

FEDERATIVE REPUBLIC OF BRAZIL

MINISTRY OF MINES AND ENERGY



**anp**  
Agência Nacional  
do Petróleo,  
Gás Natural e Biocombustíveis

**CONCESSION AGREEMENT OF AREAS WITH MARGINAL  
ACCUMULATIONS FOR REHABILITATION AND PRODUCTION OF OIL AND  
GAS**

«AREA\_ MARGINAL ACCUMULATION»

NO. «NUMBER\_AGREEMENT»

ENTERED INTO BY AND BETWEEN

NATIONAL AGENCY OF PETROLEUM, NATURAL GAS, AND BIOFUELS – ANP

AND

«SIGNATORY\_01\_OPERATOR»

«SIGNATORY\_02»

BRAZIL  
2023

**CONCESSION AGREEMENT FOR EXPLORATION AND PRODUCTION OF OIL AND GAS**

entered into by and between

The **NATIONAL AGENCY OF PETROLEUM, NATURAL GAS, AND BIOFUELS – ANP** (hereinafter referred to as “ANP”), a special independent agency organized by Law No. 9,478 of August 6, 1997, part of the Indirect Federal Administration, bound to the Ministry of Mines and Energy, headquartered at SGAN (Setor de Grandes Áreas Norte) Quadra 603, Módulo I, 3º andar, in the city of Brasília, DF, and with Main Office at Avenida Rio Branco, nº 65, in the city of Rio de Janeiro, RJ, herein represented by its Director-General, «director\_general»,

“signatory\_01\_operator”, organized under the laws of Brazil, with its principal place of business at «address\_01», enrolled in the National Register of Legal Entities (CNPJ/MF) under No. «cnpj\_01» (hereinafter referred to as “Concessionaire”), herein represented by «signatory\_01\_representative\_01», «signatory\_01\_title\_01», and «signatory\_01\_representative\_02», «signatory\_01\_title\_02»,

and

“signatory\_02”, a business company organized under the laws of Brazil, with its principal place of business at «address\_02», enrolled in the National Register of Legal Entities (CNPJ/MF) under No. «cnpj\_02» (hereinafter referred to as “Concessionaire”), herein represented by «signatory\_02\_representative\_01», «signatory\_02\_title\_01», and «signatory\_02\_representative\_02», «signatory\_02\_title\_02».

**WHEREAS**

pursuant to articles 20, items V and IX of, and 176, main section, of the Constitution of the Federative Republic of Brazil and article 3 of Law No. 9,478/1997, the Oil and Gas Deposits existing in the national territory, the continental shelf, and the exclusive economic zone belong to the Federal Government;

pursuant to article 177, I, of the Constitution of the Federative Republic of Brazil and article 4 of Law No. 9,478/1997, the Research and Exploration of the Oil and Gas Deposits existing in the national territory, the continental shelf, and the exclusive economic zone is the monopoly of the Federal Government;

pursuant to art. 177, paragraph one, of the Constitution of the Federative Republic of Brazil and art. 5 of Law No. 9,478/1997, the Federal Government may allow state-owned or privately-held companies incorporated under the Brazilian laws, with principal place of business and management in the Country, to develop activities of Exploration and Production of Oil and Gas, upon concession, as established in the prevailing Applicable Laws;

pursuant to article 21 of Law No. 9,478/1997, all rights of Exploration and Production of Oil and Gas in the national territory, the continental shelf, and the exclusive economic zone are held by the Federal Government, and ANP shall be responsible for their management, except for the jurisdiction of other bodies and entities expressly provided by law;

pursuant to article 8 of Law No. 9,478/1997, the purpose of ANP is to procure the regulation, engagement, and inspection of the economic activities forming part of the Oil, Gas, and Biofuel Industry;

ANP, on behalf of the Federal Government, is responsible for entering into Concession Agreements for Exploration and Production of Oil and Gas with the Concessionaire, in compliance with the provisions of articles 23 and 24 of Law No. 9,478/1997;

pursuant to arts. 25 and 26 of Law No. 9,478/1997 and upon meeting of the requirements provided for in Section I of Chapter V, ANP and the Concessionaire are authorized to enter into this Concession Agreement, which shall be governed, as appropriate, by the general standards of Section I and the provisions of Section VI, both from Chapter V of such Law;

pursuant to articles 36 to 42 of Law No. 9,478/1997, the Concessionaire participated in the bidding process for award of this Concession Agreement, and the bidding process in which it was declared the winner was awarded and approved for the Block defined in Annex I;

pursuant to article 46 of Law No. 9,478/1997, the Concessionaire paid the signature bonus to ANP in the amount indicated in Annex VI;

pursuant to the Open Acreage tender protocol and art. 43, item V, of Law No. 9,478/1997, the Concessionaire has provided ANP with the financial guarantee required to support performance of the Initial Work Program offered;

ANP and the Concessionaire enter into this Concession Agreement for Rehabilitation and Production of Oil and Natural Gas in the Area with Marginal Accumulation identified in Annex I under the following terms and conditions.

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## CHAPTER I – BASIC PROVISIONS

### SECTION ONE – DEFINITIONS

#### Legal Definitions

- 1.1. The definitions in art. 6 of Law No. 9,478/1997; in art. 2 of Law No. 12,351/2010, as appropriate; and in art. 3 of Decree No. 2,705/1998 are hereby incorporated into this Agreement and, consequently, are valid for all its purposes and effects whenever they are used herein, whether in the singular or plural form, in the masculine or feminine gender.

#### Contractual Definitions

- 1.2. Also for the purposes and effects of this Agreement, the definitions contained in this paragraph shall also be valid whenever the following words and phrases are used in the singular or plural, in the masculine or feminine gender:
  - 1.2.1. **Affiliate:** any controlling or controlled legal entity of private law, performing a business activity under arts. 1,098 to 1,100 of the Brazilian Civil Code, as well as entities directly or indirectly controlled by the same company.
  - 1.2.2. **Area with Marginal Accumulations:** Concession Area with known discoveries of oil and/or natural gas, where there was no production or production was interrupted or early termination of the contract was requested due to lack of economic interest.
  - 1.2.3. **Concession Area:** area of the Block which superficial projection is delimited by the polygon defined in Annex I or the plots of the area of the Block remaining subject withheld by the Concessionaire after the partial relinquishments provided for herein are made.
  - 1.2.4. **Development Area:** any plot of the Concession Area retained for the Development Phase.
  - 1.2.5. **Field Area:** area delimited by the polygon defining the Field, upon approval of the Development Plan.
  - 1.2.6. **Assessment:** exploratory activity that aims to investigate a Discovery in the Concession Area with the objective of verifying its commerciality, using technologies that may be accepted by the ANP, in accordance with the Best Practices of the Oil Industry.
  - 1.2.7. **Well Assessment:** logging and formation tests performed between the End of Drilling and Well Completion that, combined with other activities previously developed at the well, will enable verification of the occurrence of areas of interest for presentation of a possible Discoveries of Oil or Natural Gas Discoveries of Oil or Natural Gas Assessment Plan.
  - 1.2.8. **Assignment:** transfer, in whole or in part, of the ownership of rights and obligations arising from the Agreement; consolidation, spin-off, and merger,

when corporate reorganization results in change of any of the Concessionaires; change of Operator, as well as exemption and replacement of the performance guarantee.

- 1.2.9. **Concessionaire:** individually or collectively, the legal entities developing business activities that are members of the consortium, including the Operator.
- 1.2.10. **Well Completion:** moment of completion of the activities directly related to drilling of a well (including, when applicable, logging, lining, and cementing) when its final depth is reached, after which all Operations exclusively refer to disassembly, decommissioning, or operation of the unit. For the cases in which the Well Assessment and/or completion is started within sixty (60) days after the end of the activities directly related to drilling of the well or its temporary abandonment, the moment in which disassembly, decommissioning, or operation of the unit used for the Well Assessment and/or completion is started shall be taken into account.
- 1.2.11. **Agreement:** the main body of this document and its annexes.
- 1.2.12. **Consortium Agreement:** agreement regulating the rights and obligations of the Concessionaires regarding this Agreement.
- 1.2.13. **Declaration of Commercial Feasibility:** formal and written notification presented to ANP declaring one or more Deposits as a Commercial Discovery in the Concession Area.
- 1.2.14. **Discovery:** any occurrence of Oil or Gas in the Concession Area, regardless of the quantity, quality, or commercial feasibility, verified by at least two detection or assessment methods.
- 1.2.15. **Decommissioning of Facilities:** set of activities associated with the definitive interruption of the Operation of the Facilities, the permanent abandonment and razing of wells, the removal of Facilities, the proper disposal of materials, residues and rejects and the environmental recovery of the area.
- 1.2.16. **Development Phase:** contractual phase initiated with the approval of ANP for the Development Plan and which is extended during the Production Phase while investments in wells, equipment, and facilities for the Production of Oil and Gas according to the Best Practices of the Oil Industry are required.
- 1.2.17. **Production Phase:** contract period in which the Development and the Production are to be performed.
- 1.2.18. **Rehabilitation Phase:** contractual period that begins with the signature of the Contract and ends with the Declaration of Commerciality or with the end of the period defined in Annex II.
- 1.2.19. **Brazilian Supplier:** any manufacturer or supplier of goods manufactured or services provided in Brazil through limited liability companies incorporated under the Brazilian laws or companies that use goods manufactured in the Country under special customs regimes and tax incentives applicable to the Oil and Gas Industry.
- 1.2.20. **Individualization of Production:** procedure aimed at sharing of the Production result and the reasonable use of the Country's natural resources through unification of the Development and Production of the Deposits extending beyond the Concession Area;



- 1.2.21. **Applicable Laws:** the set of Brazilian laws, decrees, regulations, resolutions, ordinances, normative instructions, or any other regulatory acts that are or may be applicable to the Parties or to the activities of Exploration, Assessment, Development, and Production of Oil and Gas, as well as to Decommissioning of the Facilities.
- 1.2.22. **Best Practices of the Oil Industry:** the best and safest procedures and technologies available in the Oil and Gas Industry worldwide intended to: (a) ensure the operational safety of the facilities, preserving life, physical integrity, and human health; (b) preserve the environment and protect adjacent communities; (c) prevent or reduce as much as possible the risk of spill of oil, natural gas, by-products, and other chemicals that may be hazardous to the environment; (d) preserve oil and gas resources, which implies the use of adequate methods and processes to maximize the recovery of hydrocarbons in a technical, economic, and environmentally sustainable way, with the corresponding control of the reserve decline, and to mitigate surface losses; (e) minimize consumption of natural resources in the Operations. In order to perform the Best Practices of the Oil Industry, the Concessionaires shall rely on the standards issued by ANP and other Brazilian public bodies, incorporating technical standards and recommendations of internationally recognized bodies and associations of the Oil Industry, whenever such measures increase the chances to achieve the objectives listed above.
- 1.2.23. **New Reservoir:** accumulation of Oil and/or Gas in areas other than those already in Production or under Assessment.
- 1.2.24. **Operation:** all activities of Exploration, Assessment, Development, Production, Decommissioning of Facilities developed sequentially, collectively, or separately by the Concessionaire for the purposes of this Agreement.
- 1.2.25. **Operator:** the Concessionaire designated to conduct and develop all Operations provided for in this Agreement on behalf of the Concessionaires, pursuant to Annex VII.
- 1.2.26. **Party:** signatory of the Agreement.
- 1.2.27. **Development Plan:** document specifying the work program, schedule, and relevant investments required for the Development and the Production of a Discovery or set of Discoveries of Oil and Gas in the Concession Area, including its abandonment.
- 1.2.28. **Annual Production Program:** document in which the forecasts for Production and movement of Oil, Natural Gas, water, special fluids and waste from the Production process of each Development Area or Field are broken down
- 1.2.29. **Annual Production Program:** document describing the forecasts for Production and handling of Oil, Gas, water, special fluids, and waste arising from the Production process of each Development Area or Field.
- 1.2.30. **Facility Decommissioning Program:** document presented by the Concessionaire whose content must incorporate the information, projects and studies necessary for the planning and execution of the Decommissioning of Facilities.
- 1.2.31. **Initial Work Program:** program of activities defined by the ANP in the bidding notice and according to Annex II, to be fulfilled by the Concessionaire during the Rehabilitation Phase.

- 1.2.32. **Rehabilitation:** activities and investments necessary to restore the operational conditions of an area with a view to its Production.
- 1.2.33. **Re-entry:** activities carried out in wells aimed at restoring their operational conditions for Production or injection.
- 1.2.34. **Quarterly Expenditure Report:** document to be delivered by the Concessionaire to the ANP in which the amounts spent on Rehabilitation, Development and Production Operations are detailed.
- 1.2.35. **Final Report of the Rehabilitation Phase:** document presented by the Concessionaire, at the end of the Rehabilitation Phase, which describes the execution of the activities committed in the Initial Work Program and the additional activities to this program, presents its results and, if approved by the ANP, checks effectiveness of the Declaration of Commerciality.
- 1.2.36. **Facility Decommissioning Report:** document presented by the Concessionaire that describes all activities performed during the Facility Decommissioning and the associated costs.
- 1.2.37. **Anticipated Production System:** provisional installation, with limited capacity, aiming at the anticipation of Production and obtaining data and information for better characterization of the Reservoir, for the purpose of adapting the Development Plan.
- 1.2.38. **End of Drilling:** moment in which the final depth of the well is reached, with no prospect of further advance continuity.
- 1.2.39. **Term of Decommissioning Commitment:** instrument through which the Concessionaire undertakes to carry out the activities of Decommissioning Facilities, identifying the wells, facilities and other equipment.
- 1.2.40. **Extended Well Test:** test in a well with a total free flow time of more than 72 (seventy-two) hours, carried out with a view to obtaining data that allow interpretations in order to support Deposit Assessment.

## SECTION TWO – SUBJECT MATTER

### Rehabilitation and Production of Oil and Natural Gas

- 2.1. The subject matter of this Agreement is:
  - a) the execution, in the Concession Area, of Operations committed in the Initial Work Program or additional to it, aiming at the Rehabilitation of the Area with Marginal Accumulation and the Production of Oil or Natural Gas under commercial conditions;
  - b) in case of Discovery, at the discretion of the Concessionaire, the execution of Discovery Assessment activities under the terms of an Annual Work and Budget Program approved by the ANP; and;

- c) Oil and Natural Gas Development and Production Operations, if the Discovery is verified by the Concessionaire, pursuant to a Development Plan approved by the ANP.

### **Costs, Losses, and Risks Associated with the Execution of Operations**

- 2.2. The Concessionaire shall always and exclusively bear all costs and risks related to the execution of the Operations and its consequences.
- 2.3. The Concessionaire shall bear all losses it may incur, including the ones resulting from an act of god or force majeure event, as well as accidents or events of nature affecting the Rehabilitation and Production of Oil and Gas in the Concession Area.
- 2.4. The Concessionaire shall not be entitled to any payment, redress, refund, reimbursement, or indemnification in the event of failure in the rehabilitation or absence of commercial feasibility of any Discoveries in the Concession Area.
- 2.5. The Concessionaire shall be the only party civilly liable for its own actions and the actions of its agents and subcontractors, as well as for the compensation for any damages caused by the Operations and their execution, regardless of fault.
  - 2.5.1. The Federal Government and ANP shall be reimbursed for any liens they may endure as a result of any demands motivated by acts under the responsibility of the Concessionaire, which shall bear such reimbursement.
- 2.6. The Federal Government and ANP shall not undertake any risks or operating losses or bear costs, investments, and damages related to the execution of the Operations and its consequences.

### **Ownership of Oil and Gas**

- 2.7. The Oil and Gas Deposits existing in the national territory, the continental shelf, and the exclusive economic zone belong to the Federal Government, pursuant to article 20, items V and IX, of the Constitution of the Federative Republic of Brazil, and art. 3 of Law No. 9,478/1997.
  - 2.7.1. The Concessionaire shall have the ownership only of the Oil and Gas that are effectively produced and granted thereto at the Production Measurement Point, through original acquisition and according to this Agreement.
  - 2.7.2. The Concessionaire shall be subject to charges related to the Government taxes and shares, as well as those provided for in the Applicable Laws.

### **Other Natural Resources**

- 2.8. The Concessionaire is prohibited to use, enjoy, or dispose, in any way and at any title, totally or partially, of any other natural resources that may exist in the Concession Area other than Oil and Gas, except when duly authorized by the competent authorities, according to the Applicable Laws.
  - 2.8.1. Discovery of natural resources other than Oil and Gas by chance shall be notified to ANP within no more than seventy-two (72) hours.

- 2.8.2. The Concessionaire shall follow the instructions and allow implementation of the relevant measures determined by ANP or other competent authorities.
- 2.8.3. Until such instructions are submitted to the Concessionaire, it shall refrain from taking any measures that may pose a risk or somehow damage the natural resources discovered.
- 2.8.4. The Concessionaire shall not be required to suspend its activities, except when they pose a risk to the natural resources discovered or the Operations.
- 2.9. Any interruption of the Operations, exclusively due to the discovery of other natural resources by chance, shall have its duration calculated and acknowledged by ANP for purposes of extension of this Agreement.

### **SECTION THREE – CONCESSION AREA**

#### **Identification**

- 3.1. The Operations shall be conducted exclusively in the Concession Area described and delimited in Annex I.
  - 3.1.1. If the ring fence of the Area with Marginal Accumulations is located partly on land and partly in shallow waters, the Concessionaire intending to carry out maritime Operations must submit such claim to the ANP and obtain the required minimum qualification, without prejudice to obtaining the relevant environmental licenses, under penalty of application of the sanctions provided for in this Agreement and in the Applicable Law.

#### **Data Surveys on Non-Exclusive Bases**

- 3.2. The ANP may, at its sole discretion, authorize third parties to perform, in the Concession Area, geology, geochemistry, geophysics and other works of the same nature, with a view to collecting technical data intended for commercialization on non-exclusive bases, under the terms of art. 8, III, of Law No. 9,478/1997 and the Applicable Legislation..
  - 3.2.1. The execution of said services, except for exceptional situations approved by the ANP, cannot affect the normal course of Operations..
  - 3.2.2. The Concessionaire will not have any responsibility regarding the performance of said services by third parties or damages related thereto.

### **SECTION FOUR – EFFECTIVENESS**

#### **Effectiveness and Division into Phases**

- 4.1. This Agreement becomes effective on its execution date and is divided into two phases:

- a) Rehabilitation Phase, for the whole Concession Area, with expected duration set forth in Annex II; and
  - b) Production Phase, for each Field, with duration defined in Section Seven.
- 4.2. The effectiveness of this Agreement shall correspond to the period elapsed since the date of its execution until the end of the Rehabilitation Phase, except if a Declaration of Commercial Feasibility of one or more Discoveries is issued, case in which there shall be an addition pursuant to Section Seven.
- 4.3. Any extensions that may be authorized by ANP under this Agreement shall be added to such total effectiveness.
- 4.4. The lapse of the effectiveness, according to the provisions of the paragraph 4.3 related to the extensions authorized by ANP, shall entail the lawful termination of the Agreement.

## CHAPTER II – REHABILITATION

### SECTION FIVE – REHABILITATION PHASE

#### Start and Duration

- 5.1. The Rehabilitation Phase shall have the duration set forth in Annex II.
- 5.2. At the end of the Rehabilitation Phase, the Concessionaire will have to return the entirety of the Concession Area to the ANP or declare the Commerciality of the Area with Marginal Accumulation.:

#### Initial Work Program, Additional Activities and Term of Decommissioning Commitment

- 5.3. The Concessionaire shall fully perform the obligations related to the Initial Work Program during the Rehabilitation Phase, within the terms and conditions described in Annex II.
  - 5.3.1. The Concessionaire may carry out additional activities to the Initial Work Program, provided they are provided for in the Annual Work and Budget Program.
- 5.4. The follow-up of the activities of the Initial Work Program and those additional to it will be carried out through the Annual Work and Budget Program, in accordance with the procedures and deadlines established in Clause Eight.
- 5.5. The Concessionaire shall carry out all the necessary activities for the decommissioning of the wells and facilities that it assumes responsibility for abandonment or that carry out interventions aimed at reestablishing its operational conditions for production or injection, of the wells that it uses for other reasons, as well as of the installations that it assumes or implements, necessary for the Operation of the Field, in the form of the Applicable Legislation.
  - 5.5.1 The Concessionaire must present the Decommissioning Commitment Term within 180 (one hundred and eighty) days from the date of signature of the Contract, informing which wells and facilities it will assume responsibility for the decommissioning.
  - 5.5.2. Pursuant to paragraph 15.1, the Concessionaire must deliver the respective decommissioning guarantees.
- 5.6. At the end of the Rehabilitation Phase, the Final Report of the Rehabilitation Phase must be submitted to the ANP by the Concessionaire, covering the Initial Work Program and the activities already performed..
- 5.7. The Concessionaire may contract, at its sole discretion, data acquisition companies (EAD) for the collection of exclusive data, pursuant to the Applicable Laws.
- 5.8. The ANP will issue a quality control report for the return or acceptance of the data received within 180 (one hundred and eighty) days from the date of delivery of the last shipment of data in compliance by the Concessionaire.
- 5.9. For purposes of performance of the Initial Work Program, only data which acquisition, processing or reprocessing established by ANP.

## **Extension of the Rehabilitation Phase and Suspension of the Contract**

- 5.10. In the event of proven operational difficulties for compliance with the Initial Work Program, during the Rehabilitation Phase, the Concessionaire may request the ANP to extend this Phase.
- 5.10.1. The request must be forwarded to the ANP at least 60 (sixty) days before the end of the Rehabilitation Phase.
- 5.10.1.1. The ANP will have a period of 30 (thirty) days, from the date of the request, to express its opinion regarding the request
- 5.11. The Contract will be automatically suspended if the ANP does not decide, before the end of the Rehabilitation Phase, on the request to suspend the Contract, extend the Rehabilitation Phase or make changes to the Initial Work Program.
- 5.11.1. The Contract will be suspended from the end of the Rehabilitation Phase until the resolution in the final instance of the ANP.
- 5.11.2. If the Contract is suspended, the deadline for presenting the Declaration of Commerciality will also be suspended.
- 5.11.3. During the suspension of the Contract provided for in paragraph 5.11, the Concessionaire may not carry out activities in the area, unless prior and expressly authorized by the ANP, in which case the suspension will be converted into a precautionary extension of the Contract.

### **Options for Closing the Rehabilitation Phase**

- 5.12. The Concessionaire may end the Rehabilitation Phase at any time, upon notification to the ANP.
- 5.12.1. The termination will not release the Concessionaire from the indemnity for any non-compliance with the Initial Work Program.
- 5.13. Non-compliance with the Initial Work Program will result in the full termination of the Contract and the execution of the compensatory penalty clause provided for in Clause Fourteen, with no other penalties being applicable due to said non-performance.
- 5.13.1. The values of the activities of the Initial Work Program not carried out are defined in Annex II and are net, and may be required from the Concessionaire or the guarantor, always monetarily corrected by the General Price Index - Internal Availability (IGP-DI) of the Getúlio Vargas Foundation or another index that replaces it, pursuant to paragraph 14.8.

### **Concessionaire Options After Completion of Initial Work Program**

- 5.14. After the completion of the Initial Work Program and until the end of the period established for the Rehabilitation Phase, the Concessionaire may, upon prior notification to the ANP:
- a) declare the Commerciality of the Discovery, observing the provisions of Clause Six of this Agreement, initiating the Production Phase;
- b) retain the areas in which it is appropriate to postpone the Declaration of Commerciality under the terms of paragraphs 6.4 and 6.5; or

- c) fully return the Concession Area.

## **SECTION SIX – DECLARATION OF COMMERCIAL FEASIBILITY**

### **Declaration of Commercial Feasibility**

- 6.1. Once the Initial Work Program has been completed, the Concessionaire may, at its discretion, make the Declaration of Commerciality of the Discovery, under the terms of the Applicable Legislation.
  - 6.1.1. If it has not yet been presented to the ANP, the Final Report of the Rehabilitation Phase must accompany the Declaration of Commerciality.
  - 6.1.2. The Declaration of Commerciality will only be effective after approval of the Final Report of the Rehabilitation Phase by the ANP.
- 6.2. Failure by the Concessionaire to submit the Declaration of Commercial Feasibility until the end of the Exploration Phase shall entail the lawful termination of the Agreement regarding the relevant area retained for the Discovery Assessment.
- 6.3. Submission of one or more Declarations of Commercial Feasibility shall not exempt the Concessionaire from performance of the Initial Work Program.

### **Postponement of the Declaration of Commercial Feasibility**

- 6.4. If the main accumulation of hydrocarbons discovered and assessed in a Concession Area is Natural Gas, the Concessionaire may request to ANP an authorization to postpone the Declaration of Commercial Feasibility in up to five (5) years, in the following cases:
  - a) lack of market for the Natural Gas to be produced, expected to be created in less than five (5) years;
  - b) lack or inadequacy of infrastructure for transportation of the Natural Gas to be produced by the Concessionaire, expected to be implemented in less than five (5) years.
  - c) the volume of the Discovery is such that its commerciality depends on additional Discoveries to be made in the Block itself or in adjacent Blocks, aiming at the joint Development of the Operations.
- 6.5. If the main accumulation of hydrocarbons discovered and assessed in a Concession Area is Oil, the Concessionaire may request to ANP an authorization to postpone the Declaration of Commercial Feasibility in up to five (5) years, in the following cases:



- a) lack of technology for the Production, Outflow, or Refining, expected to be created in less than 5 (five) years.
  - b) the volume of the Discovery is such that its commercial feasibility depends on additional Discoveries to be made in the same Block or in adjacent Blocks, aiming at the joint Development of all Operations.
- 6.6. The Concessionaire may request ANP that the period for postponement of the submission of the Declaration of Commercial Feasibility is extended for five (5) additional years.
- 6.7. Extension of the term for submission of the Declaration of Commercial Feasibility shall apply exclusively to the area previously retained for Discovery Assessment.
- 6.8. During extension of the term for submission of the Declaration of Commercial Feasibility, the Agreement shall be suspended with respect to the area previously retained for Discovery Assessment.
- 6.9. If ANP considers that the reason that caused the postponement provided for in paragraphs 6.4 and 6.5 has been overcome, it shall notify the Concessionaire to submit, at its discretion, a Declaration of Commercial Feasibility within thirty (30) days.
- 6.9.1. If it decides to submit the Declaration of Commercial Feasibility, the Concessionaire shall submit a Development Plan for approval by ANP no later than one hundred and eighty (180) days of such notice, and paragraph 8.2 shall not apply.

## CHAPTER III – PRODUCTION

### SECTION SEVEN – PRODUCTION PHASE

#### Start and Duration

7.1. The Field Production Phase will start on the date of submission of the Declaration of Commerciality and will last for 15 (fifteen) years.

#### Extension at the request of the Concessionaire

7.2. The Concessionaire may request the extension of the period established in paragraph 7.1, and for that purpose, must present, at least 24 (twenty-four) months before the end of that period, a request to the ANP, accompanied by a revision of the Development Plan.

7.2.1. The ANP will issue an opinion on the request for revision of the Development Plan and extension of the Production Phase within a maximum period of 180 (one hundred and eighty) days, and may, justifiably, refuse the Concessionaire's proposal or condition it to changes in the revision of the Development Plan.

#### Extension by determination of ANP

7.3. The ANP may request the Concessionaire to proceed with the Field Operation upon notification at least 270 (two hundred and seventy) days before the expected end of Production.

7.3.1. ANP's request may only be refused upon justification based, among other reasons, on proven non-economicity.

7.3.1.1. In case of refusal by the Concessionaire, the ANP will have a period of 60 (sixty) days from the receipt of the justification to analyze the arguments presented and resolve on the issue.

7.3.2. After 90 (ninety) days have passed from the ANP proposal, the absence of a response from the Concessionaire will be considered tacit acceptance.

7.3.3. The Agreement will be extended for the additional time indicated by the ANP.

#### Consequence of the Extension

7.4. If case of extension of the Production Phase, under paragraphs 7.2 or 7.3, the Parties shall remain bound by the exact terms and conditions of this Agreement, except for, exclusively, any amendments agreed due to and for the purposes of such extension.

7.4.1. At the end of the Production Phase, paragraphs 7.2 or 7.3 shall apply for the purposes of a possible new extension, as appropriate.

## SECTION EIGHT – DOCUMENTS FOR FOLLOWING THE PRODUCTION PHASE

### Plans and Programs - general provisions

8.1. The plans and programs for monitoring the Production Phase are as follows:

- a) Development Plan;
- b) Annual Work and Budget Program; and
- c) Annual Production Program.

8.1.1. The plans and programs must be prepared in accordance with the Applicable Law.

8.1.2. The untimely delivery of plans and programs will subject the Concessionaire to the application of the sanctions provided for in Clause Twenty-Fifth and in the Applicable Legislation.

8.1.3. The Concessionaire will be obliged to comply with the plans and programs with the modifications eventually determined by the ANP.

8.1.4. The Parties may request, at any time, the revision of plans and programs.

### Development Plan

8.2. The Concessionaire must present the Development Plan to the ANP within 180 (one hundred and eighty) days from the presentation of the Declaration of Commerciality or the receipt of communication of approval of the Final Report of the Rehabilitation Phase, whichever occurs last.

8.2.1. If the Development Plan is not delivered within the established period, the ANP will notify the Concessionaire to present it within a maximum period of 30 (thirty) days.

8.3. The ANP will have a period of 180 (one hundred and eighty) days from receipt of the Development Plan to approve it or request the Concessionaire the modifications it deems appropriate.

8.3.1. If the ANP does not pronounce itself within this period, the Development Plan will be considered approved, not disregarding the power/duty of the ANP to demand revisions whenever necessary.

8.3.2. If the ANP requests modifications, the Concessionaire must submit the modified Development Plan within the period determined by the ANP, repeating the procedure provided for in paragraph 8.3.

8.4. The non-approval of the Development Plan by the ANP, after the exhaustion of the appropriate administrative remedies, will imply the full termination of the Agreement.

## Annual Work and Budget Program

- 8.5. The same provisions as the Annual Production Program apply to the Annual Work and Budget Program with regard to delivery, approval and review procedures.
- 8.6. The first Annual Work and Budget Program shall cover the remainder of the current year and be presented by the Concessionaire within 60 (sixty) days from the date of signature of this Agreement.
- 8.6.1. If there are more than 6 (six) months to the end of the year, the Annual Work and Budget Program must be sent, which has the current year as reference year.
- 8.6.2. If there are less than 6 (six) months to the end of the year, by October 31 of that year, or by the deadline established in paragraph 8.6, if it exceeds October 31, only the Annual Work Program and Budget that has the following year as reference year.
- 8.6.3. An exception to paragraph 8.6.2 may be made if there are activities to be effectively carried out by the Concessionaire in the second half of the current year, provided that the presentation of the Annual Work and Budget Program is preceded by a prior consultation with the ANP as to its real need .

## Annual Production Program

- 8.7. The Concessionaire shall deliver to the ANP the Annual Production Program for the calendar year in which Production begins at least 60 (sixty) days in advance of the Production Start Date, pursuant to the Applicable Legislation.
- 8.8. The Concessionaire must deliver to the ANP the Annual Production Program for the subsequent year by October 31 of each calendar year, pursuant to the Applicable Legislation.
- 8.9. The ANP will have a period of 30 (thirty) days from the receipt of the Annual Production Program to approve it or request any modifications it deems appropriate to the Concessionaire.
- 8.9.1. If the ANP requests changes, the Concessionaire must resubmit the Annual Production Program contemplating such changes within 30 (thirty) days from the request, repeating the procedure provided for in paragraph 8.9.
- 8.9.2. If the Concessionaire disagrees with the proposed modifications, it may discuss them with the ANP, aiming to adjust the modifications to be implemented in the Annual Production Program, in what the ANP deems relevant and in accordance with the Best Practices of the Oil Industry.

## Bulletins

- 8.10. The bulletins for monitoring the Production Phase are as follows:
- a) monthly production bulletin; It is
  - b) annual reservation bulletin.
- 8.10.1. The bulletins must be prepared in accordance with the Applicable Law. A variance greater than such percentage shall be allowed due to technical

reasons, acts of God, force majeure, or similar causes that shall be assessed by ANP.

8.10.2. The Concessionaire must submit the annual Reserves bulletin to the ANP by January 31st (thirty-first) for the previous year.

8.10.2.1. If there is a variation greater than 15% (fifteen percent) in relation to the volume foreseen for the corresponding month in the Annual Production Program, the Concessionaire must present a justification to the ANP until the 15th (fifteenth) day of the month following the variation, according to the Legislation Applicable.

8.10.3. The Concessionaire must submit the annual Reserves bulletin to the ANP by January 31st (thirty-first) for the previous year.

## **SECTION NINE – INDIVIDUALIZATION OF PRODUCTION**

### **Production Individualization Agreement**

9.1. The procedure of Individualization of Production of Oil and Gas shall be started under the Applicable Laws if it is identified that a Deposit extends beyond the Concession Area.

## **CHAPTER IV – EXECUTION OF OPERATIONS**

### **SECTION TEN – DISCOVERY, ASSESSMENT, AND DEVELOPMENT OF NEW RESERVOIRS**

- 10.1. Any Discovery of a New Oil or Gas Reservoir shall be notified to ANP by the Concessionaire, on an exclusive basis, no later than seventy-two (72) hours after such Discovery. The notice shall be sent along with all relevant data and information available.
- 10.2. The Concessionaire may, at its discretion, proceed with Assessment of the Discovery of a New Reservoir at any time.
- 10.2.1. In case the Concessionaire decides to proceed with Assessment of the Discovery of a New Reservoir, it shall present the activities for Assessment in the Annual Work and Budget Program, pursuant to the procedures in Section Eight.
- 10.3. In case the Concessionaire decides to proceed with Development of the New Reservoir, it shall inform ANP and, within one hundred and eighty (180) days after communication, it shall provide ANP with a Development Plan under the Applicable Laws.
- 10.4. Development or Production of the New Reservoir shall only be authorized after approval of ANP under the Applicable Laws.
- 10.5. The execution of the Extended Well Test without the use or re-injection of the Natural Gas will be limited to a period of 180 (one hundred and eighty) days, except in exceptional circumstances, at the discretion of the ANP.

### **SECTION ELEVEN – EXECUTION BY THE CONCESSIONAIRE**

#### **Concessionaire's Exclusivity**

- 11.1. The Concessionaire shall have the exclusive right to execute the Operations in the Concession Area pursuant to the terms, conditions, and effectiveness of the Agreement.

#### **Indication of the Operator by the Concessionaire**

- 11.2. The Operator is designated by the Concessionaire to, on its behalf:
- a) conduct and perform the Operations provided for in this Agreement;
  - b) submit the plans, programs, guarantees, proposals, and communications to ANP;

- c) receive the replies, requests, proposals, and other communications from ANP.
- 11.3. The Operator shall be responsible for full compliance with all the Concessionaire's obligations set forth in this Agreement related to any aspect of the Operations and the payment of the Government Shares.
- 11.3.1. In case of consortium, all Concessionaires shall be jointly liable for full compliance with all obligations of the Agreement.
- 11.4. The Concessionaire that is a member of a consortium shall bear with investments related to its interest in the consortium, without prejudice to the joint liability.
- 11.5. The Operator may transfer the responsible for the Operation at any time, upon submission of a request to ANP pursuant to Section Twenty-Three and the Applicable Laws.
- 11.6. The Operator may be removed by ANP in case of failure to comply with any of the sections of this Agreement if it does not cure its default within ninety (90) days of receipt of the notice from ANP indicating the default.
- 11.7. In the events of transfer of responsibility for the Operation and removal of the Operator, the Concessionaire shall designate a new Operator, pursuant to the provisions of the Applicable Laws.
- 11.7.1. The new Operator may perform its activities only upon assumption of all rights and obligations provided for in this Agreement, after authorization of ANP and execution of the relevant addendum to the Agreement.
- 11.8. The Operator referred to in paragraphs 11.5 or 11.6 shall transfer to the new Operator the custody of all properties used in the Operations, accounting records, files, and other documents related to the Concession Area and the Operations at stake.
- 11.9. The Operator referred to in paragraphs 11.5 or 11.6 shall remain liable for any acts, incidents, or circumstances related to its position of Operator incurred during its management.
- 11.9.1. Such Operator shall also remain liable for all obligations and responsibilities arising from its position of operator until the transfer provided for in paragraph 11.8.
- 11.10. ANP may, as a condition to approve a new Operator, require the latter and the resigning or removed Operator to take the necessary actions to transfer all information and other aspects related to this Agreement.
- 11.10.1. ANP may require an audit and inventory be performed until transfer of the Operations to the new Operator.
- 11.10.2. The audit and inventory costs shall be paid by the Concessionaire.
- 11.11. In case of individual concessionaire, this shall be deemed, for purposes of this Agreement, the designated Operator of the Concession Area.

### **Diligence to Conduct Operations**

- 11.12. The Concessionaire shall plan, prepare, implement, and control the Operations in a diligent, efficient and appropriate manner, pursuant to the Applicable Laws and the Best

Practices of the Oil Industry, always respecting the provisions in this Agreement and not performing any act that characterizes or may characterize a violation of the economic order.

11.12.1. The Concessionaire shall, in all Operations:

- a) adopt the measures required for preservation of oil resources and other natural resources and for the protection of human life, heritage, and environment, pursuant to Section Seventeen;
- b) respect the applicable technical, scientific, and safety rules and procedures, including as to the recovery of fluids, aiming at the rationalization of production and the control of the decline in the reservoirs;
- c) employ, whenever appropriate and economically justified, at ANP's discretion, technical experiences and more advanced technologies, including the ones that increase the economic yield and the Production of the Deposits.

11.13. It is the Operator's duty to:

- a) maintain minimum personnel, domiciled in Brazil, fluent in Portuguese, able to manage the daily Operations in an efficient and effective manner, as well as to respond to incidents in an appropriate and immediate way;
- b) continuously monitor all activities involving operational, environmental, or human health risks, through a monitoring center, necessarily located in Brazil;

### **Goods, Equipment, Facilities and Materials**

11.14. It is the exclusive obligation of the Concessionaire to directly supply, purchase, rent, lease, charter or in any other way obtain, at its own risk and expense, all property, movable and immovable, including installations, constructions, systems, equipment, machinery, materials and supplies , which are necessary for the execution of the Operations.

11.14.1. The purchase, rent, lease or obtainment may be carried out in Brazil or abroad, under the terms of the Applicable Law.

11.15. If pre-existing wells or infrastructure are used, the Concessionaire will assume, in relation to these, the responsibilities provided for in the Contract and in the Applicable Legislation.

### **Licenses, Authorizations, and Permits**

11.16. The Concessionaire shall, at its own account and risk, obtain all licenses, authorizations, and permits required under the Applicable Laws.

11.16.1. If the licenses, authorizations, and permits depend on a third-party agreement, the negotiation and execution of such agreements shall be the sole responsibility of the Concessionaire, and ANP may provide assistance according to paragraph 12.5.



- 11.17. The Concessionaire shall be held liable for infringement of the right to use materials and execution processes protected by trademarks, patents, or other rights, and it shall pay any obligations, liens, commissions, indemnifications, or other expenses arising from such infringement, including legal expenses.
- 11.18. The Concessionaire will be fully responsible, under the terms of paragraph 11.16, for obtaining all licenses, authorizations and permissions necessary for the acquisition or use of the goods referred to in paragraph 11.14.

### **Expropriations and Easements**

- 11.19. The Concessionaire shall, at its own expense and risk, subject to the provisions of paragraph 11.16, promote the expropriations and establish the easements of real estate necessary for the fulfillment of this Agreement, as well as pay any and all indemnities, costs or expenses arising.
- 11.20. The ANP will instruct the process with a view to declaring the public utility, for the purposes of expropriation and institution of administrative easement, of the real estate referred to in paragraph 11.19, upon reasoned request of the Concessionaire.

### **Free Access to the Concession Area**

- 11.21. During the effectiveness of this Agreement, the Concessionaire shall have free access to the Concession Area and its facilities, according paragraph 11.19.

### **Start of Production**

- 11.22. The Concessionaire must notify the ANP of the Production Start Date within a maximum period of 72 (seventy-two) hours after its occurrence.

### **Temporary Interruption of Production**

- 11.23. The Concessionaire may request the ANP to voluntarily interrupt Field Production for a period of 1 (one) year, which may be extended at the discretion of the ANP.

11.23.1. The ANP will evaluate the request within 60 (sixty) days, renewable for the same period, and may request clarification from the Concessionaire.

11.23.2. The period for evaluation will be restarted after the presentation of the requested clarifications.

- 11.24. The voluntary interruption of Production will not imply the suspension of the term of the Contract.

### **Measurement**

- 11.25. As of the Field Production Start Date, the Concessionaire shall, periodically and regularly, measure the volume and quality of Oil and Natural Gas produced at the Production Measurement Point.

11.25.1. The methods, equipment and measuring instruments provided for in the respective Development Plan and in accordance with the Applicable Legislation must be used.

**Production Availability**

11.26. Ownership of the volumes of Oil and Natural Gas measured pursuant to paragraph 11.25 will be conferred on the Concessionaire at the Production Measurement Point.

**Free disposition**

11.27. The Concessionaire is assured the free disposal of the volumes of Oil and Natural Gas conferred to it under the terms of paragraph 11.26.

**Consumption in Operations**

11.28. The Concessionaire may use Oil and Natural Gas produced in the Concession Area as fuel, in carrying out the Operations, provided that in quantities authorized by the ANP.

11.28.1. The Concessionaire must inform the ANP, in the monthly Production bulletin, the amount of Oil and Natural Gas consumed in the Operations and the purpose of use.

11.28.2. The volumes of Oil and Natural Gas consumed in the Operations will be computed for the purpose of calculating the due Government and Third Party Participation, provided for in Clause Nineteen.

**Test Results**

11.29. Data, information, results, interpretations, static and dynamic Reservoir models and flow regimes obtained from formation tests, Extended Well Tests or Early Production Systems during the execution of the Operations of this Contract must be sent to ANP within 5 (five) days after obtaining, concluding or according to the period defined in the Applicable Legislation or another period defined by the ANP.

11.29.1. Among the documents sent, the volumes of Oil, Natural Gas and water produced must be included.

11.29.2. In the case of Extended Well Tests, the information must be sent to the ANP according to the frequency established in the approved Annual Work and Budget Programs.

11.29.3. Production and movements arising from Extended Well Tests and Early Production System must be reported through the monthly Production bulletin.

11.30. The volumes of Oil and Natural Gas produced during the Extended Well Tests will be conferred to the Concessionaire under the terms of paragraph 11.26 and computed for the purpose of calculating the Government Participation and due third parties, provided for in Clause Nineteen.

11.31. Royalties are due as a result of Oil and Natural Gas Production arising from Extended Well Tests.

**Losses of Oil or Natural Gas and the burning of Natural Gas in flares**

11.32. Losses of Oil or Natural Gas occurring under the responsibility of the Concessionaire, as well as the burning of Natural Gas in flares, will be included in the Total Production Volume to be calculated for the purpose of paying Government Participations and third parties, without prejudice to the application of the provided for in Clause Twenty-Fifth and Clause Twenty-Six.

- 11.33. The burning of Natural Gas in flares will only be allowed for safety, emergency and commissioning reasons, with the maximum volume specified in the Applicable Legislation.

### **Drilling and Abandonment of Wells**

- 11.34. The Operator shall previously notify ANP of the start of drilling of any well in the Concession Area.
- 11.35. The Concessionaire may interrupt the well drilling and abandon it, pursuant to the Applicable Laws and according to the Best Practices of the Oil Industry.
- 11.36. ANP may exceptionally authorize drilling of wells in locations outside the Concession Area, due to Production Individualization Agreements or environmental issues.

### **Data Acquisition outside the Concession Area**

- 11.37. The Concessionaire can perform Operations off the Concession Area limits, according to the Applicable Laws .
- 11.38. Data acquired off the Concession Area limits shall be immediately classified as public after its acquisition.
- 11.39. The Concessionaire shall submit data and information acquired off the Concession Area limits to ANP, under the Applicable Laws.
- 11.40. Operations off the Concession Area limits shall not be taken into account for performance of the Initial Work Program.

### **Installations or Equipment outside the Concession Area**

- 11.41. The ANP may authorize the placement or construction of facilities or equipment outside the Concession Area, with a view to complementing or optimizing the logistical structure related to the Operations.
- 11.41.1. The Concessionaire must submit to the ANP reasoned request to position facilities or equipment outside the limits of the Concession Area.
- 11.41.1.1. The rationale must include technical and economic aspects, as well as the positioning or construction project, as the case may be.
- 11.41.1.2. If the installation or equipment needs to be located in another area under contract, there must be consent from the contractor who owns the rights in that area for the authorization to be requested, in addition to other authorizations from other bodies and consents from entities possibly impacted by the installation.
- 11.41.2. The provisions of Clause Seventeen will also apply to equipment and facilities located outside the Concession Area.

## **SECTION TWELVE – CONTROL OF OPERATIONS AND ASSISTANCE BY ANP**

### **Monitoring and Inspection by ANP**

12.1. ANP shall permanently monitor and inspect the Operations directly or through arrangements with bodies of the Federal Government, States, or the Federal District.

12.1.1. The monitoring and inspection, or the absence thereof, shall not exclude or reduce the Concessionaire's responsibility for full performance of the obligations undertaken in this Agreement in any way.

### **Access and Control**

12.2. ANP shall have free access to the Concession Area and the ongoing Operations, equipment, and facilities, as well as to all records, studies, and technical data available.

12.2.1. The Concessionaire shall provide to the representatives of ANP transportation, meals, personal protective equipment, and accommodations in the locations, under the same conditions as the ones provided to its own personnel.

12.2.2. For the purposes of survey on data, information, or assessment of responsibilities about operational incidents, the access shall be provided by the Concessionaire through the unrestricted and immediate provision of transportation, food, personal protective equipment, and accommodation to the representatives of ANP.

12.3. The Concessionaire shall allow free access for the authorities with jurisdiction over any of its activities.

12.4. The Concessionaire shall provide, within the term and in the manner established, information requested by the ANP.

### **Assistance to the Concessionaire**

12.5. Upon request, ANP may provide assistance to the Concessionaire in obtaining the licenses, authorizations, permits, and rights referred to in paragraph 11.16.

12.5.1. ANP shall instruct the processes aiming at the declaration of public use referred to in paragraph 11.20.

### **Release from the Contracting Party's and ANP's responsibility**

12.6. The Concessionaire, at its own account and risk, is fully responsible for execution of the Operations, and ANP is not responsible whatsoever as a result of the assistance requested and eventually provided.

## **SECTION THIRTEEN – DATA AND INFORMATION**

### **Supply by the Concessionaire**

- 13.1. The Concessionaire shall keep ANP informed with respect to the progress, results, and terms of the Operations.
- 13.1.1. The Concessionaire shall send to ANP, as determined by ANP, copies of maps, sections, profiles, studies, interpretations, other geological, geochemical, and geophysical data and information, including data on wells, models of static and dynamic Reservoir, and flow regimes obtained from tests, in addition to reports or any other documents defined in a specific regulation and obtained as a result of the Operations and of this Agreement, containing information necessary to characterize the progress of the works and the geological knowledge of the Concession Area.
- 13.1.2. Under art. 22 of Law No. 9,478/1997, the technical inventory formed by data and information on the Brazilian sedimentary basins are an integral part of the national oil resources, and the Concessionaire shall submit such data and information, including those regarding the geological, geophysical, and geochemical modelling of the Concession Area, to ANP.
- 13.1.3. ANP shall ensure compliance with the confidentiality periods, under the Applicable Laws.
- 13.2. The quality of the copies and other reproductions of data and information referred to in paragraph 13.1.1 shall be as reliable and standard as the respective originals, including with respect to color, size, legibility, clarity, compatibility, and other relevant characteristics.

### **Processing or Analysis Abroad**

- 13.3. The Concessionaire may, upon the prior and express authorization of ANP, dispatch rock and fluid samples abroad for purposes of analyses and other studies under the Applicable Laws.

## **SECTION FOURTEEN – COMPENSATORY CRIMINAL CLAUSE FOR BREACH OF THE INITIAL WORK SCHEDULE**

### **Compensatory Penal Clause for Noncompliance with the Initial Work Program**

- 14.1. As a compensatory penalty clause for noncompliance with the Initial Work Program, the Concessionaire will be subject to the payment of a contractual fine in an amount

equivalent to the Initial Work Program not completed, as provided for in paragraphs 14.13 and 14.14.

### **Financial Guarantee of the Initial Work Program**

- 14.2. In the Rehabilitation Phase, the Concessionaire will provide the ANP with one or more financial guarantees for the Initial Work Program according to the value established in Annex II, within the period established in the tender protocol.
- 14.3. The financial guarantees presented must be accompanied by a letter signed by all Concessionaires expressing full awareness of paragraph 11.4 and that the obligations of the Initial Work Program are indivisible, with each Concessionaire, jointly and severally, being liable for reimbursement in case of non-compliance.

### **Types of Financial Guarantees**

- 14.4. The Concessionaire may provide the ANP with the following types of financial guarantee of the compensatory penalty clause for non-compliance with the Initial Work Program:
- a) letter of credit;
  - b) guarantee insurance;
  - c) Oil and Natural Gas pledge agreement; It is
  - d) security deposit.
- 14.5. Financial guarantees may be accumulated in order to total the guaranteed amount.
- 14.6. Financial guarantees must comply with the form indicated in the invitation to bid.
- 14.7. Financial guarantees can only be replaced or changed after approval by the ANP.

### **Update of Financial Guarantees**

- 14.8. The value of the Initial Work Program, secured by financial guarantee, will be automatically monetarily restated on January 1st of each calendar year by the IGP-DI variation of the immediately preceding year, except on January 1st immediately following the publication of the bidding notice , when there will be no update.
- 14.9. The Concessionaire must present the update of the financial guarantees to the ANP, which reflect the update provided for in paragraph 14.8, by January 31 of each calendar year.
- 14.9.1. The annual presentation of the guarantee update is waived if the type of guarantee presented already contains in its instrument an automatic monetary restatement clause based on the IGP-DI.

### **Validity of Financial Guarantees**

- 14.10. The validity of the financial guarantee must exceed by at least 180 (one hundred and eighty) days the date scheduled for the end of the Rehabilitation Phase.
- 14.10.1. Financial guarantees must be renewed whenever necessary, already in the monetarily restated amount, observing the provisions of paragraph 14.8.
- 14.10.2. In case of suspension of the Rehabilitation Phase, the financial guarantees must be updated or renewed in order to cover a period of not less than 1 (one) year, and must be renewed at least 180 (one hundred and eighty) days before the end of their validity.
- 14.11. In case of deterioration of the financial guarantees, the Concessionaire must replace them or present additional guarantees.
- 14.11.1. If the guarantee has been presented in the Oil and Natural Gas pledge agreement modality, the ANP may notify the Concessionaire to, under the terms of the bidding notice and the pledge agreement signed between the parties, make a guarantee margin call or, alternatively, request that a new guarantee be presented to the ANP in order to cover any difference between the required guarantee and the effective guarantee, within 60 (sixty) days from the receipt of the notification..

### **Return of Financial Guarantees**

- 14.12. At the end of the Rehabilitation Phase and once the Final Rehabilitation Phase Report has been approved, the ANP will return the financial guarantees to the Concessionaire.

### **Execution of the Compensatory Penal Clause**

- 14.13. Upon verification of non-compliance with the Initial Work Program, the ANP will summon the Concessionaire to pay, as a compensatory penal clause, within 30 (thirty) days, the amount corresponding to the unfulfilled portion of the Initial Work Program updated by the IGP-DI, without the incidence of any discount for voluntary payment.
- 14.13.1. In case of non-voluntary payment, the ANP will execute the financial guarantee within the limit of the amount due and will register the remaining debt related to the Initial Work Program in overdue debt, plus the applicable legal charges.
- 14.13.2. The amount equivalent to the unfulfilled Initial Work Program will be updated by the IGP-DI until the date on which the effective payment is made.
- 14.13.3. The ANP's statement on breach of contract is effective immediately and constitutes sufficient cause for the execution of the guarantee offered, including guarantee insurance.
- 14.13.4. The suspension of the execution of the financial guarantee by decision of the ANP, under the terms of item "m" of paragraph 30.5, or by arbitration or judicial decision in force, does not prevent the communication of the claim by the ANP to the insurer, within the term of validity of the respective guarantee.
- 14.13.5. When the suspension ends without reversal of the administrative decision referred to in paragraph 14.13.4, the effective execution of the financial

guarantee will take place when the suspension ends, even if the original term of the guarantee has expired.

- 14.14. Receipt of the amount corresponding to the compensatory penalty clause for non-completion of the Initial Work Program:
- a) does not exempt the Concessionaire from complying with the other obligations arising from the Contract;
  - b) does not affect the right of the ANP to seek other remedies and apply any applicable sanctions for acts other than mere non-execution of the Initial Work Program; It is
  - c) does not entitle the Concessionaire to proceed to the Production Phase.
- 14.15. In the security deposit modality, the execution of the guarantee will be carried out through withdrawal of the updated value of the penal clause corresponding to the portion of the Initial Work Program not executed, by means of correspondence from the ANP to the depository, regardless of prior authorization from the depositor.

## **SECTION FIFTEEN – FINANCIAL GUARANTEE OF DECOMMISSIONING**

- 15.1. For the Production Phase, the Concessionaire will provide the ANP with one or more financial guarantees to ensure the decommissioning of the wells and facilities that it assumes responsibility for abandonment or that carry out interventions aimed at reestablishing their operational conditions for production or injection, of the wells that is used for other reasons, as well as the installations that it assumes or implements, necessary for the Field Operation, in the form of the Applicable Legislation.
- 15.2. The Concessionaire will present a decommissioning guarantee within 180 (one hundred and eighty) days from the Production Start Date, and may, therefore, use the guarantees or term to ensure the Decommissioning of Installations provided for in the Applicable Legislation, at the discretion of the ANP.
- 15.2.1. The guarantees and term presented to ensure the Decommissioning of Installations must comply with the requirements set forth in the Applicable Legislation.
  - 15.2.2. The Concessionaire must keep the guarantee or term valid throughout the duration of the Contract, and must renew them 180 (one hundred and eighty) days before their expiration.
  - 15.2.3. The ANP may, at any time, determine the replacement of the guarantee or the term whenever the technical analysis concludes that it is ineffective or unsuitable in the specific case.
- 15.3. The value of the decommissioning guarantee of a Development Area or Field will be progressively contributed throughout the Production Phase in the form, within the terms and in the update frequency provided for in the Applicable Legislation, with the amount sufficient to cover the total cost foreseen for Decommissioning Installations must be provided in guarantee at the time indicated in the Applicable Legislation.



- 15.4. Notwithstanding the provisions of paragraph 15.3, the ANP may require that the total amount to be guaranteed, corresponding to the expected cost for the Decommissioning of Field Installations, be fully contributed in a guarantee at any time of the Contract, provided that, with reason, in cases serious risks and difficult to repair.
- 15.5. The value of the decommissioning guarantee of a Development Area or Field may be revised, at the request of the Concessionaire or upon request of the ANP, when events occur that change the cost of Decommissioning Operations of Facilities, respecting the limit provided for in the applicable legislation.
- 15.6. In the case of a guarantee presented through a provisioning fund:
- a) the Concessionaire must submit to the ANP, each year, supporting documentation of the contributions made, as well as inform the updated balance of the fund;
  - b) ANP may audit the procedure adopted by the Concessionaire in managing the financial provisioning fund; It is
  - c) the balance calculated after carrying out all the Operations necessary for the decommissioning of the Field will revert exclusively to the Concessionaire.
- 15.6.1. The presentation of a decommissioning guarantee does not release the Concessionaire from carrying out, at its own risk and expense, all the Operations necessary for the Decommissioning of Field Installations.
- 15.6.2. The decommissioning financial guarantees may be accumulated in order to total the amount to be guaranteed, subject to the Applicable Legislation.

## **SECTION SIXTEEN – PERSONNEL, SERVICES AND SUBCONTRACTS**

### **Personnel**

- 16.1. The Concessionaire shall recruit and hire, directly or indirectly, at its own expense and risk, all the manpower necessary for the execution of the Operations, being, for all purposes of this Agreement, the sole and exclusive employer.
- 16.1.1. Recruitment and contracting may be carried out in Brazil or abroad and according to the Concessionaire's selection criteria, pursuant to the Applicable Legislation.
- 16.2. The Concessionaire will be exclusively and fully responsible, in Brazil and abroad, for the measures related to the entry, exit and stay in the Country of its foreign personnel.
- 16.3. The Concessionaire shall observe, with regard to the hiring, maintenance and dismissal of personnel, work accidents and industrial safety, the provisions of the Applicable Legislation, being exclusively and fully responsible for the collection and payment of social, labor, social security payments and other relevant charges and surcharges, due in any capacity, pursuant to Brazilian law.
- 16.4. The Concessionaire shall ensure adequate food, personal protective equipment and accommodation for its personnel when on duty or on the move, specifically with regard to quantity, quality, hygiene, safety and health care conditions, under the terms of the Applicable Legislation.

- 16.5. The Concessionaire shall promote, at any time, the withdrawal or replacement of any of its technicians or team members due to improper conduct, technical deficiency or bad health conditions.

### **Services**

- 16.6. The Concessionaire shall directly perform, contract or otherwise obtain, at its own risk and expense, all services necessary for the fulfillment of this Contract.
- 16.6.1. The contracting of services may be carried out in Brazil or abroad, under the terms of the Applicable Law.
- 16.6.2. If the concessionaire contract with their Affiliates to provide services, prices, terms, quality and other agreed terms must be competitive and compatible with market practices.
- 16.7. The Concessionaire shall enforce the provisions of this Agreement and the Applicable Law for all its subcontractors and suppliers.
- 16.8. The Concessionaire will be fully and objectively liable for the activities of its subcontractors that result, directly or indirectly, in damage or harm to the environment, the ANP or the Union.
- 16.9. The Concessionaire must keep the inventory and records of all the services referred to in paragraphs 16.1 and 16.6 up to date, under the terms of the Applicable Law.
- 16.9.1. Eventual inventory balances not used in other Concession areas, upon authorization by the ANP, must be treated as cost rebates in the Operations.

## **SECTION SEVENTEEN – OPERATIONAL SAFETY AND ENVIRONMENT**

### **Environmental Control**

- 17.1. Among other obligations, the Concessionaire shall:
- a) ensure preservation of an ecologically balanced environment;
  - b) mitigate the occurrence of impacts and/or damages to the environment;
  - c) ensure safety of the Operations for purposes of protecting human life, the environment, and the Federal Government's heritage;
  - d) ensure protection of the Brazilian historical and cultural heritage;
  - e) restore degraded areas in compliance with the Applicable Laws and the Best Practices of the Oil Industry;
- 17.2. ANP may, at any time, request a copy of the environmental licences studies submitted for approval of the applicable environmental authority if awareness of its content

becomes required for the instruction/management of the Agreement entered into herein.

- 17.3. In case of an environmental permitting process in which the applicable authority deems that a Public Hearing is required, the Concessionaire shall submit to ANP a copy of the studies prepared aiming at obtaining the permits at least thirty (30) business days before the Hearing.
- 17.4. The Concessionaire shall submit to ANP a copy of the environmental licenses and their respective renewals, meeting the deadlines defined in the specific regulations issued by ANP or, in a shorter period, whenever necessary to support an authorization procedure that requires such documents.
- 17.5. The Concessionaire shall inform ANP and the competent authorities of any occurrence arising from an intentional or accidental fact or act involving risk or damage to the environment or to human health, property damages to its own or third-party assets and properties, fatalities or severe injuries to the personnel or to third parties, or unscheduled interruptions of the Operations, pursuant to the Applicable Laws and the instructions provided for in manuals issued by ANP, when applicable.

#### **Liability for Damages and Losses**

- 17.6. The Concessionaire shall undertake full and strict liability for all environmental damages that may result from execution of the Operations, directly or indirectly.
  - 17.6.1. The Concessionaire shall indemnify the damages resulting from the Operations.
  - 17.6.2. The Concessionaire shall indemnify the Federal Government and ANP, pursuant to paragraphs 2.2 to 2.6, for any and all lawsuit, appeal, claim or legal oppositions, arbitration court, audit, inspection, investigation, or dispute of any kind, as well as for any damages, compensations, punishments, fines, or penalties of any kind, related to or resulting from such damages and losses.

### **SECTION EIGHTEEN – INSURANCE**

#### **Insurance**

- 18.1. The Concessionaire shall contract and maintain in force, during the entire term of this Agreement, insurance coverage for Exploration and Production activities, contracted with a regular insurance company before the Superintendence of Private Insurance (Susep), for all cases required by the Applicable Laws, without this implying a limitation of its liability under this Agreement.
  - 18.1.1. These insurance policies must cover:
    - a) properties;
    - b) personnel;
    - c) extraordinary expenses for the operation of wells;

- d) cleaning, in the event of accidents;
- e) decontamination, in the event of accidents; and
- f) civil liability for damages to the environment and the Federal Government's heritage.

18.1.2. The Concessionaire shall include ANP as coinsured in the policies covering civil liability, and it shall not impair ANP's right to be fully reimbursed for losses and damages exceeding the indemnification received by virtue of the coverage provided for in the policy.

- 18.2. The Concessionaire shall obtain, from its insurance companies, the inclusion of a clause in all policies through which they expressly waive any implied or explicit rights of subrogation against ANP or the Federal Government.
- 18.3. Insurance through Affiliates is accepted as long as provided by a company authorized by the Susep to perform this activity and previously authorized by ANP.
- 18.4. The Concessionaire's policies and global insurance programs may be used for the purposes of this Section Eight, provided that previously authorized by ANP.
- 18.5. The Concessionaire shall deliver to ANP, upon request, within five (5) business days, a copy of all policies and agreements regarding the insurance policies referred to in paragraph 18.1, as well as a copy of any and all amendment, change, endorsement, postponement, or extension thereof, and a copy of any and all related loss occurrence, complaint, or report.

## **CHAPTER V – GOVERNMENT SHARES AND INVESTMENTS IN RESEARCH, DEVELOPMENT, AND INNOVATION**

### **SECTION NINETEEN – SHARES**

#### **Government and Third-Party Shares**

- 19.1. In addition to the Signature Bonus, paid before the date of execution of the Agreement, the Concessionaire shall pay to the Federal Government and third parties the following shares, pursuant to the Applicable Laws and the Annex V:
- a) Royalties;
  - b) payment for land occupancy or withholding; and
  - c) payment of a share to the landowner.
- 19.2. The Concessionaire shall not be exempted from payment of Government and Third-Party Shares in cases of:
- a) production earned during the Formation Test period, in the Exploration Phase, only if the production is economically exploited;
  - b) production earned during the Formation Test period, in the Production Phase;
  - c) production earned during the Extended Well Test period;
  - d) suspension of the term of this Agreement;
  - e) act of God, force majeure, and similar causes.

### **SECTION TWENTY – TAXES**

#### **Tax Regime**

- 20.1. The Concessionaire shall be subject to the tax regime in the federal, state and municipal scopes, undertaking to comply with it under the terms, deadlines, and conditions defined in the Applicable Laws.

#### **Certificates and Evidence of Regularity**

- 20.2. Upon request of ANP, the Concessionaire shall submit all certificates, registration acts, authorizations, evidence of enrollment in taxpayers' registries, evidence of tax regularity, evidence of regular standing as to the payment of the social charges

instituted by law, enrollments in entities or professional associations, and any other similar documents or certificates.

## **SECTION TWENTY-ONE – CURRENCY**

### **Currency**

21.1. The currency shall be Real, for all purposes and effects of this Agreement.

## **SECTION TWENTY-TWO – ACCOUNTING AND FINANCIAL AUDIT BY ANP**

### **Accounting**

22.1. Under the Applicable Laws, the Concessionaire shall:

- a) keep all documents, books, papers, records, and other procedural documents;
- b) keep all supporting documents required for determination of the Local Content and of the Government and Third-Party Shares supporting the accounting bookkeeping;
- c) make the applicable entries;
- d) submit the accounting and financial statements; and
- e) submit to ANP the Quarterly Expense Report or document that replaces it.

### **Audit**

22.2. ANP may perform an audit, including for the statements of calculation of the Government Shares, under the Applicable Laws.

22.2.1. The audit may be performed directly or through contracts and partnerships, according to the Applicable Laws.

22.2.2. The Concessionaire shall be notified at least thirty (30) days before the audits.

22.2.3. ANP shall have comprehensive access to the books, records, and other documents referred to in paragraph 22.1, including the contracts and agreements entered into by the Concessionaire and related to the acquisition of goods and services for the Operations, for the last ten (10) years.

22.2.4. The Concessionaire is responsible for the information provided by third parties.

22.2.5. The Concessionaire shall make available to ANP any others documents

22.2.6. Any absence of audit or omission of its conclusions shall neither exclude nor reduce the Concessionaire's liability to fully perform the obligations of this Agreement, nor shall represent implied agreement with methods and procedures contrary to this Agreement or to the Applicable Laws.

## CHAPTER VI – GENERAL PROVISIONS

### SECTION TWENTY-THREE– ASSIGNMENT OF THE AGREEMENT

#### Assignment

- 23.1. The Concessionaire' rights and obligations on this Agreement may be, in whole or in part, subject to Assignment, conditional on prior and express authorization of ANP.
- 23.1.1. Requests for authorization to perform the following acts will be submitted to the Assignment procedure provided for in the Applicable Laws:
- a) transfer, in whole or in part, of the ownership of rights and obligations arising from the Agreement, including as a result of the execution of the guarantee on the contractual position;
  - b) change of Concessionaire due to merger, spin-off or incorporation;
  - c) change of Operator; It is
  - d) waiver or replacement of performance guarantee.
- 23.2. The parties shall keep the Agreement terms and conditions unchanged until execution of the respective addendum, and, before execution, it is prohibited to:
- a) transfer of rights relating to the Exploration and Production Agreement object of the Assignment or execution of any encumbrance thereon; and
  - b) influence of the transferee on the management of the Exploration and Production and its execution.
- 23.3. Default of paragraph 23.2 constitutes Assignment without the prior and express approval of ANP.
- 23.4. The Operator and the other members of the Consortium shall have, respectively, at least a thirty percent (30%) and a five percent (5%) share in the Agreement throughout its effectiveness.
- 23.5. The Concessionaires shall notify ANP of the change on its corporate control within thirty (30) days of the filing of the corporate act with the competent registration body, under the Applicable Laws.

#### Undivided Share in Rights and Obligations

- 23.6. Assignment, in whole or in part, of the Concession Area shall always represent an undivided share in the Concessionaire's rights, observing the joint liability of the assignor and the assignee under the Applicable Laws.



**Assignment of a Field**

23.7. The Assignment of part of a Field will not be admitted, except as an alternative to a non-concrete Production Individualization agreement, provided that it is approved by the ANP, under the terms of the Applicable Legislation.

**Nullity of Assignment of Rights and Obligations and Need for Prior Express Approval**

23.8. Any Assignment that does not comply with the provision in this Section or in the Applicable Laws shall be lawfully null and subject to the penalties provided for in this Agreement and in the Applicable Laws.

**Approval of Assignment**

23.9. ANP shall have a ninety (90)-day period as of submission of the full documentation and as required, under the Applicable Laws, to resolve upon the Assignment.

23.10. The Assignment of the Agreement shall only be authorized, except in the event of paragraph 26.5.2, when:

- a) compliance with the technical, economic-financial and legal requirements established by the ANP;
- b) preserving the object and other contractual conditions;
- c) complying with the provisions of art. 88 of Law No. 12,529, of November 30, 2011, if applicable;
- d) the obligations of the Exploration and Production Contract object of the request are being fulfilled;
- e) the assignor and the assignee, or the guarantor, in cases of exemption or replacement of the performance guarantee, are in compliance with all their obligations related to the Governmental Participations and of third parties before all the Concession or Production Sharing contracts in which they are parts; It is
- f) the obligations related to eventual activities of Decommissioning of Facilities are foreseen in accordance with the Applicable Laws.

23.10.1. If the assignor is in default and the Assignment is not voluntary, as determined by ANP or as a result of an execution of a contract clause with third parties, the Assignment shall be allowed if the assignee or the executor of the guarantee pays the obligations related to the contracts to be assigned; provided that they undertake to transfer any amount eventually payable to the assignor as a result of the Assignment directly to ANP, until the assignor's full debt to ANP is settled.

23.10.1.1. Assignment to an Affiliate shall not be accepted in the event provided for in paragraph 23.10.1.

### **Effectiveness and Efficacy of the Assignment**

- 23.11. Upon approval of the Assignment by ANP, the Agreement shall be amended so that the act is performed, except in the events of exemption or replacement of a performance guarantee and in the event provided for in paragraph 28.17, under the Applicable Laws.
- 23.12. The addendum to the Agreement shall be effective as of the date of its execution, under the Applicable Laws.
- 28.13.1. The transfer by the assignor to the assignee of data, documents and information on operational safety and the environment relating to the contracted area and the Exploration and Production facilities included in the Assignment and defined by the ANP is a condition for signing the amendment to the Agreement, except in the event Non-voluntary Assignment.
- 23.13. Within forty-five (45) days of the execution of the addendum, the Contractor shall submit to ANP a copy of the Consortium Agreement or of the amendment filed with the applicable commercial registry.
- 23.14. As of the execution of the addendum, the former Concessionaire shall have a ninety (90)-day period to transfer all exclusive data related to the agreement assigned, whether public or confidential, to the new concessionaire.
- 23.14.1. The new concessionaire shall become the holder of the rights to exclusive data, and the deadlines for confidentiality already in progress shall remain unchanged, pursuant to the Applicable Laws.

### **Constitution of Guarantees on rights arising from the Agreement**

- 23.15. The Concessionaire is allowed to constitute, within the scope of credit operations or financing agreement, guarantee on the rights arising from this Agreement, under the terms of the Applicable Legislation.
- 23.16. The Concessionaire must notify the ANP about the guarantee operation provided for in paragraph 23.15, forwarding a copy of the respective guarantee instrument within 30 (thirty) days from the date of its signature.
- 23.17. The execution of the guarantee will be carried out in accordance with the Applicable Law and upon notification to the ANP under the terms of the guarantee instrument, observing that the transfer of ownership resulting from the execution of the guarantee constitutes an Assignment and depends on the prior and express consent of the ANP.

## **CLÁUSULA VIGÉSIMA QUARTA - RETURN**

### **Returns**

- 24.1. The Concessionaire may fully return the area if it decides to close Operations after the Rehabilitation Phase, upon notification to the ANP.
- 24.1.1. The return will not exempt the Concessionaire from the obligation to comply with the Initial Work Program.

- 24.1.2. The Concessionaire will not be responsible for any reimbursement for the investments made.

### **Disposition by the ANP of the Returned Area**

- 24.2. The ANP, once notified by the Concessionaire of the devolution of the area under Rehabilitation or after the process of devolution of the area under Development or Production has begun, may dispose of it, including for the purpose of new bids.

### **Return of the Concession Area in the Rehabilitation Phase**

- 24.3. The Concessionaire may, at any time during the Rehabilitation Phase, effect the return of the Concession Area, upon notification to the ANP.
- 24.4. Within a period of up to 60 (sixty) days after the end of the Rehabilitation Phase, if the Concessionaire does not present a Declaration of Commerciality, it must submit a Decommissioning Program for Installations to the ANP, under the terms of the Applicable Legislation.
- 24.4.1. The delivery of the Facility Decommissioning Program does not imply any type of acknowledgment or discharge by the ANP, nor does it exempt the Concessionaire from complying with the Initial Work Program.

### **Return of the Concession Area in the Production Phase**

- 24.5. The Concessionaire may, at any time during the Production Phase, effect the return of the Field, upon notification to the ANP.
- 24.6. Once the Production Phase is concluded, pursuant to paragraph 7.1, the Field must be returned to the ANP.
- 24.7. The Concessionaire must submit to the ANP, up to 36 (thirty-six) months before the end of the term of the Contract or the estimated exhaustion of commercially extractable volumes, whichever occurs first, a report with information on:
- a) mechanical situation of the wells;
  - b) lines of the Production Flow System;
  - c) Production plants;
  - d) equipment and other assets;
  - e) perspective of additional Production;
  - f) perspective of depletion of the Field;
  - g) contracts with current suppliers; and
  - h) other relevant considerations.
- 24.8. The Concessionaire must submit to the ANP an Installation Decommissioning Program in accordance with the Applicable Legislation and the Best Practices of the Oil Industry.

- 24.9. The total or partial termination of this Contract or the end of the Production Phase does not exempt the Concessionaire from the obligations related to the Decommissioning of Facilities, in particular the fulfillment of the Decommissioning Program of Facilities, until the ANP approves the respective Report of Decommissioning of Facilities.
- 24.10. At its discretion, the ANP may adopt the necessary measures for the continuation of the Field Operation, and may even promote a new contract over the last 5 (five) years before the scheduled date for the end of Production.
- 24.10.1. The Concessionaire will make every effort and take all appropriate measures to properly transfer the Operations to the new concessionaire, so as not to jeopardize Field administration and Production.
- 24.11. At the end of Production, the Concessionaire shall submit to the ANP an Installation Decommissioning Program in accordance with the Applicable Legislation and the Best Practices of the Oil Industry, also observing the provisions of Clause Seventeen and the other provisions pertaining to the expected reversal of assets in paragraph 24.14.
- 24.11.1. The Contract is automatically extended, in this case, for the period necessary for the approval and implementation of the Facility Decommissioning Program.
- 24.12. At the end of the term of the Contract and if there are commercially extractable reserves, the ANP may determine that the Concessionaire does not proceed with the permanent abandonment of certain wells or deactivate or remove certain installations and equipment, without prejudice to its right to return the area.
- 24.13. When dealing with a Field, the planning for the Decommissioning of Installations and the mechanisms to make the necessary funds available will be foreseen in the respective Development Plan and revised periodically throughout the Production Phase through the Annual Work and Budget Programs.
- 24.13.1. The cost of Installations Decommissioning Operations must be foreseen in order to cover the activities of definitive abandonment of wells, deactivation and removal of lines and installations and rehabilitation of areas, in accordance with the Applicable Legislation.

### **Assets to be Reversed**

- 24.14. Pursuant to art. 28 and 43, VI, of Law No. 9,478/1997 and the Applicable Legislation, any and all movable and immovable property, main and accessory, belonging to the Concession Area, and which, at the sole discretion of the ANP, are necessary to allow the continuity of Operations or whose use is considered to be in the public interest will revert to the possession and property of the Federal Government and the administration of ANP in the event of termination of this Agreement.
- 24.15. If there is a sharing of assets for the Operations of two or more Fields, such assets may be retained until the closure of all Operations.

### **Removal of Non-Reversed Assets**

- 24.16. The assets that will not be reverted, including the useless ones, must, under the terms of the Applicable Legislation and the Best Practices of the Petroleum Industry, be removed and/or they will be given an adequate destination by the Concessionaire, at

its own risk and expense, in accordance with the provisions of this Agreement and under the terms of the Applicable Law.

### **Return Conditions**

24.17. The devolution of the Concession Area, as well as the consequent reversion of assets, will be definitive and will be made by the Concessionaire without charge of any nature to the Union or to the ANP, pursuant to art. 28, §§ 1st and 2nd, of Law nº 9.478/1997, not granting the Concessionaire any right to reimbursement.

24.18. The return of areas or Fields that are part of the Concession Area does not exempt the Concessionaire from the responsibility provided for in paragraph 17.6.

### **Return due to termination of the Agreement**

24.19. The termination of this Agreement, for whatever reason, will oblige the Concessionaire to return the entire Concession Area immediately to the ANP.

24.20. The Facility Decommissioning Program must be submitted for approval by the ANP, pursuant to the Applicable Legislation.

## **SECTION TWENTY-FIVE – RELATIVE DEFAULT AND PENALTIES**

### **Legal and Contractual Sanctions**

25.1. In case of failure to perform the obligations set forth in the Applicable Laws this Agreement or performance in a place, time, or manner other than that agreed, the Concessionaire shall incur the specific sanctions provided for herein and in the Applicable Laws, without prejudice to the liability for potential losses and damages resulting from the default.

## **SECTION TWENTY-SIX– TERMINATION OF THE AGREEMENT**

### **Lawful Termination**

26.1. This Agreement is terminated, by operation of law:

- a) upon the end of the effective period provided for in Section Four;
- b) upon completion of the Rehabilitation Phase without performance of the Initial Work Program;
- c) at the end of the Rehabilitation Phase, in case there has been no Commercial Discovery;

- d) in case the Concessionaire fully relinquishes the Concession Area;
- e) upon failure to deliver the Development Plan within the term established by ANP;
- f) upon refusal of the Concessionaire to execute, in whole or in part, the Production Individualization Agreement after ANP's decision; or
- g) upon adjudication of bankruptcy or non-approval of request for judicial reorganization of any Concessionaire by the competent court, except as provided for in paragraph 26.5.2.

### **Rescission by will of the Parties: Bilateral and unilateral termination**

- 26.2. This Agreement may be terminated at any time upon mutual agreement between the Parties, without prejudice to performance of the obligations under this Agreement.
- 26.3. At any time during the Production Phase, the Concessionaire may request the termination of this Agreement, in whole or in part, at least 180 (one hundred and eighty) days in advance from the intended date for the termination of the Agreement, which must be previously approved by ANP.
- 26.3.1. The ANP will have a period of 90 (ninety) days, counted from the date of receipt of the termination request, to analyze the request.
- 26.3.2. Until the effective contractual termination, the Concessionaire may not interrupt or suspend the Production committed in the Production Programs of the Fields or Development Areas in question, unless authorized by the ANP.
- 26.4. Termination of the Contract does not exempt the Concessionaire from the liability provided for in paragraph 17.6.

### **Termination for Absolute Default**

- 26.5. This Agreement shall be terminated upon the following events:
- a) failure by the Concessionaire to perform the contractual obligations, except if they are lawfully waived; or
  - b) judicial or extrajudicial reorganization, with no submission of an approved reorganization plan able to demonstrate to ANP its economic and financial capacity to fully perform all contractual and regulatory obligations.
- 26.5.1. In case of item "a", paragraph 26.5, before termination of the Agreement, ANP shall notify the Concessionaire to perform the obligation not performed within a term of no less than ninety (90) days, except when extremely urgent.
- 26.5.2. After confirming the absolute default, the Concessionaire shall be granted a ninety (90)-day period, or shorter, when extremely urgent, to formalize before ANP the request for Assignment of its undivided share in the rights and obligations of this Agreement, under penalty of imposition of the penalties provided for in this Agreement, in addition to contract termination.

26.5.3. In case of more than one Concessionaire, and if the Assignment provided for in paragraph 26.5.2 is not performed, ANP shall only terminate this Agreement with respect to the defaulting party, and its undivided share in the rights and obligations of this Agreement is divided between the other non-defaulting Concessionaires, in the proportion of their shares, upon prior and express approval by the Contracting Party, based on ANP's opinion.

### **Consequences of Termination**

- 26.6. In any of the cases of termination provided for in this Agreement or in the Applicable Laws, the Concessionaire shall not be entitled to any reimbursement.
- 26.7. In any of the cases of extinction provided for in this Agreement or in the Applicable Law, the provisions of paragraphs 24.8 to 24.12 must be observed for the return of the area.
- 26.8. Once this Agreement is terminated, the Concessionaire shall be liable for losses and damages arising from its default and termination, paying all applicable indemnifications and compensations, as provided by law and by this Agreement.

## **SECTION TWENTY-SEVEN – ACT OF GOD, FORCE MAJEURE, AND SIMILAR CAUSES**

### **Full or Partial Exemption**

- 27.1. The obligations undertaken in this Agreement shall only be released in the events of acts of God, force majeure, and similar causes that justify non-performance, such as administrative action or omission, *factum principis*, and unexpected disruptions.
- 27.1.1. Exemption of the Concessionaire from its obligations shall be exclusively related to the obligations in this Agreement which performance becomes impossible due to acts of God, force majeure, or similar causes, acknowledged by ANP.
- 27.1.2. ANP's decision acknowledging the occurrence of acts of God, force majeure, or similar causes shall indicate the portion of this Agreement which performance shall be dismissed or postponed.
- 27.1.3. Acknowledgement of acts of God, force majeure, or similar causes does not exempt the Concessionaire from payment of the Government and Third-Party Shares.
- 27.2. Notification of events that may be considered an act of God, force majeure, or similar cause shall be immediate and shall specify such circumstances, its causes and consequences.
- 27.2.1. Cessation of the events shall be equally notified.

### **Amendment, Suspension and Termination of the Agreement**

- 27.3. After the act of God, force majeure, or similar causes are overcome, the Concessionaire shall perform the affected obligations, and the term for performance of these obligations shall be extended for the period corresponding to the duration of the event.
- 27.3.1. Depending on the extent and severity of the effects of the act of God, force majeure, or similar causes:
- a) the Parties may agree on the amendment or termination of the Agreement;
  - b) ANP may suspend the course of the contract term regarding the affected portion of the Agreement.
- 27.3.2. During interruption of the contract term, all Parties' obligations not affected by act of God, force majeure, and similar causes remain effective and enforceable.

### **Environmental Permitting**

- 27.4. ANP may extend or suspend the lapse of the contract term in case of evidenced delay in the environmental permitting procedure.
- 27.4.1. Suspension or extension of the agreement may be granted upon reasoned request by the Concessionaire.
- 27.4.2. In order for the lapse of the contract term to be suspended or extended, the regulatory term for decision of the licensing authority in the environmental permitting procedure should have been exceeded.
- 27.4.3. The Concessionaire shall evidence that it did not contribute to the dilation of the environmental permitting process and that the delay is exclusively attributable to the applicable public entities.
- 27.4.4. Upon acceptance of ANP's claim for suspension of the agreement, the course of the contract term shall be deemed suspended until final manifestation of the environmental authority.
- 27.4.5. Upon acceptance of ANP's claim for suspension of the agreement, redefinition of the term due to delay caused by the environmental authority shall occur based on the time elapsed between the confirmed delay caused by the environmental authority until the date of suspension of the agreement.
- 27.4.6. If ANP deems the suspension of the lapse of the contract term unreasonable, it shall be interrupted at any time.
- 27.4.7. After ANP's claim for extension of the agreement is granted, redefinition of the term due to delay caused by the environmental authority shall occur based on the time elapsed between the confirmed delay caused by the environmental authority until the date of the claim for extension.
- 27.4.8. The final opinion of the environmental authority shall be communicated to ANP until five (5) days by the Concessionaire
- 27.5. As long as requested by the Concessionaire, the suspension of the lapse of the contract term for more than five (5) years may entail contract termination, and the Concessionaire shall have no right to any type of indemnification.



- 27.5.1. The request referred to in paragraph 31.5 must be submitted to the ANP within 90 (ninety) days of the date on which the suspension of the course of the contractual term completed 5 (five) years.
- 27.5.2. It will be up to the Concessionaire to prove that, within the 5 (five) years counted from the date of suspension of the course of the contractual term, it has taken the appropriate measures so that the environmental licensing process takes place as quickly as possible.
- 27.6. As long as requested by the Concessionaire, the final denial by the competent environmental authority of the permit essential to the development of the activities may entail contract termination, and the Concessionaire shall not be entitled to any type of indemnification.
- 27.6.1. The Concessionaire shall prove that it did not contribute to the denial of the environmental permitting process so that such denial is considered an act of God, force majeure, and similar cause.

### **Losses**

- 27.7. The Concessionaire shall individually and exclusively assume all losses arising from the situation of act of God, force majeure, or similar causes.

## **SECTION TWENTY-EIGHT – CONFIDENTIALITY**

### **Obligation of the Concessionaire**

- 28.1. Any and all data acquired, processed, produced, developed, or, in any way, obtained as a result of the Operations and the Agreement, are strictly confidential.
- 28.2. Data and information referred to in paragraph 32.1 may be disclosed by the Concessionaire, and its commercialization is prohibited.
- 28.3. In case of disclosure of the data and information referred to in paragraph 32.1, the Concessionaire shall send the ANP notification within 30 (thirty) days from the disclosure.
- 28.3.1. The notice shall be followed by data and information disclosed, the reasons for the disclosure, and the list of third parties who had access to such data and information.
- 28.3.2. In case of disclosure of data and information to Affiliates, Concessionaires will be exempt from sending notification to ANP.
- 28.4. The provisions in paragraphs 28.1, 28.2 and 28.3 shall remain in effect and shall survive termination of this Agreement.

### **ANP's Commitment**

- 28.5. The ANP undertakes not to disclose data and information related to the Operations of the areas retained by the Concessionaire, whose exposure may represent a competitive advantage to other economic agents, pursuant to art. 5, paragraph 2, of Decree No. 7,724/2012.

- 28.6. Such provision will not apply if the disclosure is due to legal or judicial imposition.

## **SECTION TWENTY-NINE – NOTICES, REQUESTS, COMMUNICATIONS, AND REPORTS**

### **Notices, Requests, Plans, Programs, Reports, and other Communications**

- 29.1. Notices, requests, submission of plans, programs, reports, as well as any other communications provided for in this Agreement shall be formal and made in writing, pursuant to the Applicable Laws.
- 29.1.1. If there is no specific provision in the Applicable Laws, the communications set forth herein shall be delivered in person, upon receipt, or sent by mail, with proof of receipt.
- 29.1.2. Acts and communications related to this Agreement shall be written in Portuguese and signed by a legal representative of the Concessionaire or an attorney-in-fact with specific powers.

### **Addresses**

- 29.1.3. In case of change of address, the Parties undertake to notify the other Party about the new address upon at least thirty (30)-day notice of the change.

### **Validity and Efficacy**

- 29.2. The notices provided for in this Agreement shall be deemed valid and effective on the date they are effectively received.

### **Amendments to the Acts of Incorporation**

- 29.3. The Concessionaire shall notify ANP about any amendments to its acts of incorporation, bylaws, or articles of association by sending, within thirty (30) days, copies thereof and copies of the documents for election of its managers or for evidence of the acting board of executive officers.

## SECTION THIRTY – LEGAL REGIME

### Governing Law

- 30.1. This Agreement shall be executed, governed, and construed according to the Brazilian laws.
- 30.1.1. The parties shall comply with the Applicable Laws in the execution of the Agreement.

### Reconciliation

- 30.2. The Parties undertake to use all efforts as to amicably resolve upon any and all dispute or controversy arising from this Agreement or related thereto.
- 30.2.1. Such efforts shall include at least the request for a specific reconciliation meeting by the unsatisfied party, followed by its request and factual and lawful reasons.
- 30.2.2. The request shall be met, and the meeting shall be scheduled by the other party within fifteen (15) days of the request, in ANP's offices. The representatives of the parties shall have powers to compromise on the matter.
- 30.2.3. After the meeting, if no agreement is immediately reached, the parties shall have at least thirty (30) additional days to negotiate an amicable solution.

### Mediation

- 30.3. Upon written agreement and at any time, The Parties may submit dispute or controversy to mediation of qualified entity therefor, pursuant to its regulation and according to the Applicable Laws.

### Independent Expert

- 30.4. Upon written agreement, the Parties may resort to an independent expert in order to obtain a well-grounded opinion that may lead to the settlement of the dispute or controversy.
- 30.4.1. In case such agreement is signed, arbitration may only be filed after issuance of the expert's opinion.

### Arbitration

- 30.5. After the procedure set forth in paragraph 34.2, if one of the Parties considers there are no conditions for an amicable solution to the dispute or controversy referred to in such paragraph, such issue shall be submitted to arbitration.
- a) The arbitration proceeding shall be managed by a notoriously acknowledged arbitral institution with trustworthy reputation, with capacity to manage

arbitration according to the rules of this section 34 and preferably with its principal place of business or office for management of cases in Brazil;

- b) The litigious parties shall choose the arbitral institution by mutual agreement. If the Parties do not reach an agreement regarding the choice of the arbitral institution, ANP shall indicate one of the following institutions: (i) International Court of Arbitration of the International Chamber of Commerce; (ii) London Court of International Arbitration; or (iii) Hague Permanent Court of Arbitration. If ANP does not indicate an institution within the term established in paragraph 34.2.3, the other litigious party may indicate any of the three institutions referred to in this item.
- c) The arbitration shall follow the rules of the chosen arbitral institution, only with respect to what is in compliance with this section. Only expedited procedures or procedures from a single arbitrator shall be adopted in case of an express agreement between the parties.
- d) Three arbitrators shall be appointed. Each litigious party shall choose an arbitrator. The two arbitrators so appointed shall designate the third arbitrator, who shall preside over the panel;
- e) The city of Rio de Janeiro, Brazil, shall be the seat of the arbitration and the place where the arbitration award is rendered;
- f) The language of the arbitration proceeding shall be the Portuguese. However, the litigious parties may support the proceeding with testimonies or documents in any other language, as decided by the arbitrators, with no need for a sworn translation;
- g) On the merits, the arbitrators shall decide based on the Brazilian laws;
- h) The arbitration award shall be final and its content shall bind the Parties. Any amounts possibly payable by ANP shall be paid off by a special judicial order, except in the event of administrative acknowledgement of the request;
- i) The expenses required to compose, conduct, and development the arbitration, such as costs of the arbitral institution and for advance payment of arbitral fees, shall be paid in advance exclusively by the Party requiring composition of the arbitration. The requested Party shall only indemnify such amounts proportionally to the result of the arbitration, as decided in the arbitration award;
- j) If expert evidence is required, the independent expert shall be designated by mutual agreement between the litigious parties or, in the absence of agreement by the Arbitration Court. The costs for such expert examination, including expert fees, shall be paid in advance by the Party requiring it or by the arbitration claimant, if it is proposed by the Arbitration Court. Such costs shall be borne, in the end, by the defeated Party, pursuant to the preceding item. The litigious parties may appoint expert assistants of their choice on its account, however, such costs shall not be subject to reimbursement;
- k) The Arbitration Court shall convict the Party, defeated in whole or in part, to pay attorney's fees, under articles 85 and 86 of the Brazilian Code of Civil Procedure, or rule that may succeed it. No other compensation for expenses of a Party shall be due upon its own representation;
- l) if preliminary injunctions or urgent protective measures are required before arbitration, the interested Party may request them directly from the Judiciary

Branch, based on the Applicable Laws, and they shall be cancelled if arbitration is not filed within thirty (30) days of the date of effectiveness of the decision;

- m) Upon request of the Concessionaire, ANP may, at its sole discretion, suspend the adoption of measures for performance of guarantees and registration in debtor register, provided that the Concessionaire keeps the guarantees effective during the terms provided for in this Agreement, for a period sufficient to compose the Arbitration Court, in order to avoid unnecessary filing of the legal action provided for in the preceding item;
- n) The arbitration proceeding shall observe the principle of disclosure, pursuant to the Brazilian Laws and the confidential data under this Agreement. The arbitral institution responsible for the proceeding shall be in charge of disclosure of information to the public, which shall be done preferably through the Internet.

30.6. The Parties hereby represent to be aware that the arbitration addressed by this Section 34 refers exclusively to disputes arising from the Agreement or related thereto and is intended to settle only litigations related to the equity rights available, under Law No. 9,307/1996.

30.6.1. Controversies on equity rights available are considered for purposes of this section 30:

- a) application of contractual penalties and their calculation, as well as controversies arising from the performance of guarantees;
- b) calculation of indemnifications arising from termination or transfer of the Agreement;
- c) failure by any of the parties to perform contractual obligations;
- d) demands related to contractual right or obligation.

### **Jurisdiction**

30.7. For the provisions in item “I” of paragraph 30.5 and matters not related to the equity rights available, as provided by Law No. 9,307/1996, the Parties elect the Federal Courts – Judiciary Section of Rio de Janeiro, Brazil, as the sole competent court, to the exclusion of any other court, however privileged it may be.

### **Suspension of Activities**

30.8. ANP shall decide whether to suspend or not the activities under dispute or controversy.

30.8.1. The criterion supporting the decision shall be the need to avoid a personal or property risk of any nature, especially regarding the Operations.

### **Justifications**

30.9. ANP undertakes to, whenever it exercises its discretionary power, justify the act pursuant to the Applicable Laws and the Best Practices of the Oil Industry.

### **Continuous Application**

30.10. The provisions of this Section 30 shall remain in effect and shall survive termination of the Agreement.

## **SECTION THIRTY–ONE – FINAL PROVISIONS**

### **Execution of the Agreement**

31.1. The Concessionaire shall maintain all conditions of eligibility and qualification required by ANP, during the whole execution of the Agreement, in compliance with the obligations undertaken by it.

### **Amendments and Addenda**

31.2. Omission or forbearance by any of the Parties to require compliance with the provisions of this Agreement, as well as acceptance of a performance other than the required in the agreement, shall not imply novation or limit such Party's right to subsequently impose compliance with these provisions or require a performance consistent with what is required in the agreement.

31.3. Any amendments or addenda to this Agreement shall observe the Applicable Laws and shall only be valid if formally made in writing and signed by the representatives of the Parties.

### **Disclosure**

31.4. ANP shall cause all or part of the terms of this Agreement to be published in the Federal Official Gazette, for validity *erga omnes*.

In witness whereof, the Parties sign this Agreement in «counterparts» counterparts of equal form and content for a single effect, in the presence of the witnesses below.

OR

In agreement, the Parties sign this Agreement digitally, in the presence of the witnesses indicated below.

Rio de Janeiro, <execution\_date>.

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**National Agency of Petroleum, Natural Gas, and Biofuels – ANP**

Director-General of ANP

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**«signatory\_01\_operator»**

«signatory\_01\_representative\_01»

«signatory\_01\_title\_01»

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**«signatory\_01\_operator»**

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**«signatory\_02»**

«signatory\_02\_representative\_02»

«signatory\_02\_title\_02»

Witnesses:

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Name: Witness 1

CPF: CPF of Witness 1

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Name: Witness 2

CPF: CPF of Witness 2



## **ANNEX I – CONCESSION AREA**

The Concession Area of this Agreement is the Marginal Accumulations Oil Fields < >, the cartographic parameters of which are listed below.

### **CARTOGRAPHIC PARAMETERS USED FOR THE COORDINATES**

**ANNEX II – INITIAL WORK PROGRAM**

The Rehabilitation Phase shall last «duration of the phase» years and shall constitute a single period.

The activities for purposes of performance of the Initial Work Program to be exercised by the Concessionaire are listed in this Annex.

**Table 1 – Initial Work Program**

<b>Area</b>	<b>PTI</b>
Marginal Accumulations Oil Field	pti

**Table 2 - Total Amount of the PTI and Financial Guarantee**

<b>Amount of the PTI (R\$)</b>	<b>Amount of the Financial Guarantee (R\$)</b>

The ANP, at its sole discretion, may accept other activities proposed by the Concessionaire with due technical justification.

### **ANNEX III – FINANCIAL GUARANTEE OF THE INITIAL WORK PROGRAM**

(Attach a copy of the Financial Guarantee of the PTI)

## **ANNEX IV – PERFORMANCE GUARANTEE**

(Attach a copy of the document submitted, if available)

## ANNEX V – GOVERNMENT AND THIRD-PARTY SHARES

Pursuant to Clause Nineteen, the Concessionaire shall pay the following Government and third-party Participations:

- a) Royalties in the amount corresponding to 5% (five percent) of the Oil and Natural Gas Production carried out in the Concession Area;
- b) Payment for Occupancy or Retention of Area: i) in the Rehabilitation Phase, in the amount of R\$ «retencao\_reabilitacao» («retencao\_reabilitacao\_extenso») per square kilometer or fraction of the Concession Area, with the increase provided for in Decree No. 2,705/1998 in case of extension; ii) in the period of the Development Stage of the Production Phase, in the amount of BRL «retencao\_desenvolvimento» («retencao\_desenvolvimento\_extenso»); and iii) in the Production Phase, in the amount of BRL «retencao\_producao» («retencao\_producao\_extenso»); It is
- c) Payment to landowners of participation equivalent to 0.5% (half a percent) of Oil and Natural Gas Production, under the terms of the Applicable Legislation.

**ANNEX VI – PAYMENT OF THE SIGNATURE BONUS****Table 1 - Values of the Signature Bonus Offered and Paid by the Concessionaire**

<b>Signature Bonus – amounts offered and paid by the Concessionaire</b>		
<b>Block</b>	<b>Amount Offered (R\$)</b>	<b>Amount Paid (R\$)</b>
«block»	«bonus» («bonus_in writing»)	«bonus» («bonus_in writing»)

## **ANNEX VII – INDICATION OF OPERATOR**

The initial Operator is «signatory\_01\_operator». A new Operator may be designated as provided for in section 11 and pursuant to the conditions of section 23.