



BIDDING CONDITIONS



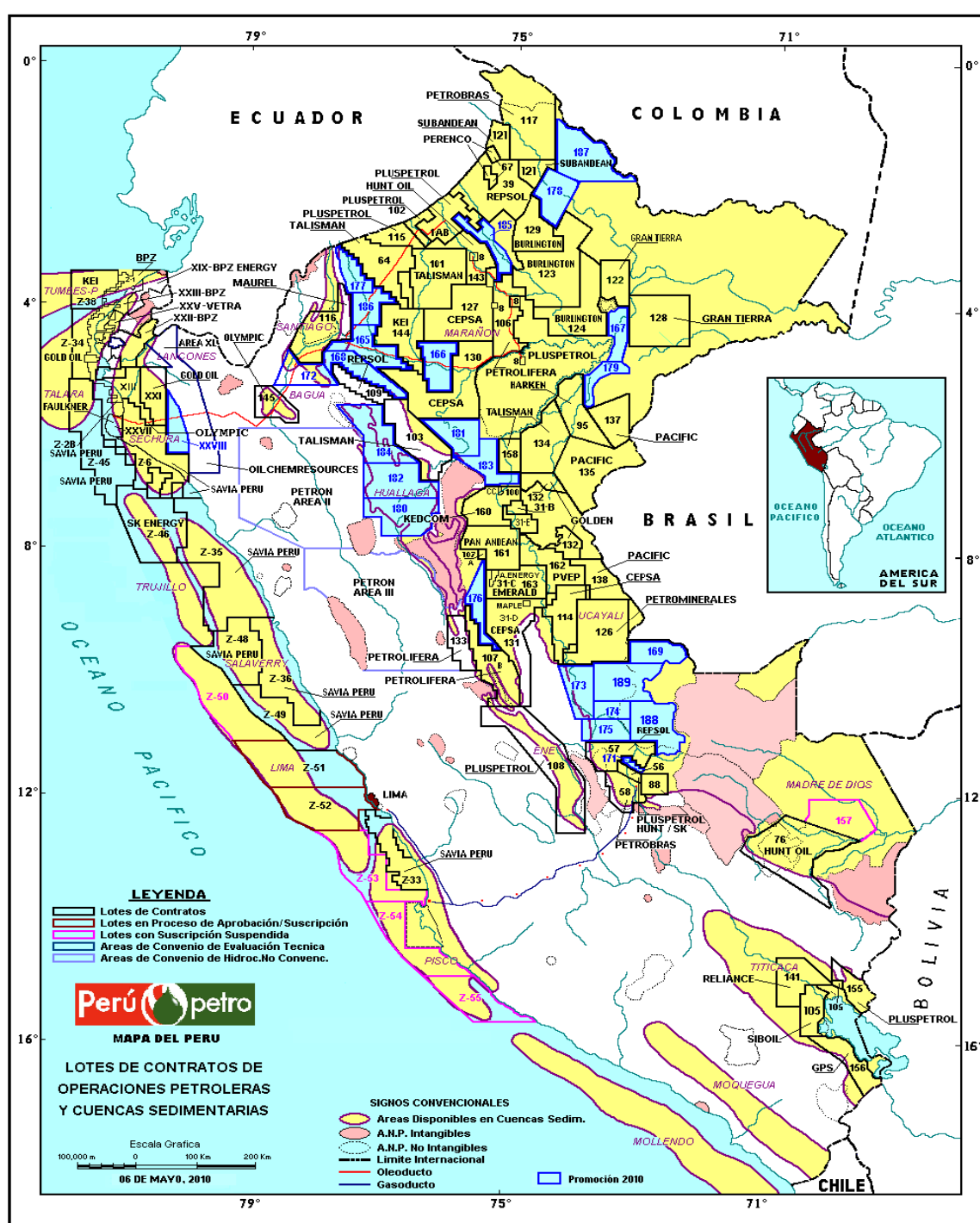
Carlos Vives

Promotion and Social Affairs Manager

25 New blocks for hydrocarbon exploration

All of them with technical information free of cost

All of them with Environmental and Social Studies free of cost



SCHEDULE

ACTIVITY	FROM	TO
Launching	May 14	May 14
Submission of letter of intention and documents to qualify for the bidding (format 1, 2, 10)	May 26	September 24
Deliver technical data package	May 28	October 1
Queries and clarifications	June 4	September 24
Answers to the queries and clarifications	July 14	October 1
Submission of Envelope N° 1 “Technical proposal” and Envelope N° 2 “Economic proposal”	October 11	October 11
Opening Envelope N° 1	October 11	October 11
Opening Envelope N° 2, evaluation and bidding award	October 14	October 14

FORMAT N° 1

PETROLEUM COMPANY	
HEADQUARTER COMPANY NAME	
YEARS IN BUSINESS (*)	
COUNTRY OF ORIGIN	
ADDRESS FOR CORRESPONDENCE	
QUOTED AT THE STOCK EXCHANGE (YES / NOT)	

(*) in exploration and exploitation activities

TECHNICAL INDICATOR	
EXPLORATORY WELLS (1)	..... wells
SEISMIC 2D (1)(2)	..... km / km ²

(1) IN THE LAST 5 YEARS.

(2) KM SEISMIC 3D = 3 KM SEISMIC 2D.

ECONOMIC INDICATOR	2007	2008	AVERAGE
EQUITY (50%)	..... MMUS\$	..... MMUS\$	..... MMUS\$
CURRENT ASSETS	..... MMUS\$	..... MMUS\$	..... MMUS\$
CASH FLOW	..... MMUS\$	..... MMUS\$	..... MMUS\$

FORMAT N° 2

CONFIDENTIALITY AGREEMENT LETTER AND LICENCE OF USE

IT IS RELATED TO THE TECHNICAL INFORMATION THAT THE COMPANY RECEIVED

FORMAT N° 10

AFFIDAVIT OF INTEGRITY COMMITMENT

**IT IS RELATED TO THE FACT THAT THE COMPANY DECLARES THAT IT HAS NOT OFFERED,
GIVEN O PAID ANYTHING IN ORDER TO OBTAIN THE AWARD OF THE BIDDING OF A BLOCK**

DOCUMENTS FOR QUALIFICATION (ANNEX “C”)

COMPANY WITH EXPERIENCE IN E & P

LEGAL CAPACITY

- LEGAL DOCUMENT OF ESTABLISHMENT OF THE COMPANY**
- DOCUMENT ABOUT VALIDITY OF THE COMPANY**
- DOCUMENT ABOUT THE COMPANY HAS NOT IMPAIRMENT OF CONTRACTING WITH THE PERUVIAN STATE**

TECHNICAL CAPACITY

- INFORMATION ABOUT E & P ACTIVITIES, INCLUDING CONTRACTS**
- AFFIDAVIT INDICATING THAT THE COMPANY HAS TECHNICAL STAFF FOR E & P OPERATIONS**
- AFFIDAVIT INDICATING THAT THE COMPANY SHALL RESPECT THE LAW OF ENVIRONMENTAL PROTECTION**

ECONOMIC - FINANCIAL CAPACITY

- FINANCIAL STATEMENTS OF THE PAST 3 YEARS**
- AFFIDAVIT INDICATING THAT THE COMPANY IS NOT IN BANKRUPTCY**

THE OC WILL SUBMIT THE DOCUMENTS RELATING TO THE REQUIREMENTS OF ARTICLE 5 AND ARTICLE 6 OF THE RULE FOR QUALIFYING PETROLEUM COMPANIES, APPROVED BY SUPREME DECREE NO. 030-2004-EM, DULY ORDAINED IN THE ORDER ESTABLISHED BY THIS ANNEX, GROUPED IN A BINDER.

DOCUMENTS FOR QUALIFICATION (ANNEX “C”)

COMPANY WITHOUT EXPERIENCE IN E & P

LEGAL CAPACITY

- LEGAL DOCUMENT ON ESTABLISHMENT OF THE COMPANY**
- DOCUMENT ABOUT VALIDITY OF THE COMPANY**
- DOCUMENT TO SHOW THAT THE COMPANY HAS NO IMPAIRMENT OF CONTRACT WITH THE PERUVIAN STATE**

TECHNICAL CAPACITY

- COMMITMENT OF PARTNERSHIP WITH A PROFESSIONALLY TRAINED OPERATOR TO PERFORM EXPLORATION AND EXPLOITATION ACTIVITIES**
- AFFIDAVIT INDICATING THAT THEY WILL HAVE PERMANENTLY STAFF WITH EXPERTISE TO CARRY OUT EXPLORATION AND EXPLOITATION ACTIVITIES**

ECONOMIC FINANCIAL CAPACITY

- FINANCIAL STATEMENTS OF THE PAST 3 YEARS**
- AFFIDAVIT INDICATING THAT THE COMPANY IS NOT BANKRUPTCY**

THE OC WILL SUBMIT THE DOCUMENTS RELATING TO THE REQUIREMENTS OF ARTICLE 5 AND ARTICLE 6 OF THE RULE FOR QUALIFYING PETROLEUM COMPANIES, APPROVED BY SUPREME DECREE NO. 030-2004-EM, DULY ORDAINED IN THE ORDER ESTABLISHED BY THIS ANNEX, GROUPED IN A BINDER.

CONSORTIUM OR OTHER FORM OF ASSOCIATION

IN THE CASE OF CONSORTIUM OR OTHER PARTNERSHIPS, EACH COMPANY MUST INDICATE THE CORRESPONDING PERCENTAGE OF PARTICIPATION AND MUST OBTAIN FROM PERUPETRO THE QUALIFICATION

SUBMISSION OF BIDS

ENVELOPE N° 1

- AFFIDAVIT OF THE COMPANY ACCEPTING THE TERMS AND PROCEDURES (F-3)
- AFFIDAVIT OF THE COMPANY ACCEPTING THE CONTRACT MODEL (F-4)
- BANK GUARANTEE OF VALIDITY OF OFFER AND SIGNING OF CONTRACT (F-5)
- TECHNICAL BID (F-6)
- CONSORTIUM AGREEMENT, TO BE THE CASE (F-9)

ENVELOPE N° 2

- ECONOMIC BID (F-7)

BIDS EVALUATION

TECHNICAL BID (TB)

	SEISMIC / WELL	POINTS
SEISMIC 2D	1 KM	0.01
EXPLORATORY WELL	1 WELL	5

SEISMIC: 100 <= KM <= 500

WELLS: UP TO 2

1 KM SEISMIC 3D = 3 KM SEISMIC 2D

$$\text{TECHNICAL BID(TB)} = (\text{KM SEISMIC 2D}) * (0.01) + (\text{N}^\circ \text{ WELLS}) * (5)$$

ECONOMIC BID (EB): “R” FACTOR METHODOLOGY

The economic bid will be for a percentage rate with 2 decimals.

It will be considered in the eight Clause of the Contract Model, according to:

ECONOMIC BID (EB) : XX.XX

“R” FACTOR acc. income / acc. expenses	ROYALTY PERCENTAGE (%)
From 0.0 to 1.0	15 + XX.XX
From 1.0 to 1.5	20 + XX.XX
From 1.5 to 2.0	25 + XX.XX
To 2.0 or more	35 + XX.XX

SCORE BUSINESS (SB)

IT ASSIGNS AN SCORE ON AVERAGE TOTAL INCOME OVER THE PAST THREE YEARS, BASED ON PROFIT AND LOSS STATEMENT FOR 2006, 2007, 2008 YEARS

REVENUE MMUS\$	POINTS
FROM 0 TO 500	0 - 20
MORE THAN 500	20

$$\text{TOTAL SCORE} = (\text{TB} * 0.30) + (\text{EB} * 0.40) + (\text{SB} * 0.30)$$

Example: How the Minimum Indicators work, Bidding Round 2010

TECHNICAL CAPACITY			
	MWP up to third period		
	Seismic	Wells	(MM US\$) * 1.5
Block A	100	1	40
Block B	200	2	80
Block C	50	1	35
Average	116,67	1,33	51,67
The OC Should have at least 117 km of seismic, 1,33 drilled wells = 51,67 MMUS\$			

ECOMIC CAPACITY TO HAVING BLOCKS			
	YEAR 1	YEAR 2	AVERAGE
Cash flow MMUS\$	50	70	60
Current Assets MMUS\$	140	90	115
Equity MMUS\$ (50%)	100	120	55
Economic Capacity = 115 MMUS\$			

Number of blocks = $115 / 51,67 = 2,23$ blocks

OTHER CONDITIONS

❑ PERUPETRO HAS APPOINTED A COMMISSION FOR THIS BIDDING

❑ ALL DOCUMENTS MUST BE ADDRESSED ONLY TO THE COMMISSION, ACCORDING TO:

Commission

Selection Process N° PERUPETRO-001-2010

Av. Luis Aldana N° 320, San Borja

Lima-Perú

❑ DOCUMENTS MUST BE PROVIDED IN SPANISH WITH EXCEPTION OF BROCHURES, ANUAL REPORT

❑ IT IS CONSIDERED A MODEL CONTRACT AND APPLY TO ALL THE BLOCKS

❑ IN CASE OF TIE IN THE FINAL SCORE FOR A BLOCK, PROCEED TO REQUEST ADDITIONAL ECONOMIC BIDS. IT WILL BE ADDED TO THE FIRST ONE TO GET THE FINAL VALUE. TO PERSIST THE DRAW AFTER ADDITIONAL ECONOMIC BID, THE AWARDED WILL BE GRANTED BY LOTTERY.

❑ RECEIVED THE BIDDING AWARD, THE COMPANY HAS 60 DAYS TO INITIALIZE THE CONTRACT PROJECT.

❑ PUBLISHED THE SUPREME DECREE APPROVING THE CONTRACT, THE COMPANY HAS 30 DAYS TO SIGN THE CONTRACT.

http://www.perupetro.com.pe/simulador_v4.html



THANK YOU VERY MUCH!

