NATIONAL AND INTERNATIONAL PUBLIC CALL FOR DOMUYO PROJECT, NEUQUÉN PROVINCE

GEOTHERMAL ENERGY IN ARGENTINA

EXPLORATION CONTRACT, WITH AN OPTION FOR EXPLOITATION, TO DISCOVER AND PRODUCE GEOTHERMAL RESOURCES IN THE AREAS OF THE MINES “MARÍA VICTORIA” AND “MAITENA”.
MINAS DEPARTMENT, NEUQUÉN PROVINCE, ARGENTINA.

BIDDING TERMS & CONDITIONS

Neuquén, September 2012
INDEX

TITLE I: GENERAL TERMS AND CONDITIONS

1. SCOPE AND OBJECTIVE OF THIS CALL

2. DEFINITIONS

   a. Agency, ADI-NQN or ADI-NQN S.E.P.
   b. Purchaser
   c. Successful bidder or Explorer
   d. AMPI
   e. Entity issuing the Call
   f. Circulars
   g. Investment Commitment
   h. Exploration contract
   i. Exploitation concession contract
   j. Tasks Schedule
   k. Feasibility study
   l. Performance Surety Bond
   m. JICA Report
   n. Mine or Field
   o. Technical Standards
   p. High Tension Line (acronym in Sp. LAT) 132 KV Study
   q. Exploitation Option
   r. Work Program
   s. Bidding terms and conditions, Bidding document or P.B.C. (acronym in Spanish)
   t. Bidder
   u. Proposal or offer

3. IMPORTANT ASPECTS OF THE PROPOSAL

4. BACKGROUND

5. LEGAL FRAMEWORK OF THE TENDER

6. INCONSISTENCY, CONSTRUCTION AND HARMONIZATION

7. DEADLINES
8. LEGAL EFFECTS OF THE CALL. POWERS OF THE AGENCY

9. LEGAL EFFECTS OF THE ACQUISITION OF THE BIDDING TERMS AND CONDITIONS

10. ADDITIONAL AVAILABLE INFORMATION

11. SCHEDULE

12. PROMOTIONAL BENEFITS

13. CORRESPONDENCE

14. PURCHASE OF BIDDING DOCUMENT

15. LEGAL CLARIFICATIONS AND CLARIFICATIONS REQUESTS

16. CORRESPONDENCE AND NOTIFICATIONS

17. ADDRESS AND NOTIFICATIONS

18. PLACE AND TIME OF PROPOSALS’ PRESENTATION

19. EFFECTS OF PROPOSAL PRESENTATION

**TITLE II: PROVISIONS REGARDING THE BIDDERS**

20. LEGAL, FINANCIAL, TECHNICAL AND ORGANIZATIONAL QUALIFICATIONS REQUIRED TO BID FOR THE TENDER

21. LEGAL STATUS AND UNIFICATION OF LEGAL REPRESENTATION

22. LIMITS REGARDING CORPORATE PARTICIPATION

23. BIDDER’S OBLIGATIONS

24. RESPONSIBILITIES

25. PROHIBITIONS

26. LEGAL AND TECHNICAL REPRESENTATIVE
TITLE III: PRESENTATION AND EVALUATION OF THE PROPOSALS FOR THE EXPLORATION WORK PLAN

27. TERMS OF REFERENCE TO DRAW UP THE EXPLORATION WORK PLAN

28. TERMS OF REFERENCE FOR THE ECONOMIC PROPOSAL FOR THE EXPLORATION PERIOD

29. FORM OF PROPOSALS’ PRESENTATION

30. FORMAL REQUIREMENTS FOR THE PRESENTATION

31. DOCUMENTS TO BE PRESENTED

32. ADDITIONAL INFORMATION ON DATA PROVIDED AND BACKGROUND

33. SUBMISSION OF BIDS

34. BID SECURITY

35. PERFORMANCE SECURITY OF EXPLORATION CONTRACT

36. CONSTITUTION OF SECURITY FORMS

37. BID OPENING AND ASSESSMENT OF BIDS

38. PRE-AWARDING COMMITTEE

39. EVALUATION AND COMPARISON OF BIDS

40. AWARD CRITERIA

41. PROPOSALS IMPROVEMENT REQUEST

42. AWARD OF EXPLORATION CONTRACT

43. NOTIFICATION OF AWARD

44. SIGNING OF EXPLORATION CONTRACT

45. REQUIREMENTS FOR THE OPTION OF EXPLORATION
TITLE IV: PRESENTATION, EVALUATION AND APPROVAL OF THE FEASIBILITY STUDY

46. REQUIREMENTS FOR THE FEASIBILITY PROPOSAL

47. ADDITIONAL DATA AND BACKGROUND INFORMATION

48. EVALUATION AND APPROVAL

49. PERFORMANCE SECURITY

EXHIBITS

EXHIBIT I

GEOGRAPHICAL, MINING REGISTRY AND LEGAL INFORMATION OF THE MINING RIGHTS HELD BY ADI-NQN OFFERED IN THIS CALL

1. Data of the mining dockets

2. Sketch and maps according to the official cartography of the Province of Neuquén

EXHIBIT II

FORM OF SUBMITTAL LETTER

EXHIBIT III

FORM OF SUBMITTAL LETTER OF THE ECONOMIC OFFER

EXHIBIT IV

DRAFT OF EXPLORATION CONTRACT
GEOTHERMAL ENERGY IN ARGENTINA

NATIONAL AND INTERNATIONAL PUBLIC CALL FOR DOMUYO PROJECT,

NEUQUÉN PROVINCE

SUMMARY

Neuquén Investment Promotion and Development Agency (ADI-NQN S.E.P.), has launched a public call for tenders of investors interested in developing proposals for the award of an exploration contract to discover and produce geothermal resources in the areas of "MARÍA VICTORIA" and "MAITENA" mines in Domuyo, both of which are property of the Agency.

SCOPE: The successful bidder awarded the exploration contract will have the right to exercise the option, according to the terms and conditions established in the documentation, to exploit the minerals discovered for a period of up to twenty five (25) years and will sign a concession contract with the Agency to build and operate one or more geothermal plants to generate and subsequently market electricity within the Argentine Wholesale Electricity Market.

KEY ASPECTS: Bidders must include minimum requirements in their offer such as the geological-mining plans, whose period of development shall not be less than two (2) years nor larger than four (4) years counting as from the date the contract is awarded. When drawing up their plans, bidders must take into consideration the technical background, as it refers to the work already carried out by the Province in the mining area, as well as technical standards. Other requirements are the investment commitment including every aspect and the amount to be paid to the Agency for the right of use of the mine properties.

TIMETABLE: The sale of the terms and conditions of the bid will be available from September 17th until 20 days before proposals’ presentation date. Proposals shall be submitted until November 23rd at 10:00 am.
BIDDING TERMS AND CONDITIONS

TITLE I

GENERAL REQUIREMENTS

1. SCOPE AND OBJECTIVE OF THIS CALL
The Agencia para la Promoción y Desarrollo de Inversiones del Neuquén Sociedad del Estado Provincial (ADI-NQN S.E.P) (Neuquen Investment Development Agency) calls for investors interested in submitting proposals to award an exploration contract to discover and produce endogenous steam in the area of the mines of ADI-NQN´s property, which data is detailed in Exhibit I included in this document.

The company awarded the exploration contract will have the option to exploit the mineral discovered, meeting the terms and conditions of the present document for a period of up to (25) twenty five years, and execute with the Agency a concession contract of exploitation of the mines to build and operate one or more geothermal plants to generate electric power and market it within the Argentine Wholesale Electricity Market.

2. DEFINITIONS

For all purposes of this bidding terms and conditions, and the present public call, the terms listed below have the following meanings:

a) **Agency, ADI-NQN or ADI-NQN S.E.P.**: Any of the terms, designate the Neuquén Investment Development Agency domiciled at Antártida Argentina 1245 – Edificio 4 Piso 3º - Centro Administrativo Ministerial (CAM) – Neuquén city, in the province of the same name, being the entity issuing this call.

b) **Purchaser**: Refers to the subject of rights and duties who, under its responsibility, is fully aware of all the conditions of the bidding document of this call, acquires it and has the receipt issued by the Agency.

c) **Successful bidder or Explorer**: Refers to the bidder to whom the Agency awards the exploration contract with the terms and conditions set in this document.

d) **AMPI**: Refers to the Mining Authority of First Instance of the Province of Neuquén.
e) **Entity issuing the Call:** it means the Agency or ADI-NQN S.E.P.

f) **Circulars:** resolutions or provisions issued by the Agency to modify, complement, or clarify any aspect related to information stated in the bidding document, either as a request for clarification or *ex officio* by the Agency.

h) **Investment Commitment:** Refers to the investment the explorer commits itself to make during the period the Exploration Contract is in force, according to the work plans approved by the Agency.

h) **Exploration contract:** It is the agreement by means of which the parties rule their rights and duties during the effectiveness of the contract. The basic content is available in Exhibit IV of the present bidding document.

i) **Exploitation concession contract:** It is an agreement between the explorer and the Agency that will be executed once the Explorer has completed the exploration contract and has duly informed the Agency the decision to exploit the mines. Prior to signing the exploitation contract, the feasibility study must be approved as it is stated in this bidding document.

j) **Tasks Schedule:** It is the technical document that states the starting and finishing dates of each task included in the Work Program prepared by the Company with whom the Exploration or Exploitation Contract was signed.

k) **Feasibility study:** It is the document the awardee of the exploration contract must prepare at its expense to show the technical, economical and financial feasibility of carrying out the sustainable exploitation of the geothermal resource in the area of the mines, to produce electricity at commercial scale, to transport it and market it within the Wholesale Electricity Market.

l) **Performance Security:** it is the guarantee required by the Agency, pursuant to the present bidding document, to ensure proper compliance with the contractual obligations.
m) **JICA Report:** Its title in English: “Final Report on the Northern Neuquén Geothermal Development Project” (November 1984), produced by the Japan International Cooperation Agency (JICA), which is available for the purchasers of this bidding document.

n) **Mine or Field:** It is the site where the exploration activities under the scope of this call will be developed. Mine or field mean either a) geographic area described in the mining records processed by the Agency at the Mining Authorities of First Instance of the Province of Neuquén under File Nº 4802-000790/10 "NEUQUEN INVESTMENT DEVELOPMENT AGENCY – PROVINCIAL STATE CORPORATION UNDER MANIFESTATION OF DISCOVERY OF ENDOGENOUS STEAM AT THE “MAITENA” MINE"; b) The geographic area described in the mining records processed by the Agency at the Mining Authority of First Instance of the Province of Neuquén under File Nº 4802-000791/10 "NEUQUEN INVESTMENT DEVELOPMENT AGENCY – PROVINCIAL STATE CORPORATION UNDER MANIFESTATION OF ENDOGENOUS STEAM AT “MARIA VICTORIA” MINE.

o) **Technical Standards:** They are general and specific technical standards and specifications given by the Agency to be met while exploring and exploiting the mining geothermal resource it owns.

p) **High Tension Line (acronym in Sp. LAT) 132 KV Study:** It refers to the pre-feasibility study to trace a 132 KV electric energy transmission line, from the area of the mines to the Conversion Station of 132 KW of EPEN (Ente Provincial de la Energía del Neuquén) in Chos Malal. This prefeasibility study is available to the purchasers of this bidding document.

q) **Exploitation Option:** It is a unilateral and irrevocable manifestation of the awardee of the Exploration Contract, under the conditions stated in the present document. It is the formal communication to the Agency of the decision to sign an exploitation contract.

r) **Work Program:** they are the works, activities and operations the awardee of the Exploration or Exploitation Contract commits itself to carry out.
s) **Bidding terms and conditions, Bidding document or P.B.C. (acronym in Spanish):** Mean the present document and the additional or complementary documents issued to regulate terms and conditions of this call.

t) **Bidder:** refers to the subject of rights who having acquired the bidding document, submits a formal proposal to the AGENCY expressing interest in participating in the present call.

u) **Proposal or offer:** It is the bidder’s unilateral, irrevocable and acknowledged manifestation submitted together with background information; corporate, accounting, economic, technical information and any other document by means of which the bidder expresses his interest to participate in the present call.

When the context so requires, words may be used in plural, and vice versa. A term written in small letter does not change the meaning.

3. IMPORTANT ASPECTS OF THE PROPOSAL.

Notwithstanding the other obligations referred to in the present document, the bidders must include in their proposal, at least, the following:

a) Geologic-mining Work Program should not be extended for less than two (2) calendar years nor longer than four (4) years from the award of the contract.
b) Investment commitments to be made of any sort;
c) The amount to be paid to the Agency for rights of use of the mines of its property.

For the Work Program, the bidders should consider technical characteristics of works made by the Provincial government in the area of the mines and the technical standards referred to in article 10° of the present document.

The objectives of the exploration program should include the following:

a) Clearly identify the geothermal phenomena and determine the presence of a geothermal field feasible for exploitation meeting the technical, economic and environmental conditions that guarantee the resource sustainability.
b) Determine the type of geothermal field to be discovered and production parameters.

c) Location of productive zones and thermodynamic parameters of geothermal reservoir fluid discharged in exploration wells.

d) Determine sensible environmental parameters before the exploration.

e) Identify characteristics that may cause difficulties during the development of the geothermal field to be discovered.

4. BACKGROUND

The area where the mines are located is 1,760 kms. from the City of Buenos Aires and 560 kms. from the capital city of the Province of Neuquén.

It is located 5 kms. northwards the district of Varvarco and the average altitude is 2,300 meters above sea level.

Exhibit I shows the location of the mines "MAITENA" and "MARIA VICTORIA" and the corresponding geographical coordinates.

The first surveys within the area were carried out in 1982, following the agreement signed between the Governments of Japan and Argentina, resulting in the JICA Report.

Exploration activity began that same year, involving the study of LANDSAT imaging covering an area of 15,000 km² and aerial photographs covering an area of 5,000 km² in the north of the Province of Neuquén, in addition to field surveys and the compilation and analysis of existing written material on the area.

The results of this preliminary work meant that the surface area under study could be reduced to a more specific geothermal target area of 200 km² for research in a second phase.

The second phase of exploration took place from 1982 to 1983, beginning with topographical surveys, including geological, petrologic, geochemical, hydrological and alteration studies as well as gravimetrical surveys.
The temperature of the ground was taken at a depth of one meter while the hot springs and steam fissures were researched together with the analysis of the surrounding rock properties.

The results of the research produced the geological profile of the area, with information on the caloric flow of the structures and the circulation mechanisms of the geothermal fluids. This meant that geological models could be drawn up, with cross-sections of the caloric flow structures, the generation and circulation of the geothermal fluids and the structure of the geothermal reservoir.

This high geothermal potential led to a third phase of exploratory development and this selection reduced the area to some 40 km².

Field work took place from 1983 to 1984, mostly focusing on electric and seismic studies as well as the measurement of caloric flows in twelve 100 meter-deep wells and the study of isotopes and rock properties.

Drilling began on a well planned to reach 400 meters in depth, but, due to poor weather conditions, it could not be finished and drilling only reached 80 meters.

5. LEGAL FRAMEWORK OF THE TENDER

The current tender is regulated by the administrative, mining and environmental legislation in force in the Province of Neuquén.

The order of hierarchic priority in the afore-mentioned legislation which regulates this call for tender and the ensuing contractual relationship is the following:

a) The Argentine Constitution.

b) Applicable international treaties.

c) The Argentine Mining Code and amendments and/or complementary legislation.

d) The Environmental General Law No. 25,675.

e) The Constitution of the Province of Neuquén.

f) Provincial Law No. 902 (Code of Mining Procedures).
g) Provincial Law No. 1875, regulatory standards and modifications.

h) Provincial Decree No. 587/89.

i) Provincial Decree No. 3699/97 on the mining environment.

j) Provincial Decree No. 2010/09.

Likewise, mining files from the Mining Registry of First Instance of the Province of Neuquén, described in Exhibit I included in this document, are public proceedings of reference. Purchase of the bidding document entails knowledge of these public references.

6. INCONSISTENCY, CONSTRUCTION AND HARMONIZATION

Documents included in this call for tender constitute a system and are considered reciprocally explanatory. In the event of discrepancy among them, the following order shall prevail:

a) The present bidding document (PBC acronym in Spanish).
b) Circulars issued by the Agency.
c) Offers submitted and accepted.
d) Exploration contract and any amendments.
e) Exploitation contract and any amendments, in case it is awarded in accordance with this bidding document.

Should any contradiction arise between documents of the same category, the ones with the later date shall prevail.

In case of divergence between parties related to meaning or a missing clause, word, phrase or part of a document of either the exploration or the exploitation contract, article 1.198 of the Civil Code and article 217 of the Commercial Code and its integration and interpretation norms of article 218 shall be applicable.

7. DEADLINES

All deadlines established in this and future contracts subscribed with the Agency will be calculated in business days, unless the Agency specifically states in a document that the
calculation will be on a calendar-day basis. If a due date falls on a non-business day, the deadline will be automatically extended to the next business day. Business day stands for a working day for Public Administration in the Province of Neuquén.

Once a deadline expires, the Bidders will automatically loose any right or power given within the established time frame.

8. LEGAL EFFECTS OF THE CALL. POWERS OF THE AGENCY

The Agency is not bound to nor held responsible for the simple fact of launching the call, nor for the procedure that rules the bidding terms and conditions. The Agency can, at its sole discretion, not needing to explain or justify its decision, do any of the following:

a. Render the call totally or partially ineffective at any stage of the process before the award.
b. Issue circulars that imply clarifications or modifications to the bidding terms and conditions.
c. Award the contract to a bidder even if it is the only proposal received.
d. Ask from each bidder, even if it is only one, to improve their offer.
e. Withdraw the award, before subscribing the exploitation or exploration contract.
f. Not to award any of the above-mentioned contracts.

Neither of these decisions can cause claims of any nature i.e. expenses, fees, reimbursements, rewards or compensations.

9. LEGAL EFFECTS OF THE ACQUISITION OF THE BIDDING TERMS AND CONDITIONS

Acquiring the bidding terms and conditions, implies for the bidder that he:

a. Is familiar with and accepts each and every condition and provision written in the bidding terms and conditions document, its exhibits and amendments.
b. Is familiar with and accepts each and every procedure emerging from those rules.
c. Is familiar with, accepts each and every document contained in this Bidding Terms and Conditions Document and has checked and verified all the information contained herein.
d. Acknowledges and accepts the Agency’s right to ask for offer improvements, additional or supplementary information to the bidder and/or its members and/or any third party with
the only purpose of verifying the accuracy and veracity of the data by them provided, including everything related to back up information, until the signature of any of the contracts foreseen in this call.

e. Has verified and is familiar with all the information provided by the Agency for this call and that it is satisfactory and sufficient to formulate its proposal.

f. Accepts that the execution of the contracts the Agency will award, will be at the bidders own cost and risk, and takes responsibility of dealing with and obtaining, also at its own risk, all sort of permits, exemptions, authorizations, licenses, etc. in every government level (municipal, provincial and national) needed or deemed convenient for the development of the project at any of its phases. The bidder acknowledges that he is familiar with the costs and time it takes to obtain each permit, either public or private, obtaining easement and any other permit or authorization needed to carry out exploration and/or exploitation of the mines.

g. Accepts the evaluation criteria used by the Agency and/or the Pre-Award Commission for awarding the exploration and/or exploitation of the mines.

h. Will not refer, based on quality and extent of its own knowledge, to mistakes that might have been committed upon proposal preparation, nor to any doubt or ignorance of clauses and legal dispositions applicable or related to the location, climate conditions, or any other external circumstances that might have an effect on the final result.

i. Accepts the Argentine Law as the only legislation and will comply solely to the local jurisdiction; Neuquén Province State Court.

j. Accepts that all the technical documents used to formulate the proposal can be used freely by the Agency.

k. Is familiar with and accepts the legal status of the mining rights owned by the Agency and the effects they have in Argentine legislation.

10. ADDITIONAL AVAILABLE INFORMATION.

Additionally, the following documents are available for consultation of Bidders: JICA report, Technical Standards and Pre-feasibility Study of a future High Voltage 132kV Transmission Line. These documents can be consulted at the Agency’s office in Neuquén, Argentina, on business days and working hours, from the day after the purchase of the Bidding Terms and Conditions. Copies of the above-mentioned documents are available at the bidders’ own cost.
Regarding the information provided or made available to the bidders, including essays, studies, research, tests, etc., the Agency expressly states that they correspond to the specific places and occasions on which the information was obtained or processed and do not necessarily represent the actual conditions found by the time of work commencement.

Pursuant to the above, the Agency shall have no liability whatsoever for inferences, uses, applications, inferences, interpretations, extrapolations or conclusions made or developed by the Bidders. Responsibility for any of these will fall exclusively on whoever makes them.

### 11. SCHEDULE.

The schedule for the present call is as follows:

a. Sale of bidding document: from 17th September 2012 until twenty (20) days before the proposals’ reception date.

b. Deadline for presentation of queries and/or clarification requests by the bidders: ten (10) business days before proposals' presentation date.

c. Deadline for issuing circulars: five (5) business days before proposals' presentation date.

d. Final date and time for proposals' reception: 23rd November 2012 at 10am, at ADI-NQN's office in Neuquén.

e. Opening of the envelopes containing the proposals and of envelope Nº1 will be on 23rd November 2012 at 12 noon. Opening will be at the Agency's office in Neuquén or in a more suitable place it were to designate.

The Agency could at its own will modify the present timetable, without generating a right to claim or object for the bidders.

### 12. PROMOTIONAL BENEFITS.

The awardee of the exploration or exploitation contract can request, before the corresponding authority, any of the current promotional benefits foreseen in the Argentine legislation and that of the Province of Neuquén.

For information purposes only, here is a list of the mentioned rules:
a) Resolution N° 59/2005 issued by the Argentina’s Mining Secretary (Secretaría de Minería de la Nación), supplementary of the National Mining Investment Law Nº 24,196;

b) National Law Nº 26, 190 for the promotion of the use of renewable sources of energy for the production of electricity;

c) Provincial Law Nº 2,596 which establishes the adherence of the Province of Neuquén to National Law Nº 26,190 and promotes the use of renewable sources of energy for the production of electricity;

d) Provincial Law Nº 378 for the promotion of new industries in the Province of Neuquén;

e) Provincial Law Nº 2,781 and its supplementary Decree Nº 771/10 for the promotion of investments in the Province of Neuquén.

13. CORRESPONDENCE.

All correspondence that the bidders shall send to the Agency should be sent or hand-delivered to the Agency’s address. Correspondence shall be signed in all its pages by the entitled legal representative.

14. PURCHASE OF BIDDING DOCUMENTS.

The purchase of the bidding document and its correspondent payment of **ARS$ 25,000 (ARGENTINE PESOS TWENTY FIVE THOUSAND)**, will be the minimum valid and unavoidable requirement prior to participating in the call.

At the time of the purchase, the purchasers should identify themselves and provide the following information:

a. Business Name.

b. Real or Legal Address, as the case may be, postal address, e-mail, telephone and fax number.

c. Special domicile for the sole purpose of this call, within the urban area of Neuquén City.

d. Personal information, telephone number and address of the representatives referred to in clause 26 of this document, stating the powers granted to such representatives.
15. LEGAL CLARIFICATIONS AND CLARIFICATIONS REQUESTS.

Inquiries concerning this bidding terms and conditions document, as well as the clarification requests should be submitted in writing, in paper. Both the inquiries and the clarification requests should refer to specific and concrete issues.

Answers to those inquiries, as well as any clarification, revision, addition or suppression to the bidding terms and conditions document-and any document included thereto-will be issued by the Agency solely by circulars that will be sent to all bidders to the special domicile by them provided.

16. CORRESPONDENCE AND NOTIFICATIONS.

All correspondence that the bidders shall send to the Agency should be received in original, signed by the entitled legal representative or Agent, under penalty of inadmissibility. Notwithstanding that, the content of the correspondence could be anticipated by e-mail or fax, without forcing the Agency to issue a reply and without taking the answer given by the mentioned means as definite; the only suitable means to communicate for the purpose of this call is by writing, in paper.

The notifications issued by the Agency will be sent exclusively to the special domicile, choosing at its sole discretion any of the following means:

a. In person, given by the bidder’s legal representative or attorney, being the signature sufficient record for the file.
b. Recorded delivery telegram or recorded registered mail.
c. By Court Notice.
d. By fax, as regulated in this article.
e. By e-mail, as regulated in this article.

17. ADDRESS AND NOTIFICATIONS
All bidders should report their legal address at the time of presenting their proposals and constitute a special domicile within the urban area of Neuquén City, where all communications and notifications sent will be deemed valid.

The above-mentioned addresses will remain subsisting for all legal purposes unless a formal communication or official notification of a change is sent to the Agency.

The Agency’s legal address is Antártida Argentina 1245, Edificio 4, 3º Piso - CAM, Ciudad de Neuquén, Provincia del Neuquén. Working hours on business days are from 8am to 3pm, notwithstanding the modifications the Provincial Executive Branch can make to the working hours of Public Administration.

18. PLACE AND TIME OF PROPOSALS’ PRESENTATION

Proposals should be presented solely at the Agency’s office in Neuquén and until the time established in the article 11 of the present document. Proposals received after such time will be rejected and returned without being opened.

The Agency will not open envelopes that are not properly identified or labeled, as demanded in the present document. Failure to comply with the identification of proposals as requested will leave the Bidders out of the call.

19. EFFECTS OF PROPOSAL PRESENTATION

Presentation of a proposal to the Agency implies that the Bidder has full and comprehensive knowledge and acceptance of each and every condition set or emerging from the current call, of the existence, scope and limit of the mining rights owned by the Agency, as well as of all the norms applicable to the call.
TITLE II

PROVISIONS REGARDING THE BIDDERS

20. LEGAL, FINANCIAL, TECHNICAL AND ORGANIZATIONAL QUALIFICATIONS REQUIRED TO BID FOR THE TENDER.

Those bidders wishing to submit proposals must comply with the following requirements to demonstrate their experience and legal, financial, technical and organizational qualifications required to carry out the exploration contract:

a) Demonstrate legal capacity to undertake legal commitments.

b) Demonstrate experience (by itself or associated with third parties) in the field of mining exploration and exploitation and in generation of geothermoelectricity projects.

c) Proof of Organization, availability of qualified personnel, machinery, equipment and the administrative, financial and technical capabilities required to fulfill their investment commitments as indicated in the proposed work plan.

d) Proof of financial capabilities, resulting from the data provided by the Bidders themselves and information supplied by banks, contracting parties, suppliers and renowned clients from the local or international market.

21. LEGAL STATUS AND UNIFICATION OF LEGAL REPRESENTATION.

Validation of legal representatives or manager of the bidders, or their members, should be made through deeds signed before a public notary and legalized by the respective Notary Association, should they be extended outside the Province of Neuquén.

In case a proposal is presented by a joint venture or other forms of authorized association of companies, all members must unify their representation prior to the submission of the Proposal, as described in the preceding paragraph. The chosen representative for all the companies, should be empowered to execute all actions relating to the selection process, not withstanding those that must be executed also by the legal representatives or managers of each member of the joint venture or association and their technical representatives, as required in each case in the bidding document.
22. LIMITS REGARDING CORPORATE PARTICIPATION.

If at the time of proposals’ presentation a bidder or any of its members is affected by article N° 31 of National Law N° 19.550, he shall comply with the registration required by the Superintendency of Corporations (Inspección General de Justicia de la Nación - IGJ) for the purpose of having, in advance, the exception under that provision. The authorization issued by that body shall be submitted together with the proposal.

23. BIDDER’S OBLIGATIONS

Bidders must:

a. Specifically state, at the time of submitting the proposal, that they accept each and every clause and disposition in this bidding document, and those applicable supplementary, and that they waive to claim ignorance on the documents that comprise this call, the circular notes issued by the Agency, any law, decree, resolution or regulations pertaining or applicable to this call and to the legal mining concession.

b. Commit to employ or appoint preferably staff from Neuquén in all duties related or pertaining the contract, as well as to use local products, supplies and services. “From Neuquén” means people living in the Province for more than one (1) year counting backwards from the signature of the work commencement deed.

24. RESPONSIBILITIES

Each bidder will be solely responsible for any errors or omissions and for the proper and timely preparation and submission of the Proposal, on the understanding that he has ensured that it accurately responds to the needs and contractual obligations assumed if it is awarded.

25. PROHIBITIONS

The following are not entitled to participate in the call:

a. Provincial Tax debtors.

b. Those who have not purchased the Bidding Terms and Conditions document.

c. Those who are member of a Joint Venture and, at the same time, belong to another Joint Venture that submits another proposal for this call.
d. Agents and officials of the National, Provincial or Municipal Public Administration and of Entities in which the State has enough participation to take decisions.

e. Bankrupts.

f. Contractors that are banned to trade with the Provincial State according to the Province general conditions.

g. Those who intend or litigate mining rights or concessions that geographically overlap the area of the Mines.

h. Those who have a conflict of interests, considering that they arise when a) They have common controlling shareholders or the same legal representative for purposes of this call or b) Submit more than one proposal for this call.

26. LEGAL AND TECHNICAL REPRESENTATIVE

For the purpose of this call, bidders must appoint a legal and a technical representative that will share the same special domicile of the bidder, proving that the technical representative has enough experience in mining exploration. Both representatives must sign every page of the documents accompanying the proposal, acting on behalf of the bidder for any technical or legal matter. Besides they must comply with local legislation regarding their enrolment in the licensed bodies of their activities.
TITLE III

PRESENTATION AND EVALUATION OF THE PROPOSALS

FOR THE EXPLORATION WORKS PLAN

27. TERMS OF REFERENCE TO DRAW UP THE EXPLORATION WORK PLAN

The exploration work plan should not be extended for less than 2 (two) years, nor more than 4 (four) years, counting from the date the contract is awarded. The plan must provide chronological details of the works and the investment commitments, adjusting its objectives to what is established in point 3) above.

The plan should also include, at least, the following tasks to be developed in the mines area:

a. Survey and study of all the existing background information.

b. Procurement and study of state-of-the-art satellite images.

c. Survey of the condition of the access roads to the mines and definition of the necessary logistics to ensure the works can be carried out.

d. Implementation of Environmental Impact Assessments (EIA), according to what it is stipulated in the Mining Code and the current environmental legislation.

e. Sample extraction from the ground and its comparison with samples from other places studied at an earlier stage.

f. Chemical analysis and classification of the samples.

g. Geological, geochemical and geophysical project campaigns.

h. Completion of geological and hydro-geological studies that are deemed convenient.

i. Definition, location and drilling of shallow wells to measure temperature. The different locations and methods employed will be in accordance with international safety and environmental standards and bearing in mind the technical norms indicated in article 10 above, whenever relevant.

j. Evaluation of new geophysical exploration procedures applied in the mines area.

k. Drilling of, at least, one deep exploration well to be carried out in accordance with international safety and environmental standards.

l. Elaboration of a conceptual model for the geothermal reservoir.
28. TERMS OF REFERENCE FOR THE ECONOMIC PROPOSAL FOR THE EXPLORATION PERIOD

The economic proposal must necessarily foresee the obligation to pay the Agency the right of using its mines. The fee payable in cash and net of all expenses, discounts, taxes or deductions will not be less than USD 3,000,000 (US dollars three millions). The mentioned fee shall be paid as follows: a) seventeen per cent (17%) of the amount offered during the first 30 (thirty) days from the signature of the exploration contract; b) the remaining eighty three per cent (83%) during the 30 (thirty) days following the signature of the eventual Exploitation Concession Contract.

29. FORM OF PROPOSALS’ PRESENTATION

In order to formulate its proposal-by writing-each Bidder should:

a) Provide detailed and precise information required in this document and in the correct order.

b) Verify that the documentation included contains clearly and expressly all the necessary information that the Agency needs to evaluate the proposal.

c) Submit the proposal in one piece, containing both envelope n°1 and n°2 requested. The mentioned piece should be properly shut and sealed.

d) Envelopes n°1 and n°2 should also be shut and sealed.

e) In case there are any discrepancies between the original text of the proposal and its copy, the original will be retained as valid.

30. FORMAL REQUIREMENTS FOR THE PRESENTATION

a. Documentation shall be submitted in duplicate and in magnetic media. One copy will be identified with the word “ORIGINAL” and the other with the word “COPIA” (copy). If there were to be any discrepancies between both copies, the original will be retained as valid. Permanent ink shall be used to fill in and sign all the pages that must be continuously numbered. Neither writing between line spacing (interlineations) nor erasures will be admitted, except the necessary ones to correct mistakes, which will be amended and
initialized by the Legal Representative in the same document. Information in the document will include an index, indicating the corresponding numbered pages, and shall be duly binded, and clearly labelled with dividers. Each folder should not contain more than 200 pages.

b. All documents, except for brochures, catalogs, printed technical standards and documentation certified by a notary or a chartered accountant, must be signed by the Legal Representative of the bidder.

c. All documents that conform the proposal, as well as any other query or presentation must be written in permanent ink, in typography and in Spanish language.

d. Original documentation that is not written in Spanish language, shall be accompanied by the corresponding translation to Spanish by a chartered translator enrolled in the pertaining licensed body. The translation must be duly certified by public notary and/or civil servant or equivalent authority, legalized by the Apostille method.

e. For a better understanding of the proposal, bidders can include brochures or catalogs written in English language, however they should provide the corresponding translation to Spanish Language.

f. Printed matter must be of good quality so as to allow easy reading and interpretation. Plans, schemes and diagrams will be presented in a scale suitable to the purpose of the presentation.

g. All information submitted in magnetic media shall be accessible, i.e. with software of public and generalized access.

31. DOCUMENTS TO BE PRESENTED

Bidders should include in their proposal the following documents:

a. Receipt of purchase of the bidding terms and conditions document.

b. Letter of introduction, as per Exhibit II, signed by both the Legal and Technical Representative where they state their intention of participating in this call.

c. Corporate name, legal address, and authenticated copy of the contract or bylaw and its modifications if any, as well as proof of registration of the company -or companies (in case it is a Joint Venture)- in the corresponding public registry.

d. Documents that state the name and other details of the person/s that will sign the proposal, their Legal Representative and the sufficient authorization to attend this call through adequate, authenticated and legalized powers.
e. Bank, commercial and financial references, that show the bidder’s capacity to get different type of credit or other financial means to achieve what is stated in their proposal.

f. Demonstration of technical and financial capacity according to what is stated in article 20 of this document.

g. Sworn statement/Affidavit of the company, or of each of the companies, or of its members -if there were Joint Ventures constituted for this call- expressing the veracity and accuracy of all the information provided, and authorizing official bodies, insurance companies, banks, financial institutions, manufacturers of equipments and/or any other person, company or corporation, to supply the information requested by the organizer, regarding this presentation.

h. If bidders prove their technical, economic and/or financial qualifications -Article 20- through their shareholders, related or controlling companies, etc., the former should accompany an express declaration issued by whoever has the legal capacity to bind the relevant company, by means of public due legalized or apostilled instruments, by which the relevant company acknowledges to be main responsible or that expressly assumes the integral responsibility for the fulfillment of each and every obligation assumed by the Bidder.

i. If bidders present payroll, curriculum and qualifications of managers and permanent line staff, belonging to their shareholders, related or controlling companies, etc., they should accompany an express declaration issued by whoever has the legal capacity to bind the relevant company, by means of public due legalized or apostilled instruments, by which the participation of the above mentioned persons is obliged in order to execute the proposal.

32. ADDITIONAL INFORMATION ON DATA PROVIDED AND BACKGROUND

At any time, and within reasonable time frame, the Agency can ask for additional or supplementary information to that provided by the Bidders, with a maximum of five (5) days to the date set for the Pre-Awarding Commission to inform its opinion. Failure to provide the required information or any difference resulting from the details provided and what was originally handed in, may be considered a reason for not-qualifying.
33. SUBMISSION OF BIDS

On the cover, and front of each envelope, it should be written (in Spanish):

CONVOCATORIA PÚBLICA DE INVERSORES NACIONAL E INTERNACIONAL PARA LA EJECUCIÓN DE UN CONTRATO DE EXPLORACIÓN, CON OPCION A EXPLOTACIÓN MINERA, DESTINADO A DESCUBRIR Y PRODUCIR VAPORES ENDOGENOS EN EL ÁREA DE LAS MINAS “MARÍA VICTORIA” Y “MAITENA” - DEPARTAMENTO MINAS PROVINCIA DEL NEUQUEN - ARGENTINA

Name of the Bidder

Address, telephone, fax and e-mail of the Bidder

Name and signature of the Legal and Technical Representatives

In case of envelopes, they should indicate the precise number of envelopes.

Regarding the content of the envelopes, the information shall be presented as follows:

Envelope Nº 1: Documentation, Background and Technical Proposal.

It shall contain the following documentation:

a. Official receipt of purchase of the Bidding Terms and Conditions.
b. Required legal and contractual documentation.
c. Required corporate documentation.
d. Required background and capacities of the Bidder.
e. Bid security.
f. Working plan and Tasks schedule.
g. Investment details.


It shall contain the economic proposal as described above in clause number 28, using the template provided in Exhibit III of the present document.
34. BID SECURITY

At the time of presenting the proposal, the bidder shall constitute a bid security in favor of the Agency -and to its satisfaction- for USD 50,000 (US dollars fifty thousand), as stated in article 36 below.

Failure to furnish a bid security or to renew it or refusing the award shall constitute sufficient ground to forfeit the bid security. In all these cases it will be understood that the proposal is void.

Having signed the exploration contract and exchanged with the successful bidder the bid security for the performance bid, the remaining bidders could ask the agency to return the bid securities. It will also be returned in case this tender is called off.

35. PERFORMANCE SECURITY OF EXPLORATION CONTRACT

Prior to signing the exploration contract the successful bidder must constitute, in favor of the Agency and to its entire satisfaction, a performance security for not less than USD 500,000 (US dollars five hundred thousand). The security can be provided in any of the forms described in article 36. This security must be maintained until the end of the mentioned contract or until the mines exploitation option is accepted.

The Agency can execute the security in case of non-compliance of any of the obligations stated in the exploration contract or to ascribe expenses it may incur on behalf of the explorer because of non fulfillment or to apply sanctions or penalties provided in the mentioned contract.

This security does not exempt the explorer from the total settlement of damages nor from the constitution of other guarantees required by labor, mining or environmental legislation.

The explorer must validate every year the security through certificates issued by the concerned entities, from which it will arise the premium cancellations or considerations for the contracted bonds.
36. CONSTITUTION OF SECURITY FORMS

Securities regulated in article 35 should be constituted in any of the following forms:

a. **Cash**: deposited in a bank account that the Agency will open for that sole purpose in BANCO DE LA PROVINCIA DEL NEUQUEN SOCIEDAD ANÓNIMA (BPN S.A.), CASA CENTRAL (Neuquén Province Bank Inc., Head Office or its initials BPN).

b. **Bank Deposit in Banco de la Provincia del Neuquén** of sufficient amount of Argentine Government Bonds at market value, as informed by the National Securities Commission in Buenos Aires, seven (7) days prior to the date set for proposals opening. The amount should cover the required security, plus a 20% margin. The interests earned by the bonds, just for the amount of the security, will be considered as part of it.

c. **Stand-by letter of credit**, irrevocable and unconditional, payable at sight, granted by a first-line bank authorized by the Central Bank of Argentine Republic and to the satisfaction of Neuquén Province. The stand-by letter will be deposited by the Province in Banco de la Provincia del Neuquén (BPN).

d. **Bank Bond**: They should satisfy the following requirements to be accepted:
   1. Be issued in the name of the Agency, identifying the current call clearly and precisely and any other document that requires its emission.
   2. Banking institutions must constitute themselves as joint guarantors, plain, simple and main payers, waiving the benefit of division, and exclusion, according to article 2.013 of our Civil Code, as well as the benefit of prior legal action.
   3. In those securities the signatures of the concerned officials must be certified by a notary.
   4. Full coverage period must be indicated and besides, be inclusive of any further extension.

e. **Surety Bid Bond**: insurance policies shall be issued in favor of the Agency and fulfill the following requirements:
   1. Be issued by a reputable insurance company by means of an insurance contract. Both the Company and the contract should be to the entire satisfaction of the Agency. The bidders can ask the opinion of the Agency of either the insurance company proposed or the text of the insurance contract. If the Company or the text are rejected by the Agency, the bidders will have 15 days after submitting the proposal to replace any of them.
2. The insurance contract shall specify the obligations to be fulfilled.

3. The successful bidder shall submit the original insurance contract and the receipt of the total payment of the premium, sealed and signed by the issuing company, duly certified.

4. The Insurance Company shall undertake the responsibility to pay the Agency upon receipt of the first demand and within the following ten (10) days, the amount insured in case the Agency duly notifies that the successful bidder is in breach of its obligations.

5. In the contract, the insurance company shall expressly undertake the responsibility to pay without needing to prove or show the grounds for the demand or the sum specified.

If the bidder or successful bidder, as the case may be, respectively, and upon receipt of due notification, fails to withdraw the bid security, it shall be returned within one (1) month after the notification.

Failure of the right holder to appear within the term established shall constitute sufficient ground to execute the bid security in favor of the Agency.

The Agency will not pay interests for cash deposits, reimbursements or compensations for the increase or decrease of securities given as bid security as result of conversion operations or due to quotation variation. Securities accrued interests belong to depositories.

37. BID OPENING AND ASSESSMENT OF BIDS

Envelopes N°1 and N°2 will be opened in a public act. Envelopes N°1 will be opened on the date and place provided in the bidding document. Envelope N°2 will be opened on a date fixed by the Agency, notwithstanding the changes of date made by the Agency, at its sole discretion, giving proper notice to the bidders.

A minute of the bid opening will be prepared including the following:

a. Name, surname and identity number of those chairing the act on behalf of the Agency and the attendants who wish to sign.

b. Order of opening of the envelopes.
c. Name or Company name of the bidders.
d. Name of bidders whose bids were rejected during the bid opening.
e. A description of the documentation each bidder submitted.
f. Any observation made by the representatives of the Agency or the bidders.
g. Any other information the person chairing the act considers relevant to be included.

The minute will be signed by the person/s chairing the act on behalf of the Agency and the assistants, and any other person who wish to sign. In no event the signature of the act shall imply the acceptance of the envelopes content as complete and satisfactory according to the requirements of this bidding document.

The bidder’s proposals will be automatically rejected, without any further process, during the bid opening act, if:

a. there is no receipt of the purchase of the bidding document.
b. any of the envelopes was not submitted or the envelopes were not correctly identified.
c. the performance security is missing.

The government notary public office will be responsible for safekeeping envelope Nº2 unopened until the pre-awarding committee prepares the evaluation report of envelope Nº1. Envelope Nº2 will be opened on the date and time scheduled by the Agency. In the same act, the envelopes Nº2 of the bids that were rejected by the Pre-awarding Committee will be returned unopened.

38. PRE-AWARDING COMMITTEE

Prior to the bid opening date of envelope Nº1, the Agency will set a pre-awarding committee to prepare an evaluation report of the bids according to the terms and amendments of this bidding document.

According to the schedule established in article 11° and other provisions of this bidding document, the committee will:

a. Request the bidders, at its discretion, any complementary information, clarifications or correction of formal errors. Bidders shall respond to that request no later than five (5) days. Answers will, under no circumstance, modify the offer submitted.
b. Reject those bids that due to insurmountable errors cannot be analyzed, evaluated or compared with others under equal conditions. The committee will advise the Board of Directors of the Agency to reject them.

c. Prepare and submit to the Board of Directors of the Agency an evaluation report of those bids that are responsive to the requirements of the bid document and it will make a recommendation for the award of the contract or, as the case may be, reject all bids and cancel the bid process.

d. Perform all other actions requested or entrusted by the Agency.

39. EVALUATION AND COMPARISON OF BIDS

The pre-awarding committee will follow this procedure detailed below:

a. Check that the bids are responsive to the requirements provided and the documents furnished in envelope N°1.

In the event of identifying, during the evaluation process, any minor informality or non-compliance of a requirement, not considered by the Agency as a reason for rejection and not noticed during the bid opening act; the pre-awarding committee will notify the noncompliance to the corresponding bidder who shall respond to the request in the period referred to in item 38 a) above. Beyond that deadline, the proposal will be rejected without any claim or appeal.

b. Once envelope N°2 is opened, the committee will make a detailed evaluation of the information submitted checking they are responsive to the requirements of the bidding document.

During the evaluation period of the proposals, the Agency and the pre-awarding committee are entitled to make any inspections or audits considered necessary, either of accounting or technical information, as it may consider appropriate.

40. AWARD CRITERIA

The criteria the pre-awarding committee will follow to submit an evaluation report and make a recommendation to the Board of Directors of the Agency to award the contract to the most convenient offer will be, among others:
a. Technical and economic background;
b. Exploration works plan submitted and the total of the investment commitment, with a priority on the greatest investment in the shortest time;
c. Proven organizational, technical and financial competence;
d. Proposed exploration technologies, putting first those with lower environmental impact.
e. Local labor hiring and purchase of local supplies.
f. The economic proposal made.

41. PROPOSALS IMPROVEMENT REQUEST

The Agency reserves the right to request the bidders an improvement in their proposals before issuing the pre-award report. If that is the case, the Agency shall specify which aspects are to be improved.

If there is no answer to the request, the current offer will remain.

42. AWARD OF EXPLORATION CONTRACT

Once the pre-awarding commission finishes the evaluation report, the Agency will decide on the award of the contract, and promptly notify the bidders of the decision.

43. NOTIFICATION OF AWARD

The award of the exploration contract provides notification to the successful bidder who will accept or reject the award no later than ten (10) business days. Failure of the successful bidder to comply with this requirement shall constitute sufficient grounds for the annulment of the award and forfeiture of the bid security, in which event the Agency is entitled to award the contract to the next bid.

44. SIGNING OF EXPLORATION CONTRACT

Upon acceptance of the award, the successful bidder shall furnish the following in the time frame referred to in Section 43 above:
a. Record certificates of National Administration of Social Services (ANSES), Argentine Federal Administration of Public Revenue (AFIP) and Tax Bureau of the Province of Neuquén of the only bidder and, where appropriate, of each member of the group or Joint Venture.

b. In the case of a Joint Venture, the contract or contracts implementing such association, as the case may be, and the documents that certify the existence and powers granted to the legal representative of the bidder, in a public instrument including:

- The object, that must be in accordance with the object of the present call, with concrete determination of its activities and means to carry them out;

- The trade names, which shall be one or more of all of the members, followed by the expression "unión transitoria de empresas";

- The firm name or trade name, its domicile and the registration information of the contract or bylaws or of the matriculation or itemization, as the case may be, corresponding to each member. In the case of companies, the resolution of the company agency that approved the execution of the Joint Venture, as well as its date and the number of the document;

- The constitution of a special domicile for all the purposes derived from the Joint Venture Agreement, among the parties with respect to third parties;

- The contributions owed to the common operating fund and the means of financing or favoring the common activities, as the case may be;

- The name and domicile of the representative. The representative shall have sufficient power of each and every one of the members to exercise the rights and contract the obligations which shall help to fulfill the obligations of the present call;

- The proportion or method of determining the participation of the companies in the distribution of the results or, as the case may be, the income or expenses of the consolidation;

- The rules for the drawing up of general balance sheets, which the administrators shall keep for that purpose, with the formalities established by the Commercial Code, the
financial books in the name of the consolidation which shall require the nature and import of the common activity;

- The sanctions for not fulfilling the obligations;

- The expressed commitment of each member of the UTE/Consortium to assume primary, joint and several liability for each and everyone of the companies associated, with respect to the fulfilment of all the obligations of the present call, of the award and any contractual obligation for the term of the contract;

- The commitment that the duration of the UTE/Consortium shall exceed the term established to fulfill the obligations of this call;

- The commitment not to introduce modifications to the bylaws of companies members that alter the liabilities assumed without previous and express notice of the Agency;

- The commitment to act exclusively under the unified representation established in such contract;

- Set up the task each member of the Joint Venture will have;

Together with the contract of constitution of the Joint Venture (UTE) it shall be filed a certified copy of the meeting minutes of the board of directors or governing body by means of which the member companies approve the constitution.

c. In the case of bidders with more than one member, likewise, it shall be made and certified the unified representation and the legal status of the attorneys of such members.

d. In the case of companies incorporated abroad, duly certified and apostilled copies of the bylaws, constituent acts and documents certifying the legal representation, and the certification of the registration in the Inspección General de Justicia de la Nación (Superintendency of Corporations) or in the Public Commerce Registry of the Province of Neuquén.

e. In case a Joint Venture is awarded, within thirty (30) days after the notification and prior to the signature of the contract, it should be certified the registration in the Public Commerce Register. Non-fulfillment of this obligation constitute sufficient ground for the Agency to annul the award and, if that is the case, the forfeiture of the bid security.
Upon fulfillment of these requirements, the Agency will call the successful bidder at least five (5) days in advance to the act in which the contract will be signed. Failure to attend will result in annulment of the award and forfeiture of the respective security.

If the Agency is not in a position to sign the exploration contract within sixty (60) days after the notification of award, the successful bidder can ask for the annulment and return of the security, with no right to any indemnity.

45. REQUIREMENTS FOR THE OPTION OF EXPLOITATION

Within thirty (30) days prior to the expiration of the term agreed in the exploration contract, **THE EXPLORER** shall duly notify the Agency of the decision to carry out the exploitation stage of the geothermal field it would have discovered. The mere expiration of the term for the option shall constitute sufficient ground for the forfeiture of the right.

The right for the option of exploitation constitutes the explorer’s obligation to prepare and submit to the Agency, within one hundred and eighty (180) running days, a feasibility study including the terms of reference of the following title.
TITLE IV

PRESENTATION, EVALUATION AND APPROVAL

OF THE FEASIBILITY STUDY

46. REQUIREMENTS FOR THE FEASIBILITY PROPOSAL.

The feasibility study mentioned above shall include the following:

a. The physicochemical characteristics of the resources discovered and their conditions for exploitation.
b. The conceptual model of the geothermal field to be exploited.
c. The number of wells to be drilled, both for production and reinjection, and their main characteristics.
d. The availability of geothermal resources and the calculation of exploitation rate of the field/fields discovered to guarantee their sustainable exploitation with a view to generating electrical energy on a commercial scale.
e. Comply with current environmental and mining legislation in the Province of Neuquén and the technical standards detailed in these terms of reference.
f. Guarantee that the electrical energy produced is transported to the points of access to the provincial and/or national electricity grid and its commercialization on the wholesale electricity market.
g. The technical, economic and financial viability of the enterprise proposed. Including the monthly sales of energy and projected capacity during the term of the Exploitation contract. Details of the investments proposed and the organizational structure necessary to carry out the exploitation and other subsequent operations involved in this task.
h. The detail of the investments to be made in safety and environmental protection.
i. Provision of all the necessary background information to support the performance of tests and studies required to prove the technical feasibility of the field exploitation.
j. The obligation to pay on a monthly basis to the Agency a sum of money in respect of the right of use of its mining properties, net of any expenses, costs, taxes or deductions, resulting from the application of the relevant percentage established in the following chart, to the total of the energy and capacity sales invoiced in the relevant month.
### Installed Capacity of Geothermoelectric Generation (MW) and Percentage

<table>
<thead>
<tr>
<th>Capacity Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 20 MW</td>
<td>5%</td>
</tr>
<tr>
<td>Between 21 MW and 40 MW</td>
<td>6.5%</td>
</tr>
<tr>
<td>Between 41 MW and 60 MW</td>
<td>8%</td>
</tr>
<tr>
<td>Between 61 MW and 80 MW</td>
<td>9.5%</td>
</tr>
<tr>
<td>Between 81 MW and 100 MW</td>
<td>12%</td>
</tr>
</tbody>
</table>

If in any calendar semester during the effectiveness period of the Exploitation Contract, the average of the energy and capacity sales invoiced by the awardee are a thirty percent (30%) higher than the average of the energy and capacity sales projected by the awardee in the analysis of technical, economic and financial viability of the enterprise referred in paragraph (g), above; then, the awardee shall pay to the Agency, within the following immediate month after the relevant semester, a sum of money in respect of the right of additional use of the Mines, net of any expenses, discounts, taxes or deductions, resulting from the application of the relevant percentage established in the following chart, over the additional income accumulated during the relevant semester in respect of energy and capacity sales invoiced during such semester.

<table>
<thead>
<tr>
<th>Average of additional income accumulated during the relevant semester in respect of energy and capacity sales invoiced during such semester</th>
<th>Non-cumulative Percentage applicable over the additional income in respect of energy and capacity sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 30% and 50%</td>
<td>15%</td>
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<tr>
<td>Between 50% and 100%</td>
<td>30%</td>
</tr>
<tr>
<td>More than 100%</td>
<td>50%</td>
</tr>
</tbody>
</table>

k. The obligation to pay to the Agency during the entire productive life of the project, a twenty percent (20%) of the carbon bonds obtained as a result of the Clean Development Mechanism of the Kyoto Protocol and/or similar mechanisms supplementing and/or extending it.

### 47. ADDITIONAL DATA AND BACKGROUND INFORMATION

The Agency can request the explorer to give additional or complementary information of certain aspects of the feasibility study. Failure to meet this requirement on time constitutes sufficient ground for the refusal of the exploitation option.
48. EVALUATION AND APPROVAL

The Agency shall evaluate the feasibility study, within ninety (90) days after the presentation, and it shall issue the approval or rejection of the study in the stipulated period.

For purposes of evaluating and approving the feasibility study, the economic rights of the Agency enforceable vis-à-vis the awardee are limited to subarticles j) and k) of article 46.

The Agency may not reject the feasibility study without just cause.

In case of a grounded rejection of the feasibility study, the Agency shall indicate expressly and in detail the issues to be improved by the awardee in its feasibility study in order to be approved. In such case, the awardee shall file such improvements in the feasibility study within a term of thirty (30) days.

Justified rejection will entail no liability for the Agency being this act definitive and irrevocable.

Upon approval of the feasibility study, the Agency will notify the explorer and invite him to subscribe, within the following thirty (30) days, the concession contract to exploit the mineral discovered in the mines for a period of twenty five (25) years, according to the object and specifications of this call.

If the Agency is not in a position to sign the concession contract for exploitation within sixty (60) days after the notification of award, the successful bidder can ask for the annulment with no right to any indemnity.

49. PERFORMANCE SECURITY

Within twenty (20) days after the notification of the approval of the feasibility study and prior to the signature of the concession contract, the explorer shall furnish a performance security, to the entire satisfaction of the Agency, equivalent to five (5) per cent of the value of the investments committed in the proposal, by means of any of the forms included in this bidding document. Unfulfillment of this obligation, or defective fulfillment enables the Agency to declare null the right to execute the contract of exploitation without incurring any liability to the bidder.
EXHIBIT I

GEOGRAPHICAL, MINING REGISTRY AND LEGAL INFORMATION OF THE MINING RIGHTS HELD BY ADI-NQN OFFERED IN THIS CALL

1.- Data of the Mining files: registered by the Agency before the Mining Authority of First Instance of the Province of Neuquén:


2.- Sketch and Maps according to the official cartography of the Province of Neuquén:

Departamento: MINAS
EXPTE. N°: 4885-297585-2010
Mina: MATEMA (Vapores Endogenos)
Superficie: 4,768 Has (Area de Indispensabilidad)
Sección: XXXII
Fracción: G
Lotes: 15, 16, 17

Coordenadas Gauss Krüger - POSGAR 94

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</tr>
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</table>

Superposiciones:
Reserva Domuyo
Expte. 294/2008
EXHIBIT II

FORM OF INTRODUCTION LETTER

Mr.

President of the Agency for the
Promotion and Development of Investments
Of the Province of Neuquén

ENG. PEDRO SALVATORI

Re.: Submittal of Economic Offer.

Public Call for Bids of Investors

The under signatory (ies), having studied the Bidding Terms and Conditions of the public call of reference and circulars N°..... to N° ...... issued by the Agency, hereby submit(s) for assessment of the Agency and state(s) that he/they:

1. Guarantee(s), under affidavit, the truth and exactitude of all furnished information, authorizing official organisms, insurance companies, banks, financial companies, manufacturers, suppliers and/or any person or company, to furnish any information related with this presentation which is requested by the Agency.

2. Establish(es) special domicile for purposes of this public call for bids in .... of the City of Neuquén.

3. Accept(s), irrevocably, the decisions of the Agency in this public call for bids, without any right to claim in case it is not a beneficiary of the pre-award.

4. If at the date established for the opening of the exploration offer, the legal, technical, financial or contractual conditions of our company(ies) have changed, we commit to
inform it to the Agency and we acknowledge that the Agency may modify, if applicable, the qualification granted to our company(ies).

5. Attach all the documentation and information required in the Bidding Terms and Conditions of this public call.

Date: / / 2012

Name of the Offeror(s): .................................................................

Representative(s): .................................................................

In capacity of .................................................................

Signature: .................................................................

Clarification of signature and seal .................................................................
EXHIBIT III

FORM OF SUBMITTAL LETTER OF THE ECONOMIC OFFER

Mr.

President of the Agency for the

Promotion and Development of Investments

Of the Province of Neuquén

ENG. PEDRO SALVATORI

Re.: Submittal of Economic Offer.

Public Call for Bids of Investors ......................................

In our condition of admitted offerors, according to the Bidding Terms and Conditions of this call, on behalf of (the company/the Joint Venture)...., the undersignatory, in my capacity of Legal Representative of the same, in full agreement with such Bidding Terms and Conditions, addresses to You for the purpose of submitting the economic offer for the exploration of the Mines.

Through my representation, said (Company /Joint Venture) acknowledges to comply with the extent, conditions and technical specifications for the performance of all the tasks established in the documents of this Call, its exhibits and Circulars.

For this purpose, it offers to pay to the Agency, in accordance with Section 28 of the PBC, the following amount:

USD................................. in cash, in respect of right of use of the mining properties of the Agency, free of all charge, discount, tax or deduction, in United States Dollars bills, paid within thirty (30) days as of the execution of the exploration contract and USD ........................., paid within (30) days as of the execution of the concession contract (Section 28 of the PBC).

Yours sincerely,
EXHIBIT IV

DRAFT OF EXPLORATION CONTRACT

DRAFT OF MINING EXPLORATION CONTRACT

TO BE EXECUTED BETWEEN ........................................AND THE AGENCY FOR THE PROMOTION AND DEVELOPMENT OF INVESTMENTS OF NEUQUEN PROVINCIAL STATE OWNED COMPANY -ADI-NQN S.E.P.-

In the City of Neuquén, Province of Neuquén, Republic of Argentina, on ……, 2012 between the AGENCY FOR THE PROMOTION AND DEVELOPMENT OF INVESTMENTS OF NEUQUEN PROVINCIAL STATE OWNED COMPANY represented herein by its President, Engineer Pedro Salvatori, DNI .............., with legal domicile at ...... City of Neuquén, Capital City of the Province of Neuquén, hereinafter THE AGENCY, and ..........................................., in its capacity of awardee of the PUBLIC CALL FOR INVESTORS FOR THE EXECUTION OF AN EXPLORATION CONTRACT, WITH AN OPTION FOR EXPLOITATION, TO DISCOVER AND PRODUCE ENDOGENOUS STEAM IN THE AREA OF THE MINES “MARIA VICTORIA” AND “MAITENA” – MINING DEPARTMENT, PROVINCE OF NEUQUEN, ARGENTINA, with legal domicile at ……, and established for purposes of this call in ……, represented herein by ……, hereinafter THE EXPLORER, agree to execute this EXPLORATION CONTRACT, which shall be governed by the following terms and conditions.

THE PARTIES ACKNOWLEDGE THAT:

1. In accordance with Executive Decree of the Provincial Executive Branch Nº 2010/09 and Administrative File Nº 4303-000053/10 section 00001/12 of the Registry of THE AGENCY, the latter has made a call to investors interested in executing an exploration contract to discover and produce endogenous steam within the area of the Mines held by THE AGENCY, which data is included in Exhibit I of this Bidding Terms and Conditions.
2. According to Section 1 of the PBC, THE EXPLORER shall have the right to exercise, in accordance with the terms and conditions established in this Bidding document, the option to exploit the mineral discovered, for a period of up to (25) twenty five years, and to execute with THE AGENCY an exploitation contract to build and operate one or more geothermal plants of electricity generation and to market the electricity within the Argentine Wholesale Electricity Market.

3. Upon duly completion of the relevant call for bids, ...... has been selected by THE AGENCY to carry out the exploration phase, in accordance with the approved offer.

4. Based on the foregoing, both parties ratify their mutual interests and their agreement to execute this contract.

Therefore,

THE PARTIES AGREE:

ARTICLE 1º.- OBJECT AND SCOPE

THE AGENCY, by means of this agreement, grants to THE EXPLORER, the exclusive right to carry out exploration works, with the sole purpose of discovering and developing endogenous steam within the geographical area of the mining properties which details are included in Exhibit I of the PBC. Such works will be executed at the cost and risk of THE EXPLORER within the term established in this agreement, in accordance with the terms in which the offer was approved.

ARTICLE 2º.- REPRESENTATIONS AND GUARANTEES OF THE PARTIES

THE AGENCY represents and guarantees to THE EXPLORER that:

1. It is a State owned Company of the Province of Neuquén, duly incorporated, organized and in effect according to the laws of the Republic of Argentina, with full legal capacity to execute this contract, as well as to undertake and fulfill the obligations established therein.

2. It is the exclusive, undisputed and current holder, according to the mining legislation in effect, of the mining rights described in Exhibit I of the PBC and that it may dispose of such
rights by means of this contract, and that such rights are free of charges, mortgages, encumbrances, or limitations of any nature.

3. The geographic area covered within such mining rights is in legal conditions to be explored in the terms offered in this call and established herein.

4. In executing this contract, it does not incur in violation of other agreement or previous agreement.

5. It holds an exclusive right to execute this Contract, which is binding in accordance to its terms.

6. It does not exist any individual or legal person, except for THE AGENCY, that holds a better mining right over the mines, with power to evaluate it, prospect it, explore it and exploit it, totally or partially.

7. Any and all fees, taxes, charges, national provincial and municipal contributions, rights, expenses and works related to the mining rights have been paid at the date of execution of this agreement.

8. It does not exist any claim in respect of such mining properties nor, to the best of its knowledge, any grounds for such claim.

THE EXPLORER represents and guarantees to THE AGENCY that:

1. It is a legal person duly incorporated, organized and in effect in accordance with the laws of the Republic of Argentina, with sufficient powers to execute and fulfill this Contract, as well as to undertake and comply with any and all of the obligations established herein.

2. In executing this contract it does not incur in violation of any agreement or previous agreement.

3. It holds the right to execute and comply with this Contract, which is binding according to its terms.
4. It has made a complete review of the documentation mentioned in the PBC, especially of the mining administrative files indicated in Exhibit I of this Bidding Document and that it has no doubts as to its technical and legal validity.

5. Acknowledges and accepts the factual situation in which the Mines are at the date of execution of this agreement, undertaking all the costs and inherent risks to such situation.

6. In accordance to its offer, delivered within the frame of this Call, it executes this Contract with full knowledge of its consequences and complying with any and all of the terms and conditions of this agreement.

The representations and guarantees established in this article are considered by the parties conditions which were essential for them to sign this contract.

**ARTICLE 3º.- RIGHTS AND POWERS OF THE AGENCY**

THE AGENCY holds vis-à-vis THE EXPLORER the following rights and powers:

1. During the exploration phase, THE AGENCY, through its personnel, may enter, stay and exit on a free and expedite basis from the geographic area where THE EXPLORER carries out the works due under this contract and shall have access to all tasks, works and the exploratory documentation directly related with the Area of this Contract. THE AGENCY shall procure, nevertheless, that such right does not disturb the works of THE EXPLORER and may, furthermore, take the amount of control samples extracted by THE EXPLORER that it deems necessary. Also, THE AGENCY shall have the right to audit the financial calculations of THE EXPLORER –and back up documentation- in such aspects related with the exploration due under this Contract. Such audit shall be performed in the domicile in which the financial documentation is or the domicile indicated in the future, on an annual basis, and prior notification of THE AGENCY to THE EXPLORER with an anticipation of no less than thirty (30) days.

2. To collect from THE EXPLORER the sums of money established in respect of right of use of the mining properties.

3. To receive and dispose of all the information generated in relation to the works carried out under this contract.
4. Carry out any and all the necessary actions for the conservation of its property and disposition of the Mines, notwithstanding the obligations undertaken by THE EXPLORER in this respect.

5. Other not enumerated but arising from the legislation in effect.

**ARTICLE 4º - OBLIGATIONS OF THE AGENCY**

THE AGENCY freely undertakes vis-à-vis THE EXPLORER to:

1. Do not carry out any illegal act that affects or may affect the rights of THE EXPLORER under this contract.

2. Do not execute contracts or carry out negotiations over the Mines object of this Contract, nor grant to third parties any right or interest over the Mines.

3. If during the effectiveness of this Contract, it verifies a judicial seizure or other encumbrance over the mines, for any cause beyond the control of THE EXPLORER, THE AGENCY undertakes to lift up such measure within a maximum term of one hundred and twenty (120) days counted as of the date in which it takes notice of such measure, and to communicate it to THE EXPLORER.

4. Carry out any and all acts and grant any and all documents necessary for complying with the articles of this contract, as the case may be.

5. Make available to THE EXPLORER all the registries and documents related to the mines, including all the technical, geological, administrative and legal information which is in power of THE AGENCY, allowing THE EXPLORER to take copies of the same.

6. Submit this contract and its exhibits for registration before the Mining Authority in First Instance within five (5) days as of its execution.

7. Collaborate with THE EXPLORER in the pursuance of all the permits and authorizations necessary for the exploration, at the request and cost of THE EXPLORER.
ARTICLE 5° - RIGHTS OF THE EXPLORER

THE EXPLORER holds vis-à-vis THE AGENCY the following rights:

1. To carry out on an exclusive basis over the Mines the works and actions pursuing the performance of this contract, at its exclusive cost, risk, criterion and responsibility, in accordance with legal rules, employing all necessary human, material, organizational and financial resources.

2. To drill, extract, analyze and process samples of mineral, send them to laboratories or research facilities, local or foreign, and remit samples with the volume necessary for their analysis, as well as samples of the surface.

3. To carry out surveys and/or geological, geophysical and geochemical prospects.

4. To enter and stay in the area of the Mines, including its representatives, agents, contractors or employees, for the purpose of carrying out the exploration and other works related with the mines, exercising over the Mines, without limitation, all the rights established in this contract and carry out all the activities that THE AGENCY has a right or obligation to carry out according to the Mining Code in effect and future amendments.

5. To install or take from the mine all the supplies, machinery, tools, equipment or facilities of its ownership and that are not necessary for the performance of the agreed exploration.

6. To open up ways of access and build the facilities and edifications that, at its criterion, are necessary or convenient for the purpose of this contract, previously obtaining any necessary permit.

7. To request the consent of the Agency in the terms of Article 10, for the assignment of the Exploration Contract as a collateral, for purposes of obtaining financing for the fulfillment of the Investment Commitments.
ARTICLE 6.- OBLIGATIONS OF THE EXPLORER

THE EXPLORER is obliged vis-à-vis THE AGENCY to:

1. Pay to THE AGENCY in respect of right of use of the mining property, the total amount of ............... according to the following detail:

   All payments shall be calculated and performed free of all expense, discount, encumbrance or deduction, within due dates, in United States Dollar bills or converted to Argentine Pesos at the purchaser exchange rate of the Banco de la Nación Argentina, applicable to the day before the expiration of such obligations, and deposited in the account indicated by THE AGENCY.

2. Carry out its work program in accordance with the most rational, modern and efficient methods and techniques, with the purpose of achieving the most complete evaluation of the possibilities of the mines.

3. To adopt all the necessary measures to prevent, reduce or avoid damages to the coexistent surface or mining activities, as well as those measures that consider the protection of the environment and natural resources, complying with national and provincial rules, international admitted practices and specifically, with the technical rules established in Article 10 of the PBC.

4. Carry out the investments committed in the work program approved by THE AGENCY.
   The term “investments” includes –without limitation- any expense incurred by THE EXPLORER in market conditions, in direct relation with the performance of the exploration works committed herein, including the following: the acquisition, rent and leasing of equipment and machinery affected to the exploration of the mines; the import and transport of the same; the performance of mapping, geophysical, geochemical and geological works, analytical surveys and metallurgical proofs, environmental reports, surveys, drilling and analysis of samples; payments of salaries, social security charges of the relevant personnel; payment of insurances related with the relevant goods and services.
5. Report on an annual basis and on a reasonably detailed basis, the works carried out and the data obtained therefrom, as well as the evaluation of the latter, with the clarifications requested by THE AGENCY.

6. Submit on a semester basis to THE AGENCY advance reports informing the works carried out during such period and the data obtained therefrom, supplying the relevant interpretations.

7. At the expiration of this contract, THE EXPLORER shall deliver to THE AGENCY a final report containing the obtained results, which shall include the relevant documentation and detail of the factors considered for reaching the obtained results. It shall also include maps with the exact location of the discovered fields, drillings completed, using the coordinates of the official cartography of the Province of Neuquén, analysis of extracted samples, production tests, results of the geological and geophysical campaigns, etc. This report shall be submitted even though the Contract was terminated before due date.

8. Register, in favor of THE AGENCY, all the mines discovered as a consequence of the exploration works in addition to the ones that are part of this contract. THE EXPLORER shall be in charge of paying fees, delimitation and any other legal procedure of the mines eventually registered for the purpose of this Contract, as well as the eventual vacant mines that THE AGENCY may request within the Area of this Contract and that are considered to be included in such Area. THE AGENCY obligations to collaborate with THE EXPLORER for the fulfillment of any procedure necessary to complete the registration of the mines in favor of THE AGENCY, including without limitation the execution of briefs, public deeds and other documents.

9. Comply with, at its own cost, all the procedures and conditions established by the provincial and national mining legislation in respect of the Mines, including with those related with the registry, publications, request of mining rights, payment of fees and delimitation. Specially, it shall submit before the mining authority the preliminary plan and amount of fixed capital investments as referred in Section 217 of the Mining Code. Also, comply with any material procedures established in such rule including the environmental procedure, taking care of not incurring in the revocation causes established in Section 218 of the Mining Code. If applicable, THE EXPLORER is obliged to submit and comply with the eventual projects of activation or reactivation requested by the Mining Authority according to Section 225 of the
Mining Code. **THE EXPLORER** may request to **THE AGENCY** to claim the concession of any other mining right and of the easements necessary to exploit the fields that **THE EXPLORER** discovers.

10. Comply with all the environmental legal rules of any hierarchy of a national, provincial and municipal level.

11. Retain at its own cost and charge, and maintain in effect, the insurances necessary for the coverage of the risks for the activities to carry out under this Contract, as well as the insurances that are mandatory to retain according to legal dispositions and the following:

   a. Labor risk, for its entire payroll during the effectiveness of this contract. If it contracts any work or service with third parties, it shall request them the relevant insurance and the monthly certificate of effectiveness. Failure to comply with this obligation shall make **THE EXPLORER** responsible vis-à-vis **THE AGENCY** from any labor accident not covered by an insurance company.

   b. Civil liability, covering all the persons not employed by **THE EXPLORER** and that, for any purpose related with the performance and development of the Work Program, shall stay at the Mines and the movables, immovables and vehicles located in the Mines at the time of execution of this contract or incorporated in the future.

   c. Fire insurance.

   d. Environmental insurance, to cover all the environmental damages produced within the Mines, or arising from the performance of this contract.

Such insurances shall appoint **THE AGENCY** as beneficiary.

The relevant policies shall be kept in effect and with updated values, according to the actual value of the insured goods. **THE EXPLORER** shall deliver such policies to **THE AGENCY** within forty five (45) days as of the date of issuance by the Insurance Company appointed by **THE EXPLORER** and approved by **THE AGENCY**.
The policies shall establish the obligation of the insurance company to notify THE AGENCY of any omission, in particular a payment default, with an anticipation of fifteen (15) days before the date in which such default may cause the termination of the relevant insurance. Discounts applied by the Insurance Company against the compensations for accidents shall be exclusively in charge of THE EXPLORER.

The insurance companies issuing the insurances must be prestigious companies, authorized by the Superintendence of Insurances, and the contracts must comply with the conditions and characteristics of Laws 17, 418 and 20,091 and supplementary rules.

12. Comply with the obligations related with the payment of salaries and social charges of payroll or retained under its responsibility, as well as those related with payment of taxes, tariffs and contributions taxing its activity in the Republic of Argentina, and penalties obliged to pay because of defaults, and the charges for energy consumption, fuels and communication services and/or any other nature that were to be used within the area of the Mines.

13. Undertake to hold harmless THE AGENCY from the obligations assumed with workers and social security during the effectiveness of this Contract and after its expiration, except for the personnel of THE AGENCY.

14. Hire to complete the necessary payroll, the largest possible amount of professional and technical personnel of the area of the Mines, qualified for the tasks to be performed.

15. Undertake on an exclusive basis the liability established in Section 58 of the Mining Code. Therefore, in case of any damage to third parties, THE EXPLORER shall hold harmless THE AGENCY, and shall undertake any compensation, except for any damages arising from negligence and willful misconduct of THE AGENCY. THE AGENCY is obliged to communicate to THE EXPLORER in convenient time the relevant claim, even before the judicial phase, as soon as acknowledged by THE AGENCY.
ARTICLE 7º. EFFECTIVENESS PERIOD

This contract shall have a maximum and non-extendable effectiveness period of ... years, during which THE EXPLORER shall have the right to perform on an exclusive basis, as of its execution, the exploratory works offered and accepted by THE AGENCY.

ARTICLE 8º. PATENTS

THE EXPLORER shall not have the right to request any type of compensation for the use of patents of its property or of third parties, used during the performance of this contract. In respect of the patents that are not owned by THE EXPLORER, the latter shall indicate the name and domicile of the owners and the conditions for its eventual use.

THE EXPLORER shall be responsible for the adoption of patented solutions, procedures and mechanisms, having to compensate for all the claims, requirements and expenditures that may arise therefrom and shall hold harmless THE AGENCY from any claim against the latter for this cause.

ARTICLE 9º. CONFIDENTIALITY

The parties agree that all the data and information obtained during the effectiveness of this contract and related to it is confidential, thus it may not be disclosed totally or partially without the prior agreement of both parties.

Given that the information generated within the frame of this contract is owned by THE AGENCY, this obligation will expire on the 6th month since the termination of this contract, for any reason whatsoever.

This clause shall not be applicable if the confidential information is requested by virtue of a court order, by a potential purchaser who previously must sign a confidentiality agreement, or if it is already of the public domain for any reason not related with a default of this agreement.

This prohibition to disclose information includes, without limitation, internal techniques and methods used by THE EXPLORER, as well as information related to the Area of the Mines or to discoveries and information contained in the reports submitted by THE EXPLORER during
the effectiveness period of this Contract. This obligation shall be extended to the representatives and personnel of THE AGENCY and THE EXPLORER.

ARTICLE 10º. ASSIGNMENT OF THE CONTRACT

Any total or partial assignment of this contract shall be carried out, exclusively, with the prior approval, in writing, of THE AGENCY.

THE EXPLORER may subcontract works and services accessory to the development and completion of this Contract, but may not assign or subcontract the general management of this Project. THE EXPLORER shall be the sole responsible at all times vis-à-vis THE AGENCY.

ARTICLE 11º. FORCE MAJEURE

If any of the parties were to understand that any of its obligations cannot be complied with, temporarily or definitively, due to force majeure according to the Civil Code, it shall communicate it to the other party, who shall accept or reject it within a 48-hour period.

ARTICLE 12º. COMPENSATION FOR UNDER-INVESTMENT

If THE EXPLORER were not to perform the investment commitments in accordance with the work program approved by THE AGENCY, during the first annual period, without just cause, it shall pay as exclusive compensation to THE AGENCY an amount equivalent to the amount not invested. Without prejudice to the total investment commitment agreed pursuant to article 6º subarticle 4), THE EXPLORER may invest, during an annual period, an amount not less than fifty per cent (50%) of the amount estimated for such period, proving vis-à-vis THE AGENCY that such change is necessary or convenient given the development of the exploration program. To such end, THE EXPLORER, within 30 days following payment indicated in article 6º subarticle 1), will inform to THE AGENCY the exact amount to be invested in such Period.

If the investment of any of the annual periods exceeds the minimum, such excess shall be credited against the following periods.
ARTICLE 13º. PENALTIES. PROCEDURE.

Any failure of the obligations undertaken by THE EXPLORER shall be penalized according to the following contractual penalties, without prejudice of the ones applicable according to general legislation, and of the right of THE AGENCY to declare the termination of this contract and to claim the relevant damages:

1. Warning.
2. Fines ranging from 1% (one per cent) and 3% (three per cent) over the amount of the economic offer accepted by THE AGENCY.
3. Suspension of the contract.

For purposes of enforcing the penalty, THE AGENCY shall consider the character, the repetition and the measure of the failures of THE EXPLORER, being empowered to add to the penalty, in case of the generation of other damages as a result of the failure, the amounts proceeding from such failure.

The repetition by THE EXPLORER of a given failure shall mean in every case an aggravating circumstance.

In case of a repetition of failures that may lead to a penalty, such penalty may be increased up to the double of the amount that may originally correspond.

In any case the penalties shall be enforced without prejudice of any interests applicable under this contract or under applicable legislation.

The enforcement of penalties does not exempt THE EXPLORER from the fulfillment of its obligations.

For such purposes, when notifying a penalty, THE EXPLORER shall be warned to comply with the failed obligation within a period ranging from five (5) and thirty (30) days depending on the character of the failure, and under threat of the enforcement of new penalties or the termination of this contract, as the case may be.

Penalties shall apply due to the mere formal failure of the obligation, without prejudice to the existence of willful misconduct or negligence of THE EXPLORER and of the persons for which THE EXPLORER is liable.

The enforcement of penalties shall have to abide by the following procedure:

1. Verification by THE AGENCY of the potential failure.
2. Confirmation of THE EXPLORER’s failure by THE AGENCY by means of a duly grounded resolution.

3. Notification of the failure and warning to THE EXPLORER to cease such failure and to file a brief of defense within a term not larger than ten (10) days.

4. Upon the review of the brief of defense, or upon the expiration of the term to file it, THE AGENCY shall take its decision, notifying by note the applicable penalty.

ARTICLE 14º. - TERMINATION OF THE CONTRACT WITHOUT NEGLIGENCE OF THE EXPLORER

Upon the completion of the first year of the exploration term and completion of the relevant investment commitment, THE EXPLORER may, within thirty (30) days before the expiration of each annual period, notify THE AGENCY of its decision to terminate this Contract. If so, THE EXPLORER holds the right to discontinue with the exploration and the Contract shall expire the last day of the relevant annual period, without prejudice of the obligation of THE EXPLORER established below.

Upon the receipt by THE AGENCY of the notification established herein, THE EXPLORER shall not be obliged to continue carrying out any investment over the Mines. However, it shall employ its best efforts to leave them free of machineries, tools, and personnel used for the purposes of this Contract, within a term that may not exceed sixty (60) days. Any payment made by virtue of Article 6º will be kept by THE AGENCY and shall be non-refundable.

ARTICLE 15º. TERMINATION OF THE CONTRACT

The parties agree that if any circumstance derived from the situation of the area of the Mines or from the action of surface owners or occupants, adversely affects the development of the exploration project and/or the potential exploitation, in such a ways that justifies a termination by mutual agreement of the Contract, it shall not exist any liability between the parties, nor compensation of any nature.

In case of failure of any of the parties to any of its obligations according to this Contract, the non-defaulting party may request to the defaulting party to cure its default. If there is no cure, the non-defaulting party may opt to:
a. Terminate this Contract in the terms of Article 1204 of the Civil Code, with all the relevant legal and contractual effects.

b. Cure the failure of the other party, in which case any expenses incurred by the non-defaulting party shall be paid by the defaulting party.

c. Request the defaulting party to comply with the Contract.

Upon the termination, anticipated or not, of this Contract, THE EXPLORER shall not have any obligation vis-à-vis THE AGENCY, except for any pending claim or credit during the effectiveness of this Contract between the parties or vis-à-vis third parties. This rule shall apply in case of assignment of this Contract.

Upon the termination, anticipated or not, of this Contract, THE EXPLORER may take any movables, equipment, gadgets, machinery, items and all the other objects that do not have a perpetual character or are not permanently fixed to the land.

ARTICLE 16ª. TERMINATION BY THE AGENCY

The following shall be the events of termination by THE AGENCY:

a. The failure by THE EXPLORER of any of the obligations undertaken under this Contract for the development and performance of the work program.

b. The ungrounded abandonment or cessation of the works or tasks initiated for a term larger than five (5) continued days or ten (10) discontinued days within each relevant month, provided that there are no force majeure causes accepted by THE AGENCY.

c. If the offer has included false statements and those where determinant for the award of the Contract.

d. If THE EXPLORER incurs in fraud or negligence in the fulfillment of its obligations.

e. If THE EXPLORER totally or partially assigns the Contract or assigns or subcontracts the general management of the Project, without the prior authorization by THE AGENCY.

f. In case of a liquidation procedure or restructuring procedure of THE EXPLORER.
Whenever any of the enumerated causes is verified, THE AGENCY shall request to THE EXPLORER to cure such failure, within a reasonable period, adopting any necessary measures to such purpose. Upon the expiration of such term, if THE EXPLORER did not file its brief of defense, cured such failure or submitted a cure program acceptable for THE AGENCY, the latter may terminate this Contract and enforce the Performance Security.

Furthermore, THE AGENCY may establish the liquidated amounts enforceable to THE EXPLORER in respect of fines and estimated damages, deficiency adjustments and other concepts derived from failures arising from the performance of the Contract until the termination, and retain the liquidated sum of the amounts owed by THE EXPLORER. In this case, it shall communicate to THE EXPLORER such liquidation. THE AGENCY may further claim to THE EXPLORER any compensation of damages suffered as a consequence of the termination of the Contract, which were not included in the settlement account, or were discovered after the liquidation.

Unless it were to exist the situation described in the last paragraph of this article, within thirty (30) days of the termination, THE EXPLORER shall have to relinquish to THE AGENCY the Mines and sign the necessary documents due to the termination of the Contract. Within the following thirty (30) days, it shall leave the Mines and take at its own cost the machinery, tools, equipment and facilities that were of its property and were not incorporated or installed in the mines as a result of the contract. The mining property shall be relinquished in accordance with the environmental legislation in effect. To such end, THE EXPLORER shall have the right to inspect the mining property during such period with the sole purpose of carrying out environmental clean-up, verifying the situation of the mines and of the activities developed until the termination of this Contract. At the expiration of the thirty (30) day period, THE AGENCY shall assume the possession of the mines in the situation in which they are.

Within that same thirty (30) day period, THE EXPLORER shall deliver to THE AGENCY, a copy of all the information obtained during the carrying out and development of the exploration contract until the termination, including the maps, geological reports, surveys results, drilling registries, samples and drilling data and technical data gathered during the assessment of the mining property object of this Contract, in digital format and/or paper.
Notwithstanding the termination of this Contract, it shall survive any liability of THE EXPLORER in relation to any claim by third parties, arising from the activities carried out by THE EXPLORER under this Contract or its termination.

THE EXPLORER expressly grants to THE AGENCY the right to recover the possession of the mines and of the facilities, edifications, works, etc., existing in the mines, immediately after the notification of the termination, when at the exclusive criterion of THE AGENCY, such action were to be necessary to preserve the mines, the environment, or any other cause. Furthermore, it expressly grants authorization to, even without recovering the possession of the mines, carry out, by its own or through third parties, clean-up works or remediation of the environment or the mines. If THE AGENCY were to exercise this right, THE EXPLORER withdraws to object, without prejudice of any other claims and rights that might correspond.

ARTICLE 17º. TERMINATION BY THE EXPLORER

The following shall be the events of termination by THE EXPLORER:

a. The failure by THE AGENCY of any of the obligations undertaken under this Contract for the development and performance of the work program.

b. Any adverse effect of the mining area or of the free disposition of the same by THE AGENCY for purposes of developing and performing the work program.

ARTICLE 18º. CHOICE OF LAW

This contract shall be governed and construed in accordance with the laws of the Republic of Argentina.

ARTICLE 19º. DISPUTE RESOLUTION

The Parties shall solve in good faith, amicably, and by means of negotiation, any controversy that may arise, related with the enforcement and construction of this contract.

Any controversy that may arise and that may not be solved through mutual agreement and/or any matter triggering the enforcement and construction of the rules governing this contract, shall be submitted to the judicial courts of the I Judicial Circuit of the Province of Neuquén, with express withdrawal of any other forum or court.
ARTICLE 20º. DOMICILE, CORRESPONDENCE AND NOTIFICATIONS

The parties establish for all the effects derived from this contract the following domiciles:

1. THE AGENCY: …………………………, City of Neuquén, Capital City of the Province of Neuquén.

2. THE EXPLORER: …………………………, City of Neuquén, Capital City of the Province of Neuquén.

The established domiciles shall survive and be valid for all notifications, unless any change duly notified.

All the communications and notifications between the parties shall be made in writing and shall be effective when received in their domiciles.

Any communications, notifications and documentation which content were to be anticipated through fax or e-mail shall be confirmed in writing duly dispatched after its transmission.

In any communication between THE EXPLORER and different enforcement authorities of the National or Provincial State, THE EXPLORER shall remit a copy to THE AGENCY, who will keep an administrative file with such copies.

ARTICLE 21º. RECOVERY OF THE PERFORMANCE SECURITY

Within ninety (90) days counted as of the expiration of this contract, THE AGENCY shall return to THE EXPLORER the performance security established in favor of THE AGENCY.

IN WITNESS, the representatives duly authorized by the parties execute three (3) identical copies of this Contract, one for each party and the other for registration with the Mining Provincial Direction, in the date and place abovementioned.