

REGULATORY FRAMEWORK FOR AWARDING PETROLEUM RIGHTS THROUGH EXECUTIVE ALLOCATION

STAGE 1: EXPRESSION OF INTEREST AND NOMINATION OF BLOCKS FROM UNENCUMBERED BLOCK

- NOCAL shall submit an inquiry to the LPRA, and the LPRA shall provide a list of unencumbered blocks.
- NOCAL shall submit a formal request to the Office of the President seeking Executive Allocation of identified unencumbered block(s).
- The Office of the President shall render a decision and communicate the decision to the LPRA and NOCAL.

Outcome: List of unencumbered blocks; NOCAL request; and Presidential decision.

Estimated Timeline: Contingent on the Executive Action by the Office of the President.

STAGE 2: DELIVERY OF GOVERNMENT ASSURANCE LETTER AND PRE-QUALIFICATION REQUIREME NOCAL

- The LPRA shall issue an Assurance Letter to NOCAL confirming that, subject to pre-qualification and applicable regulatory requirements, the Government will award petroleum rights to NOCAL and partner(s) to be identified by NOCAL.
- The LPRA shall transmit to NOCAL the pre-qualification criteria and the Model Production Sharing Contract (PSC).

Outcome: Assurance Letter, Model PSC, and pre-qualification criteria transmitted to NOCAL.

Estimated Timeline: Within seven (7) business days.

Note: It is assumed that all relevant consultations, as prescribed under the 2019 Amendment to the Exploration and Production Law, shall be undertaken concurrently with the implementation of this framework each time an Executive Allocation is utilized for the granting of petroleum rights.

STAGE 3: NOCAL'S SUBMISSION OF PARTNERS AND LPRA'S PRE-QUALIFICATION DUE DILIGENCE

- NOCAL shall submit documentation for its proposed partner(s) to the LPRA for review.
- The LPRA shall engage an independent third-party firm to conduct due diligence in support of the pre-qualification process.
- The independent third-party shall submit a comprehensive pre-qualification report to the LPRA.
- The LPRA shall notify NOCAL and its partners of the due diligence results.
- The LPRA shall brief the Presidency on the findings and recommendations.

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Outcome: Due diligence and pre-qualification completed.

Estimated Timeline: Should not exceed sixty (60) days.

STAGE 4: COMMUNICATION OF THE RESULTS OF THE PRE-QUALIFICATION DUE DILIGENCE

- Where the due diligence results confirm that the companies have met the applicable pre-qualification requirements, the LPRA shall notify NOCAL of the pre-qualification determination and invite the partnership to enter negotiations in respect of the block(s) designated in the Presidential Directive.

Outcome: Pre-qualification decision and invitation to negotiate.

Estimated Timeline: Should not exceed fourteen (14) business days.

Note: It is assumed that all relevant consultations, as prescribed under the 2019 Amendment to the Exploration and Production Law, shall be undertaken concurrently with the implementation of this framework each time an Executive Allocation is utilized for the granting of petroleum rights.

STAGE 5: NEGOTIATION AND SIGNING OF THE PETROLEUM AGREEMENT

- The LPRA, in collaboration with the MFDP, MOJ, LME, and the LRA, shall negotiate the PSC with NOCAL and its pre-qualified partner(s).

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Outcome: Signed PSC presented for Presidential assent and submission to the Legislature.

Estimated Timeline: Contingent the duration of the negotiation; within 30 – 60 days.

STAGE 6: LEGISLATIVE RATIFICATION

Outcome: Ratified and Published Production Sharing Agreement.

Estimated Timeline: To be determine by the National Legislature.

Note: It is assumed that all relevant consultations, as prescribed under the 2019 Amendment to the Exploration and Production Law, shall be undertaken concurrently with the implementation of this framework each time an Executive Allocation is utilized for the granting of petroleum rights.