



BIDDING CONDITIONS

**INTERNATIONAL PUBLIC BIDDING ROUND
N° PERUPETRO-002-2014
TO AWARD LICENSE CONTRACT FOR EXPLOITATION OF
HYDROCARBONS IN BLOCK III**

OCTOBER-2014

BIDDING CONDITIONS

INTERNATIONAL PUBLIC BIDDING ROUND N° PERUPETRO-002-2014 TO AWARD THE LICENSE CONTRACT FOR EXPLOITATION OF HYDROCARBONS IN BLOCK III

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**CONDITIONS FOR INTERNATIONAL PUBLIC BIDDING ROUND PERUPETRO-002-2014
TO AWARD LICENSE CONTRACT FOR EXPLOITATION OF HYDROCARBONS IN BLOCK III**

1. PURPOSE OF BIDDING ROUND

Pursuant to the provisions of the Organic Law on Hydrocarbons, Law 26221¹, PERU PETRO S.A., hereinafter PERUPETRO, hereby calls Oil Companies (hereinafter, OC) or Consortiums interested in engaging in hydrocarbon exploration and exploitation activities, to participate in the International Bidding Round N° PERUPETRO-002-2014 (hereinafter, the Bidding Round) to award Block III for Exploitation of Hydrocarbons, through which the OC or Consortium that, prior compliance with these Conditions and the legal requirements established, shall be selected to enter into the respective License Contract for Exploitation of Hydrocarbons in Block III (hereinafter, the License Contract).

The Bidding Round considers that Petróleos del Perú - PETROPERÚ S.A. will have up to 25.0% participation in the License Contract.

Prior to issuing the Call for the International Bidding Round, PERUPETRO has conducted the Citizen Participation process pursuant to the Regulations on Citizen Participation for Execution of Hydrocarbon-related Activities, approved by Supreme Decree 012-2008-EM; and Guidelines for Citizen Participation in Hydrocarbon Activities approved by Ministerial Resolution 571-2008-MEM/DM.

2. BIDDING ROUND SCHEDULE

The Bidding Round Schedule is shown in **Appendix 1**.

3. CONTRACT AREA AND WORK PROGRAM

Block III is located in the province of Talara, Region of Piura, and its boundaries are as per description and map shown in **Appendix 2**.

The Work Program is detailed in **Appendix 4**.

4. QUALIFICATION

Qualification of OCs or Consortiums will be made pursuant to the provisions set forth in the Regulation on Qualification of Oil Companies, approved by Supreme Decree 030-2004-EM and in the Procedure and Indicators for Qualification of Oil Companies approved by Agreement 048-2010 of the Board of Directors. The documents required for qualification are detailed in **Appendix 3**.

5. Contract Model

¹Per Consolidated Text approved by Supreme Decree 042-2006-EM

Appendix 5 contains the License Contract Model for Exploitation of Hydrocarbons in Block III, which is a Standard Form Contract to which the details of the Contractor, the Work Program, the Technical Proposal, the Economic Proposal and the amount corresponding to the Performance Bond will be added.

The Contract Model considers that Petróleos del Perú - PETROPERÚ S.A. will be able to take up a participation of up to 25.0%. Said participation shall be in line with the provisions established in **Appendix 6**, pursuant to the Organic Law on Hydrocarbons - Law 26221 and the Business Corporations Law - Law 26887, as applicable.

6. GENERAL CONDITIONS

6.1 Participating OCs or Consortiums are those that have expressed their interest in participating in the Bidding Round and that meet the Minimum Indicators approved by the Board of Directors Agreement 048-2010.

6.2 All documents required by the Bidding Round must be submitted by the OCs or Consortiums in Spanish, whether originally written in this language or by official translation or translation with consular authentication, exempting from this obligation the brochures, annual reports and other documents that on account of their nature may be submitted in English.

6.3 The information provided by the OCs or Consortiums shall have a Sworn Statement nature. PERUPETRO reserves the right to verify such information.

6.4 The Commission designated by PERUPETRO will be in charge of conducting the Bidding Round according to the Bidding Round Conditions.

6.5 Observations and challenges shall be handled as follows:

6.5.1 The interested OCs or Consortiums may submit any observations regarding their evaluation in application of Sub-section 7.2 of the Bidding Round Conditions to the Commission, which shall reply within two (2) business days. If the observations raised should not be admitted by the Commission, the interested OCs or Consortiums may appeal before the General Management of PERUPETRO within two (2) business days following the notification of the results and the General Management of PERUPETRO shall resolve same within two (2) business days.

6.5.2 Any contestation by the participating OCs or Consortiums regarding the Contract Award, shall only be admitted if the concern matters that the participating OC or Consortium has expressly referred to in the respective Minutes and shall be submitted to the Commission within two (2) business days, to be replied to, in turn, within two (2) business days. If the challenges should not be admitted by the Commission, the participating OC or Consortium may appeal before the General Management of PERUPETRO within two (2) business days following the notification of the results and the General Management of PERUPETRO shall resolve same within two (2) business days.

In the cases indicated in foregoing paragraphs 6.5.1 and 6.5.2, the decision of the General Management of PERUPETRO shall be final and binding.

- 6.6** All notices from the OCs or Consortiums regarding the Bidding Round shall be submitted in writing to the Commission, as follows:

International Bidding Round PERUPETRO-002-2014 Commission

PERUPETRO S.A.
Av. Luis Aldana N° 320, San Borja
Lima-Perú

Notices regarding appeals pursuant to paragraphs 6.5.1 and 6.5.2, shall be addressed to the General Management Office of PERUPETRO, to the indicated address.

Notices submitted by the OCs or Consortiums that do not comply with the above mentioned shall be deemed as not submitted for the purposes of the Bidding Round.

Notices issued by the Commission to OCs or Consortiums shall be made in writing and sent to the address in Peru provided by such companies in their Letter of Interest (Form 1) and/or to the address of the representative designated for the Bidding Round. Such notices shall be signed by the President of the Commission and shall be issued through circular letters bearing consecutive numbers, with exception of notices referred to in Sub-section 7.2, issued only to the interested OC or Consortium.

Following are office hours of PERUPETRO:

Monday to Friday (Business Days)
8:00 am to 12:30 pm; 1:30 pm to 5:00 pm

- 6.7** If any of the dates established in the Bidding Round Schedule (Appendix 1) should be declared a holiday in the City of Lima, such date will be moved to the next business day, without requiring any notice from the Commission to the OC or Consortium.
- 6.8** PERUPETRO reserves the right to modify the dates for the Bidding Round activities indicated in the Bidding Round Schedule (Appendix 1); in that case, PERUPETRO will inform the new dates to the participating OCs or Consortiums, in writing.
- 6.9** PERUPETRO has conducted the corresponding In-person Events, pursuant to the Regulations on Citizen Participation for Execution of Hydrocarbon Activities, approved by Supreme Decree 012-2008-EM and to the Guidelines for Citizen Participation in Hydrocarbon Activities, approved by Ministerial Resolution 571-2008-MEM/DM
- 6.10** The Bidding Round shall be considered void if no bids are received or if there is no valid bid.
- 6.11** If the Bidding Round should be considered void or it should be decided not to award the Contract, PERUPETRO shall not be responsible for the cost of the

proposals, the establishment of guarantees or for any other costs incurred by the participating OCs or Consortiums.

- 6.12 PERUPETRO is the only competent entity to interpret the Bidding Round Conditions.
- 6.13 In case of differences between the main text of the Bidding Round Conditions and its Forms and Appendices, the content of the main text shall prevail.
- 6.14 Any matters not foreseen by the Bidding Round Conditions shall be governed by the legal provisions in force in Peru, as applicable.
- 6.15 On the Effective Date of the License Contract, Contractor accepts to receive the goods described as reference in **Appendix 7 - Existing Equipment**, where and as they are, equipment that has been valued as detailed in such appendix. The valuation amount shall be paid by Contractor to PERUPETRO prior to the Effective Date, with the applicable adjustments, as the case may be.
- 6.16 Within two (2) months following the Effective Date of the License Contract, PERUPETRO and Contractor agree to formalize through a notarized recorded document, the ownership transfer of the goods referred to in Sub-section 6.15.
- 6.17 Petr6leos del Per6- PETROPER6 S.A. has the right to participate in the License Contract with up to 25.0%.

To that end the following shall be complied:

- a) PERUPETRO will communicate Petr6leos del Per6 – PETROPER6 S.A. the name of the OC or Consortium that is awarded the Contract.
- b) The OC or Consortium that is awarded the Contract and Petr6leos del Per6 – PETROPERU S.A. shall communicate their decision and association percentage within forty five (45) calendar days as of the date of PERUPETRO's communication, attaching the respective joint venture.
- c) Upon expiration of the period mentioned in paragraph b), PERUPETRO will submit the License Contract Project for the approval of the Board of Directors and then will send the project to the executive as per the legislation in force.
- d) In case the indicated in paragraph b) is not comply, or when Petr6leos del Per6 – PETROPERU communicates its decision of not taking part in the Contract, PERUPETRO will proceed with the approval procedure of the License Contract Project, considering only the OC or Consortium that is awarded the Contract.

, the OC or Consortium that is awarded the Contract shall enter into a partnership with Petr6leos del Per6 - PETROPER6 S.A. after the Signature date of the License Contract, considering the conditions detailed in the minimum guidelines included in **Appendix 6**, which must be incorporated into the Operations Agreement, a copy of which shall be delivered to PERUPETRO on the corresponding Date of Assignment, as applicable.

- 6.18 The Contractor of the License Contract for Exploitation of Hydrocarbons in Block III shall start Operations on the Effective Date.

The Contractor of the License Contract for Exploitation of Hydrocarbons in Block III must take the necessary steps to obtain and enter into agreements for

use of public and private goods pursuant to the provisions in Title VII of the Regulations on Hydrocarbon Exploration and Exploitation Activities approved by Supreme Decree 0302-2004-EM. In the case of goods pertaining to native communities or indigenous peoples, Section 7 of Law 26505, Law on Private Investment in the Development of Economic Activities within the National Territory and in the Peasant and Native Communities will apply, with similar conditions to already existing agreements.

7. BIDDING ROUND STAGES

7.1 CALL FOR BIDS: PUBLICATION OF CONDITIONS, SCHEDULE AND CONTRACT MODEL

As of the Call for Bids on the date established in the Bidding Round Schedule, PERUPETRO will invite through its website and other means as deemed convenient, national and foreign OCs to participate in the Bidding Round.

The Bidding Round Conditions will be published as of the date the Bids are Called in the website of PERUPETRO, www.perupetro.com.pe

7.2 SUBMISSION OF LETTERS OF INTEREST AND ELIGIBILITY

The OCs or Consortiums interested in participating in the Bidding Round shall submit a Letter of Interest with the information required pursuant to **Form 1** and, in addition, they must submit **Form 2** and **Form 3** at the front desk of PERUPETRO.

In addition to the provisions of the Regulations on Qualification of Oil Companies, approved by Supreme Decree 030-2004-EM, the Commission shall apply the "Procedure and Indicators for Qualification of Oil Companies" approved by Agreement of the Board of Directors 048-2010, as applicable.

The OCs or Consortiums that meet all minimum indicators and comply with submitting **Forms 2** and **3** will be considered as enabled and will receive from the Commission a letter pursuant to **Form 4**, enclosing these Conditions, the Block III Technical Data Package and requesting to submit the documents indicated in **Appendix 3**, which shall be submitted by the OC or Consortium in full maximum ten (10) working days before the Date of Submission and Opening of Envelop 1, according to the Schedule (Appendix 1).

After evaluating the documents indicated in **Appendix 3**, the Commission will inform the OCs or Consortiums the results obtained.

The OC or Consortium, who may wish to review any technical information additional to the data contained in the Technical Data Package provided, may use the regular digital Data Room service offered by the Data Bank of PERUPETRO. There is a list of technical information of Block III available, published in the corporate website of PERUPETRO.

PERUPETRO shall not be responsible for any decisions that the OCs or Consortiums may take based on the interpretations and content of the technical information furnished.

7.3 SUBMISSION OF ENQUIRIES AND REQUESTS FOR CLARIFICATION OF BIDDING ROUND CONDITIONS

OCs or Consortiums eligible to participate in the Bidding Round may submit enquiries or request clarification of Bidding Round conditions by letter addressed to the Commission, delivered to the Front Desk of PERUPETRO during the term established in the Schedule (**Appendix 1**). The Commission may request clarification or specification of any enquiry that may be confusing, ambiguous or vague.

Enquiries or requests for clarification of Bidding Round Conditions sent by fax, electronic mail or any means other than the one indicated in the foregoing paragraph shall not be accepted.

7.4 REPLY TO ENQUIRIES AND REQUESTS FOR CLARIFICATION OF BIDDING ROUND RESULTS

Enquiries and clarification of Bidding Round Conditions shall be replied to only by the Commission on the dates established in the Schedule, through a Single Integrated Responses Statement that shall be notified through circular letter to each of the participating OCs or Consortiums and published in the Corporate website of PERUPETRO: <http://www.perupetro.com.pe>.

7.5 SUBMISSION OF PROPOSALS

The participating OCs or Consortiums shall submit their proposals in two (2) closed envelopes bearing the names: Envelope 1 "Eligibility Documents" and Envelope 2 "Technical-Economic Proposal".

Envelope 1 shall be labeled as follows:

<p><i>(NAME OF PARTICIPATING OIL COMPANY OR CONSORTIUM)</i> To the Commission International Bidding Round N° PERUPETRO-002-2014</p> <p>PERUPETRO S.A. Av. Luis Aldana N° 320, San Borja Lima-Perú</p> <p style="text-align: center;">Envelope 1 "Eligibility Documents"</p>
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Envelope 2 shall be labeled as follows:

<p><i>(NAME OF PARTICIPATING OIL COMPANY OR CONSORTIUM)</i> To the Commission International Bidding Round N° PERUPETRO-002-2014</p> <p>PERUPETRO S.A. Av. Luis Aldana N° 320, San Borja Lima-Perú</p> <p style="text-align: center;">Envelope 2 "Technical-Economic Proposal"</p>
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Proposals shall be written in Spanish, using the digital forms furnished (Form 5 and Form 6).

All pages with content shall bear the signature of the Representative of the participating OC or of the Common Representative in the case of Consortiums and shall be duly and correlatively numbered, starting with number 1.

OCs forming part of a Consortium may not submit individual proposals or form part of more than one Consortium.

CONTENT OF PROPOSALS:

Envelope 1 "Eligibility Documents"

Each participating OC or Consortium must submit Envelope 1 "Eligibility Documents" containing the following documents:

- Affidavit of Participating OC or Consortium of Submission to Bidding Round Conditions (**Form 7**)
- Affidavit Accepting Terms and Conditions Provided in the License Contract Model for Hydrocarbon Exploitation in Block III (**Form 8**).
- Affidavit Accepting Guidelines for Association with Petróleos del Perú – PETROPERÚ S.A. (**Form 9**).
- Sworn Commitment to Establish Consortium, as applicable (**Form 10**)
- Bid Bond (**Form 11**)

Envelope 2 "Technical-Economic Proposal"

Each participating OC or Consortium must submit Envelope 2 "Technical-Economic Proposal" containing the following documents:

- Technical Proposal (**Form 5**).
- Economic Proposal (**Form 6**).

7.6 PUBLIC CEREMONY FOR PRESENTATION OF PROPOSALS AND OPENING OF ENVELOPE 1

The presentation of Envelope 1 "Eligibility Documents" and Envelope 2 "Technical-Economic Proposal" shall take place in a public ceremony, on the date and time set forth in the Bidding Round Schedule (**Appendix 1**) before the Commission designated by PERUPETRO, the Notary Public, the Supervisor of the Institutional Control Unit of PERUPETRO and in the presence of the representatives of the participating OCs accredited through the Letter of Presentation indicated in Form 12. In the case of the Consortium, they must appoint a common attorney or representative, who must be accredited through the Letter of Presentation indicated in Form 13. Furthermore, the attorneys or representatives must identify themselves with their National Identification Card (DNI) or Alien Card (CE) or Passport.

The eligible OCs or Consortiums shall be called in the order they presented their Letter of Interest. If the representative of the OC or Consortium should not be present when the OC or Consortium is called, the proposal shall not be received.

OPENING OF ENVELOPE 1

Upon conclusion of the submission of proposals, the Commission shall open Envelope 1 "Eligibility Documents" of the participating OCs or Consortiums. Once the first envelope has been opened, no other envelopes or interruptions of the act shall be allowed.

The presentation of all documents required is mandatory. The Commission shall verify that the documents submitted by each participating OC or Consortium are the documents required by the Bidding Round Conditions. If that should not be the case, the Commission shall return the proposal and it shall be deemed not submitted.

If the documents submitted should present formal defects (technicalities) such as reparable errors or omissions that do not modify the scope of the proposal, the Commission shall request the representative of the OC or the Consortium to correct it during the act. If that should not be possible, the proposal shall be deemed not submitted, except as provided for in the following paragraph.

If there should exist any reparable technicalities, omissions or typing errors in the Bid Bond, the Commission may grant not more than two (2) business days for the corresponding correction. If the technicalities should not be repaired within that term, the proposal will be returned and deemed not submitted.

All Envelopes N°2 shall be given to the Notary Public for custody and subsequent opening, pursuant to the Schedule.

Upon conclusion of ceremony, the corresponding minutes shall be prepared and signed by the Commission designated by PERUPETRO, the Notary Public, the Supervisor of the Institutional Control Unit of PERUPETRO and the representatives of the OCs and Consortiums participating in the Public Ceremony, who may wish to do so.

7.7 OPENING OF ENVELOPE 2

The ceremony for opening of Envelope 2 "Technical-Economic Proposal" shall take place on the date and time set forth in the Bidding Round Schedule (Appendix 1) before the Commission designated by PERUPETRO, the Notary Public, the Supervisor of the Institutional Control Unit of PERUPETRO and in the presence of the representatives of the participating OCs and Consortiums who may wish to attend.

The content of the Technical Proposal (**Form 5**) and Economic Proposals (**Form 6**) shall then be read. Corrections shall not be allowed in case of omissions or errors in the Economic Proposal.

7.8 EVALUATION OF PROPOSALS

The Commission designated by PERUPETRO to conduct the Bidding Round shall evaluate the Technical and Economic Proposals through the application of the following criteria:

7.8.1 The Technical Proposal consists of the number of development wells that the OC or Consortium agrees to drill per year, in addition to the development wells per year established in the Work Program for the first exploitation period. The Technical Proposal shall be submitted pursuant to **Form 5**.

The **Technical Proposal (OT)** shall be included in Clause 4 of the License Contract and shall be in addition to the Work Program set forth for Block III.

The score for the **Technical Proposal (OT)** is obtained as follows:

OT = Number of additional development wells per year.

7.8.2 The **Economic Proposal (OE)** is formed by a percent rate with two decimal points, which will be applied in Clause 8 of the License Contract, as follows:

Factor "R" Methodology

Factor "R" (*)	Royalty Percentage (%)
0.00	(45.00 + xx.xx) %
1.00	(49.50 + xx.xx) %
1.50	(50.50 + xx.xx) %
2.00	(52.00 + xx.xx) %

(*) The Model Contract (Appendix 5) sets forth the methodology to determine the royalty percentages for intermediate values of Factor "R", as well as for such cases when Factor "R" is more than 2.00.

The score of the **Economic Proposal (OE)** is obtained as follows:

OE = XX.XX

7.8.3 The Final Score for each participating OC or Consortium shall be determined once the score of the Technical Proposal (OT) and of the Economic Proposal (OE) have been obtained.

The winning bid shall be the one that obtains the highest final score according to the following:

$$\text{FINAL SCORE} = \text{OT} * 50.0 + \text{OE} * 50.0$$

The winning bid will correspond to the highest Final Score.

7.8.4 SOLUTION IN CASE OF TIE

In the event of a tie in the Final Score, the participating OCs or Consortiums that have tied their score in the first place shall be requested to present Additional Economic Proposals. The Commission shall indicate when the Additional Economic Proposal shall be presented in a public act, in the presence of the Commission, the Notary Public, the Supervisor of the Institutional Control Unit of PERUPETRO and the accredited representatives of the tied participating OCs or Consortiums.

The Additional Economic Proposal shall be submitted in Form 6 and shall be added to the first Economic Proposal to obtain the value of the Final Economic Proposal. The Final Economic Proposal shall be applied in Clause 8 of the License Contract.

The Contract shall be awarded to the participating OC or Consortium that obtains the higher Final Score considering the Final Economic Proposal.

If after the submission of the Additional Economic Proposal the tie should persist, the Contract shall be awarded through draw. The draw shall take place during the same act of presentation of the Additional Economic Proposal.

7.9 AWARDING OF CONTRACT

Awarding of the Contract shall take place during the same Act for Opening of Envelope 2, as set forth in the Schedule, except as provided for in foregoing Sub-section 7.8.4.

The Commission shall award the Contract to the winning proposal and shall present the results by means of a comparative table showing the technical and economic score, as well as the total score, obtained by each of the participating OCs or Consortiums.

Upon conclusion of the act, the corresponding minutes shall be prepared and signed by the Commission, the Notary Public and the accredited representatives of the participating OCs or Consortiums who may wish to do so, as well as by the Supervisor of the Institutional Control Board of PERUPETRO.

7.10 COMMUNICATION OF THE AWARD

Communication of the Award shall be made during the same Public Ceremony for Opening of Envelope 2, on the date set forth in the Schedule (Appendix 1) except as otherwise provided for in Sub-section 7.8 above and shall be deemed informed to all participating OCs or Consortiums on the same date, during which copy of the minutes and table of results shall be provided to the accredited representatives as requested.

On the same date, the awarding of the Contract will be published on the Corporate Website of PERUPETRO: <http://www.perupetro.com.pe>.

8. GENERAL PROVISIONS FOR CONTRACT ESTABLISHMENT

8.1 Within ten (10) business days following completion of qualification documents with the specific designation of the winning OC or Consortium, PERUPETRO shall grant or deny the Qualification Certificate.

8.28.2 The OC or Consortium that obtains the Contract and Petr6leos del Per6 – PETROPERU S.A., if it is the case, shall have a maximum term of fifty (50) calendar days counted upon the date of the award to sign the Preliminary License Contract, which includes the Work Program, the Technical Proposal, the Economic Proposal or Final Economic Proposal, as applicable, the replies to any enquiries and clarifications made and all other provisions set forth in the Bidding Round and applicable legal provisions.

If the OC or Consortium and Petr6leos del Per6 – PETROPERU S.A., if it is the case, should fail to sign the Preliminary License Contract within the fifty (50) calendar days mentioned in the preceding paragraph, it shall immediately lose the Contract and the Bid Bond shall be executed, applying to that end, the provisions set forth in the second paragraph of Sub-section 9.1 of the Bidding Round Conditions.

8.3 If the Contract should be awarded to a Consortium, the participation percentages in the License Contract shall be the same or less to the ones declared in the Sworn Commitment for Establishment of a Consortium (**Form 10**).

8.4 PERUPETRO shall take care of all the necessary formalities for approval of the License Contract by Supreme Decree and subsequent execution according to Law.

8.5 After awarding of Contract, the area proposed for Block III may be reduced if deemed convenient by the successful OC or Consortium.

8.6 The Work Program, the Technical Proposal and the Economic Proposal or Final Economic Proposal shall not be modified as a result of the reduction of areas or for any other reason.

8.7 Once the Preliminary License Contract has been signed by the successful OC or Consortium and Petr6leos de Per6 – PETROPERU S.A., if it is the case, such OC or Consortium and Petr6leos de Per6 – PETROPERU S.A., if it is the case, shall have thirty (30) calendar days to execute the License Contract, term that shall be counted as of the publication of the Supreme Decree authorizing the execution thereof. As requirements to execute the License Contract, the OC or Consortium must submit the Performance Bond for the first period of the License Contract, the Corporate Guarantee(s) the certificate of educational contribution to the Administrative Committee for Training Resources (CAREC).

9. FINAL PROVISIONS

9.1 If at any point of the Bidding Round, even after having awarded the Contract, PERUPETRO should verify a default situation or a lack of veracity in the documents submitted by the OC or Consortium, PERUPETRO may annul the eligibility or qualification and, as the case may be, may render the Awarding of

Contract null and void, executing the corresponding guarantee and holding the OC or Consortium liable for damages PERUPETRO may incur in this regard.

In such case, PERUPETRO may award the Contract to the participating OC or Consortium that obtained second place, provided the Bid Bond submitted by such OC or Consortium is still valid.

- 9.2** The Bidding Round and the responsibilities of the Commission shall end with the Awarding of the Contract or if the Bidding Round is declared void, and the return of the Bid Bonds (Form 11) to each OC or Consortium, as set forth in Sub-sections 7.9, 7.10 and 9.1 hereof, as applicable. Notwithstanding the foregoing, the Commission shall submit to the General Management the Preliminary License Contract and corresponding Report for the consideration of the Board of Directors of PERUPETRO.

FORMS

FORM 1

**LETTER OF INTEREST TO PARTICIPATE IN THE PERUPETRO-002-2014
INTERNATIONAL BIDDING ROUND
(Model)**

(Note: SUBMISSION FORM: This form shall be submitted in all cases. Each OC shall submit this form, whether submission is made individually or in Consortium).

....., 2014

Messrs.
PERUPETRO S.A.

**Reference: PERUPETRO-002-2014 International Bidding Round
PERUPETRO-002-2014**

Dear Sirs,

This is to express our interest to participate in the PERUPETRO-002-2014 International Bidding Round to award License Contract for the Exploitation of Hydrocarbons in Block III.

To this end, we state the following information:

NAME OF COMPANY	
NAME OF PARENT COMPANY (if applicable)	
YEARS OF EXPERIENCE IN HYDROCARBON EXPLOITATION ACTIVITIES	
COUNTRY OF ORIGIN	
MAILING ADDRESS	
LISTED COMPANY (Yes / No)	

TECHNICAL INDICATOR (*)	
Annual average MBOED production(1)(4)	
Exploration wells drilled (2)	
2D Seismic lines registered (2)	
3D Seismic lines registered (2) (3)	
Development wells drilled (2)	
Hydrocarbon proven reserves (in millions of equivalent barrels, MMBOE) (4) (5)	

(1) Average production of the last two years (2013 and 2012) in thousands of barrels per day. Field production (at the wellhead) could be as well as an auditable information source is available.

(2) Information referred to the sum of activities performed during the last five (5) years (2009 to 2013).

(3) For Bidding Round purposes, one (1) 3D seismic square kilometer is equivalent to three (3) 2D seismic kilometers.

- (4) For conversion purposes, a BOE² conversion ratio of 6000 cubic feet of natural gas will be used.
- (5) Proven reserves information as of the end of the last year.

FINANCIAL INDICATOR	2013	2012	Average of the last two (2) years
Net Stockholders' EquityMMUS\$MMUS\$MMUS\$
Current assetsMMUS\$MMUS\$MMUS\$
Operating cash flowMMUS\$MMUS\$MMUS\$

In Case of Consortium³, indicate the following:

OC	PARTICIPATION %
Oil Company "X"	XX.XX%
Oil Company "Y"	YY.YY%
Oil Company "Z"	ZZ.ZZ%

Only in case the Oil Company does not have experience⁴, indicate the following:

NAME OF THE OPERATOR TECHNICALLY QUALIFIED TO PERFORM HYDROCARBON EXPLORATION AND EXPLOITATION ACTIVITIES OR HYDROCARBON EXPLOITATION ACTIVITIES / NAME OF THE OIL COMPANY WITH EXPERIENCE TO PERFORM OIL SERVICES	
YEARS OLD IN HYDROCARBON EXPLOITATION ACTIVITIES	
COUNTRY OF ORIGIN	
ADDRESS FOR CORRESPONDENCE	

Only in case the Oil Company has not performed hydrocarbon exploration and exploitation activities during the last three (03) years⁵, indicate the following:

Contract(s) entered with the Peruvian State, according to Organic Law of Hydrocarbons, individually or as part of a consortium	
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² BOE = Equivalent Oil Barrels

³ In case of participation in Consortium, the table indicating the participation percentage of each one of the Oil Companies which made up the Consortium shall be completed. Each Company shall submit Form 1, duly signed by the Company Representative and by the Common Representative of the Consortium.

⁴ In case the Oil Company has the economic and financial capacity but does not have experience in hydrocarbon exploration and exploitation activities, it shall complete the information of the technically qualified operator to perform hydrocarbon exploration and exploitation activities o hydrocarbon exploitation or of the Oil Company with experience in oil services, as per paragraph b) of article 6° of Oil Companies Qualification Bylaws, approved by Supreme Decree N° 030-2004-EM. At the same time Technical Indicators of the mentioned Oil Company shall be included in the corresponding table.

⁵ In case of Oil Companies which has not performed hydrocarbon exploration and exploitation activities during the last three (03) years. According to paragraph e) or article 5 of Oil Companies Qualification Bylaws, approved by Supreme Decree N° 030-2004-EM.

Hydrocarbons activities performed without interruption during the last ten (10) years	
---	--

Sincerely Yours,

.....
Signature of Legal Representative
Name
National Identity Card/Alien Card/Passport number
Position
Company name or seal
(Notarial authentication)

Only in case of Consortium:

.....
Signature of Common Representative of the Consortium
Name / Identity Card/Alien Card/Passport number
(Notarial authentication)

FORM 2

**NON-DISCLOSURE AND LICENSE FOR USE
(Model)**

(Note: SUBMITTING FORM: This form shall be submitted in all cases. Every OC must submit this form, whether presenting itself individually or in Consortium). This form shall be submitted together with **Form 1** (Letter of Interest)

GGRL – EXPL-.....-2014

....., 2014

Messrs.
(Name of Legal Representative of OC)
(Position in OC)
(OC name)
(OC address)
Country

Subject: Letter of Agreement on Non-disclosure and License for Use

Dear Sirs,

We hereby confirm having delivered to (OC or Consortium name) the data contained in the Technical Information Package detailed in the attached document, which forms a part of the PERUPETRO-002-2014 International Bidding Round, and which is delivered free of any charge upon signature of this Letter of Agreement.

It is hereby understood that the information received by (OC or Consortium name) will be used in the evaluation of Block III. We further state that delivery of such information does not grant you any right on the above mentioned block.

The information, subject matter of this Agreement is of a confidential nature; consequently, it may not be provided or transferred to third parties, whether individuals or legal entities, except as provided for in the paragraph below.

The information subject matter of this Agreement may be provided only to subsidiary, affiliated or branch companies of (name of Parent Company) or consortium companies, to be used for the purposes of this Agreement and under the obligation to respect and observe the confidentiality nature of this information.

In acceptance hereof, (OC or Consortium name) shall sign and deliver two copies of equal value of this Agreement to PERUPETRO S.A., one of which shall be returned to (OC or Consortium name) duly signed by the General Management of PERUPETRO S.A.

.....
General Manager
PERUPETRO S.A.

.....
(Name of Legal Representative of OC or Consortium)
(Position in OC)
(Name of OC)

FORM 3

INTEGRITY PLEDGE AFFIDAVIT

SUBMITTING FORM: This form shall be submitted in all cases, together with the Letter of Interest (Form 1.)

....., 2014

Messrs.
PERUPETRO S.A.

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sirs,

I, (Full name of Legal Representative/**Common Representative in the case of Consortium**), identified by (DNI, Alien Card or Passport number) in my capacity as legal representative of:

- (Name of Oil Company X),
- (Name of Oil Company Y),
- (Name of Oil Company Z),

that is participating in the PERUPERTRO-002-2014 International Competitive Bidding Round to award License Contract for the Hydrocarbon Exploitation in Block III, as an OC or Consortium, do hereby state that the entity I represent:

1. Has not offered, or granted, and will not offer, or grant directly or indirectly through third parties, any unlawful payment or benefit or any other improper advantage to any public official or their relatives, or to any other private companies or their employees/lessors, in order to obtain or maintain the award for Block III.
2. Has not and will not enter into formal or tacit agreements with participating OCs, in order to use unfair competition practices.
3. The breach of this Integrity Pledge will cause the entity I represent to assume civil, criminal and, as the case may be, administrative liabilities that may be legally applicable, without prejudice to Committee's right to definitely separate the OC or Consortium from participating or to continue participating in the above Bidding Round.

.....
Signature of the Legal Representative of the OC
Name or Seal of the Company
(Notarial Authentication)

.....
Signature of the Common Representative in case of Consortium
DNI. Alien Card or Passport number
(Notarial Authentication)

FORM 4

**LETTER OF ELIGIBILITY TO PARTICIPATE IN THE PERUPETRO-002-2014
INTERNATIONAL BIDDING ROUND
(Model)**

(Note: SUBMISSION FORM: PERUPETRO S.A. will issue this form once the OC or Consortium has been declared eligible.)

Letter No. dated....., 2014

Lima,....., 2014

Mr.
(Name of OC or Consortium Legal Representative)
(Position in the OC)
(OC name)
(OC address)
Country

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sir:

This is in reply to your Letter of interest requesting to be declared eligible to participate in the PERUPETRO-002-2014 International Bidding Round to award Hydrocarbon Exploitation License Contract for Block III, received on, attaching Letter of Non-disclosure and License for Use (**Form 2**) and Integrity Pledge Affidavit (**Form 3**.)

In this regard, the Committee assigned to carry out the Bidding Round, has performed the evaluation and reports the OC or Consortium complies with the minimum indicators and is, thus, eligible to participate in the Bidding Round.

For qualification purposes of theOC or Consortium, the entity you represent must deliver the documents detailed in **Appendix 3** of the above Bidding Round Conditions, contained in the attached CD.

Sincerely yours,

.....
(Name of the President of the Committee)
(President of the Committee)

FORM 5

**TECHNICAL PROPOSAL
(Model)**

....., 2014

Messrs.
PERUPETRO S.A.

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sirs:

I, (Full name of Legal Representative/Common Representative in the case of Consortium), identified by (DNI, Alien Card or Passport number), in my capacity as legal representative of:

*(Name of Oil Company X),
(Name of Oil Company Y),
(Name of Oil Company Z),*

participating in the Bidding Round as OC or Consortium, do declare our technical proposal is as follows:

TECHNICAL PROPOSAL Number of additional Development Wells per year

NOTE: The number of additional development Wells per year shall be a whole number without decimals. Should no value be shown, the Technical Proposal will be considered to be equal to zero (OT = 0).

.....
Signature of Legal Representative
Company Name or Seal
(Notarial Authentication)

[.....]
[Signature of Common Representative in the case of Consortium]
[DNI Foreign Card or Passport number]
[(Notarial Authentication)]

FORM 6
ECONOMIC PROPOSAL
(Model)

....., 2014

Messrs.
PERUPETRO S.A.

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sirs,:

I (Full name of Legal Representative/Common Representative in the case of Consortium), identified by (DNI, Alien Card or Passport number), in my capacity as legal representative of:

*(Name of Oil Company X),
(Name of Oil Company Y),
(Name of Oil Company Z),*

Participating as OC or Consortium in the Bidding Round, do state our economic proposal is as follows:

ECONOMIC PROPOSAL:	XX.XX% (*)
---------------------------	-------------------

(*) To be completed by Bidder, with two decimal digits. Should the box be empty, the proposal will be considered to be zero (00.00)

.....
Signature of Legal Representative
Company Name or Seal
(Notarial Authentication)

[.....]
[Signature of Common Representative in the case of Consortium]
[DNI, Alien Card or Passport number]
[(Notarial Authentication)]

FORM 7

**AFFIDAVIT OF PARTICIPATING OC OR CONSORTIUM OF SUBMISSION TO
BIDDING ROUND CONDITIONS**

(Model)

....., 2014

Messrs.
PERUPETRO S.A.

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sirs:

I, (Full name of Legal Representative), identified by (DNI, Alien Card or Passport number), in my capacity as legal representative of:

- *(Name of Oil Company X),*
- *(Name of Oil Company Y),*
- *(Name of Oil Company Z),*

Participating as OC or Consortium in the Bidding Round, do state that the entity (entities) I represent:

Is(are) aware, agree and expressly submit to the above referred Bidding Round terms and conditions; as well as to the corresponding Responses to Enquiries and Clarifications.

.....
Signature of Legal Representative
Company Name or Seal
(Notarial authentication)

[.....]
[Signature of Common Representative in the case of Consortium]
[DNI, Alien Card or Passport number]
[(Notarial Authentication)]

FORM 8

AFFIDAVIT ACCEPTING THE TERMS AND CONDITIONS PROVIDED IN THE LICENSE CONTRACT MODEL FOR HYDROCARBON EXPLOITATION IN BLOCK III

(Model)

....., de 2014

Messrs.
PERUPETRO S.A.

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sirs:

I, (Full name of Legal Representative), identified by (DNI, Alien Card or Passport number), in my capacity as legal representative of:

*(Name of Oil Company X),
(Name of Oil Company Y),
(Name of Oil Company Z),*

participating as OC or Consortium in the Bidding Round, do hereby state that the entity I represent:

Fully agrees with the terms and conditions provided in the License Contract Model for the Hydrocarbon Exploitation of Block III.

.....
Signature of Legal Representative
Company Name or Seal
(Notarial authentication)

[.....]
[Signature of Common Representative in the case of Consortium]
[DNI, Alien Card or Passport number]
[(Notarial Authentication)]

FORM 9

**AFFIDAVIT ACCEPTING THE GUIDELINES FOR ASSOCIATION WITH
PETRÓLEOS DEL PERÚ – PETROPERU S.A.**

(Model)

Messrs.
PERUPETRO S.A.

Reference: International Bidding Round PERUPETRO-002-2014

I, (Full name of Legal Representative), identified by (DNI, Alien Card or Passport number), in my capacity as legal representative of:

*(Name of Oil Company X),
(Name of Oil Company Y),
(Name of Oil Company Z),*

participating as OC or Consortium in the Bidding Round, do hereby state that the entity I represent:

Fully agrees with the Guidelines for Association with Petróleos del Perú – PETROPERÚ S.A., included in Appendix 6 of the Bidding Round Conditions.

.....
Signature of Legal Representative
Company Name or Seal
(Notarial authentication)

[.....]
[Signature of Common Representative in the case of Consortium]
[DNI, Alien Card or Passport number]
[(Notarial Authentication)]

FORM 10
SWORN COMMITMENT TO ESTABLISH CONSORTIUM
(Model)

(Note: SUBMISSION FORM: This model shall be submitted only in case of Consortiums)

....., 2014

Messrs.
 PERUPETRO S.A.

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sirs:

(Full name of Legal Representative), identified by *(DNI, Alien Card or Passport number)*, in my capacity as legal representative of *(Name of Oil Company "X")* and

(Full name of Legal Representative), identified by *(DNI, Alien Card or Passport number)*, in my capacity as legal representative of *(Name of Oil Company "Y")* and

(Full name of Legal Representative), identified by *(DNI, Alien Card or Passport number)*, in my capacity as legal Representative of *(Name of Oil Company "Z")*

do hereby state we have decided to participate as a Consortium in the PERUPETRO-002-2014 International Bidding Round for the awarding of License Contract for Exploitation of Hydrocarbons in Block III with the following share percentages:

OC	SHARE %
<i>Oil Company "X"</i>	<i>XX.XX%</i>
<i>Oil Company "Y"</i>	<i>YY.YY%</i>
<i>Oil Company "Z"</i>	<i>ZZ.ZZ%</i>

and that Mr.(Ms.) (full name) is empowered to represent the Consortium in all matters regarding the above referred Bidding Round.

.....
 Signature of the OC "X" Legal
 Representative
 Company name or seal
 (Notarial Authentication)

.....
 Signature of the OC "Y" Legal
 Representative
 Company name or seal
 (Notarial Authentication)

Signature of the OC "Z" Legal
 Representative
 Company name or seal
 (Notarial Authentication)

FORM 11

BID BOND

(Model)

BID BOND No.

Lima,, 2014

Messrs.
PERUPETRO S.A.
Lima.

Dear Sirs:

We (financial system entity) hereby stand as joint and several guarantors of, hereinafter the Participant Company, before PERUPETRO S.A., for the amount of One Hundred Thousand US Dollars (US\$100,000.00) in order to guarantee faithful compliance of the technical and economic proposal, as well as of the execution of the License Contract for Exploitation of Hydrocarbons in Block III, in accordance to the terms and conditions provided in the PERUPETRO-001-2014 International Competitive Bidding Process to award License Contract for Exploitation of Hydrocarbons in Block III. The obligation assumed by (entity of the financial system) under this Guarantee is limited to paying PERUPETRO S.A. the sum of One Hundred Thousand US Dollars (US\$100,000.00) against their request for payment.

1. This is an irrevocable, unconditional, joint and several guarantee, without benefit of excussion, of immediate execution and payable during its effective term, against presentation of a notarial letter sent by PERUPETRO to ...(entity of the financial system)... requesting payment of One Hundred Thousand US Dollars (US\$100,000.00), stating that the Oil Company has failed to comply with all or part of the aforesaid obligation, and attaching thereto, as single supporting document and justification, a certified copy of the notarized letter forwarded by PERUPETRO S.A. to the Participant Company demanding compliance of such an obligation.

2. This letter of guarantee shall expire on or before, unless, prior to such date, ...(entity of the financial system)... receives a letter from PERUPETRO S.A. releasing ...(entity of the financial system)... and the Participant Company from any responsibility hereunder, in which case this letter of guarantee shall be rendered ineffective on the date said letter from PERUPETRO S.A. is received.

3. Any delay on our part in honoring this guarantee in your favor shall accrue interest equivalent to the Foreign Currency Lending Rate (TAMEX) used by financial institutions and published by the Superintendence of Banking and Insurance Companies (SBS) applicable during the period of the delay, or any rate which may replace it. Interest shall be calculated as from the reception date of the notarial request sent by PERUPETRO S.A. to ...(entity of the financial system)...

As from the expiry or termination date, no claim may be filed regarding this guarantee and ...(entity of the financial system)... and the Participant Company shall be exempted from any responsibility or obligation hereunder.

Yours truly,

.....

* In case of validity expiration, the Letter of Guarantee shall be extended until the date of execution of the License Agreement.

NOTE: This form shall be modified in the case of Consortium.

Validity period of the Letter of Guarantee shall not be less than ninety (90) calendar days counted as of the date of Submission of Proposals (Submission of Envelope 1 "Eligibility Documents" and Envelope 2 "Technical-Economic Proposal").

FORM 12

LETTER OF INTRODUCTION OF THE REPRESENTATIVE OF THE
PARTICIPATING OC
(Model)

....., 2014

Messrs.
PERUPETRO S.A.
Lima - Peru

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sirs:

I (Full name of Legal Representative), identified by (DNI, Alien Card or Passport number), in my capacity as legal Representative of (Name of the Oil Company,) do hereby introduce Mr.(Ms.) (Full name), identified by (DNI, Alien Card or Passport number), to deliver, on our behalf and representation, Envelope 1 "Eligibility Documents" and Envelope 2 "Technical-Economic Proposal" for the PERUPETRO-002-2014 International Bidding Round to award the License Contract for Hydrocarbon Exploration in Block III.

Mr.(Ms.) (Full name) is duly authorized to perform the corresponding rectifications, submit any observations he(he) may deem pertinent and act in all matters concerning the above referred Bidding Round.

.....
Signature of the OC Legal Representative
Company name or seal
(Notarial Authentication)

NOTE: This form will accompany Envelopes 1 and 2 and will be presented during the Ceremony for Submission of Proposals

FORM 13

**LETTER OF INTRODUCTION FOR THE COMMON REPRESENTATIVE IN CASE OF
CONSORTIUMS
(Model)**

SUBMISSION FORM: This form will be used only in the case of Consortiums. This form will be presented together with Envelopes 1 and 2 during the Ceremony for Submission of Proposals

....., **2014**

Messrs.
PERUPETRO S.A.
Lima - Peru

Reference: PERUPETRO-002-2014 International Bidding Round

Dear Sirs:

- *(Full name of Legal Representative)*, identified by *(DNI, Alien Card or Passport number)*, in my position of legal Representative of *(Name of Oil Company "X")*,
- *(Full name of Legal Representative)*, identified by *(DNI, Alien Card or Passport number)*, in my position of legal Representative of *(Name of Oil Company "Y")* and
- *(Full name of Legal Representative)*, identified by *(DNI, Alien Card or Passport number)*, in my position of legal Representative of *(Name of Oil Company "Z")*

do hereby introduce Mr.(Ms.) *(Full name)*, identified by *(DNI, Alien Card or Passport number)*, to deliver, on our behalf and representation, Envelope 1 "Eligibility Documents" and Envelope 2 "Technical-Economic Proposal" for the PERUPETRO-002-2014 International Competitive Bidding Round to award the License Contract for Hydrocarbon Exploration in Block III.

Mr.(Ms.) (Full name) is duly authorized to perform the corresponding rectifications, submit any observations he/she may deem pertinent and act in all matters concerning the above referred Bidding Round.

.....
Signature of OC "X" Legal Representative
X Company name or seal
(Notarial Authentication)

.....
Signature of OC "Y" Legal Representative
Y Company name or seal
(Notarial Authentication)

.....
Signature of OC "Z" Legal Representative
Z Company name or seal
(Notarial Authentication)