declared void with no right to claims by the BIDDERS. It may also, for reasons of expediency, merit or convenience, cancel the invitation to tender with equal legal consequences.

15.5.- In the event of discrepancies arising from issues within the BID that prevent the award being granted to the selected BIDDER, the ENFORCEMENT AUTHORITY may reject it and choose to between calling for successive negotiations with the other BIDDERS in order of merit or declaring the tender void, all without any right to compensation, claim or payment in favor of the successful or rejected BIDDERS.

15.6.- The pre-award of the tender as resolved by the ENFORCEMENT AUTHORITY shall be approved by Provincial Executive Decree, which shall grant the EXPLORATION PERMIT for the AREA under tender, in compliance with the provisions of Article 18 and related sections of Argentine Law No. 17,319; and Article 2 of Argentine Law No. 26,197.

15.7.- The EXPLORATION PERMIT for the AREA granted by Provincial Executive Decree shall be approved by the Legislature of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, by a vote of two-thirds of total members, in accordance with Article 84 of the Provincial Constitution. Once the approval has been made, the successful bidder shall be notified.

15.8.- Within thirty (30) business days of the legislative approval of the decree granting the EXPLORATION PERMIT in favor of the successful BIDDER, the ENFORCEMENT AUTHORITY shall notify the unqualified BIDS of the possibility to collect the “B” ENVELOPES within the following ten (10) days of receiving notice.

Once the deadline for unqualified BIDDERS to collect the "B" ENVELOPES has expired, the ENFORCEMENT AUTHORITY shall dispose of those that have not been collected by incineration.

ARTICLE 16 — GRANTING OF THE PERMIT TITLE

16.1.- The SUCCESSFUL BIDDER shall be authorized to enter the AREA as of the EFFECTIVE DATE OF THE PERMIT and the granting of the PROVISIONAL TITLE. Notwithstanding the foregoing, within thirty (30) days of notification of the legislative approval of the decree granting the EXPLORATION PERMIT, and at the date and time decided by the ENFORCEMENT AUTHORITY, the SUCCESSFUL BIDDER shall be

obliged to take possession of the area under a delivery certificate prepared by the Provincial Government General Notary Public, which shall be recorded in the relevant register. Notary fees shall be charged at the expense of the SUCCESSFUL BIDDER.

16.2.- In both cases, the SUCCESSFUL BIDDER shall deposit in advance the fee in the amount established in Article 18.10.

16.3.- Within fifteen (15) WORKING DAYS of the date on which the Provincial Official Gazette publishes the legislative approval of the Provincial Executive Decree approving the awarding of the tender and granting the PERMIT, the ENFORCEMENT AUTHORITY shall deliver to the Provincial Government General Notary Public the original documents indicated below:

16.3.1.- Certified copy of the Provincial Executive Decree approving the Tender Process, with its attachments.

16.3.2.- The consultations, clarifications and amendments to the Tender, along with the responses from the ENFORCEMENT AUTHORITY.

16.3.3.- The bid submitted by the SUCCESSFUL BIDDER in the tender.

16.3.4.- Certified copy of the administrative act by which the ENFORCEMENT AUTHORITY selected the SUCCESSFUL BIDDER that was awarded the tender for the AREA.

16.3.5.- Certified copy of the Provincial Executive Decree approving the awarding of the tender for the AREA and granting the EXPLORATION PERMIT and the record of legislative approval.

16.4.- The Provincial Government General Notary Public shall formally register this documentation in the Provincial Registry.

16.5.- The duly legal document constitutes the FINAL TITLE of the rights granted and shall be delivered to the PERMIT HOLDER within SIXTY (60) working days of the notification of the legislative approval of the Provincial Executive Decree granting the EXPLORATION PERMIT.

ARTICLE 17 — STUDY AND EXECUTION OF THE ENVIRONMENTAL CONSERVATION PLAN

17.1.- Both in the case of an EXPLORATION PERMIT and the granting of an EXPLOITATION CONCESSION, the PERMIT HOLDER and/or CONCESSION HOLDER shall submit to the ENFORCEMENT AUTHORITY and the ENVIRONMENTAL AUTHORITY, within eighty (80) calendar days counted from the date of award, an Environmental Audit, Zero-Based Study, covering their costs and expenses. The audit shall consist of the collection of primary data, sampling and identification of environmental

liabilities. It shall simultaneously submit a work plan and schedule of tasks to the ENFORCEMENT AUTHORITY for the cleanup of EXISTING ENVIRONMENTAL LIABILITIES, at its own expense, and which shall include the techniques, deadlines, persons in charge, intervening professionals, economic resources and standardized environmental indicators for the monitoring of those resources to be cleaned up. Said environmental work shall not exceed three hundred and sixty-five (365) days from the aforementioned presentation and shall consist in placing EXISTING ENVIRONMENTAL LIABILITIES within the permissible concentration levels established by the municipal, provincial or national regulations in effect, whichever is most stringent or appropriate according to the application of risk analysis based on internationally recognized guidelines, procedures and standards appropriate to the scenario in question (Standard Guide for Risk Based Corrective Action - RBCA-EPA (ASTM) for sites contaminated with hydrocarbons and their derivatives), unless there are duly proven impediments, which shall be reported to the ENFORCEMENT AUTHORITY in order to consider granting an extension. Within forty-five (45) days following the completion of the tasks, an Environmental Report shall be presented to the ENFORCEMENT AUTHORITY and the ENVIRONMENTAL AUTHORITY disclosing the correct cleanup of said liabilities. (*)

(*) *Circular No. 1 eliminated this item*

17.2.- ENVIRONMENTAL IMPACT ASSESSMENT: The SUCCESSFUL BIDDER shall submit to the ENFORCEMENT AUTHORITY and the ENVIRONMENTAL AUTHORITY the corresponding environmental impact assessment, as established by S.E. Resolution No. 25/2004 and Annex VI of Provincial Decree No. 1333/93, for evaluation by the ENVIRONMENTAL AUTHORITY, in accordance with the following deadlines:

17.2.1.- Exploration phase: forty-five (45) days prior to carrying out the seismic survey in the assigned area.

17.2.2. - Exploitation phase: accompanying the development program and investment commitments, in accordance with Article 32 of Argentine Law No. 17,319, that is, thirty (30) days after discovery is ascertained.

17.3.- The PERMIT HOLDER and/or CONCESSION HOLDER shall maintain records of the state of the water, soil and air resources and periodically file them with the ENFORCEMENT AUTHORITY, with a copy to the ENVIRONMENTAL AUTHORITY. In the event of damage to the aforementioned resources, the ENFORCEMENT AUTHORITY shall be informed immediately, with a copy to the ENVIRONMENTAL AUTHORITY, while taking the immediate and necessary cleanup/mitigation measures to avoid further damage to the environment. Likewise, a record of the cleanup of environmental contingencies, spills and any other environmental impacts affecting the water, soil and air resources and their corresponding

remediation shall be maintained and shall be available to the ENFORCEMENT AUTHORITY and the ENVIRONMENTAL AUTHORITY.

17.4.- In the event of partial or total relinquishment, within thirty (30) calendar days prior to the scheduled date for the relinquishment of the area, an audit certifying the lack of environmental liabilities in the area to be relinquished shall be submitted to the ENFORCEMENT AUTHORITY, with a copy to the ENVIRONMENTAL AUTHORITY.

17.5.- In the event that the PERMIT HOLDER and/or CONCESSION HOLDER does not perform the cleanup tasks and corresponding remediation in compliance with the schedule presented, the ENFORCEMENT AUTHORITY shall proceed to a preventive shutdown of the site and shall be entitled to request, directly and without any prior formalities, that third parties carry out all works laid out in the schedule, at the expense of the PERMIT HOLDER and/or CONCESSION HOLDER.

17.6.- The application of sanctions shall not exempt the PERMIT HOLDER and/or CONCESSION HOLDER from the obligation for the remediation of the environmental damages caused at the site.

17.7.- The obligations set forth above are without prejudice to those resulting from the application of Argentine Law No. 25,675, the applicable laws pertaining to minimum environmental budgets, S.E. Resolution No. 25/2004, S.E. Resolution No. 105/1992, Provincial Laws No. 55, and its Regulatory Decree No. 1333/93, and 105 and 145.

17.8.- The PERMIT HOLDER and/or CONCESSION HOLDER shall have third-party insurance coverage for damages resulting from incidents, and shall include in those damages the costs of preventive actions, necessary actions following an incident and inspection measures both prior to and following an incident, as well as actions requiring an investigation of damages. Additionally, for the exploitation phase, they shall have insurance and/or sufficient guarantees to address environmental damage repair and facilitate the implementation of repair actions.

ARTICLE 18 — RIGHTS AND OBLIGATIONS

18.1.- The rights and obligations of the PERMIT HOLDER and/or CONCESSION HOLDER shall be those established in Titles II and III of Argentine Law No. 17,319, Argentine Law No. 26,197, the decrees and resolutions issued as a consequence thereof, and as mentioned in this tender document; the decree approving the present Bidding Terms and Conditions; and the decree approving the awarding of the tender and granting the EXPLORATION PERMIT, and also, specifically:

- a. To set up an operations base in the commune of Tolhuin.

- b. To carry out all those works to which they are entitled by application of Argentine Law No. 17,319, respecting the latest, most sound and efficient techniques;
- c. To adopt all necessary measures to avoid damage to the reservoirs due to the drilling, operation, conditioning or abandonment of wells, giving immediate notice to the ENFORCEMENT AUTHORITY of any changes in this regard;
- d. To avoid any waste of hydrocarbons. If losses are due to the fault or negligence of the PERMIT HOLDER and/or CONCESSION HOLDER, they shall be liable for damages caused to the Provincial Government or to third parties.
- e. To adopt the recommended safety measures according to accepted practices in the sector in order to avoid accidents of all kinds, giving notice of those that occur to the ENFORCEMENT AUTHORITY, with a copy to the ENVIRONMENTAL AUTHORITY, when these are environmentally related;
- f. To adopt the necessary measures to avoid or reduce damage to agricultural, fishing and communications activities, as well as to ground water discovered during drilling;

18.2.- The Province of Tierra del Fuego, Antarctica and the South Atlantic Islands shall not be liable to the PERMIT HOLDER and/or CONCESSION HOLDER for amendments to national legislation applicable to the PERMIT and/or CONCESSION or for decisions of the National Executive Branch issued within its sphere of responsibility that could alter or restrict the rights of the PERMIT HOLDER and/or CONCESSION HOLDER recognized by the award decree.

18.3.- The PERMIT HOLDER shall assume all risks inherent in the exploration of hydrocarbons and contribute at its own expense the technology, capital, equipment, machinery and qualified technical personnel necessary to execute the minimum WORK UNITS and the committed units, and also carry out all work and investments required for adequate exploration of the AREA.

18.4.- The PERMIT HOLDER, when taking possession of the area, shall perform a survey in accordance with Article 20, Title II of Argentine Law No. 17,319 and S.E. Resolution No. 309/93. Gauss Krüger and POSGAR '98 coordinates systems must be used and sent to the ENFORCEMENT AUTHORITY within six (6) months following the date of possession of the AREA.

18.5.- Should the PERMIT HOLDER not make the investments committed to for the FIRST PERIOD, they shall pay to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands the OUTSTANDING BALANCE within THIRTY (30) days of relinquishing the area or the end of the FIRST PERIOD, whichever first occurs. -

In the following PERIOD, should the PERMIT HOLDER withdraw from the EXPLORATION PERMIT, it shall be obliged to pay to the Province of Tierra del Fuego,

Antarctica and the South Atlantic Islands the corresponding amount for the unfulfilled committed WORK UNITS that correspond to the PERIOD in which the withdrawal occurs.

If, during the FIRST PERIOD, the WORK UNITS carried out exceed the respective commitments, the PERMIT HOLDER may allocate the excess units to the committed WORK UNITS of the following PERIOD.

18.6.- The PERMIT HOLDER and, if applicable, the CONCESSION HOLDER shall submit to the ENFORCEMENT AUTHORITY the information as provided by Resolution E-69/2016 or a future resolution as indicated by the ENFORCEMENT AUTHORITY.

The hydric data obtained during the course of work up to FIVE HUNDRED (500) meters must be submitted to the ENVIRONMENTAL AUTHORITY within a period of FIFTEEN (15) days of obtaining said data.

18.7.- If the PERMIT HOLDER discovers hydrocarbons, they must report it within THIRTY (30) days to the ENFORCEMENT AUTHORITY; and, should it determine that the reservoir is commercially exploitable, it must express its intention to obtain the EXPLOITATION CONCESSION for the EXPLOITATION LOT. They shall also present the Investment Development and Commitment Plan simultaneously, as established by Article 32, Argentine Law No. 17,319, which must be approved by the ENFORCEMENT AUTHORITY and the concession granted within sixty (60) days.

In the event that the Province is offered a stake as a partner in the exploitation phase, and the Plan has been approved by the ENFORCEMENT AUTHORITY, the Province shall have fifteen (15) working days from the date of notification of the respective resolution to give written notice to the CONCESSION HOLDER of its intent to accept or reject that stake.

18.8.- The CONCESSION HOLDER is obliged to make, within reasonable terms, the investments necessary for executing the works required for the development of the entire area covered by the concession, in accordance with the most sound and efficient techniques, and in compliance with the characteristics and scale of the proven reserves, ensuring the maximum production of hydrocarbons consistent with an appropriate and cost-effective exploitation of the reservoir and the observance of criteria that guarantee the proper conservation of the reserves.

18.9.- The PERMIT HOLDER and/or CONCESSION HOLDER shall pay to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, annually and in advance, a fee as provided by Article 57 or 58 of Argentine Law No. 17,319 with corresponding adjustments, for each Km² or fraction of the area of the PERMIT or CONCESSION AREA.

The amount of the fee to be paid for the EXPLOITATION CONCESSION shall be calculated on the basis of the acreage of the EXPLOITATION LOTS covered by the CONCESSION in question.

18.10.- The PERMIT HOLDER and/or CONCESSION HOLDER shall be entitled to the unrestricted availability of the HYDROCARBONS produced in the AREA, in accordance with the provisions of Articles 6 and 31 of Argentine Law No. 17,319.

18.11.- The PERMIT HOLDER and/or CONCESSION HOLDER shall be subject to national, provincial and municipal tax legislation.

18.12.- The PERMIT HOLDER and/or CONCESSION HOLDER shall pay to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands the royalties established by Article 21 and, where appropriate, as established by Articles 59 and 62 of Argentine Law No. 17,319, in accordance with the terms and conditions established in Articles 60 and 61 of the same law, and further statutory and supplementary regulations. The CONCESSION HOLDER shall pay 12% and the PERMIT HOLDER 15% of what is extracted during exploration.

18.13.- The ENFORCEMENT AUTHORITY may decide the payment in kind of the royalties, in accordance with the provisions of Article 60 of Argentine Law No. 17,319, its Regulatory Decree No. 1671/69 and S.E. Resolution No. 232/02, or those that hereinafter amend them.

Notwithstanding the foregoing, the CONCESSION HOLDER is hereby authorized to agree upon the payment alternatives in cash or in kind with the ENFORCEMENT AUTHORITY that they consider mutually convenient. The provisions of this article shall apply to the PERMIT HOLDER with respect to FIFTEEN PERCENT (15%) in the form of royalties corresponding to the tax pursuant to Article 21 of Argentine Law No. 17,319.

18.14.- The PERMIT HOLDER and/or CONCESSION HOLDER shall compensate the surface owners for damages caused by their activities, under the terms and conditions established by Article 100 of Argentine Law No. 17,319, in accordance with the provisions of Argentine Decree No. 860/96 and the Joint Resolution of the Secretariats of Energy and Agriculture, Livestock, Fisheries and Food No. 688/2008 and No. 585/2008.

18.15.- For the calculation of the restrictions indicated in Articles 25, Second Paragraph and 34, Second Paragraph, of Argentine Law No. 17,319, when the holders of the PERMITS or CONCESSIONS constitute a different legal entity or take the form of a Unión Transitoria de Empresa (UTE), the restriction shall be applied exclusively to said entity or UTE with equal membership.

18.16.- Failure to comply with the obligations of the PERMIT HOLDER and/or CONCESSION HOLDER shall authorize the ENFORCEMENT AUTHORITY to sanction them under the terms of Article 80 and Title VII of Argentine Law No. 17,319, with the corresponding amounts adjusted accordingly.

18.17.- The loan contracts referred to in Article 73 of Argentine Law No. 17,319 shall be submitted for approval by the Provincial Executive Branch.

18.18.- Upon the withdrawal of the PERMIT HOLDER and/or CONCESSION HOLDER, the CONCESSION HOLDER and/or PERMITHOLDER shall duly proceed to the payment of all unpaid taxes, unfulfilled WORK UNITS and other receivables.

18.19.- The same obligations that apply to the rights holder are applicable to the OPERATOR, without prejudice to the holder's solidarity due to the acts of the operator.

ARTICLE 19 — PERFORMANCE BOND

19.1.1.- EXPLORATION. The PERMIT HOLDER shall provide the Government of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, within thirty (30) days of notification of the legislative approval of the decree approving the awarding of the tender and prior to entering the AREA, a performance bond of one hundred percent (100%) of the WORK UNITS committed to for the FIRST EXPLORATION PERIOD.

19.1.2.- On the date of initiation of the second exploration period, the PERMIT HOLDER shall provide a performance bond for the committed WORK UNITS, for the amount equivalent to one hundred percent (100%) of the WORK UNITS agreed for said period.

19.2.- The performance bond provided under Article 19.1.1 and 19.1.2 shall be returned to the CONCESSION HOLDER within thirty (30) days of the conclusion of each EXPLORATION PERIOD, if in the opinion of the ENFORCEMENT AUTHORITY there are no outstanding commitments.

In the event that the concession holder opts to access the extension period for exploration, the performance bond corresponding to the second period shall be able to be reinstated within thirty (30) days of the conclusion of the aforementioned period.

19.3.- The bid bond, subject to extension, may become the performance bond for the first exploratory period.

19.4.- MAINTENANCE BOND FOR THE NON-EXISTENCE OF ENVIRONMENTAL LIABILITIES. The bond shall be provided within thirty (30) days from the effective date of the EXPLOITATION CONCESSION. Its amount shall be equivalent to ten percent (10%) of the totality of the WORK UNITS tendered for the two exploration periods and approved by the PROVINCIAL EXECUTIVE BRANCH. Said bond shall be returned to the CONCESSION HOLDER within thirty (30) days of the expiration of the CONCESSION, subject to the approval by the ENVIRONMENTAL AUTHORITY of an environmental audit certifying the non-existence of ENVIRONMENTAL LIABILITIES. The maintenance bond for the non-existence of ENVIRONMENTAL LIABILITIES may be calculated as part of compliance with Article 22 of Argentine Law No. 26,675.

19.1.19.5.- EXPLOITATION. The permit holder that discovers hydrocarbons and obtains the corresponding EXPLOITATION CONCESSION for a certain lot, within thirty (30) days of

the concession being granted, shall provide a performance bond equivalent to twenty percent (20%) for the work plan to develop the concession.

19.6.- The performance bond for the EXPLOITATION CONCESSION shall be reimbursed to the CONCESSION HOLDER within sixty (60) days of completing the execution of the work plan approved by the ENFORCEMENT AUTHORITY.

19.7.- These bonds must be provided using one of the means contemplated in Article 9.2 of this tender. The treatment of the interests shall be adjusted to the provisions of Article 9.2.3. of the present document.

ARTICLE 20 — ACT OF GOD or FORCE MAJEURE

The terms for complying with the obligations arising from the present TENDER, the BID, the EXPLORATION PERMIT and/or the EXPLOITATION CONCESSION, and the applicable regulations, may be suspended due to ACT OF GOD or FORCE MAJEURE and for the duration of said cause if the ENFORCEMENT AUTHORITY considers it appropriate.

The affected party shall notify that circumstance to the ENFORCEMENT AUTHORITY informing of the duration and extent of the inability to comply, whether it is total or partial, and the nature of the ACT OF GOD or FORCE MAJEURE.

ARTICLE 21 — APPLICABLE LEGAL REGIME. ORDER OF PRECEDENCE OF APPLICABLE REGULATIONS – JURISDICTION AND AUTHORITY

ARTICLE 21.1 - APPLICABLE LEGAL REGIME.

- a) The Argentine National Constitution (Articles 31, 75 sub-section 12, 124 and related sections).
- b) Argentine Law No. 17,319, its statutory, supplementary and amending regulations.
- c) Argentine Law No. 25,675 and national minimum environmental budget laws.
- d) The Resolutions of the Secretariat of Energy of the Nation No. 407/07, 105/92, 236/93 (amended by S.E. Resolutions No. 143/98), 252/93, 319/93 (as amended by Resolution No. 2057/04), 342/93, 5/96, 193/03, 24/04, 25/04 and 785/05, Resolution E-69/16 and Provision of the Fuels Under-Secretariat No. 123/06; and any other regulation that is applicable to the matter.
- e) The Constitution of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands;
- f) Provincial Law No. 805, Article 28, insofar as it incorporates Section 4, Paragraph a) to Article 26 of Territorial Law No. 6, the application of Argentine Laws No. 17,319 and 26,197 for the granting of the exploration permit.
- g) Provincial Law No. 141 regarding administrative procedure, as applicable.

- h) Provincial Law No. 147 and its amendments, as applicable.
- i) Provincial Law No. 133 and its amendments;
- j) Provincial Law No. 55, its statutory and supplementary regulations.
- k) EXPLORATION PERMIT and/or EXPLOITATION CONCESSION;
- l) the Tender Documents, terms and conditions, attachments and circulars;
- m) The Bid Package.
- n) All other Provincial and Municipal Environmental Legislation and other regulations on the exploitation and use of water and soil which are applicable to the activities subject of this tender.

21.2.- ORDER OF PRECEDENCE OF APPLICABLE REGULATIONS

In the event of a dispute in this tender and/or in the PERMIT or eventual CONCESSION, between the ENFORCEMENT AUTHORITY and the BIDDER, the PERMIT HOLDER or the CONCESSION HOLDER, the following order of precedence for the applicable rules shall be observed:

- a) Bidding Specifications, General and Specific Conditions and the regulations indicated in Article 21.1 of this document.
- b) The clarificatory circulars and amendments to the Bidding Specifications and General and Specific Conditions, issued by the Enforcement Authority.
- c) The BID.
- d) The information exchanged by the parties.

The Jurisdiction and Authority shall be governed by the provisions of Article 10.11 of this tender document.

21.3.- The EXPLORATION PERMIT and the potential EXPLOITATION CONCESSION granted under this tender, do not exempt the PERMIT HOLDER and/or CONCESSION HOLDER from full compliance with the regulations indicated in Article 21.1 of this document nor their subordination to the respective enforcement authorities, who absolutely retain the powers and functions these regulations confer upon them, and they must be subject to their inspection, control, reporting requirements, provisions and sanctions, within the framework of the aforementioned regulations .

The Provincial Government does not subrogate or replace in any way or in any situation whatsoever the obligations, duties, commitments or responsibilities that the PERMIT HOLDER and/or CONCESSION HOLDER assumes or assumes by virtue to the regulations indicated in Articles 21.1 and 21.2.

ARTICLE 22 — SAMPLE AREA

The ENFORCEMENT AUTHORITY and ENVIRONMENTAL AUTHORITY shall jointly determine a section within the AREA in which no oil activities may be carried out and shall remain as a "SAMPLE AREA". This area shall be defined once the development facilities are set up. It shall be located outside of these facilities, it shall not affect the general tasks and it shall be deemed for use as a reference for the evaluation of possible environmental changes that may be caused by oil-related activities.

More than one "SAMPLE AREA" may be required if justified by the existing environmental assets and/or functions in the AREA.

ARTICLE 23 — CONFIDENTIALITY

23.1.- The PERMIT HOLDER, the CONCESSION HOLDER or the OPERATOR shall provide all the primary and geological information to the ENFORCEMENT AUTHORITY, in accordance with the procedures established in S.E. Resolution No. 319/93, its supplements and amendments, which shall be confidential for a period of five (5) years, counted from the date on which information is delivered. (Attachment V Annex XI).

23.2.- The PERMIT HOLDER, the CONCESSION HOLDER or the OPERATOR shall adopt the measures they deem appropriate to ensure the confidentiality of the aforementioned information and be responsible for violations of this obligation by their employees, officers, directors, consultants or advisors, including also those of its subsidiary, controlled, controlling, linked or financing companies.

23.3.- Failure by the PERMIT HOLDER, the CONCESSION HOLDER or the OPERATOR in their duty of confidentiality shall make them subject to the sanctions provided by Argentine Law No. 17,319, and its revisions.

ARTICLE 24 — INSPECTION AND MONITORING

The ENFORCEMENT AUTHORITY, through its staff, shall have the right to inspect, without any restrictions or need for prior notice, the HYDROCARBONS camps, facilities and/or fields for the purposes of monitoring compliance with all of the obligations arising from the exploration permits and the monitoring of the rational exploitation of reserves, as well as compliance with all related regulations. The ENVIRONMENTAL AUTHORITY also enjoys the same faculty, acting in coordination with the ENFORCEMENT AUTHORITY.

The ENFORCEMENT AUTHORITY may request from the PERMIT HOLDER and/or CONCESSION HOLDER all documentation or information that it deems pertinent to its task and may require them to provide, at their expense, logistical support and accommodation (room and board) to the personnel it designates, either in the camps or in those localities near

the work site being used as an operations base by the PERMIT HOLDER and/or CONCESSION HOLDER. The ENVIRONMENTAL AUTHORITY also enjoys the same faculty, acting in coordination with the ENFORCEMENT AUTHORITY.

ARTICLE 25 — RELINQUISHMENT OF AREAS

25.1.- At the end of the first exploration period, the PERMIT HOLDER must decide if they shall continue exploration activities in the area, or if it shall be relinquished in its entirety to the Provincial Government. The PERMIT HOLDER may retain the entire area originally granted, provided that they have complied with the obligations arising from the permit, in accordance with the provisions of Article 26 of Argentine Law No. 17.319.

25.2.- Should the PERMIT HOLDER request an extension period at the end of the Basic Term of exploitation, they shall relinquish fifty percent (50%) of the area.

25.3.- The PERMIT HOLDER shall demarcate the plots to be relinquished for the AREA, drawing the limits in as rectangular a way as possible, except for any preexisting irregular borders.

25.4.- The surface of the area to be relinquished shall include half of the relinquishment plots or half plus one, in case of an odd number, to reach at least fifty percent (50%) of the AREA, grouped into a minimum of three (3) relinquished lots, contiguous along one of their sides, in accordance with the AREA Map included in the TENDER DOCUMENTS.

25.5.- If the geographical situation of the AREA raises the need for exceptions to the stipulations of paragraphs 25.2., 25.3. and 25.4., the ENFORCEMENT AUTHORITY may fragment one (1) relinquishment plot to reach the proportion previously established, with a view to ensuring suitable geographical proportions for the future use of the relinquished area.

ARTICLE 26 — EXPLORATION INFORMATION

26.1.- The reports regarding exploration committed for the different periods of the basic term and its extension shall be sent twice a year to the ENFORCEMENT AUTHORITY, in accordance with the implementation program tendered according to Article 11 of this Tender Document. The PERMIT HOLDER shall provide the means necessary to accredit the tasks performed. At the end of the exploration periods and their extensions, the PERMIT HOLDER shall submit to the ENFORCEMENT AUTHORITY all statistical information, primary data and technical documentation in its possession.

26.2.- The PERMIT HOLDER shall submit all statistical information, primary data and technical documentation to the ENFORCEMENT AUTHORITY according to the forms, terms and procedures approved in S.E. Resolution No. 319/93 and its supplementary and amending regulations. Likewise, it shall submit to the ENVIRONMENTAL AUTHORITY all

the statistical information, primary data and technical documentation based on the requirements issued by said authority.

26.3.- The Exploration Reports shall contain, at the minimum, the following points:

A - Executive summary.

B - History of exploration.

C - Geological and geophysical interpretation of seismic, isochron, and isopach maps, interpreted representative seismic lines, geological maps and sections, including information about pre-existing and drilled wells.

D - Stratigraphic considerations.

D - Structural considerations.

F - Petroleum geology (reservoir rock, seal, bedrock, generation and migration, trap, structural control).

G - Studies and complementary activities (geochemical analysis, reinterpretations, core sample description and analysis, fluid and petrophysical analysis).

26.4.- In the event the EXPLORATION deadline is reached, and the PERMIT HOLDER does not emerge as a CONCESSION HOLDER of an operation, and/or the EXPLOITATION CONCESSION ends, any geological and other information in their possession that has not previously been delivered shall be handed over to the ENFORCEMENT AUTHORITY.

ARTICLE 27 — CALCULATION OF TERMS

In order to calculate the terms expressed in days, these shall be computed as calendar days, unless expressly provided otherwise.

In the event that the day stipulated for executing a specific act is declared a non-business day by a National or Provincial Authority, the aforementioned act shall be carried out at the same time and place on the first subsequent business day.

ARTICLE 28 — ELEMENTS FOR AREA AND ADMINISTRATIVE AUDITS

28.1.- Within sixty (60) days of taking possession of the AREA, the PERMIT HOLDER shall provide the Province with the following:

1. Two (2) trucks as detailed below:

Engine:

- Power: Common-Rail electronic direct injection.
- Cylinders: 4 cylinders in-line with a Variable Geometry Turbocharger (VGT) and intercooler.
- Type of fuel: Diesel.

- Cylinders: 2.755cc.
- Maximum horse power (CV (kW) / rpm): 177 (130) / 3400.
- Maximum torque (Nm / rpm): 450 (1600-2400).

Transmission and Chassis

- Transmission: 6-speed automatic.
- Front brakes: Ventilated discs.
- Back brakes: Drum.
- Traction: 4x2, 4x4 and 4x4 reduced with electronic drive. ADD (Automatic Disconnecting Differential) and A-TRC (Active Traction Control).
- Front suspension: Independent with double suspension arm, coil springs, telescopic shock absorbers and stabilizer bar.
- Rear suspension: Rigid shaft with longitudinal leaf springs and telescopic shock absorbers.
- Tires: 18" alloy wheels with 265/60 R18 tires.

Measurements and Capacities

- Length: 5,330 mm.
- Height: 1,815 mm.
- Total gross weight: 2,910 kg.
- Fuel tank: 80 liters.
- Distance between axles: 3,085 mm.

Equipment

- Air conditioning.
- Folding front seats.
- Independent folding rear seats.
- Central locking with remote control.
- Cruise control.
- Power steering.
- Parking camera monitor on audio screen.
- Electronic 4x4 drive selector.

Safety

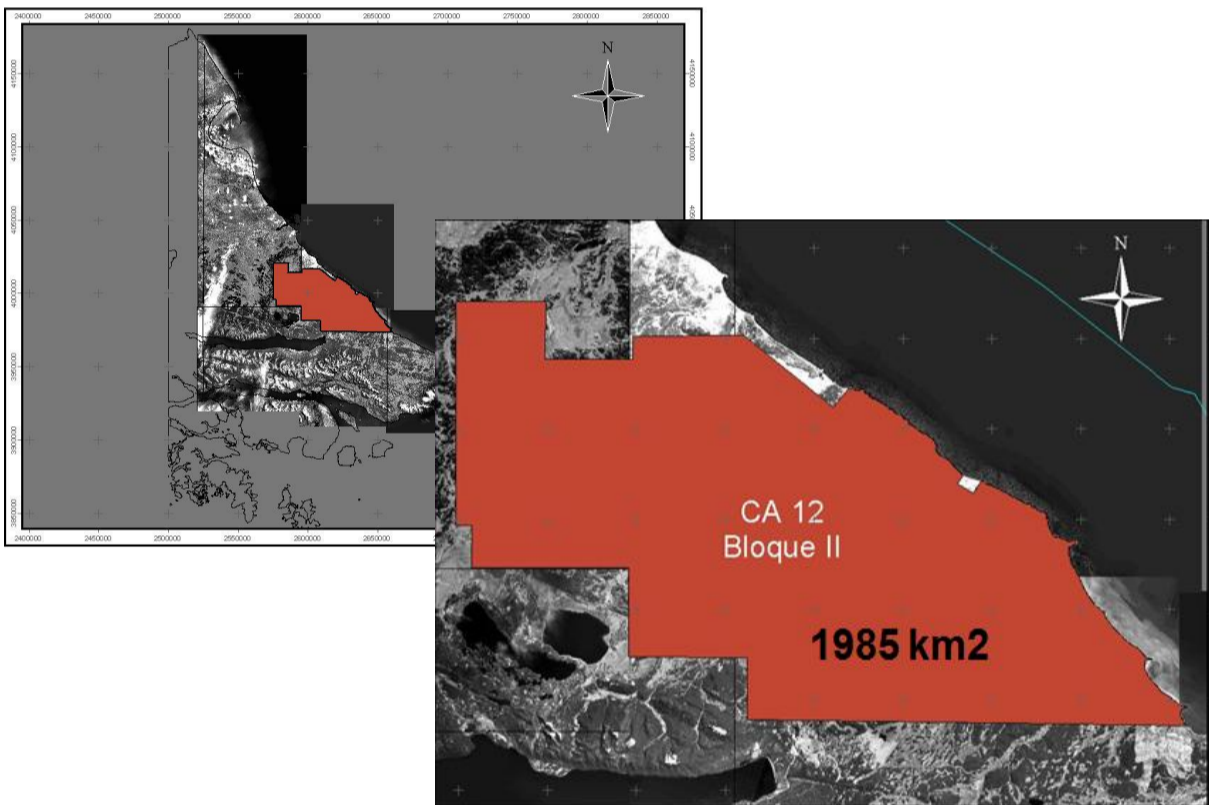
- Roll cage.
- ABS with Electronic Brakeforce Distribution (EBD), Emergency Brake Assistant (EBA) and Emergency Brake-light Signal (EBS)
- Front airbags (driver and passenger) and knee (driver)
- Side (x2) and curtain airbags (x2)
- Rear headrest (x3)
- Hill-start Assist Control (HAC)
- Downhill Assist Control (DAC)
- Rear locking differential
- Front height-adjustable 3-point safety belts
- with pre-tensor and force limiter (x2)
- 3-point inertial rear seat belts (x3)
- Stability Control (VSC) and Trailer Sway Control (TSC)
- Traction Control (TRC)
- Active Traction Control (A-TRC)
- Rear fog lights
- Front fog headlights
- Engine immobilizer
- Perimeter and volumetric alarm system

2. A building to be defined by the Enforcement Authority equivalent to at least 100 WU (work units)

28.2.- The vehicles and property delivered shall, as of their reception, become the property of the Province of Tierra del Fuego, Antarctica and the Southern Atlantic Islands for exclusive use by the ENFORCEMENT AUTHORITY, according to their needs.

Attachment I – TECHNICAL DATA

AREA CA – 12 BLOCK II



Annex I - Identification of Area:

- 1.- Area CA – 12 II**
- 1.1.- Surface area: 1,985 km2**

1.2.-Area corners: Using Coordinate system WGS 84 TDF 95 (strip 2) Gauss Kruger projection

PT	X	Y
1	2577088,37	4010018,48
2	2587737,58	4009968,35
3	2587674,95	4003287,73
4	2597992,98	4003275,23
5	2597978,68	4005981,83
6	2611108,98	4006030,16
7	2621654,33	3997645,40
8	2623497,50	3999894,25
9	2637105,75	3989758,50
10	2636327,00	3988769,00
11	2638209,00	3987676,00
12	2638989,75	3989071,25
Continues along the coastline until corner 13		
13	2663449,51	3960692,54
14	2611551,00	3961414,00
15	2611554,47	3968418,08
16	2597528,00	3968692,00
17	2597490,00	3979000,00
18	2579000,00	3979000,00
19	2577151,71	3983993,64

2.- List of TECHNICAL INFOFMATION available in the Data Room
CA-12 II

Description of contents	a- 2D Seismic information gathered in area CA- 12 II. b- Surface Geochemistry Study c- ARCGIS project using geographic information systems. d- Map of CA-12 II block polygon showing access and location of seismic lines.
2D Seismic Coverage	List including 21 2D seismic lines covering part of Block II. SGY Format + Planimetry.
Surface Geochemistry	Results of microbiological analyses and gas adsorption in sectors of interest within Block II.
Georeferenced information	Arcgis Project using baseline data georeferenced from Block II. (.prj)
Maps	-Map showing access, geographical location of block, coverage of geochemical survey and 2D seismic lines (.pdf) -Spatial representation of 2D seismic lines (.jpg)

**Note: The information given in this annex has been systemized and digitized and may be acquired in magnetic format, following the purchase of tender document.*

3.- Cost of the Tender Document CA-12 II:

TWENTY THOUSAND United States Dollars (US\$ 20,000).-

4.- Cost of Technical Information Package CA-12 II:

FORTY THOUSAND United States Dollars (US\$ 40,000).-

Attachment II – SUBMISSION REQUIREMENTS

Annex II – APPLICANT SUBMISSION FORM

COMPOSITION OF THE APPLICANT

	Name	% share
Company A		
Company B		
Company C		
Company D		
Company E		
Company F		
		100 %

Annex III – AFFIDAVIT AND COMMITMENT LETTER

The companies making up the UTE, the applicant company or individual signing are jointly and severally bound to the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands for all purposes derived from this TENDER to obtain an HYDROCARBON EXPLORATION PERMIT and a potential EXPLOITATION CONCESSION, as well as those purposes deriving from the PERMIT and/or CONCESSION granted to them as a consequence. Thus, they declare under oath:

- a) That they have examined and accept in full the TEXT OF THE TENDER DOCUMENTS for the NATIONAL AND INTERNATIONAL TENDER; in particular, and without this implying any limitation, all the provisions of the same which refer to the BID submission procedure for the selection of THE QUALIFIED BIDDERS by the ENFORCEMENT AUTHORITY and the possible rejection of the totality of the BIDS submitted;
- b) That they are fully cognizant of the laws, regulations and regulations in force in the Argentine Republic and the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands that may be related, in any way, to the obligations arising from the TENDER and the potential HYDROCARBON EXPLORATION PERMIT and/or EXPLOITATION CONCESSION that they may be granted as a consequence;
- c) That they waive any claim or indemnity in the event of having erroneously interpreted the documents pertaining to the TENDER and any HYDROCARBON EXPLORATION PERMIT and/or S EXPLOITATION CONCESSION that they may be granted as a result;
- d) That they put on the record that their BID is based exclusively on a technical evaluation made by the BIDDER based, among other factors, on the information acquired with the purchase of the Tender Documents, and on the basis of visits made to the AREA, the facilities, equipment and materials there. Likewise, the BIDDER acknowledges that the Province has not granted a guarantee of any kind concerning the AREA's potential for the exploration and subsequent exploitation of liquid and gaseous hydrocarbons;
- e) That they accept that the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands is neither obliged to award this TENDER, nor to reimburse the expenses incurred by the APPLICANTS when submitting their BIDS;
- f) That they undertake to include in the partnership agreement the joint and several responsibility of the companies and/or individuals making up the UTE, with respect to the obligations arising from their status as PERMIT HOLDERS and/or CONCESSION HOLDERS.

g) That their duration as individual companies and their association as a UTE exceed the minimum term of execution of any PERMIT and/or CONCESSION arising as a result of this Tender.

	SIGNATURES AND PRINTED NAME OF THE APPLICANT	DOMICILE
For Company A		
For Company B		
For Company C		
For Company D		
For Company E		

Annex IV – MODEL OF LETTER OF ESTABLISHMENT OF SPECIAL DOMICILE FOR THE PURPOSES OF THE TENDER, ACCEPTANCE OF RULES AND SUBMISSION TO THE JURISDICTION OF THE LOCAL COURTS

To whom it may concern:

SECRETARY OF ENERGY AND HYDROCARBONS
of the PROVINCE OF TIERRA DEL FUEGO,
ANTARCTICA AND THE SOUTH ATLANTIC ISLANDS

HEREBY

As purchaser of the Tender Documents for National and International Tender No. 01/2017 for the evaluation and selection of companies/natural persons/UTEs for the granting of a HYDROCARBON EXPLORATION PERMIT and potential EXPLOITATION CONCESSION S with respect to the AREA denominated "CA - 12 I", I/we hereby establish a special domicile for all purposes relating to the aforementioned Tender on street number in the City of Río Grande, Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, where all the notifications sent to us shall be valid, stating that we will maintain this address throughout the development of the bidding process.

Likewise, I/we accept all the rules and clauses of the tender documents, acknowledge agreement with its contents and expressly and irrevocably submit to the jurisdiction of the Ordinary Courts of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, with the exclusion of any jurisdiction, including the Federal jurisdiction and the jurisdiction of the International Center for Settlement of Investment Disputes (ICSID), for the resolution of any dispute that may arise during the this tender process or in relation to the EXPLORATION PERMIT and/or EXPLOITATION CONCESSION, to be granted in consequence, thereby leaving conflicts of an administrative and contentious nature irrevocably subject to the jurisdiction of the Supreme Court of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, as provided in Article 157, paragraph 4 of the Provincial Constitution, which shall be dealt with according to the procedure established in Provincial Law No. 133, amended by Provincial Law No. 460, or any law amending or replacing it.

By:

Signature:

Printed name:

Attorney-in-fact

Annex V – INDIVIDUAL EVALUATION FORM FOR AREA "CA -12 I"

1) Company / Individual / UTE

2) Participant of the UTE

3) Comprising

4) Company's % share in the UTE

5) Registration information in the Oil Companies Registry under the S.E.N.

6) Company experience in the oil sector.

a) Exploration and/or exploitation of Areas.

b) Provision of specific services to the hydrocarbon industry.

c) Names and background of the MANAGEMENT STAFF to be involved in the operation of the AREA in case of being awarded the EXPLORATION PERMIT and the eventual EXPLOITATION CONCESSION.

c) List of names and background of the TECHNICAL STAFF to be involved in the operation of the AREA in the event of being awarded the EXPLORATION PERMIT and the potential EXPLOITATION CONCESSION.

7) Net assets for each of the fiscal years mentioned in article No. 10.20 of the present Bidding Terms and Conditions.

Attachment III – BID CONTENTS

Annex VI – DETERMINATION OF MINIMUM AMOUNTS TO BE COMMITTED.

1.-QUANTITY OF MINIMUM WORK UNITS (K1) First Period: ONE THOUSAND FIVE HUNDRED (1,500).

WORK UNIT VALUE = FIVE THOUSAND United States Dollars (US\$ 5,000). -

2.-QUANTITY OF MINIMUM WORK UNITS (K2) Second Period: ONE THOUSAND (1,000) and, ONE (1) EXPLORATION WELL.

WORK UNIT VALUE = FIVE THOUSAND United States Dollars (US\$ 5,000). -

IT IS OBLIGATORY TO BID FOR THE K BASE FOR THE 1st PERIOD (K1)

IT IS OBLIGATORY TO OFFER A TRAINING COMMITMENT for each Period (ART 11.1.7 of the Tender Documents): minimum amount of WU, THIRTY (30) for each Period.

Attachment IV – BID EVALUATION

Annex VII – METHODOLOGY FOR THE EVALUATION OF EXPERIENCE

The following methodology shall be applied for the evaluation of the individual experience of an individual/company and/or each of the companies making up a UTE, based on the information provided in accordance with the requirements of **Annex V**, points No. 4, 5 and 6.

The evaluation and weighting of the experience informed by the Bidder's **Management and Technical Personnel** shall be carried out on the basis of the information about each member of the Professional Team provided by the Bidders in their Proposals (Points 6.c and 6.d) of Attachment II, Annex V.

The weighting of a Bidding UTE shall be calculated as the average scores obtained by each member of the UTE in each of the parameters A1 to A5.

The companies, individuals or BIDDERS that do not reach the minimum average weighting of 60 points for parameters A3 and A4 shall be excluded from the tender.

Parameter	Denomination	Relative weighting
A1	Background experience in the Oil Companies Registry of the S.E. (5.)	5%
A2	Company experience in the oil sector (6.a and 6.b.).	35%
A3	Experience of the proposed management personnel (6.c.).	20%
A4	Experience of the proposed technical personnel (6.d.).	20%
A5	Net assets (7.)	20%

The maximum score for each parameter is 100 points. To be selected, a score of 60 points shall be reached as the weighted average of the totals per parameter.

The COMPANY EVALUATION COEFFICIENT (CEC) is the sum of the weighted parameters according to what is indicated in the preceding paragraph, with the maximum being one hundred (100) points.

In order to qualify, the BIDDER shall obtain at least sixty (60) points for the COMPANY EVALUATION COEFFICIENT (CEC).

Any BIDDER that does not reach the minimum COMPANY EVALUATION COEFFICIENT (CEC) of sixty (60) points, shall be deemed unqualified, and therefore the content of Envelope "B" will not be analyzed.

Annex VIII – SCORING SYSTEM FOR EACH PARAMETER

For a company or individual. In the case of a UTE, for each one of its members.

A1- Background experience in the Secretariat of Energy’s Oil Companies Registry

Number of years of being registered in the last 10 years.

Indicator or Concept	Points awarded	Score
Oil Companies Registry of the S.E.N.	10 points per year	up to 100 points.

A2- Company experience in the oil sector

Number of years endorsed by compliance and quality certificates issued by their respective clients.

Indicator or Concept	Points awarded	Score
Company experience.	10 points per year	up to 100 points.

A3- Experience of the proposed management personnel

Experience of company personnel in other Hydrocarbon Projects and/or experience in the areas of Energy and Environment.

Indicator or Concept	Points awarded	Score
Management and/or supervision of junior professionals, technical and/or support staff.	7 points per year	up to 50 points.
For active participation in a similar project.	10 points per project	up to 50 points.

The score is the sum of the totals for each of the Management Personnel members proposed by the Bidder and for them to prequalify, their average shall be equal to or greater than 60 points.

A4- Experience of the proposed technical personnel

Experience of company personnel in other Hydrocarbon Projects and/or experience in the areas of Energy and Environment.

Indicator or Concept	Points awarded	Score
For active participation in a similar project.	10 points per project	up to 50 points.
Specialist Technician (related to the activity).	4 points per year	up to 40 points.
University degree (specifically related to the activity).	5 points per year	up to 50 points.

The score is the sum of the totals for each of the Technical Personnel members proposed by the Bidder and for them to prequalify, their average shall be equal to or greater than 60 points.

A5- Net assets over the last 3 years

For the net assets of a company or individual. In the case of a UTE, the sum of the net assets of each one of its members.

Indicator Concept for each year	Score
Greater than \$ 1,000,000,000	100 points.
Between \$ 700,000,001 and \$ 1,000,000,000	up to 90 points.
Between \$ 300,000,001 and \$ 700,000,000	up to 80 points.
Between \$ 100,000,001 and \$ 300,000,000	up to 60 points.
Between \$ 10,000,001 and \$ 100,000,000	up to 50 points.

Calculation of the COMPANY EVALUATION COEFFICIENT (CEC)

$CCE = (\sum FPi * Score) / 100$

Where "i" is each of the five parameters indicated on page 1 of this Annex.

Example:

Bidder A has been given the following FPi

A1	0.05
A2	0.35
A3	0.20

A4	0.20
A5	0.20

And is awarded the following scores per parameter

A1	80
A2	70
A3	80
A4	100
A5	50

Application of the formula

$$CQR = (0.05 \times 80 + 0.35 \times 70 + 0.20 \times 80 + 0.20 \times 100 + 0.20 \times 50) / 100$$

$$CQR = (4 + 24.5 + 16 + 20 + 10) / 100 = 74.5 / 100 = 74,5 \%$$

In this example, the Bidder would qualify for the opening of Envelope "B". This COMPANY **EVALUATION COEFFICIENT (CEC)** will be used to evaluate the offer contained in Envelope "B".

The Bidders may not at any time, during the validity of the exploratory permit and/or potential exploitation concession, reduce the scores obtained in their bid through the application of this Annex.

Annex IX – VALUATION OF WORK UNITS

VALUATION OF THE DIFFERENT TYPES OF WORK IN UNITS, IN ORDER TO EVALUATE AND COMPARE BETWEEN BIDS AND THE SUBSEQUENT COMPLIANCE OF THE PROGRAMS COMMITTED TO BY THE SUCCESSFUL BIDDER.

VALUE OF THE WORK UNIT US\$ 5,000

QUOTATION SPREADSHEET-ECONOMIC VALUE OF THE WORK UNIT AT USD 5,000.00							
Exploration area	Description of the exploratory work per cost item	Unit	Amount of work	WU/ Measurement Unit	Work Units	Breakdown of WU per item	
						K (* *)	U
1.- Continent	1.1.a. 2D seismic reflection data acquisition	Km .		1,200			
	1.1.b. 2D seismic reflection processing	Km .		0.070			
	1.1.c. 3D seismic reflection data acquisition	Km 2		4,800			
	1.1.d. 3D seismic reflection processing	Km 2		0.200			
	1.1.e. Gravimetry	Km 2		0.060			
	1.1.f. Magnetometry	Km 2		0.020			
	1.1.f.* Magnetotelluric survey	Km .		0.250			
	1.1.g. Aerogravimetry	Km .		0.120			
	1.1.g. Aeromagnetism	Km .		0.040			
	1.1.i. Geochemistry	Km 2		0.300			
	1.1.j. Surface geology: stratigraphic columns	meter s		0.015			
	1.1.k. Surface geology: maps, structural analysis, fractures and deformations	Km 2		0.060			
	1.1.l. Subsoil geology: structural isochrone maps. Seismic interpretation with velocity laws, synthetic seismogram or well seismic survey	Km 2		0.090			
	1.1.m. Special studies (*****)	no. sample		0.007			

		les					
	1.2 Exploration Wells (***) (#)						
	1.2.a. Depth: 500 m.	No .		80.00			
	1.2.b. Depth: 1000 m.	No .		300.00			
	1.2.c. Depth: 2000 m.	No .		600.00			
	1.2.d. Depth: 3000 m.	No .		1,000. 00			
	1.2.e. Depth: 4000 m.	No .		2,000. 00			
	1.2.f. Depth: 5000 m.	No .		4,000. 00			
	1.2.g. Depth: 6000 m.	No .		5,500. 00			
	1.2.h. Over 6000 m.	No .		accordi ng to exampl e II			
	1.2.i. Deepening existing wells.	No .		accordi ng to exampl e II			
	1.2.j. Deepening side track	No .		(*****)			
	1.2.k. Workover	No .		(*****)			
	1.2.l. Well testing	No .		(*****)			
	1.2.m Hydraulic fracturing (unconventional) (#)	No .		50% s/1.2			
	Special processing						
	Satellite prospecting	Km 2		0.15			
	Surface geochemistry	Sa mp le		0.15			
	Surface geochemistry	Km 2		0.30			
	Coherence - Similarity	Km 2		0.02			
	PSDM 3D	Km 2		0.09			
	PSDM 2D	Km .		0.06			
	AVO and Elastic impedance	Km 2		0.50			
	Inversion of traces (Model base AF)	Km 2		0.70			
	Spectral Decomposition	Km 2		0.02			

Chimney Rock	Km 2		0.09			
Inversion of Spectral Deconvolution	Km 2		0.02			
Frequency Attributes						
Frequency attribute	Km .		0.01			
Spectral width	Km .		0.02			
Primary derivative	Km .		0.01			
Average frequency	Km .		0.01			
ACG graphic equalizer	Km .		0.01			
Width Attributes						
Hilbert space test	Km .		0.02			
Width surround	Km .		0.01			
Instantaneous phase	Km .		0.01			
Apparent polarity	Km .		0.01			
Instantaneous frequency	Km .		0.02			
Average frequency	Km .		0.01			
Cosine of the Phase	Km .		0.01			
Remote Step Sensors	Km 2		0.03			
Special petrophysical tests for unconventional fields	Sa mp le		0.10			
Training (W.U. per exploratory period)			30.00			
TOTAL						

(#)	With the completion of wells in unconventional areas, 50% will be added regarding the total W.U. corresponding to drilling, including well casing. The calculation of W.U. for wells of intermediate depth shall be undertaken according to Example 1.
(*)	Refers to the number of times that the conventional W.U.'s economic value (US\$ 5,000.00) is included in the economic value of the measuring unit.
(**)	The sum of this column must be equal to the "K" Base established in Annex I of the AREA.
(***)	A very deep well may not be exchanged for two or more shallow wells of an equivalent value.
(****)	For exploratory wells, greater efforts must be made to record the following logs, as-and-when the operational aspects of the well so permit. - Electrical Log (GR-SP Induction)

	- Well Imaging Profile (FMI)/DIP
	- Density Log (Neutronic - Sonic DT)
	- Obtaining and studying cores - oriented cores
	In directional wells (with a gradient of between 30º and 70º) in unconventional objectives, another 15% will be recognized for W.U. regarding the total depth measured
	In horizontal wells (with a gradient of over 70º) in unconventional objectives, another 30% will be recognized for W.U. regarding the total depth measured
(*****)	This type of work will be assigned a quantity equal to 20% of the W.U. set for Well Drilling, according to the depth to be researched.
(*****)	Special studies: radiometric data gathering, AFTA Analysis, SHRIMP, Petrophysical, petrographic, palinological analyses, Analytical Geochemistry, paleomagnetic and paleontological studies.

Calculation of Work Units for wells of intermediate depth	
To calculate intermediate depths, an interpolation between the higher and lower value of the W.U. for each depth should be performed according to Example 1.	
Example 1	
PROPOSED WELL DEPTH OF 4,300 METERS	
$WU = [(4000-2000) / (5000-4000) \times (4300-4000)] + 2000 = 2600 \text{ WU}$	
A	B
	C D E F
	B G
WHERE the interpolation is equal to:	
A	Units corresponding to the well which is immediately greater
B	Units corresponding to the well which is immediately lesser
C	Meters equivalent to the well which is immediately greater
D	Meters equivalent to the well which is immediately lesser
E	Depth of well to be drilled
F	Referenced depth immediately lower than well depth (E)
G	UT equivalent to the depth of the well proposed.

Calculation of Work Units for wells of over 6,000 m	
To calculate intermediate depths, an interpolation between the higher and lower value of the W.U. for each depth should be performed according to Example 1.	
Example II	
PROPOSED WELL DEPTH OF 6,300 METERS	
$WU = [(5500-4000) / (6000-5000) \times (6300-6000)] + 5500 = 5950 \text{ WU}$	

	A	B	C	D	E	F
			A	G		
	WHERE the interpolation is equal to:					
A	Units corresponding to the well of 6,000 m.					
B	Units corresponding to the well of 5,000 m.					
C	Meters equivalent to the well of 6,000 m.					
D	Meters equivalent to the well of 5,000 m.					
E	Depth of well to be drilled					
F	Referenced depth immediately lower than well depth (E)					
G	UT equivalent to the depth of the well proposed.					

<u>Calculation of Work Units to deepen existing wells</u>		
The difference between the W.U. of the final depth and those of the starting depth is calculated according to Example III.		
Example III		
PROPOSED WELL OF 4,000 METERS STARTING AT 2,000 METERS IN A PRE-EXISTING WELL.		
WU = 2000 - 600 = 1400 WU		
	A	B C
A	Units corresponding to the final depth programmed.	
B	Units corresponding to the starting depth.	
C	Work units for the stretch proposed for deepening.	

Annex X –QUOTATION SPREADSHEET

A. EXPLORATION PERMIT

1) BREAKDOWN OF TASKS AND WORK UNITS COMMITTED TO FOR THE TENTATIVE PROGRAM DURING THE FIRST EXPLORATION PERIOD.

QUOTATION SPREADSHEET-ECONOMIC VALUE OF THE WORK UNIT AT USD 5,000.00							
Explorati on area	Description of the exploratory work per cost item	Unit	A mo unt of work	WU/ Measur ement Unit	W or k U ni ts	Break down of WU per item	
						K (* *)	U
1.- Cont inen t	1.1.a. 2D seismic reflection data acquisition	Km.		1,200			
	1.1.b. 2D seimsic reflection processing	Km.		0.070			
	1.1.c. 3D seismic reflection data acquisition	Km 2		4,800			
	1.1.d. 3D seimsic reflection processing	Km 2		0.200			
	1.1.e. Gravimetry	Km 2		0.060			
	1.1.f. Magnetometry	Km 2		0.020			
	1.1.f.* Magnetotelluric survey	Km.		0.250			
	1.1.g. Aerogravimetry	Km.		0.120			
	1.1.g. Aeromagnetism	Km.		0.040			
	1.1.i. Geochemistry	Km 2		0.300			
	1.1.j. Surface geology: stratigraphic columns	met ers		0.015			
	1.1.k. Surface geology: maps, structural analysis, fractures and deformations	Km 2		0.060			
	1.1.l. Subsoil geology: structural isochrone maps. Seismic interpretarion with velocity laws, sinthetic seismogram or well seismic survey	Km 2		0.090			
	1.1.m. Special studies (*****)	no. sa mpl es		0.007			
	1.2 Exploratory Wells (****) (#)						
	1.2.a. Depth: 500 m.	No.		80.00			

	1.2.b. Depth: 1000 m.	No.		300.00			
	1.2.c. Depth: 2000 m.	No.		600.00			

	1.2.d. Depth: 3000 m.	No.		1,000.00			
	1.2.e. Depth: 4000 m.	No.		2,000.00			
	1.2.f. Depth: 5000 m.	No.		4,000.00			
	1.2.g. Depth: 6000 m.	No.		5,500.00			
	1.2.h. Over 6000 m.	No.		according to example II			
	1.2.i. Deepening existing wells.	No.		according to example II			
	1.2.j. Deepening side track	No.		(*****)			
	1.2.k. Workover	No.		(*****)			
	1.2.l. Well testing	No.		(*****)			
	1.2.m Hydraulic fracturing (unconventional) (#)	No.		50% s/1.2			
	Special processing						
	Satellite prospecting	Km 2		0.15			
	Surface geochemistry	Sample		0.15			
	Surface geochemistry	Km 2		0.30			
	Coherence - Similarity	Km 2		0.02			
	PSDM 3D	Km 2		0.09			
	PSDM 2D	Km.		0.06			
	AVO and Elastic impedance	Km 2		0.50			
	Inversion of traces (Model base AF)	Km 2		0.70			
	Spectral Decomposition	Km 2		0.02			
	Chimney Rock	Km 2		0.09			
	Inversion of Spectral Deconvolution	Km 2		0.02			
	Frequency Attributes						
	Frequency attribute	Km.		0.01			
	Spectral width	Km.		0.02			
	Primary derivative	Km.		0.01			
	Average frequency	Km.		0.01			
	ACG graphic equalizer	Km.		0.01			
	Width Attributes						
	Hilbert space test	Km.		0.02			

Width surround	Km.		0.01			
Instantaneous phase	Km.		0.01			
Apparent polarity	Km.		0.01			
Instantaneous frequency	Km.		0.02			
Average frequency	Km.		0.01			
Cosine of the Phase	Km.		0.01			
Remote Step Sensors	Km 2		0.03			
Special petrophysical tests for unconventional fields	Sa mpl e		0.10			
Training (W.U. per exploratory period)			30.00			

1. W value (W.U. bid for the first period)	
2. K value (mandatory minimum base for W.U. for the first period)	
3. Value C (Contributions in kind, expressed in W.U.)	
4. t: estimated time in years for the realization of K within the first period	
5. SUM OF TOTAL WORK UNITS (1 +3)	
AMOUNT: TOTAL AMOUNT OF THE BID EXPRESSED IN US DOLLARS	

Minimum requirements: 1,500 WU (Attachment III, Annex VI).

2) BREAKDOWN OF TASKS AND WORK UNITS COMMITTED TO FOR THE TENTATIVE PROGRAM DURING THE FIRST EXPLORATION PERIOD.

COMMITMENT TO BE INCLUDED FOLLOWING THE LAYOUT OF THE PREVIOUS FORM.

Minimum requirements: 1,000 WU plus the drilling of one (1) EXPLORATION WELL to reach at least one oil objective in the basin in the area in question. (Attachment III, Annex VI).

Annex XI – METHODOLOGY FOR THE TECHNICAL-ECONOMIC EVALUATION

VALUE OF THE BID FOR THE PURPOSES OF AWARDING THE TENDER

The BIDDER offering the highest values of F calculated according to the following formula shall be awarded the contract:

F = Award Factor.

$$F = (U/T+C) \times CQR$$

U = Number of WORK UNITS committed to by the BIDDER for the FIRST PERIOD of exploration, which should not be less than K1 (Attachment III, Annex VI) (1,500 WU). The U includes the WU established in point 11.1.7-

C = Contribution in kind established in Art. 28 of the Tender Documents, expressed in WU

T = Time expressed in years, proposed by the BIDDER to execute the work indicated in the proposal (U) and the base (K) in the FIRST PERIOD OF EXPLORATION, as indicated in 11.1.6.-

CEC = COMPANY EVALUATION COEFFICIENT. This is the percentage score for the bidder's background experience, obtained when evaluating Envelope A.

Given that the Total Amount of the Bid (TAB) expressed in dollars and taking into account that each WORK UNIT (WU) is valued at US \$ 5,000 (five thousand US DOLLARS), the following formula will be applied:

$$TAB \text{ (US\$)} = (U+C) \times \text{Value of WU}$$

Attachment V – AREA INFORMATION CONFIDENTIALITY AGREEMENT

Annex XII – TEXT OF THE AGREEMENT

Between the SECRETARIAT OF ENERGY AND HYDROCARBONS, legally domiciled at Pedro Giachino No. 7050, in the city of Rio Grande (CP 9420), Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, Argentina, and
....., having established a special domicile in street, in the City of Río Grande, Province of Tierra del Fuego, Antarctica and the South Atlantic Islands, Argentina, hereinafter the "INTERESTED PARTY," and

GIVEN THAT the INTERESTED PARTY is the purchaser of the Tender Documents for National and International Tender No. 01/2017 (the "TENDER"), convened by the SECRETARIAT OF ENERGY AND HYDROCARBONS of the Province of Tierra del Fuego, Antarctica and the South Atlantic Islands; and, is thus invested with the right to access and be apprised of all geological, geophysical, technical and other information and material that the SECRETARIAT OF ENERGY AND HYDROCARBONS, as the ENFORCEMENT AUTHORITY, possesses regarding the AREA offered for TENDER; and

THEREFORE, and taking into account the CONFIDENTIAL NATURE of the information related to the AREA (hereinafter the "INFORMATION"), the SECRETARIAT OF ENERGY AND HYDROCARBONS and the INTERESTED PARTY, agree to the following:

1. The INFORMATION shall be provided by the SECRETARIAT OF ENERGY AND HYDROCARBONS in the terms foreseen in the Bidding Terms and Conditions of the TENDER DOCUMENTS and their respective attachments and annexes, and received by the INTERESTED PARTY for the purposes of determining whether they are interested in submitting a bid for this TENDER.

2. The INTERESTED PARTY agrees to keep the INFORMATION strictly confidential and undertakes to not permit it to be disclosed, sold, marketed, published or communicated in any way to third parties, including photocopies or reproductions, without the prior written consent of the SECRETARIAT OF ENERGY AND HYDROCARBONS except in those cases established in points 3, 4 and 5 below, wherein they shall reliably inform the SECRETARIAT OF ENERGY AND HYDROCARBONS within five (5) business days of delivery.

3. The INTERESTED PARTY has the right to disclose the INFORMATION without the prior written consent of the SECRETARIAT OF ENERGY AND HYDROCARBONS, only in the case where:

a. The INFORMATION is already known to the INTERESTED PARTY as of the date of disclosure;

b. The INFORMATION is public knowledge or has been available to the public through any means that has not been an act, omission, or violation on the part of the INTERESTED PARTY with respect to its obligations arising from this Agreement;

c. The INFORMATION shall be received by the INTERESTED PARTY or any Affiliate, through a third party that is legally authorized to disseminate it, at the time of being acquired by the INTERESTED PARTY, while the aforementioned third party is not bound by a commitment of confidentiality concerning the INFORMATION provided;

d. The disclosure of the INFORMATION is required by the applicable legislation or by an order, decree, provision or governmental or judicial resolution (provided that the INTERESTED PARTY sends a written notification to the SECRETARIAT OF ENERGY AND HYDROCARBONS before carrying out said disclosure).

4. The INTERESTED PARTY may disclose the INFORMATION without the prior written consent of the SECRETARIAT OF ENERGY AND HYDROCARBONS to an Affiliate (according to the definition provided below), provided that it guarantees the adhesion of such Affiliate to the terms and conditions of this Agreement. An "Affiliate" is taken to mean a company or legal entity which:

a) directly or indirectly controls the INTERESTED PARTY;

a) is directly or indirectly controlled/owned by the INTERESTED PARTY;

c) is controlled directly or indirectly by a company or entity that directly or indirectly controls the INTERESTED PARTY;

d) finances the activity of the INTERESTED PARTY.

For the purposes of this definition, "control" of a company is understood as the right to exercise the vote of more than fifty percent (50%) of all the shares or of the stakeholders entitled to vote in such company.

5. The INTERESTED PARTY shall have the right to disclose the INFORMATION without the prior written consent of the SECRETARIAT OF ENERGY AND HYDROCARBONS to the following persons who need to know the INFORMATION with the purpose of evaluating the submission of a bid for the TENDER.

to. employees, officers and executives of the INTERESTED PARTY;

to. employees, officers and executives of an Affiliate;

c. any consultant, or financial agent of the project under analysis, or the professional representative hired by the INTERESTED PARTY or their Affiliate, for the purpose of evaluating the INFORMATION.

However, before the persons mentioned in section (c) have access to such INFORMATION, each of them shall enter into a confidentiality agreement, with the same form and content as the present one. The INTERESTED PARTY shall be jointly and severally liable for any unauthorized disclosure under such agreement.

6. The INTERESTED PARTY and their Affiliates, if any, may only use or permit the use of the INFORMATION under the conditions established in points 3, 4 and/or 5 above, to evaluate the presentation of an offer in the TENDER.

7. The INTERESTED PARTY shall be responsible for ensuring that all persons who have access to the INFORMATION comply with the obligations set forth herein and do not disclose the INFORMATION to any unauthorized party.

8. If the INTERESTED PARTY is selected in the TENDER, this Agreement shall expire automatically on the date that another Agreement comes into force containing provisions related to the confidentiality of the INFORMATION. If the expiry clause does not come into effect due to the above, expiry shall occur three (3) years as from the date of its signature.

9. This Agreement shall be governed and interpreted in accordance with Argentine national and provincial regulations.

10. Any differences arising shall be dealt with in accordance with the provisions of article 10.10 of the Tender Documents.

In witness whereof, two (2) identical copies are hereby signed, in the City of Rio Grande, on of the month of of

On behalf of the SECRETARY OF ENERGY AND HYDROCARBONS	By
Signature:	Signature:
Print Name:	Print Name:
Position:	Position:

Attachment VI –TENDER SCHEDULE

AREA: AREA CA - 12 BLOCK I

TENDER SCHEDULE

DATE	ACTIVITY
4/1/2018	Period for the sale of the Tender Documents for the national and international tender no. 01/2018 and technical information package.
-	Establishment of legal domicile in the city of Rio Grande
13/4/2018	Signing of the confidentiality agreement
15/01/18 - 13/04/18	Visit to the Area
Until 16/04/18	Deadline for submitting written queries about the Tender.
Until 18/04/18	Period for responding to the queries received.
Until 16/03/18	Period for those bidders considering themselves aggrieved by the call for tenders to lodge legal challenges.
16/03/18 - 10/04/18	Period for resolving legal challenges presented by bidders considering themselves aggrieved by the call for tenders.
16/04/18 - 02/05/18	Period for the submission of Envelopes
10/05/18 - 11.00 am	Act for the opening of Envelopes "A" and "B"
11/05/18 - 14/05/18	Period for requesting complementary documentation and the correction of non-substantial formal errors
within three (3) days of notification	Deadline for correction of non-substantial formal errors and documentation included in "A" Envelopes
11/05/18 - 18/05/18	Consultation of copies of the submission
within three (3) days following the deadline for the consultation term	Deadline for lodging challenges
For three (3) days	Transfer of legal challenges and their notification
within five (5) days following the deadline for the period to present legal challenges in art. 13	Resolution of the Evaluation Committee regarding the selected bidders

The dates corresponding to the activities indicated in the schedule shall be published through edicts in the Official Gazette of the Province of Tierra del Fuego, Antarctica and the Southern Atlantic Islands and the Official Provincial Government page until the date for the "Opening of Envelopes", after which those involved shall be notified through circulars.