

Notice from the Croatian Hydrocarbon Agency pursuant to Article 3(2) of Directive 94/22/EC of the European Parliament and of the Council on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons and Article 15 paragraph 3 of the Act on the exploration and production of hydrocarbons

Announcement of the Republic of Croatia 2nd Onshore Bidding Round for the Exploration and Production of Hydrocarbons

The Government of the Republic of Croatia invites all interested persons to apply for Licences in respect of offered exploration blocks onshore Croatia.

Bidding documentation, as well as relevant information and notices related to Bidding round shall be published on the official web sites of Ministry of Environment and Energy – www.mzoe.hr and Croatian Hydrocarbon Agency- www.azu.hr.

1. THE BASIC INFORMATION REGARDING THE LICENCE

Licence for the Exploration and Production of Hydrocarbons is issued for onshore exploration blocks. The Licence for the Exploration and Production of Hydrocarbons grants the investor the right to exploration and the direct award of the Production Licence for Hydrocarbons if the investor has concluded the Production Sharing Agreement, and has fulfilled all obligations under Act on the exploration and production of hydrocarbons.

The Licence for the Exploration and Production of Hydrocarbons shall be issued to selected bidder for a maximum period of thirty (30) years, which includes the Exploration Period and the Production Period, which starts on the day the concluded Production Sharing Agreement enters into force.

The investors shall, under terms and conditions set within Licence, conclude the Production Sharing Agreement with the Government of the Republic of Croatia, no later than six (6) months from the date of issue of the Licence for the Exploration and Production of Hydrocarbons.

2. INFORMATION REGARDING EXPLORATION BLOCKS

The bidding round for issuing of Licence for the Exploration and Production of Hydrocarbons shall be made for seven onshore exploration blocks.

1. Exploration Block Drava-03 (DR-03)
2. Exploration Block Sava-06 (SA-06)
3. Exploration Block Sava-07 (SA-07)
4. Exploration Block Sava-11 (SA-11)
5. Exploration Block Sava-12 (SA-12)
6. Exploration Block Sjeverozapadna Hrvatska-01 (SZH-01)

7. Exploration Block Sjeverozapadna Hrvatska-05 (SZH-05)

Block areas, maps and block coordinates are specified in the Bidding documentation.

3. INDICATIVE DATE/DEADLINE FOR ISSUING LICENCE

Bidding applications are due by June 28th 2019. The indicative Licence granting deadline is October 31st 2019.

4. TENDERER SELECTION CRITERIA

By applying provisions of Article 2. Paragraph 2. Of Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorizations for the prospection, Exploration and Production of Hydrocarbons (OJ L 164, 30 June 1994, for reasons of national security and in line with Article 19. of the Act on the exploration and production of hydrocarbons, criteria to be taken in consideration for selection of the most favourable bidder are:

1. technical, financial and professional capacities of the bidder or the consortium of bidders,
2. the manners in which the bidder or the consortium plan to carry out the activities subject to the Licence for the Exploration and Production of Hydrocarbons,
3. overall quality of the submitted bid,
4. financial conditions included in the bid submitted by the bidder for issuing the Licence for the Exploration and Production of Hydrocarbons,
5. any lack of efficiency or responsibility in any form which has been displayed in other countries by the Petroleum Economic Entity in previous activities within the scope of the Licence.

One of the criteria for the selection of the bidder is also the fee for concluding the Agreement on Exploration and Production of Hydrocarbons (Signature Bonus) with the lowest amount set in the regulation referred to in Article 51 of the Act on the exploration and production of hydrocarbons.

If, following the assessment based on the criteria under the Act on the exploration and production of hydrocarbons, two or more bidders have the same significance, the other relevant and objective non- discriminating criteria shall be taken into account in order to reach the final decision.