



REPUBLIC OF CROATIA

CROATIAN HYDROCARBON AGENCY

CLASS: 310-34/18-01/03

FILE NO.: 405-01/1-18-2

Zagreb, 3 July 2018

TENDER SPECIFICATIONS

for

the Tendering Procedure for the Purpose of Selecting the Most Favourable Tenderer for the Exploration of Geothermal Waters in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” Exploration Blocks for the Purpose of Issuing a Production Licence for Geothermal Waters for Energy Purposes

Zagreb, July 2018

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1 INTRODUCTION

Description of the single procedure for issuing an exploration licence for geothermal waters and a production licence for geothermal waters

In the subject Tender Specifications, geothermal waters are geothermal waters from which the accumulated heat may be used for energy purposes pursuant to the Act on the Exploration and Production of Hydrocarbons (Official Gazette of the Republic of Croatia, number 52/18) (hereinafter: the Act).

Pursuant to the provisions of Article 54 of the Act, the issuing of a Production Licence for Geothermal Waters is carried out on the basis of a single tendering procedure which begins with a procedure for the selection of the most favourable tenderer for the purpose of issuing an exploration licence for geothermal waters, and ends with the signing of an Agreement on the Production of Geothermal Waters. In accordance with the aforementioned, the subject matter of tendering includes the entire single procedure with all the phases thereof.

A single tendering procedure is conducted for several exploration blocks in the procedure for the selection of the most favourable tenderer for the purpose of issuing an exploration licence for geothermal waters in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks. For each exploration block for which tenders that fulfil the conditions referred to in the subject Tender Specifications are submitted in the tendering procedure for the purpose of selecting the most favourable tenderer for the exploration of geothermal waters in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks for the purpose of issuing a production licence for geothermal waters for energy purposes (hereinafter: Tender Specifications), the Ministry of the Environment and Energy (hereinafter: The Ministry), at the proposal of the Committee for the Selection of the Most Favourable Tenderer in the Tendering Procedure for the Purpose of Selecting the Most Favourable Tenderer for the Exploration of Geothermal Waters in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” Exploration Blocks for the Purpose of Issuing an Exploration Licence for Geothermal Waters for Energy Purposes (hereinafter: the Committee) shall adopt a decision on issuing an exploration licence for geothermal waters.

In accordance with the aforementioned, the tenderers shall submit tenders for individual exploration blocks on which they intend to explore geothermal waters.

2 GENERAL INFORMATION

2.1 Information on the issuer of the exploration licence for geothermal waters and the production licence for geothermal waters

Name: Ministry of the Environment and Energy
Seat: Radnička cesta 80, 10 000 ZAGREB
Personal Identification Number (OIB): 19370100881
Telephone number: 01/3717 111
Website: www.mzoe.hr

2.2 Information on contact persons

Name: Croatian Hydrocarbon Agency
Contact person: David Dobrinić
Telephone: 01/ 6431-942
Website: www.azu.hr
Email address: geoterme@azu.hr

2.3 List of economic entities with which the issuer of the exploration licence for geothermal waters and the production licence for geothermal waters would be in a conflict of interest

Pursuant to Article 80 Of the Public Procurement Act (Official Gazette of the Republic of Croatia, number 120/16), the issuer of the exploration licence for geothermal waters and the production licence for geothermal waters shall not enter into agreements on the production of geothermal waters with the following economic entities:

- NIGRA VISION j.d.o.o.
Jagićeva 19, 10 000 Zagreb, PIN: 24723398733
- ADECO d.o.o.
Gorjanovićeva 54, 10 000 Zagreb, PIN: 97978600847

The aforementioned economic entities shall not participate as a tenderer or a consortium member and shall not be a subcontractor for the selected tenderers in the tendering procedure for the purpose of selecting the most favourable tenderer for the exploration of geothermal waters in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks for the purpose of issuing the production licence for geothermal waters.

3 INFORMATION ON THE SUBJECT MATTER OF THE TENDERING PROCEDURE

3.1 Description of the subject matter of the tendering procedure

The subject matter of the tendering procedure is the selection of the most favourable tenderer for the exploration of geothermal waters in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks for the purpose of issuing a production licence for geothermal waters. The subject matter of the tendering procedure includes the entire single procedure for the issuing of the exploration licence for geothermal waters and the production licence for geothermal waters with all the phases thereof.

In accordance with the aforementioned, the subject tendering procedure is conducted for four different exploration blocks:

- “Slatina 1” Exploration Block
- “Slatina 2” Exploration Block
- “Slatina 3” Exploration Block
- “Slatina 4” Exploration Block

All provisions, conditions and instructions referred to in the subject Tender Specifications apply for the preparation of tenders for each subject matter of tendering.

3.2 Technical specifications of the subject matter of the public call for tenders

3.2.1. Spatial scope of the subject matter of the public call for tenders

The “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks are located in the area of the town of Slatina and the municipalities Sopje, Čađavica, Crnac and Nova Bukovica in the Virovitica-Podravina County.

The borders of the subject exploration blocks are defined by the geographic coordinates of its peak points as follows:

“Slatina 1” GEOTHERMAL WATERS EXPLORATION BLOCK

Surface area = 21.054 km²

Point identifier	Point coordinates		Side length (m)
	HTRS96/TM		
	E	N	
1	594758.519	5 070 812.295	5430
2	600188.032	5 070 911.640	3865
3	600172.573	5 067 046.604	5416
4	594758.519	5 066 910.463	3902
1	594758.519	5 070 812.295	

“Slatina 2” GEOTHERMAL WATERS EXPLORATION BLOCK
 Surface area = 38.766 km²

Point identifier	Point coordinates		Side length (m)
	HTRS96/TM		
	E	N	
1	600197.548	5 073 290.986	2345
2	602542.103	5 073 290.323	2058
3	603625.000	5 071 540.000	1205
4	603613.000	5 070 335.000	3372
5	606985.000	5 070 390.000	1288
6	607982.978	5 071 204.308	1423
7	609143.873	5 070 381.479	3109
8	609156.856	5 067 272.522	8987
9	600172.573	5 067 046.604	6244
1	600197.548	5 073 290.986	

“Slatina 3” GEOTHERMAL WATERS EXPLORATION BLOCK
 Surface area = 55.264 km²

Point identifier	Point coordinates		Side length (m)
	HTRS96/TM		
	E	N	
1	594758.519	5 066 910.463	7292
2	602048.624	5 067 093.779	7651
3	602087.103	5 059 443.205	7.329
4	594758.519	5 059 440.140	7.470
1	594758.519	5 066 910.463	

“Slatina 4” GEOTHERMAL WATERS EXPLORATION BLOCK
 Surface area = 44.405 km²

Point identifier	Point coordinates		Side length (m)
	HTRS96/TM		
	E	N	
1	602048.624	5 067 093.779	7110
2	609156.856	5 067 272.522	759
3	609160.000	5 066 514.000	7527
4	606301.000	5 059 551.000	4215
5	602087.103	5 059 443.205	7651
1	602048.624	5 067 093.779	

Overview maps of the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks form Annex II of the subject Tender Specifications.

3.2.2 Available geological, geochemical and geophysical data

All tenderers that pay the tender fee referred to in Section 6.1 of the subject Tender Specifications shall acquire the right to use the data concerning a specific geothermal waters exploration block for the purpose of participating in the tendering, i.e. for the purpose of submitting a tender for the exploration block for which the tender fee was paid.

By paying the tender fee the tenderers acquire the right to use the following data:

- 2D seismic profiles in .sgy format
- well data in .pdf, .las and .tif formats

3D seismic data are available for a part of the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks that are not included in the data the tenderers acquire the right to by paying the tender fee. Instead the cost of access and use of those data is defined pursuant to the Decision by the Croatian Hydrocarbon Agency concerning the amount of the data room entrance fee and the price list for geological data, CLASS: 310-05/14-01/02; FILE NO.: 567-01/1-14-1, of 10 March 2014.

The data available for each exploration block are indicated in Annex II of the subject Tender Specifications.

An inquiry shall be sent to geoterme@azu.hr concerning all information on the available data and the method of accessing them.

3.2.3 Conditions for the performance of exploration works

After obtaining an exploration licence for geothermal waters from the Ministry, the selected most favourable tenderer shall explore geothermal waters pursuant to the provisions and conditions stipulated in the exploration licence for geothermal waters and shall adhere to all provisions of the Act and by-laws as well as all other regulations of the Republic of Croatia.

Geothermal waters in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks are explored by performing exploratory petroleum operations and activities aimed at determining the existence, position and shape of geothermal water reservoirs for the purpose of establishing the quantity and quality of geothermal water reserves and production conditions pursuant to the provisions of the Act.

Special conditions and limitations which shall be adhered to during the performance of exploration works in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks are stated in Annex I to the subject Tender Specifications and issued by state administration authorities, units of local and regional self-government and legal persons with public authorisations:

- Ministry of Defence, Material Resources Directorate, Military Infrastructure Sector, Department of Military Construction and Energy Efficiency, CLASS: 350-05/18-01/28; FILE NO.: 512M3-020202-18-2, of 1 February 2018
- Ministry of Culture, Directorate of Cultural Heritage Protection, Conservation Department in Požega, CLASS: 612-08/18-03/0025; FILE NO.: 532-04-02-07/4-18-2 of 13 January 2018
- Ministry of the Interior, Directorate of Administrative and Inspection Affairs, CLASS: 214-02/18-18/4; FILE NO.: 511-01-208-18-2, of 1 February 2018
- Ministry of the Sea, Transport and Infrastructure, CLASS: 350-05/18-02/9; FILE NO.: 530-05-3-2-1-18-3, of 15 February 2018
- Ministry of Construction and Physical Planning, Directorate for Permits of State Significance, Location Permits and Investment Sector, CLASS: 350-01/18-02/37; FILE NO.: 531-06-1-1-2-18-2, of 21 February 2018
- Ministry of the Environment and Energy, Directorate for Water Management and Sea Protection, CLASS: 325-01/18-01/43, FILE NO.: 517-12-18-3, of 6 March 2018
- Ministry of the Environment and Energy, Directorate for Energy, CLASS: UP/I-310-01/18-03/12; FILE NO.: 517-13-18-15, of 1 March 2018
- Ministry of the Environment and Energy, Directorate for Environmental Impact Assessment and Sustainable Waste Management, CLASS: 351-03/18-04/108; FILE NO.: 517-06-2-1-2-18-2, of 27 February 2018
- Ministry of Agriculture, Directorate for Forestry, Hunting and Wood Industry, CLASS: 350-05/18-01/111; FILE NO.: 525-11/1066-18-2, of 9 May 2018
- Virovitica-Podravina County, Department of Physical Planning, Construction, Utilities and Environmental Protection, CLASS: 351-01/18-01/05; FILE NO.: 2189/1-08/3-18-4, of 8 February 2018

- Town of Slatina, Administrative Department for Development of the Town of Slatina, CLASS: 310-01/1/18-01/1; FILE NO.: 2189/02-04-03/01-18-2, of 15 February 2018
- Municipality of Čađavica, CLASS: 310-01/18-01/01; FILE NO.: 2189/07-02-18-2, of 20 February 2018
- Municipality of Nova Bukovica, CLASS: 310-01/18-01/01; FILE NO.: 2189/09-02-18-2, of 2 March 2018
- Croatian Civil Aviation Agency, CLASS: 350-05/18-01/20; FILE NO.: 376-05-01-18-2, of 12 February 2018

3.2.4 Type and amount of exploration works

The petroleum economic entity submitting the tender as the tenderer shall, as an integral parts of the tender, prepare a total exploration works programme by type and scope, including a cost estimate, as well as a detailed plan of the works to be performed in each calendar year of exploration. The aforementioned programme and plan shall be in accordance with the following requirements:

a) the minimum amount and type of exploration works to be performed in the first year of exploration in the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks includes:

- *an analysis and interpretation of the recorded 2D seismic profile data*
- *locating 1 exploration well and obtaining the required documentation*
- *preparing and controlling the petroleum plan for exploration well creation*

b) the amount and type of exploration works to be performed in the remaining years of exploration of geothermal waters in the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks includes:

- *creating up to three exploration wells*
- *performing hydrodynamic measurements and thermodynamic testing in the created exploration wells*
- *determining the physical and chemical parameters of geothermal waters*

The indicated amounts and types of exploration works represent the minimum requirements for the tender to be considered complete and for the tender to be taken into consideration. The Tenderers may also include in their tenders the performance of other exploration works, which shall be scored according to the criteria defined in Section 5.4 of the subject Tender Specifications.

3.3 Period and validity of the geothermal waters exploration licence

Pursuant to the provisions of Article 64 of the Act, the geothermal waters exploration licence is issued for the period required for the performance of exploration works, but not exceeding five years, with the possibility of extending the validity of the geothermal waters exploration licence a maximum of two times whereby the extension shall not exceed six months.

4 GROUNDS FOR TENDERER EXCLUSION AND CONDITIONS FOR THE LEGAL AND BUSINESS, FINANCIAL, TECHNICAL AND EXPERT SUITABILITY OF THE TENDERER

4.1 Grounds for tenderer exclusion

The Ministry shall exclude the Tenderer from the Tendering Procedure at any moment should it determine there are impediments to exercising the rights pursuant to the provisions of Article 17 of the Act.

4.2 Conditions for the legal and business, financial, technical and expert suitability of the tenderer

4.2.1 Conditions for the legal and business suitability of the tenderer

a) The Tenderer shall provide evidence that it is registered for exploration and production of geothermal waters as a natural person or legal entity.

The aforementioned is evidenced as follows:

- By an excerpt from the court or crafts register indicating that the tenderer is registered for the exploration and production of geothermal waters. An excerpt from the court or crafts register indicating that the tenderer is registered for the exploration and production of mineral raw material shall also be accepted as evidence.

b) The Tenderer shall provide evidence that there are no impediments to exercising the rights referred to in Article 17(1)(1) of the Act, i.e. that the Tenderer or the person who is a member of the administrative, management or supervisory body or is authorised for representation, decision-making or controlling the subject Tenderer has not been convicted for any of the criminal acts referred to in Article 17(1)(1) of the Act.

The aforementioned is evidenced as follows:

- by a certified statement of the person legally authorised to represent the tenderer, which shall not be older than three months.

c) The Tenderer shall provide evidence that there are no impediments to exercising the rights referred to in Article 17(1)(2) of the Act, i.e. that the Tenderer is not violating the payment obligations referred to in Article 17(1)(2) of the Act.

The aforementioned is evidenced as follows:

- by a tax clearance certificate issued by the Tax Administration evidencing that the Tenderer has no outstanding debt on the basis of public levies in the Republic of Croatia
- by a response of the petroleum inspection of the ministry competent for energy that the Tenderer has not been found to perform illegal exploration and/or production of mineral raw materials

- by a certificate of the ministry competent for energy and the ministry competent for finance evidencing that the Tenderer has no outstanding debt on the basis of the fee for the exploration and/or production of mineral raw materials in the Republic of Croatia
- by a certificate of the authority competent for managing state-owned assets that the Tenderer has no outstanding debt on the basis of forest and/or forest land use, i.e. agricultural land use for the purpose of producing mineral raw material in the Republic of Croatia
- by a certificate of the ministry competent for environment and nature protection or corresponding inspection evidencing that the Tenderer has no outstanding obligations concerning decommissioning and the protection of the environment and nature in the Republic of Croatia.

d) The Tenderer shall provide evidence that there are no impediments to exercising the rights referred to in Article 17(1)(4) of the Act, i.e. that the Tenderer is not in the process of liquidation, bankruptcy proceedings or that it has not suspended its business activities in the Republic of Croatia.

The aforementioned is evidenced as follows:

- by an excerpt from the court or crafts register.

In the case of a joint tender, all consortium members shall separately evidence their suitability referred to in this item of the Tender Specifications.

The Tenderer with an establishment outside the Republic of Croatia shall be registered for exploration and/or production of geothermal waters with the competent authority of the country of establishment and shall meet the conditions referred to in Article 17 of the Act, and corresponding certificates issued by the competent authorities in the country of seat of the Tenderer or the corresponding certified statements if such certificates are not issued shall be considered evidence.

The excerpts and certificates evidencing the fulfilment of the conditions referred to in this item of the Tender Specifications shall not be older than six months from the date of tender submission, except for the statement referred to in Section 4.2.1(b) of the subject Tender Specifications.

4.2.2 Conditions for the financial suitability of the tenderer

The Tenderer shall evidence the financial suitability, i.e. that it possesses appropriate financial assets sufficient for the performance of the planned exploratory petroleum operations according to the submitted programme of the total explorations works per type and scope and cost estimate.

The aforementioned is evidenced as follows:

- evidence of credit standing of the Tenderer on the BON-1 form issued by the Financial Agency

- evidence of solvency on the BON-2 form or a corresponding form issued by a commercial bank performing the payment transactions of the Tenderer.

4.2.3 Conditions for the technical and expert suitability of the tenderer

The Tenderer shall evidence its technical and expert competence for the implementation of the planned programme of total exploration works by type.

The aforementioned is evidenced as follows:

- professionally-based programme of total exploration works by type and scope, including a cost estimate, and a detailed plan of the works to be performed in each calendar year of exploration, prepared in accordance with the provisions of the Act, the special conditions and limitations listed in Annex I of the subject Tender Specifications and the Tenderer selection criteria referred to in Section 5.4 of the subject Tender Specifications.

The professional basis of the planned programme of total exploration works by type and scope, including a cost estimate, and the detailed plan of works shall be determined by the Commission.

5 INFORMATION ON THE TENDER

5.1 Content and manner of preparing the tender

5.1.1 Content of the tender

Pursuant to Article 60 of the Act the tender shall include the following:

a) GENERAL PART:

- name or title of the Tenderer
- PIN of the Tenderer
- address of the Tenderer
- phone number of the Tenderer
- email address of the Tenderer
- an excerpt from the register kept by the competent authority indicating that the Tenderer is registered for the exploration and production of geothermal waters.

b) INDICATION OF THE CONDITIONS AND EVIDENCE FOR THEIR FULFILMENT

- an indication of the personal, professional, technical and financial conditions which the Tenderer, according to the subject Tender Specifications and the Tender Notice, shall fulfil and the documents evidencing their fulfilment in accordance with Section 5.2 of the subject Tender Specifications

c) EVIDENCE OF ABSENCE OF IMPEDIMENTS

- evidence that there are no impediments referred to in Article 17 of the Act

d) PLAN AND PROGRAMME OF THE EXPLORATION WORKS

- a programme of total exploration works by type and scope, including the cost estimate, drafted in accordance with the subject Tender Specifications
- a detailed plan of operations that shall be performed in each calendar year of exploration
- the deadline by which the exploration is to be conducted
- the total amount of funds required to perform the planned exploration works and the manner of providing such funds
- the deadline by which the geothermal water production is intended to start within the exploration block
- a plan for the decommissioning of the exploration block

e) GUARANTEE

- tendering security

f) EXPLORATION FEE

- exploration fee included in the tender

g) TENDER FEE

- evidence of tender fee payment

h) OTHER

- other documentation the Tenderer considers relevant.

The tender shall include all information, documentation and documents indicated in the subject tender content; otherwise it shall not be taken into consideration. If the information, documentation and documents that shall be indicated or submitted as evidence are requested in several items of the content, the requested information shall be indicated once in the tender, i.e. one copy of the requested documentation or document shall be submitted. In that event, the location of the requested information, documentation or document in the tender shall be indicated when preparing the remaining items from the content.

The information and evidence submitted as part of the tender shall be prepared in such a manner so as to enable clear and unambiguous scoring.

5.1.2 Manner of preparing the tender

The tender shall be prepared in paper form, printed or written with permanent ink. The Tenderer shall, in addition to the tender in paper form, submit a tender on a data storage medium (e.g. USB). The tender shall be saved as a document in pdf or another generally available format. The data storage medium shall be submitted in closed plastic film bound with the tender. On its exterior, the plastic film shall have the ordinal number of the page in the same manner as the remaining pages of the tender. Alternatively, the data storage medium

may be submitted as a separate part of the tender, labelled and indicated as a part of the tender in the tender content. The tender submitted on the data storage medium shall be considered a copy of the tender. In the event of discrepancies between the original and copy of the tender, the original of the tender shall be considered authentic.

The tender shall be prepared in such a manner so that it forms a whole. If the tender may not be prepared in such a manner so that it forms a whole due to the scope or other objective circumstances, the tender shall be prepared in two or more parts. The tender shall be bound so that subsequent removal or insertion of pages is not possible (e.g. using a security cord, with a stamp on the back). If the tender has been prepared in two or more parts, each part shall be bound so that subsequent removal or insertion of pages is not possible. The Tenderer shall label the parts of the tender, such as samples, catalogues, data storage media and similar, which cannot be bound and shall indicate them as part of the tender in the content. If the tender consists of several parts, the Tenderer shall indicate the number of parts the tender is composed of in the content. The pages of the tender shall be numbered so that the ordinal number of the page and the total number of pages are visible, e.g. 1/57 or 57/1. If the tender consists of several parts, the pages shall be labelled so that each subsequent part starts with the ordinal number following the ordinal number of the last page of the previous part. If a part of a tender has been previously numbered (e.g. Catalogues), the Tenderer shall not renumber that part of the tender.

The tender and all its requested annexes are submitted in the Croatian language and Latin script. If other documents and/or evidence requested in the Tender Specifications are in a foreign language, the Tenderer shall also submit a certified translation of the document/evidence in the Croatian language prepared by a certified court interpreter. The tenders shall be written in permanent ink. Corrections of the tender shall be made so that they are visible. In addition to the date of the correction, the corrections shall be verified by the signature of the Tenderer.

All documents requested in the subject Tender Specifications shall be submitted as originals or as certified copies.

The cover page of the tender shall indicate the subject matter of the tendering for which the Tenderer has prepared the tender , i.e. for which exploration block the Tenderer wants to be selected as the most favourable tenderer.

5.2 Tender submission manner and deadline

The tender prepared in the manner described in Section 5.1 of the subject Tender Specifications shall be submitted in written form in a closed envelope to the address: Agencija za ugljikovodike, Miramarska 24, 10 000 ZAGREB, with the indication: „NE OTVARAJ - nadmetanje radi odabira najpovoljnijeg ponuditelja za istraživanje geotermalnih voda u istražnim prostorima „Slatina 1“, „Slatina 2“, „Slatina 3“ i „Slatina 4“ radi izdavanja dozvole za pridobivanje geotermalnih voda u energetske svrhe“ (*“DO NOT OPEN - Tendering Procedure for the Purpose of Selecting the Most Favourable Tenderer for the Exploration of Geothermal Waters in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” Exploration*

Blocks for the Purpose of Issuing a Production Licence for Geothermal Waters for Energy Purposes).

If the tender is not submitted in the described manner, it shall not be opened, but shall be labelled as incorrect and returned immediately to its submitter.

The tenderer shall submit a separate tender for each exploration block for which it wants to be selected as the most favourable tenderer for geothermal water exploration.

The Tenderer may modify, supplement or waive its tender within the tender submission deadline. After the expiry of the submission deadline, the tender shall not be modified, but only clarified at request.

The tenders shall be submitted no later than **20 September 2018 by 12 p.m.** The tender submitted after the expiry of the tender submission deadline shall not be opened, but shall be labelled as incorrect and returned immediately to its submitter.

5.3 Manner of determining the fee for geothermal water production

The fee for geothermal water production shall be defined pursuant to Article 51 of the Act.

The minimum amount of the variable part of the fee is 3.0% of the market value of the produced geothermal waters.

The tenderers shall state their tenders in the amount equal to or exceeding the amount indicated in this item.

5.4 Tender selection criteria

The tender selection criterion is the most economically advantageous tender.

Pursuant to the provisions of Article 61 of the Act, the criteria according to which the decisions on the selection of the most favourable tenderer shall be made , i.e. scoring shall be performed are as follows:

- a) technical, professional and financial suitability of the tenderer or consortium;
- b) the manner in which the tenderer or consortium intends to conduct activities that are the subject of the Geothermal Waters Exploration Licence;
- c) the overall quality of the submitted tender;
- d) the financial conditions offered by the tenderer for the purpose of being granted a Geothermal Waters Exploration Licence;
- e) any lack of efficiency or responsibility in any form which has been displayed in other countries by the Petroleum Operations economic entity in previous activities within the scope of the licence.

A detailed description and scoring of the criteria and sub-criteria is indicated in Table 1:

Table 1: Criteria for the selection of the most favourable tenderer

1	Overall quality of the submitted tender		maximum number of points
			55
SUB-CRITERIA		scoring	
1 A	Geophysical measurements included in the tender	Recording 2D reflection seismics	2 points * (recording length (in km) included in the tender / the longest recording length (in km) included in the tender)
		Recording 3D reflection seismics	2 points * (recording surface area (in km ²) included in the tender / the largest recording surface area (in km ²) included in the tender)
		High resolution gravimetric aerial measurements	2 points * (recording surface area (in km ²) included in the tender / the largest recording surface area (in km ²) included in the tender)
		Surface gravimetric measurements	2 points * (number of measurement points included in the tender / the largest number of measurement points included in the tender)
		High resolution magnetometric aerial measurements	2 points * (recording surface area (in km ²) included in the tender / the largest recording surface area (in km ²) included in the tender)
		Surface magnetometric measurements	2 points * (number of measurement points included in the tender / the largest number of
			18

			measurement points included in the tender)	
		Geoelectrical/ electromagnetic measurements	2 points * (number of measurement points included in the tender / the largest number of measurement points included in the tender)	
		Other geophysical aerial measurements	2 points * (recording surface area (in km ²) included in the tender / the largest recording surface area (in km ²) included in the tender)	
		Other surface geophysical measurements	2 points	
1 B	Preparation of a geological and geophysical study included in the tender	12 points		12
1 C	Exploration wells included in the tender	Exploration well creation included in the tender	10 points * (the number of exploration wells included in the tender / the largest number of exploration wells included in the tender)	20
			5 points * (the total depth of exploration wells included in the tender / the largest total depth of exploration wells included in the tender)	
		Measurements in exploration wells included in the tender	5 points	
1 D	Estimated amount of funds for the performance of exploration works included in the tender according to the submitted programme of total exploration works	5 points * (the amount of funds included in the tender / the highest amount of funds included in the tender)		5
Note:				
1. The scoring shall be performed according to the planned programme of total exploration works by type and scope, including a cost estimate, and a detailed plan of works that shall be performed in				

	<p>each particular year of exploration</p> <p>2. The minimum amounts and types of exploration works required are indicated in Section 3.2.4 of the subject Tender Specifications.</p> <p>3. Scoring the works included in the tender under sub-criterion “Other surface geophysical measurements” shall be performed by the Commission.</p> <p>4. If the Commission determines that the tenderer has failed to prove it has funds sufficient for the performance of exploration works in accordance with the planned programme of total exploration works by type and scope, the tender shall be considered invalid.</p>	
2	Financial conditions offered by the tenderer for the purpose of being granted a geothermal waters exploration licence	<p>maximum number of points</p> <p>25</p>
	SUB-CRITERIA	scoring
2 B	The amount of the variable part of the fee included in the tender	<p>25 points * (amount of the variable part of the tender included in the tender / the highest amount of the variable part of the fee included in the tender)</p> <p>25</p>
3	Manners in which the tenderer or consortium intends to conduct activities that are the subject of the geothermal waters exploration licence	<p>maximum number of points</p> <p>10</p>
	SUB-CRITERIA	scoring
3 A	The planned deadline by which the geothermal water exploration is to be conducted (in months)	<p>5 points * (the shortest deadline in months included in the tender / deadline in months included in the tender)</p> <p>5</p>
3 B	The deadline included in the tender by which the exploration block shall be decommissioned, i.e. by which a concession agreement for mineral raw material production shall be concluded (in months)	<p>5 points * (the shortest deadline in months included in the tender / deadline in months included in the tender)</p> <p>5</p>
Note:		
The deadline during which the geothermal water exploration is planned to be completed shall be considered as the deadline for submitting the final report on the exploration and decommissioning of the exploration block in the event that the geothermal water reserves were not identified during the exploration, i.e. during which the geothermal water reserves study in the exploration block shall be prepared and submitted for verification and a decision on the amount and quality of geothermal water reserves shall be made.		
4	Technical, professional and financial suitability of the tenderer	<p>maximum number of points</p> <p>10</p>
	SUB-CRITERIA	scoring

4 A	Participation in the exploration and production of geothermal waters in the past five years	1 point * (number of issued exploration licences for geothermal waters / the largest number of issued exploration licences for geothermal waters)	2
		1 point * (number of concluded agreements on geothermal water exploration / the largest number of concluded agreements on geothermal water exploration)	
4 B	The number of employees working on jobs related to the exploration and production of geothermal waters	1 point * (number of employees working on jobs related to the exploration and production of geothermal waters / the highest number of employees working on jobs related to the exploration and production of geothermal waters)	2
		1 point * (number of employees fulfilling the conditions for the jobs of the responsible petroleum operations manager / the largest number employees fulfilling the conditions for the jobs of the responsible petroleum operations manager)	
4 C	The total annual quantity of geothermal waters produced for energy purposes	2 points * (total annual quantity of geothermal waters produced for energy purposes / the largest total annual quantity of geothermal waters produced for energy purposes)	2
4 D	References of the tenderers regarding the adherence to environmental protection and occupational safety rules	2 points	2
4 E	Information on the financial status and business operations of the tenderer	1 point	1
4 F	Plan for financing the activities of exploration and production of geothermal waters	1 point	1

Note:

1. All the equivalent acts issued or concluded under the regulations in force at the time of issuance or conclusion in the Republic of Croatia or in the country of establishment of the tenderer shall be considered as issued exploration licenses for geothermal waters, i.e. concluded agreements on geothermal water production.
2. The employment in jobs related to geothermal water exploration and production shall be evidenced by the application form, employment contract or e-employment record book.
3. The fulfilment of the conditions for the jobs of the responsible petroleum operations manager shall be evidenced by the certificates of the appropriate qualifications, work experience and passed relevant examination of professional competence in petroleum or geology.
4. The total annual amount of geothermal waters produced for energy purposes is determined as the sum of the annual amounts of geothermal waters produced for energy purposes over the last five years, ending in 2017, based on the submitted information of the tenderer, while the Commission shall conduct the verification in respective registers.
5. The scoring of the tenderers' references in terms of compliance with environmental and occupational safety rules shall be performed by the Commission on the basis of the information and documents submitted by the tenderer for the purpose of evidencing compliance with the

<p>environmental and occupational safety rules.</p> <p>6. The Commission shall determine the financial status and the business operations of the tenderer on the basis of information submitted on the BON-1 and BON-2 forms.</p> <p>7. The Commission shall establish the viability of the plan for financing the activities of exploration and production of geothermal waters based on the submitted information and documents in which the tenderers describe (e.g. own sources, loans, funds, etc.) and evidence sources of funding the activities (e.g. certificates of own funds, letters of intent of the commercial bank or other investors, etc.)</p>	
TOTAL MAXIMUM NUMBER OF POINTS	100

The criterion related to any lack of efficiency or responsibility in any form that the petroleum economic entity has shown in other countries, and in the previous performance of the activities within the scope of the licence shall be fulfilled by annexing a verified statement confirming the effective and responsible performance of the activities covered by the permit in other countries, signed by the person legally authorised to represent the tenderer, which shall not be older than three months.

The fulfilment of the criteria shall be determined according to the information stated in the tender and the submitted documentation and documents.

Based on the criteria set out in Table 1, the Commission shall evaluate and rank the tenders in the correct form. A ranking of the tenders shall be prepared for each of the subject matters of the tendering procedure, i.e. for each exploration block for which the most favourable tenderer for geothermal water exploration is selected.

If two or more tenders in the correct form are ranked equally according to the criteria for the selection of the most favourable tender, other relevant and objective non-discriminatory criteria shall be taken into account in order to reach a final decision.

5.5 Tender Validity Period

The tender validity period shall be at least 90 (ninety) days from the final tender submission deadline.

The ministry may require an extension of the tender validity period and the tendering security referred to in Section 5.5 of the subject Tender Specifications accordingly.

6 OTHER INFORMATION ON THE PUBLIC TENDER

6.1 Tender Fee

Each petroleum economic entity interested in submitting a tender shall pay a tender fee in the amount of HRK 10,000.00 (in words: ten thousand kuna) for the exploration block for which it is submitting a tender. The tender fee shall be paid to the account of the Croatian

Hydrocarbon Agency, account number IBAN HR 102408 0021100042325 with Partner banka d.d. Zagreb, with payment designation “Pristojba za nadmetanje Slatina /*Tender Fee Slatina*/- (indicate the exploration block for which the fee is paid).

All tenderers that pay the tender fee referred to in Section 6.1 of the subject Tender Specifications shall acquire the right to use the data concerning a specific geothermal waters exploration block for the purpose of participating in the tendering procedure, i.e. for the purpose of submitting a tender for the exploration block for which the tender fee was paid and under the conditions referred to in Section 3.2.2 of the subject Tender Specifications.

6.2 Requests for clarifications and modifications concerning the Tender Specifications

An inquiry concerning the explanation of the Tender Specification shall be submitted in writing no later than eight days prior to the tender submission deadline to the address of the Croatian Hydrocarbon Agency, Miramarska 24, 10 000 ZAGREB or by email to geoterme@azu.hr. The Croatian Hydrocarbon Agency shall place at the disposal of all the tenderers participating in the procedure the requested explanations concerning the Tender Specifications no later than six days prior to the expiry of the tender submission deadline.

7 TENDERING SECURITY

7.1 Type and form of the tendering security

The Tenderer shall annex the tendering security to its tender in the amount of HRK 50,000.00 (in words: fifty thousand kuna) in the form of a debenture note or a blank debenture note, which shall be certified by a notary public and completed pursuant to the Regulation on the form and content of a blank debenture note (Official Gazette of the Republic of Croatia, numbers 115/12 and 82/17), i.e. the Regulation on the form and content of a debenture note (Official Gazette of the Republic of Croatia, numbers 115/12 and 82/17) and shall registered to: Ministarstvo zaštite okoliša i energetike (*Ministry of the Environment and Energy*), Radnička cesta 80, 10 000 Zagreb.

The validity period of the tendering security shall be at least 60 days longer than the tender validity period.

The ministry shall activate the tendering security if the tenderer withdraws its binding tender or if the tenderer provides false statements or evidence therein.

7.2 Treatment of the tendering security

The ministry shall return the tendering security to the most favourable tenderer and other tenderers immediately after the completion of the procedure for the selection of the most favourable tenderer, while it shall archive a copy of the tendering securities.

8 TREATMENT OF PERSONAL DATA

All data on natural persons submitted as part of the tenders for the subject tendering procedure shall be used solely for the purpose of evaluating the tender. Natural persons whose data is submitted as part of the tenders for the subject tendering procedure shall fill out and sign the form in Annex III to the subject Tender Specifications.

ANNEX I - SPECIAL CONDITIONS AND LIMITATIONS THAT SHALL BE OBSERVED DURING THE PERFORMANCE OF EXPLORATION WORKS

Special conditions and limitations which shall be adhered to during the performance of exploration works in “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks issued by state administration authorities, units of local and regional self-government and legal persons with public authorisations:

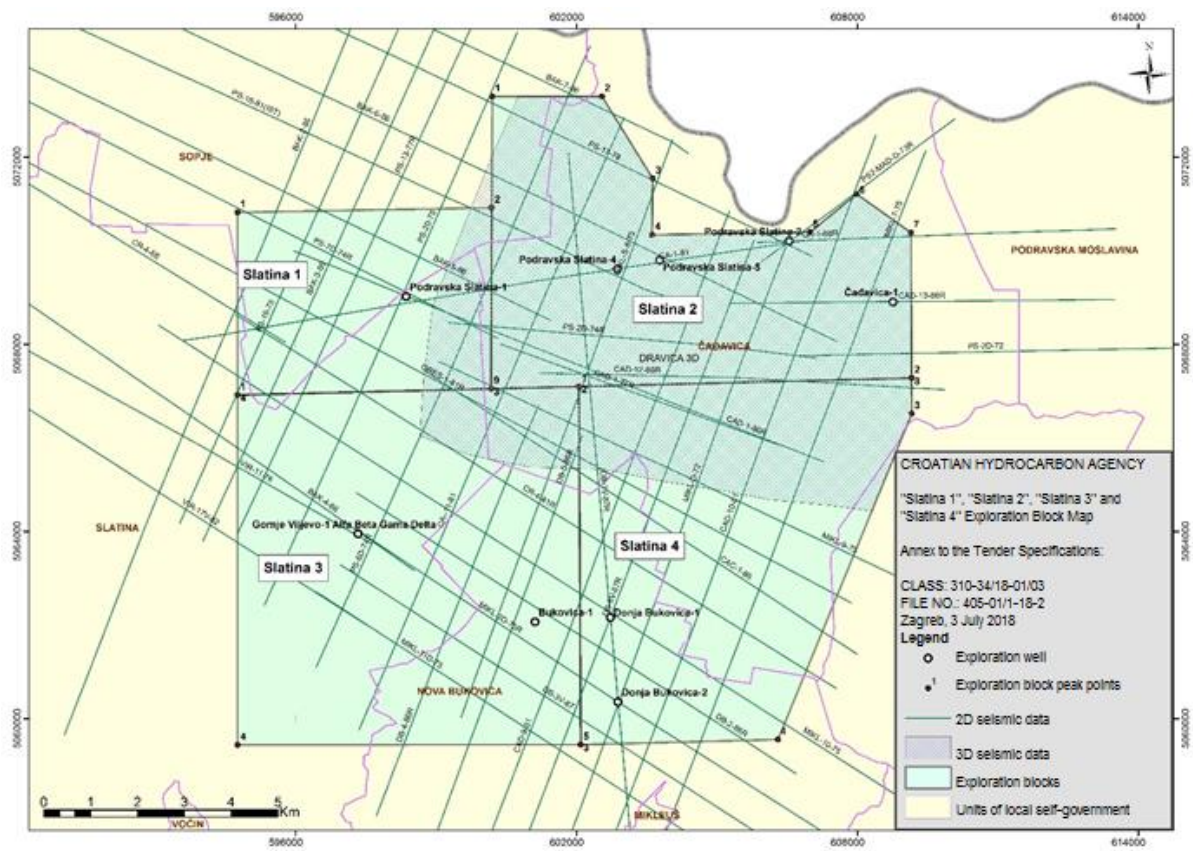
- Ministry of Defence, Material Resources Directorate, Military Infrastructure Sector, Department of Military Construction and Energy Efficiency, CLASS: 350-05/18-01/28; FILE NO.: 512M3-020202-18-2, of 1 February 2018
- Ministry of Culture, Directorate of Cultural Heritage Protection, Conservation Department in Požega, CLASS: 612-08/18-03/0025; FILE NO.: 532-04-02-07/4-18-2 of 13 January 2018
- Ministry of the Interior, Directorate of Administrative and Inspection Affairs, CLASS: 214-02/18-18/4; FILE NO.: 511-01-208-18-2, of 1 February 2018
- Ministry of the Sea, Transport and Infrastructure, CLASS: 350-05/18-02/9; FILE NO.: 530-05-3-2-1-18-3, of 15 February 2018
- Ministry of Construction and Physical Planning, Directorate for Permits of State Significance, Location Permits and Investment Sector, CLASS: 350-01/18-02/37; FILE NO.: 531-06-1-1-2-18-2, of 21 February 2018
- Ministry of the Environment and Energy, Directorate for Water Management and Sea Protection, CLASS: 325-01/18-01/43, FILE NO.: 517-12-18-3, of 06 March 2018
- Ministry of the Environment and Energy, Directorate for Energy, CLASS: UP/I-310-01/18-03/12; FILE NO.: 517-13-18-15, of 01 March 2018
- Ministry of the Environment and Energy, Directorate for Environmental Impact Assessment and Sustainable Waste Management, CLASS: 351-03/18-04/108; FILE NO.: 517-06-2-1-2-18-2, of 27 February 2018
- Ministry of Agriculture, Directorate for Forestry, Hunting and Wood Industry, CLASS: 350-05/18-01/111; FILE NO.: 525-11/1066-18-2, of 9 May 2018
- Virovitica-Podravina County, Department of Physical Planning, Construction, Utilities and Environmental Protection, CLASS: 351-01/18-01/05; FILE NO.: 2189/1-08/3-18-4, of 8 February 2018
- Town of Slatina, Administrative Department for Development of the Town of Slatina, CLASS: 310-01/1/18-01/1; FILE NO.: 2189/02-04-03/01-18-2, of 15 February 2018
- Municipality of Čađavica, CLASS: 310-01/18-01/01; FILE NO.: 2189/07-02-18-2, of 20 February 2018
- Municipality of Nova Bukovica, CLASS: 310-01/18-01/01; FILE NO.: 2189/09-02-18-2, of 02 March 2018
- Croatian Civil Aviation Agency, CLASS: 350-05/18-01/20; FILE NO.: 376-05-01-18-2, of 12 February 2018

ANNEX II - “SLATINA 1“, “SLATINA 2“, “SLATINA 3“ AND “SLATINA 4” EXPLORATION BLOCK MAPS

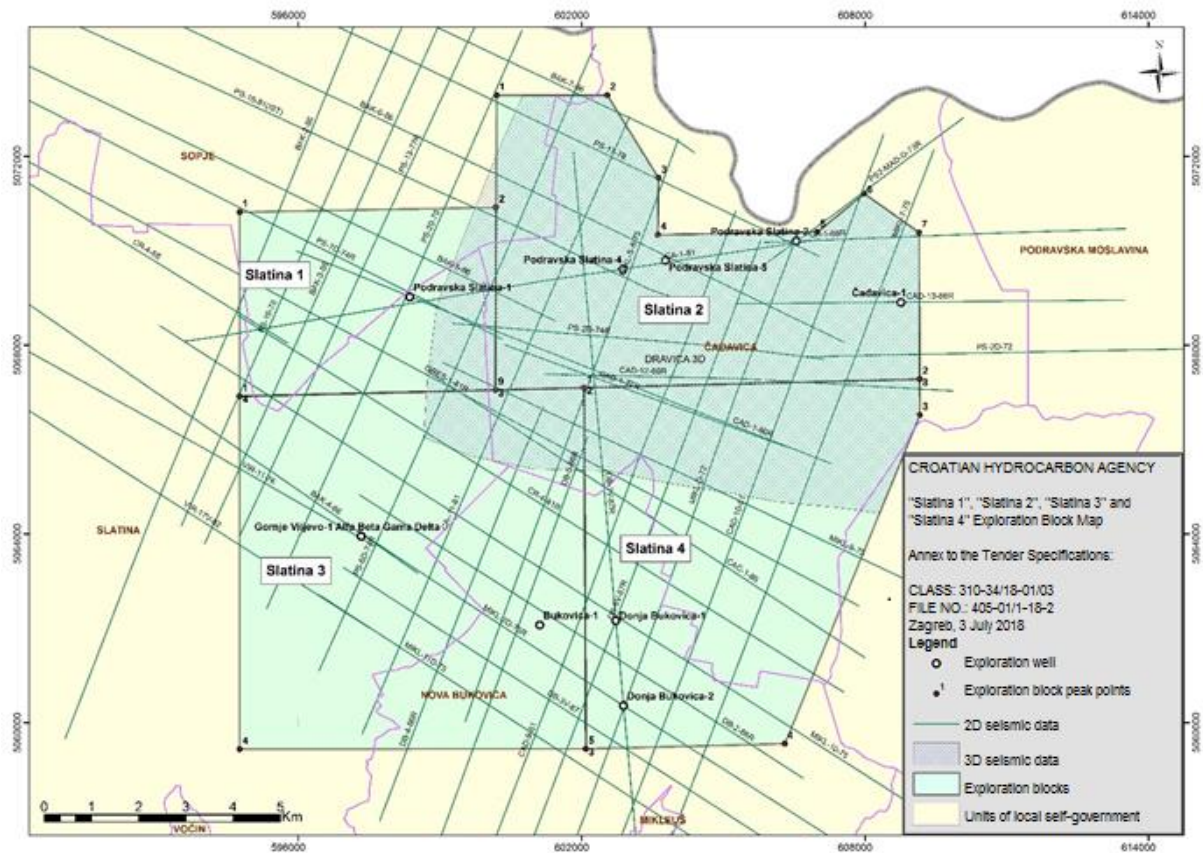
- Overview map of the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks
- “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration block map with available geological and geophysical data
- “Slatina 1” exploration block map with available geological and geophysical data
- “Slatina 1” exploration block map with available geological and geophysical data
- “Slatina 1” exploration block map with available geological and geophysical data
- “Slatina 1” exploration block map with available geological and geophysical data

NOTE: All maps have been made in the map projection of the Republic of Croatia – HTRS96/TM

Overview map of the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks



“Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration block map with available geological and geophysical data

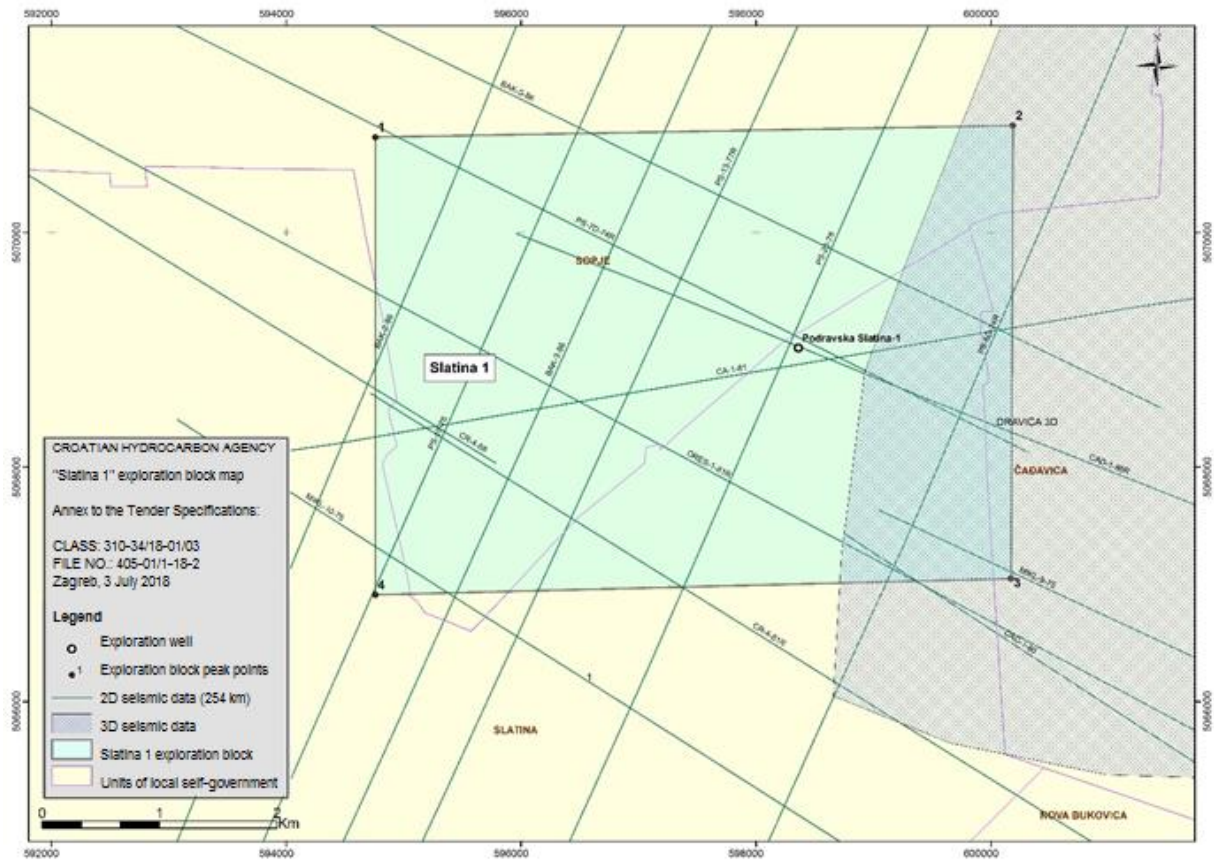


By paying the tender fee the tenderers acquire the right to use the following data:

- 2D seismic profiles in .sgy format
- well data in .pdf, .las and .tif formats

3D seismic data are not included in the data the tenderers acquire the right to by paying the tender fee. Instead the cost of access and use of those data is defined pursuant to the Decision by the Croatian Hydrocarbon Agency concerning the amount of the data room entrance fee and the price list for geological data, CLASS: 310-05/14-01/02; FILE NO.: 567-01/1-14-1, of 10 March 2014.

“Slatina 1” exploration block map with available geological and geophysical data

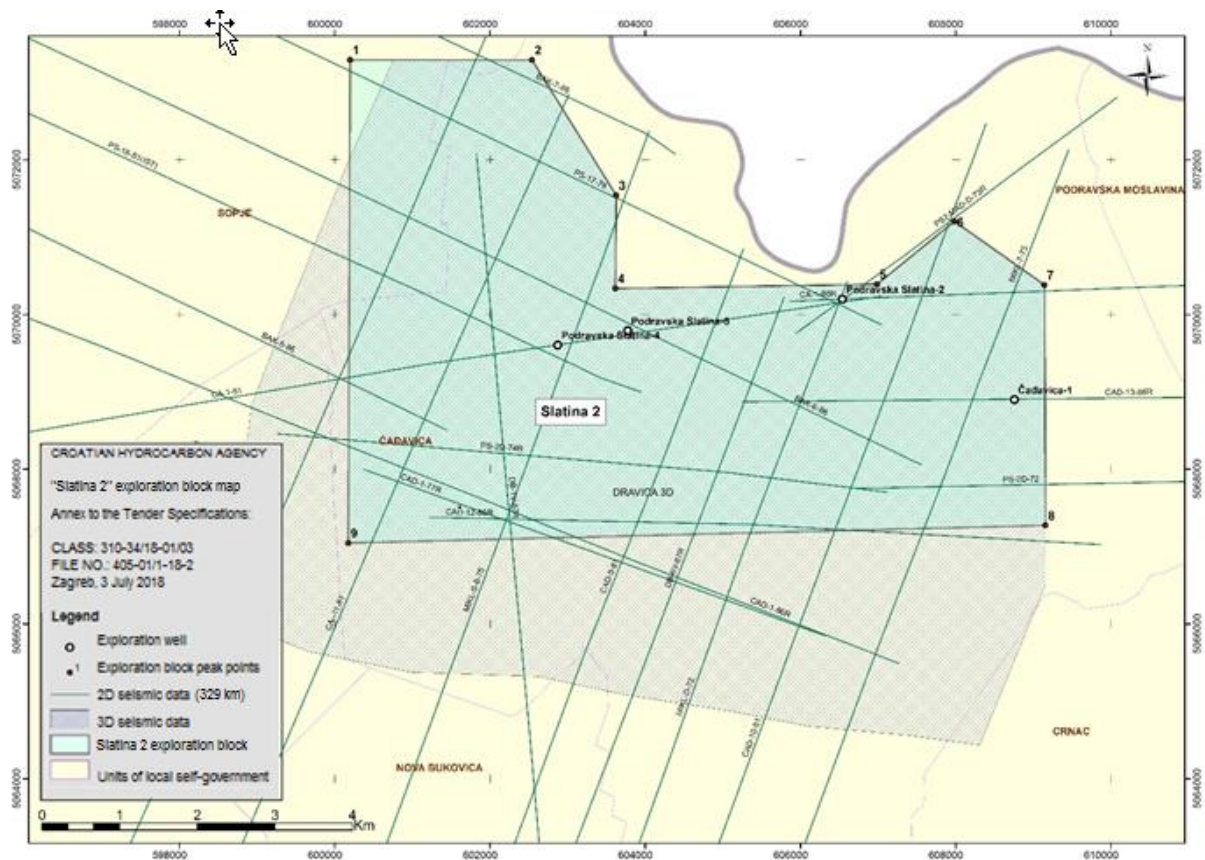


By paying the tender fee the tenderers acquire the right to use the following data in the “Slatina 1” exploration block:

- Well data in .pdf, .las and .tif formats for one exploration well: Podravska Slatina-1
- 16 2D seismic profiles in sgy. format in a total length of 254 km

3D seismic data are available for a part of the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks that are not included in the data the tenderers acquire the right to by paying the tender fee. Instead the cost of access and use of that data is defined pursuant to the Decision by the Croatian Hydrocarbon Agency concerning the amount of the data room entrance fee and the price list for geological data, CLASS: 310-05/14-01/02; FILE NO.: 567-01/1-14-1, of 10 March 2014.

“Slatina 2” exploration block map with available geological and geophysical data

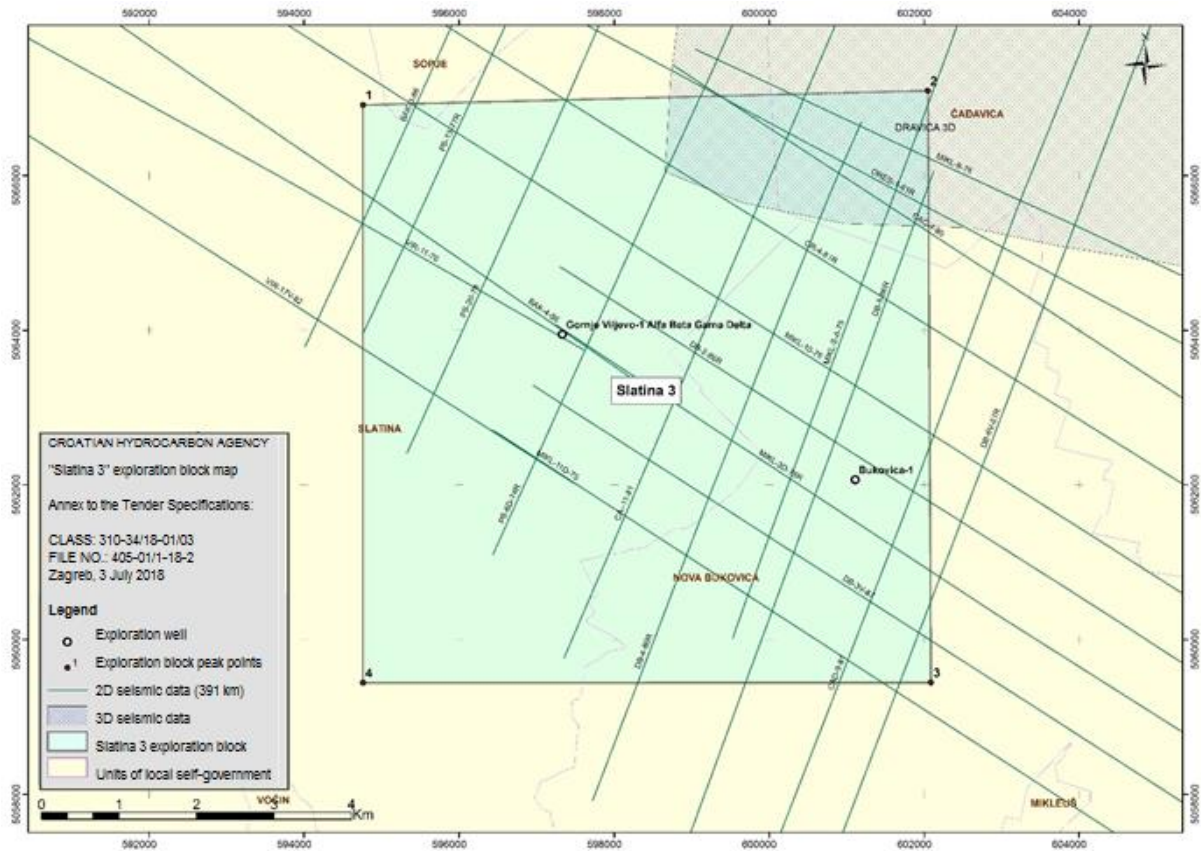


By paying the tender fee the tenderers acquire the right to use the following data in the “Slatina 2” exploration block:

- Well data in .pdf, .las and .tif formats for 4 exploration wells: Podravska Slatina-2, Podravska Slatina-3, Podravska Slatina-4 and Čađavica-1
- 23 seismic profiles in .sgy format in a total length of 329 km

3D seismic data are available for a part of the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks that are not included in the data the tenderers acquire the right to by paying the tender fee. Instead the cost of access and use of that data is defined pursuant to the Decision by the Croatian Hydrocarbon Agency concerning the amount of the data room entrance fee and the price list for geological data, CLASS: 310-05/14-01/02; FILE NO.: 567-01/1-14-1, of 10 March 2014.

“Slatina 3” exploration block map with available geological and geophysical data

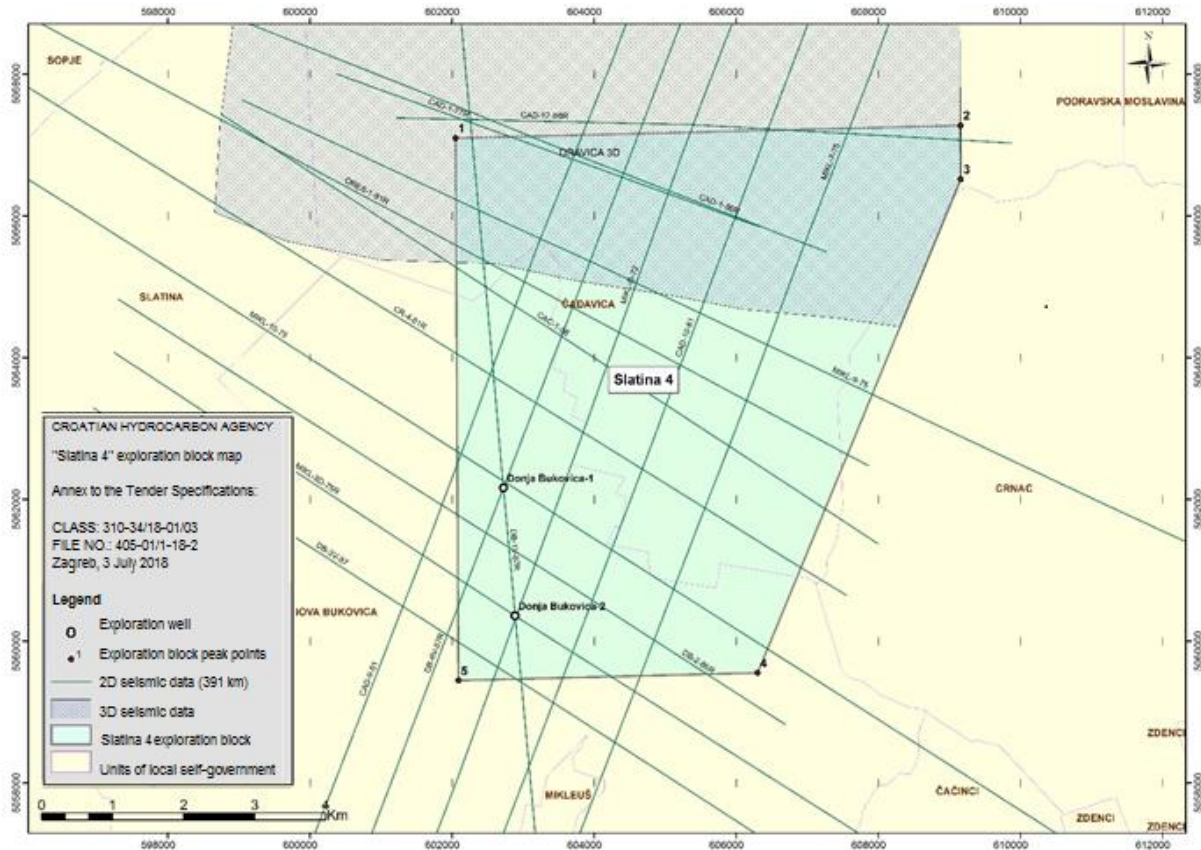


By paying the tender fee the tenderers acquire the right to use the following data in the “Slatina 3” exploration block:

- Well data in .pdf, .las and .tif formats for 2 exploration wells: Gornje Viljevo-1 and Bukovica-1
- 22 seismic profiles in sgy. format in a total length of 391 km

3D seismic data are available for a part of the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks that are not included in the data the tenderers acquire the right to by paying the tender fee. Instead the cost of access and use of that data is defined pursuant to the Decision by the Croatian Hydrocarbon Agency concerning the amount of the data room entrance fee and the price list for geological data, CLASS: 310-05/14-01/02; FILE NO.: 567-01/1-14-1, of 10 March 2014.

“Slatina 4” exploration block map with available geological and geophysical data



By paying the tender fee the tenderers acquire the right to use the following data in the “Slatina 4” exploration block:

- Well data in .pdf, .las and .tif formats for 2 exploration wells: Donja Bukovica-1 and Donja Bukovica-2
- 17 seismic profiles in sgy. format in a total length of 312 km

3D seismic data are available for a part of the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks that are not included in the data the tenderers acquire the right to by paying the tender fee. Instead the cost of access and use of that data is defined pursuant to the Decision by the Croatian Hydrocarbon Agency concerning the amount of the data room entrance fee and the price list for geological data, CLASS: 310-05/14-01/02; FILE NO.: 567-01/1-14-1, of 10 March 2014.

ANNEX III – DATA COLLECTION CONSENT

Data Collection Consent

(name and surname)

By signing this consent, pursuant to the provisions of the Act on the Implementation of the General Data Protection Regulation (Official Gazette, number 42/18) I grant to the Croatian Hydrocarbon Agency my consent for the collection and processing of my personal data - name and surname, PIN, documents evidencing the absence of impediments referred to in Article 17 of the Act on the Exploration and Production of Hydrocarbons, documents evidencing the fulfilment of the conditions for the legal and business, financial, technical and professional suitability of the tenderer, documents evidencing employment in jobs related to the exploration and production of geothermal waters or the fulfilment of the conditions for the performance of the tasks of the responsible petroleum operations manager for the purpose of reviewing and evaluating the tender in the tendering procedure for the purpose of selecting the most favourable tenderer for geothermal water exploration in the “Slatina 1”, “Slatina 2”, “Slatina 3” and “Slatina 4” exploration blocks in order to issue the production licence for geothermal waters. Except for the purpose for which the consent has been granted, the personal data collected shall not be used for other purposes.

I acknowledge that I am aware I have the right to waive the consent granted and to request the termination of further personal data processing. The correction of data or notice of withdrawal from the consent granted for personal data processing shall be submitted in writing by e-mail to: geoterme@azu.hr.

(signature)

(date)