

Second Licensing Round

Final Tender Protocol (Excerpts)

Bidding for the Contract Areas will take place over two days on Friday, December 11, and Saturday, December 12, 2009 at the Ministry of Oil in Baghdad, Republic of Iraq, commencing at 8:00am Baghdad time. The bidding process will be presided over by a senior official of the Ministry of Oil ("Chairman of the Bid Committee" or "Chairman").

Bids will be offered by means of a sealed bid, one Contract Area at a time, with bids opened publicly and results announced before the next Contract Area is offered.

The order of the bids and indicative timing (all Baghdad time) will be:

Friday, December 11:

Introduction/Overview of Bidding Process 8:00am

Bids offered sequentially, timing to be declared by the Chairman upon completion of prior bid.

Expected time for first bid 9:00am

Majnoon

Eastern Fields

East Baghdad

Halfaya

Qaiyarah

Completion of bid process expected by 4:00pm

Saturday, December 12:

Bids offered sequentially, timing to be declared by the Chairman upon completion of prior bid.

Expected time for first bid 9:00am

West Qurna (Phase 2)

Badra

Garraf

Middle Furat

Najmah

Completion of bid process expected by 4:00pm

Bidding Parameters and Evaluation Criteria

- (a) There are two bidding parameters for the DPSC: The Remuneration Fee Bid (RFB), expressed in US\$ per barrel of oil equivalent (as defined in the Contract) delivered to the designated Transfer Point(s). Bids may be placed in one cent increments.
- (b) The Plateau Production Target (PPT), expressed in barrels of oil per day to be delivered, at or above the minimum level specified in Section 3.

For the evaluation of bids, each of the bids will be scored as follows:

$$\text{Bid Score} = \text{RFB bid score} + \text{PPT bid score}$$

$$\text{RFB bid score} = 80 * (\text{Lowest RFB} / \text{Bidder RFB})$$

$$\text{PPT bid score} = 20 * (\text{Bidder PPT} / \text{Highest PPT bid})$$

● PARTICIPATING ENTITIES

In order to participate in the bidding for Iraq's Second Petroleum Licensing Round, an entity must have been previously individually qualified by the PCLD and have paid a Participation Fee for the Contract Area on which it wishes to bid.

The entities that have been prequalified to participate in this Second Petroleum Licensing Round (subject to having paid a Participation Fee by the November 20, 2009 deadline) are as follows:

**Table 3:
Prequalified Entities**

Anadarko	Gazprom	Pertamina
BG	KazMunaiGas	Petronas
BHP	JOGMEC	PetroVietnam
BP	KOGAS	Repsol
Cairn	Lukoil	Rosneft
Chevron	Maersk	Shell
CNOOC	Marathon	Sinochem
CNPC	Mitsubishi	Sonangol
ConocoPhillips	Mitsui	Statoil
Edison	Nexen	Tatneft
Eni	Nippon Oil	Total
ExxonMobil	Occidental	TPAO
Hess	Oil India	Wintershall
Inpex	ONGC	Woodside
Japex	Pakistan Petroleum	

Process Timeline

Event	Date
Issue Final Tender Protocol, Definitive Contracts	November 17, 2009
Deadline for payment of Participation Fees	November 20, 2009
Submission of Bid Bonds	December 4, 2009
Bidding and award	December 11-12, 2009
Ratification of Contract Award and Contract Initialing	end December 2009
Return of Bid Bonds to unsuccessful Bidders	December 18, 2009
Signature of Contracts/Effective Date and submission of Performance Guarantee (Annex F)	
Deadline for payment of signature bonus	30 days after Effective Date

Information on Contract Areas¹

Contract Area	Current Production Level	First Commercial Production Rate	Minimum Plateau Production Target ²	Plateau Production Duration	Required Operator Qualification for Lead Contactor	Non-Recoverable Signature Bonus	Minimum Expenditure Obligation
	Barrels of Oil per Day			Years		US\$ Million	
East Baghdad (Central and North)	10,300	30,000	250,000	10	Unrestricted	150	150
Garraf	3,100	35,000	150,000	13	Restricted	100	150
Halfaya		70,000	300,000	13	Unrestricted	150	200
Majnoon		45,900	175,000	700,000	10	Unrestricted	150
West Qurna (Phase 2)		120,000	750,000	13	Unrestricted	150	250
Eastern Fields		20,000	80,000	7	Restricted	100	150
Najmah		20,000	110,000	9	Restricted	100	100
Qaiyarah		30,000	120,000	9	Restricted	100	150
Badra		15,000	80,000	7	Restricted	100	100
Middle Furat		15,000	75,000	7	Restricted	100	100

Notes:

- ¹ The Annexes to the Contract contain the specific details for each Contact Area (coordinates, map, definition of reservoirs and Minimum Work Obligation).
- ² Plateau Production Target bids below this level will not be accepted. Note that only Crude Oil (as defined in the Contract) will count towards meeting the Plateau Production Target.