

“PROCEDURES”

EGAS INTERNATIONAL BID ROUND 2008

Bidders shall submit their offers by the closing date in two separate sealed envelopes as follows:

SEALED ENVELOPE (1) titled “Qualifications” and shall contain:

- 1- A preliminary bond in amount of US\$ 50 000 to be submitted to EGAS by irrevocable bank letter of Guarantee or a payable cheque confirmed by an Egyptian bank, which shall be valid for not less than six months from the Bid Round closing date. This bond will be collected from EGAS premises by the unsuccessful bidders upon EGAS’ notification.

Within fifteen (15) days from receiving EGAS’ awarding notification to the successful bidder, the above mentioned US\$ 50 000 guarantee shall be increased up to an amount equal to 2% of the financial obligation of the initial Exploration phase as specified in the offer.

EGAS shall liquidate without any legal procedure the guarantee amount; in the following cases:

i- The US\$ 50 000 bond will be liquidated by EGAS, if

(a) The bidder withdrew before the announcement of the bid results;

(b) The successful bidder failed to increase the guarantee amount of US\$ 50 000 up to the amount of 2% of the financial obligation of the initial Exploration phase as specified in the offer;

ii- The 2% bond will be liquidated by EGAS, if the successful bidder withdrew or failed to deliver to EGAS the necessary documents required before the final signature date which will be determined by EGAS.

The above mentioned bonds will be collected from EGAS premises by the successful bidder a week after the date of the signature of the Concession Agreement, and after submitting the letter of Guarantee with the minimum financial commitment of the initial exploration phase.

- 2- Previous experience in petroleum exploration and production and activities of the company all over the world including development projects, reserves and latest used technology supplemented by the company’s Annual Report.

3- Article of Incorporation of the company, the company's Commercial Registration and copies of all documents that proves its legal existence as well as shareholders and their nationalities.

4- Recent annual report and / or official financial reports proving the financial strength of the bidder's(s) company (ies).

Sealed envelope (2) shall be titled "Commercial" and shall contain:

Proposed Terms and Conditions according to the Main Contract Terms and Conditions and the provisions of the Model Agreement.

These two sealed envelopes shall be submitted and hand delivered separately at the same time, which the first envelope shall be marked by qualifications, the second shall be marked commercial.

ENVELOPES (1) and (2) should be titled:

"CONFIDENTIAL"

EGAS INTERNATIONAL BID ROUND 2008

BLOCK NAME

and

addressed to:

EGAS Chairman of the Board

Address: 85c, El Nasr Road, Cross of Abbas El Akad St.

1st District Nasr City, Cairo, Egypt

On the closing date and before 12:00 – O'clock at noon Cairo local time On Monday, 9th of February, 2009

Envelope (2) "Commercial" shall not be opened unless all required documents in envelope (1) "Qualifications" were found fulfilling required documents and the bidder is technically accepted.

Take into consideration the following:

- Bidders should abide by the Terms and Conditions of this Bid Round and should submit their offers in formatted according to their relevant Egyptian Model Agreement.
 - EGAS shall have the right to reject any offer without giving reasons.
 - Bidders should review or purchase the data for the block(s) they would like to apply for.
 - The successful bidder should submit to EGAS the following documents (in both English and Arabic languages):
 - Article of Incorporation of the Bidder's (s) company (ies)
 - The Commercial Registration of the Bidder's(s) company (ies)
 - All documents that proves the company (ies) legal existence
 - The company (ies) shareholders and their nationalities ;and
 - The power of attorney of the Contractor's representative , who is authorized to sign the original copies of the Concession Agreement .Such valid power of attorney will be submitted directly before the final signature and upon EGAS notification.
- All submitted documents should be notarized, authenticated and legalized by the competent authorities and the Egyptian Embassy or the Consulate General of the A.R.E. in the Contractor's country (ies) of origin and the Ministry of Foreign Affairs in Egypt.
- Offer(s) shall be disregarded if:-
 - It includes any area(s) out of EGAS International Bid Round 2008 blocks.
 - It includes more than one block in one offer.
 - The Bidders haven't reviewed or purchased the data relevant to the block(s) which they applied for.
 - It relates to any other Concession Agreement in Egypt that were granted to the bidders.

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