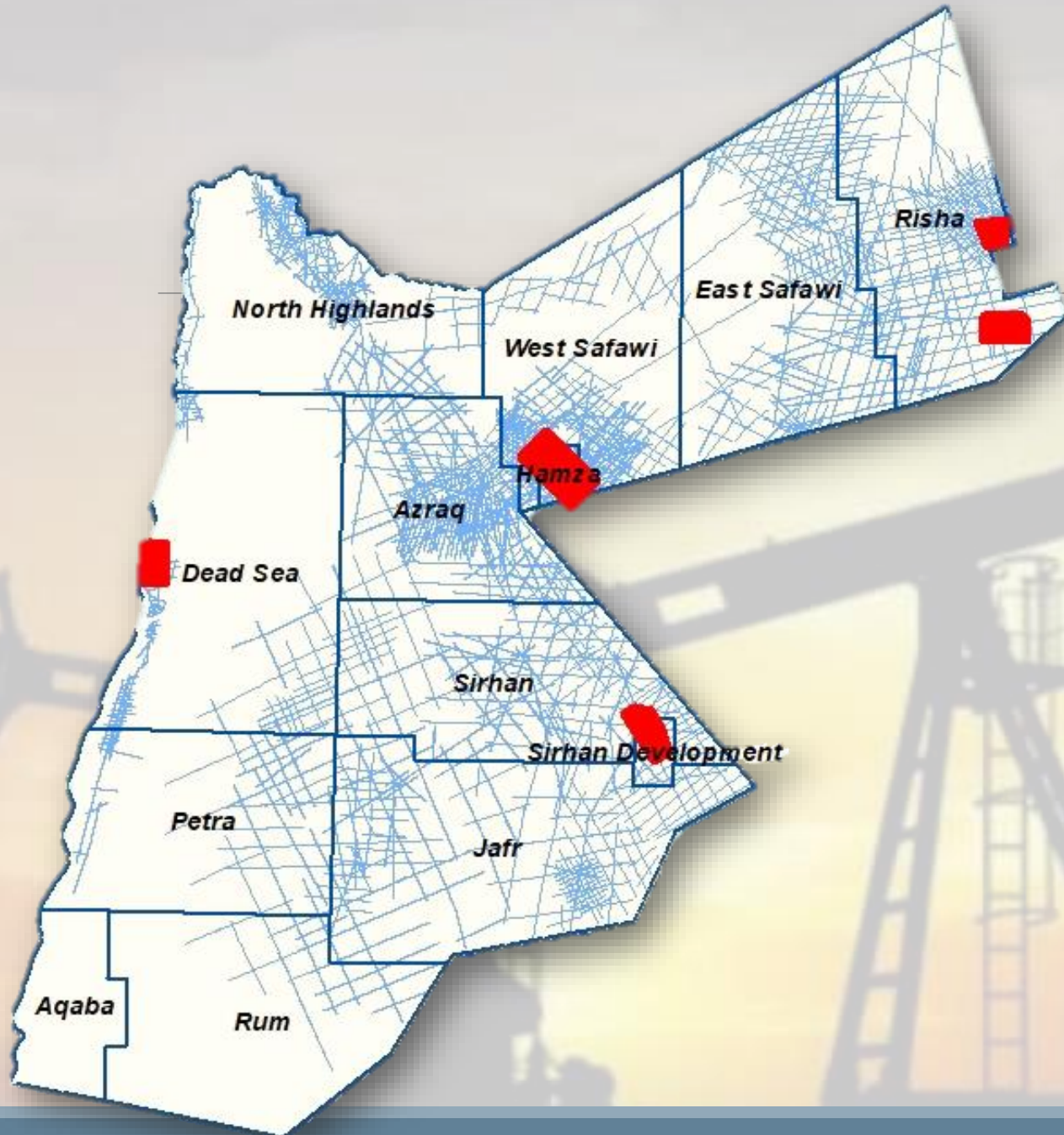







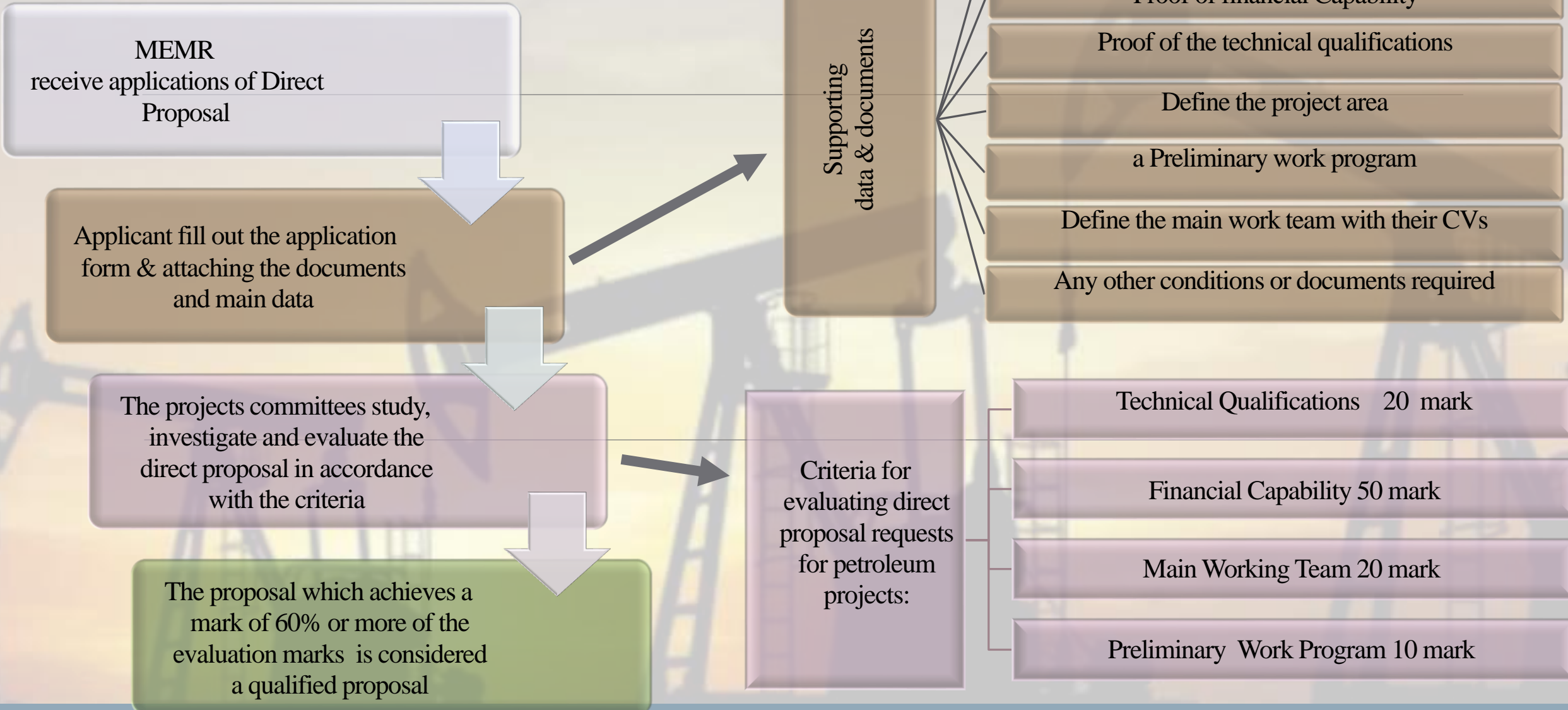
Hashemite kingdom of Jordan
Ministry of Energy and Mineral Resources
Natural resources projects Directorate



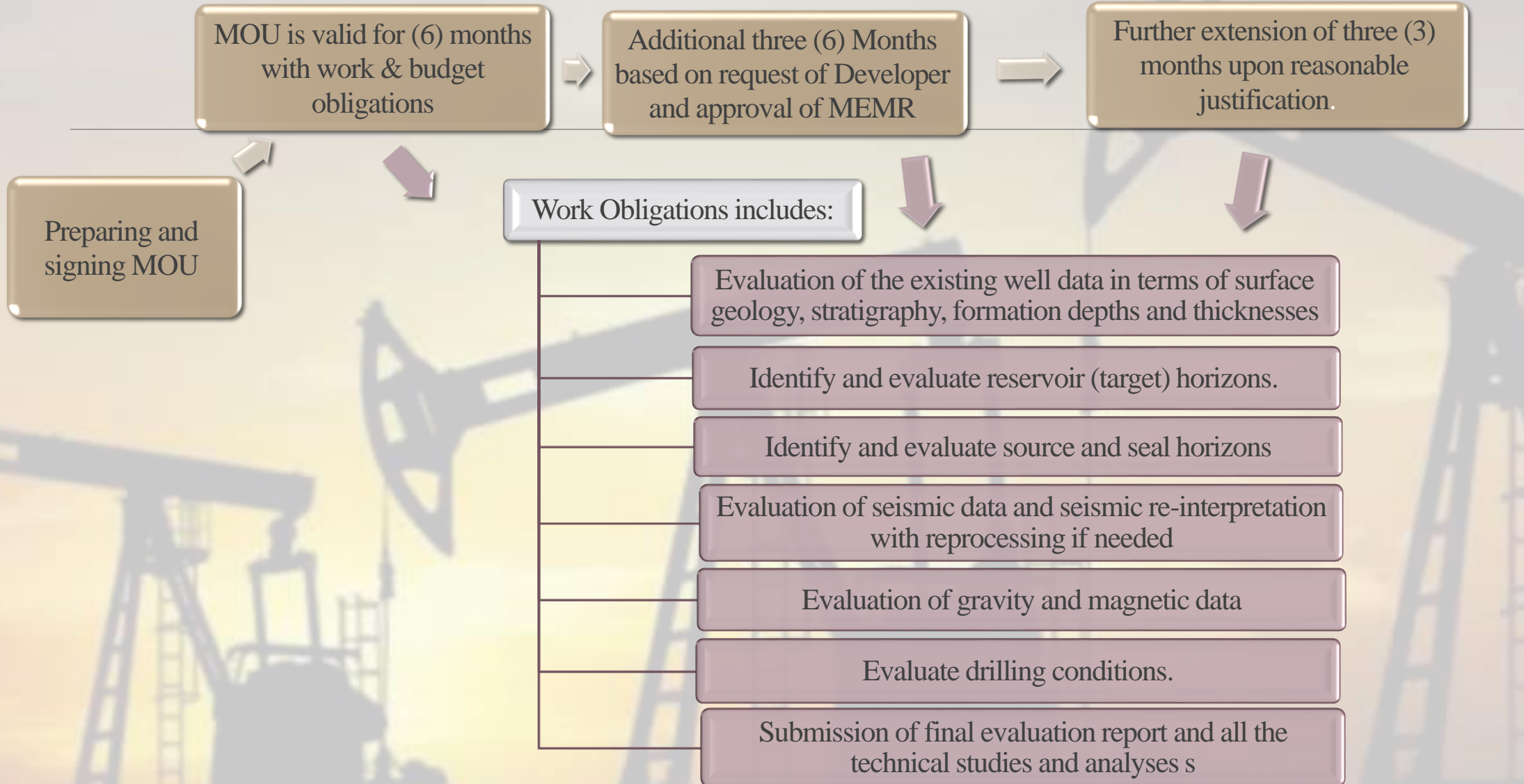
OIL & GAS INVESTMENT PROCEDURES IN JORDAN

	contract area
	2D seismic surveys lines
	Total 32961.88711 km long
	3D seismic surveys lines
	Total 11118.67887 km ²

The Procedures of Studying & Evaluating Direct Proposals



The Phases of Memorandum of Understanding (MOU)



The Phases of Production Sharing Agreement (PSA)

MEMR agrees to extend the Production Period with respect to Crude Oil for an additional five (5) Years and with respect to Gas for an additional ten (10) Years

(The First Exploration phase) for 3 years

- Contractor shall undertake expenditure.
- Contractor shall undertake geological studies, petrophysical studies, geochemical studies and geological field investigations that shall further the understanding of the hydrocarbon potential of the Area.

(The Second Exploration phase) for 2 years.

- Contractor shall undertake geological and geophysical studies.
- Wells drilled during the Second Exploration Phase

(The Third Exploration phase) for 2 years

- If, as a result of such operations or if during the final Year of the Second Exploration Phase a Discovery Well is established

PSA (The Production phase) for 25 years

- prepare and review a proposed "Appraisal Program" (a proposed appraisal plan, work program and budget) to determine whether such Discovery is a Commercial Discovery,
- Development Plan for the Production Area



Financial obligations during the term of the PSA

- The Developer will allocate financial obligations minimum**

USD million for First Exploration Term and
 USD million for Second Exploration Term,
 USD ----- million bank guarantee for the first exploration term,
 USD ---- Million bank guarantee for the second exploration term.
 USD ----- bank guarantee for the Customs Department

- Training & Sustainable Development Projects payments:**

Developer shall pay annually, One Hundred Thousands USD (100,000) for training nationals and technology transfer And One Hundred Thousands USD (100,000) for Sustainable Development Project within the local community.

- Cost Recovery:**

40-50 % for exploration and development expenditure and the operating expenses will be fully recovered in the same year in which they have been spent.

- Production Sharing**

- The sharing of produced oil and gas will be as per the following table:

Barrels of Oil per Calendar Day	Government Share (%)	Contractor Share (%)
0-10,000	40	60
15,000-10,001	40-45	60-55
15,001-30,000	45-50	55-50
30,001-50,000	50-55	50-45
50,001-80,000	55-60	45-40
80,001-100,000	60-65	40-35
100,001 and above	70	30

