

This regulation is to set out the procedures for approval of Hydrocarbon license agreements, agreements, as well as deadlines for their adoption.

1. The procedure for the preparation and approval of a Hydrocarbon Agreement from Albpetrol and National Agency of Natural Resources (NANR) according to the blocks under their administration is as follows:

a. Any interested entity submits with Albpetrol or NANR an application to enter into a Hydrocarbon Agreement. Albpetrol or NANR must submit the necessary documentation and a request for approval of the opening of negotiations to the Ministry of Energy and Industry (MEI).

b. In case of approval, representatives of Albpetrol or NANR shall start negotiations with the interested entity for the Main Terms and Conditions of the Hydrocarbon Agreement, based on the application submitted by the interested entity. Once agreed, the document signed by both parties shall be submitted to MEI for approval.

c. In case of approval of Main Terms and Conditions of the Hydrocarbon Agreement, NANR begins the process of negotiation. The process ends when the final draft is signed on each page by representatives of NANR and the interested entity.

The final draft shall be translated in Albanian and shall be submitted to MEI for approval. If it deems necessary NANR performs a Technical Opponency and the draft, after review, is forwarded to MEI for approval.

d. Signed draft of the Hydrocarbon Agreement may be sent for a Technical Opponency from MEI if it deems necessary. MEI shall send the draft for a formal opinion to the Ministry of Finance and Ministry of Justice.

In case of formal observations from the two ministries or from the Technical Opponency and in case such observations are considered accurate the draft shall be renegotiated.

After the conclusion of the negotiations NANR submits the reviewed draft for approval and signature to the Minister of MEI.

e. After the signature of the Hydrocarbon Agreement from the Minister of MEI, it is sent for final approval to the Council of Ministers.

2. The procedure for the preparation and approval of a License-Agreement, is as follows:

a. Albpetrol submits to NANR the application for a license-agreement by MEI, after approval from MEI of the Terms and Conditions of the Hydrocarbon Agreement.

b. NANR prepares and sends to Albpetrol the License-Agreement draft. This draft shall be discussed between Albpetrol and NANR and shall be prepared a final version signed on each page. The final draft shall be submitted to MEI for approval and signature.