

NOTICES FROM MEMBER STATES

COMMUNICATION FROM THE GOVERNMENT OF THE REPUBLIC OF POLAND

concerning Directive 94/22/EC of the European Parliament and of the Council on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons

(2023/C 160/04)

Public invitation to bid for a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Gryfice' area

SECTION I: LEGAL BASIS

1. Article 49h(2) of the Geological and Mining Law Act (Journal of Laws (*Dziennik Ustaw*) 2022, item 1072, as amended)
2. Cabinet Regulation of 28 July 2015 on bidding for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171)
3. Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons (OJ L 164, 30.6.1994, p. 3; Special edition in Polish: Chapter 6, Volume 2, p. 262)

SECTION II: ENTITY INVITING BIDS

Name: Ministry of Climate and Environment

Postal address: ul. Wawelska 52/54 00-922 Warszawa, Poland

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Internet: www.gov.pl/web/klimat

SECTION III: SUBJECT OF THE PROCEDURE

1. Type of activities for which the concession is to be granted:

Concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Gryfice' area, part of concession blocks Nos 62, 82 and 83.

2. Area within which the activities are to be conducted:

The boundaries of the area covered by this bidding procedure are defined by lines joining points with the following coordinates in the PL-1992 coordinate system:

Point No	X [PL-1992]	Y [PL-1992]
1	691 055,17	219 674,19
2	692 737,14	221 619,12
3	693 771,09	224 785,26
4	695 846,05	233 241,52
5	697 800,71	239 098,78
6	689 034,77	237 808,88

Point No	X [PL-1992]	Y [PL-1992]
7	688 700,54	245 043,47
8	687 684,41	264 181,99
9	684 723,09	259 134,45
10	673 948,18	266 614,09
11	675 598,09	237 055,20
12	673 865,95	223 383,30
13	673 409,40	219 824,29
14	677 185,11	213 499,78
15	687 174,95	217 946,87
16	685 637,43	221 987,20
17	688 367,49	223 047,42
18	689 636,16	219 042,50

with the exception of the polygon defined by the following points 19 to 23:

Point No	X [PL-1992]	Y [PL-1992]
19	679 335,20	223 870,95
20	679 746,86	224 268,31
21	679 040,45	224 478,55
22	678 251,69	224 485,63
23	678 251,81	224 056,04

The surface area of the vertical projection of the area covered by this bidding procedure is 747,96 km². The lower boundary of the area is at a depth of 5 000 m below ground level (BGL).

The aim of the works to be carried out in Carboniferous and Permian formations is to document and extract oil and natural gas in the area described above.

3. Time-limit for the submission of bids:

Bids must be submitted to the headquarters of the Ministry of Climate and the Environment no later than 12:00 CET/CEST on the last day of the 180-day period commencing on the day following the date of publication of the notice in the *Official Journal of the European Union*.

4. Detailed bid specifications, including the bid evaluation criteria and a specification of their weighting, ensuring that the conditions referred to in Article 49k of the Geological and Mining Law Act of 9 June 2011 are fulfilled:

Bids may be submitted by entities in respect of which a decision has been issued confirming the positive outcome of a qualification procedure, as provided for in Article 49a(16)(1) of the Geological and Mining Law Act, independently, or as the operator if several entities are applying jointly for the concession.

The tender committee will evaluate the proposals received on the basis of the following criteria:

- 30 %** - scope and schedule of the proposed geological works, including geological operations, or mining operations;

- 20 % - scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores;
- 20 % - financial capacities offering an adequate guarantee that activities relating to the prospection and exploration of hydrocarbon deposits and to the extraction of hydrocarbons will be carried out, and in particular the sources and methods for financing the intended activities, including the share of own funds and external financing;
- 20 % - the proposed technology for conducting geological works, including geological operations, or mining operations, using innovative elements developed for this project;
- 5 % - technical capacities for the prospection and exploration of hydrocarbon deposits and for the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential (including 2 % for the scope of collaboration, with regard to the development and implementation of innovative solutions for the prospection, exploration and extraction of hydrocarbons, with scientific bodies conducting research into the geology of Poland and analytical tools, technologies and methods for prospecting hydrocarbon deposits which take account of the specificity of Polish geological conditions and which may be applied in those conditions);
- 5 % - experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, ensuring safe operation, the protection of human and animal life and health, and environmental protection.

If, following the evaluation of applications on the basis of the criteria specified above, two or more bids obtain the same score, the amount of the fee for the establishment of mining usufruct rights due during the prospection and exploration phase will be used as an additional criterion allowing a final choice to be made between the bids concerned.

5. **Minimum scope of geological information:**

When submitting a bid there is no requirement to demonstrate the right to use geological information.

When entering the extraction phase, an undertaking is obliged to provide evidence of the existence of the right to use geological information to the extent necessary for the pursuit of its activities.

6. **Commencement date of activities:**

The activities covered by the concession shall commence within 14 days from the date on which the decision granting the concession becomes final.

7. **Conditions for the granting of the concession:**

Under Article 49x(2a) of the Geological and Mining Law Act, a successful bidder carrying out activities consisting of the prospection, exploration or extraction of hydrocarbons from deposits within maritime areas of the Republic of Poland is obliged to provide security for claims that may arise as a result of such activities. The security shall be established after the date on which the decision approving the mining facility operations plan referred to in Article 108(11) of the Geological and Mining Law Act is delivered and before the date on which the operation of the mining facility begins.

The amount of the security for activities carried out on the basis of the mining facility operations plan is PLN 80 000 000 (in words: eighty million zlotys).

If the competent district mining office approves further mining facility operations plans, including new geological operations (drilling of boreholes), the amount of the security shall increase stepwise by PLN 40 000 000 (in words: forty million zlotys) for each new borehole drilled.

The following forms of security will be accepted:

1. security in monetary form;

2. bank sureties or cooperative savings and credit union sureties; the institution's obligation must always be a monetary obligation;
3. bank guarantees;
4. insurance guarantees;
5. sureties issued by any of the entities referred to in Article 6b(5)(2) of the Act of 9 November 2000 establishing the Polish Agency for Enterprise Development (Journal of Laws 2020, item 299);
6. bills of exchange guaranteed by a bank or a cooperative savings and credit union;
7. liens on securities issued by the Treasury;
8. third-party liability insurance.

8. **Minimum scope of geological works, including geological operations, or mining operations:**

Geophysical surveys of 50 km (length of excitation line) with 2D seismic tests or of 25 km² (extraction area) with 3D seismic tests.

Drilling of a borehole to a maximum depth of 5 000 m (true vertical depth – TVD), with mandatory coring of prospective intervals.

9. **Period for which the concession is to be granted:**

The concession period is 30 years, including:

- 1) a prospection and exploration phase of 5 years' duration, starting from the date on which the concession is granted;
- 2) an extraction phase of 25 years' duration, starting from the date on which an investment decision is obtained.

10. **specific conditions for carrying out the activities and for ensuring public safety, public health, environmental protection and rational management of deposits:**

The geophysical surveys shall commence within 24 months from the date on which the decision granting the concession becomes final.

The geological operations (borehole drilling) shall commence within 42 months from the date on which the decision granting the concession becomes final.

Because the bidding area is located partly within the boundaries of internal maritime waters and the maritime waters coastal strip (technical and protection zones), the detailed conditions for carrying out the activity are laid down pursuant to the order of the Director of Szczecin Maritime Office of 21 October 2022 (ref.: GPG-I.6211.78.22.DW (8):

1. a prohibition on operations in bodies of water used for navigation and for ensuring navigational safety; the boundaries of these waters are determined on the basis of:
 - 1) Paragraphs 3(1) and 4(1) of Order No 5 of the Director of Szczecin Maritime Office of 8 August 2017 establishing the infrastructure providing access to seaports in Dziwnów, Kamień Pomorski, Lubin, Mrzeżyno, Nowe Warpno, Police, Stepnica, Trzebież, Wapnica and Wolin, and to jetties and piers at Międzyzdroje, Niechorze and Rewal (Journal of Laws of Zachodniopomorskie Province 2017, item 3487 as amended);
 - 2) Paragraph 164(1) of Order No 3 of the Director of Szczecin Maritime Office of 26 July 2013 setting out port regulations (Journal of Laws of Zachodniopomorskie Province 2013, item 2932 as amended)in the area consisting of internal maritime waters;
2. a prohibition on the erection of permanent facilities that have the status of artificial islands, structures or installations for the extraction of hydrocarbons within the meaning of Article 23 of the Act of 21 March 1991 on the maritime areas of the Republic of Poland and maritime administration (Journal of Laws 2022, item 457 as amended) in the area covered by internal maritime waters;

3. a requirement to lay cables and pipelines at a depth of at least 3 m below the bed of a body of water where pipelines are intended to be used for the prospection, exploration and extraction of hydrocarbon deposits from internal maritime waters.

Implementation of the concession work programme must not infringe landowners' rights and does not eliminate the need to comply with other requirements laid down in legislation, in particular the Geological and Mining Law Act, and requirements regarding spatial planning, environmental protection, agricultural land and forests, nature, waters and waste.

Category C is the minimum exploration category for oil and natural gas deposits.

11. Model agreement on the establishment of mining usufruct rights:

The model agreement is attached as an annex hereto.

12. Information concerning the amount of the fee for establishing mining usufruct rights:

The minimum amount of the fee for establishing mining usufruct rights for the 'Gryfice' area during the five-year base period is PLN 183 235,24 (in words: one hundred and eighty-three thousand, two hundred and thirty-five zlotys, twenty-four grosz) per annum.

Detailed terms of payment are to be found in the annex referred to in point 10.

13. Information concerning requirements to be met by bids and documents required from bidders:

1. Bids should specify:

- 1) the name (business name) and the registered office of the bidder;
- 2) the subject of the bid, together with a description specifying the area within which the concession is to be granted and mining usufruct rights are to be established;
- 3) the period for which the concession is to be granted, the duration of the prospection and exploration phase and the commencement date of the activities;
- 4) the aim, scope and nature of geological works, including geological operations, or mining operations, and information about the works to be carried out to achieve the intended objective and the technologies to be used;
- 5) a schedule, broken down into years, for geological works, including geological operations, and the scope of such works;
- 6) the scope and schedule of the mandatory collection of samples obtained during geological operations, including drill cores, as referred to in Article 82(2)(2) of the Geological and Mining Law Act;
- 7) rights held by the bidder to the real property (area) within which the intended activities are to be carried out, or the right for the establishment of which that entity is applying;
- 8) a list of areas covered by nature conservation schemes; this requirement does not concern projects for which an environmental permit is required;
- 9) the way in which the adverse environmental impacts of the intended activities are to be counteracted;
- 10) the scope of the geological information available to the bidder;
- 11) experience in the prospection and exploration of hydrocarbon deposits or the extraction of hydrocarbons, including ensuring safe operation, the protection of human and animal life and health, and environmental protection;
- 12) technical capacities for, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and in particular the availability of appropriate technical, organisational, logistical and human resources potential;

- 13) financial capacities offering an adequate guarantee that activities relating to, respectively, the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons will be carried out, and in particular the sources and methods of financing the intended activities, including the share of own funds and external financing;
 - 14) the proposed technology for conducting geological works, including geological operations, or mining operations;
 - 15) the proposed amount of the fee for establishing mining usufruct rights, this being not less than the amount specified in the notice launching the bidding procedure;
 - 16) if a bid is submitted jointly by several entities, it must additionally specify:
 - a) the names (business names) and the registered offices of all the entities submitting the bid;
 - b) the operator;
 - c) the percentage shares in the costs of geological works, including geological operations, proposed in the cooperation agreement.
 - 17) the form of security established under point 7.
2. Bids submitted in a bidding procedure should meet the requirements and conditions laid down in the notice launching that bidding procedure.
 3. The following documents are to be enclosed with bids:
 - 1) evidence of the existence of the circumstances described in the bid, in particular extracts from the relevant registers;
 - 2) proof that a deposit has been lodged;
 - 3) a copy of the decision confirming the positive outcome of a qualification procedure, as provided for in Article 49a(17) of the Geological and Mining Law Act;
 - 4) graphical annexes prepared in accordance with the requirements relating to mining maps, indicating the country's administrative boundaries;
 - 5) written undertakings to make technical resources available to the entity taking part in the bidding procedure if other entities' technical resources are used when implementing the concession;
 - 6) two copies of the geological operations project file.
 4. Bidders may, on their own initiative, provide additional information in their bids or attach additional documents thereto.
 5. Documents submitted by bidders should be originals or certified true copies of originals as provided for in the Code of Administrative Procedure. This requirement does not apply to copies of documents which are to be attached to bids and were created by the concession authority.
 6. Documents drawn up in a foreign language should be submitted together with a translation into Polish by a sworn translator.
 7. Bids are to be submitted in a sealed envelope or a sealed package bearing the name (business name) of the bidder and indicating the subject of the bidding procedure.
 8. Bids submitted after the expiry of the time limit for the submission of bids will be returned to the bidders unopened.
- 14. Information concerning the manner of lodging a deposit, the amount of the deposit and the payment date:**
- Bidders are required to lodge a deposit of PLN 1 000 (in words: one thousand zlotys and zero grosz) before the expiry of the time limit for the submission of bids.

SECTION IV: ADMINISTRATIVE INFORMATION

IV.1) Bid evaluation committee

A bid evaluation committee is appointed by the concession authority for the purpose of conducting the bidding procedure and selecting the most advantageous bid. The composition and rules of procedure of the committee are specified in the Cabinet Regulation of 28 July 2015 on bidding procedures for concessions for the prospection and exploration of hydrocarbon deposits and the extraction of hydrocarbons, and for concessions for the extraction of hydrocarbons (Journal of Laws 2015, item 1171). The bid evaluation committee submits a report on the bidding procedure to the concession authority for approval. Together with bids and all documents related to the bidding procedure, the report is open to other entities submitting bids.

IV.2) Additional clarifications

Within 14 days from the date of publication of the notice, an interested entity may ask the concession authority to provide clarifications concerning the detailed bid specifications. Within 14 days from the receipt of the request, the concession authority will publish the clarifications in the *Biuletyn Informacji Publicznej* (Public Information Bulletin), on the page of the administrative office subordinate to that authority.

IV.3) Additional information

Full information about the area covered by the bidding procedure has been compiled by the Polish Geological Service in the Geological Data Pack for the bidding procedure for the prospection and exploration of oil and natural gas deposits and for the extraction of oil and natural gas in the bidding area 'Gryfice' ('Pakiet danych geologicznych do postępowania przetargowego na poszukiwanie i rozpoznawanie złóż ropy naftowej i gazu ziemnego oraz wydobywanie ropy naftowej i gazu ziemnego ze złóż. Obszar przetargowy "Gryfice"'), which is available on the website of the Ministry of Climate and the Environment at the following address: <https://bip.mos.gov.pl/koncesje-geologiczne/przetargi-na-koncesje-na-poszukiwanie-rozpoznawanie-i-wydobywanie-weglowodorow/piata-runda-przetargow-2021/>

and from

Departament Geologii i Koncesji Geologicznych [Geology and Geological Concessions Department]
Ministerstwo Klimatu i Środowiska [Ministry of Climate and Environment]
ul. Wawelska 52/54
00-922 Warszawa
POLAND

Tel. +48 223692449

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AGREEMENT

establishing mining usufruct rights for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Gryfice' area, hereinafter referred to as 'the Agreement'

concluded at Warsaw on between:

the Treasury, represented by the Minister for Climate and the Environment, for and on behalf of whom acts under power of attorney No hereinafter referred to as '**the Treasury**',

and

..... (name of undertaking) having its registered office at (full address), registered on under KRS (National Court Register) No, share capital, represented by, hereinafter referred to as '**the Holder of Mining Usufruct Rights**',

hereinafter each referred to singly as a '**Party**' or jointly as '**the Parties**',

and reading as follows:

Section 1

1. The Treasury, as exclusive owner of the substrata of the Earth's crust covering the area within the rural municipalities of Świerzno, Karnice, Rewal and Brojce and the urban-rural municipalities of Wolin, Kamień Pomorski, Dziwnów, Golczewo, Płoty, Trzebiatów and Gryfice in Zachodniopomorskie Province, the boundaries of which are defined by lines joining points 1 to 18 having the following coordinates in the PL-1992 coordinate system:

Point No	X [PL-1992]	Y [PL-1992]
1	691 055,17	219 674,19
2	692 737,14	221 619,12
3	693 771,09	224 785,26
4	695 846,05	233 241,52
5	697 800,71	239 098,78
6	689 034,77	237 808,88
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8	687 684,41	264 181,99
9	684 723,09	259 134,45
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11	675 598,09	237 055,20
12	673 865,95	223 383,30
13	673 409,40	219 824,29
14	677 185,11	213 499,78
15	687 174,95	217 946,87
16	685 637,43	221 987,20
17	688 367,49	223 047,42
18	689 636,16	219 042,50

with the exception of the polygon defined by the following points 19 to 23:

Point No	X [PL-1992]	Y [PL-1992]
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21	679 040,45	224 478,55
22	678 251,69	224 485,63
23	678 251,81	224 056,04

hereby establishes mining usufruct rights for the Holder of Mining Usufruct Rights in the area described above, limited above by the lower boundary of surface land properties and below at a depth of 5 000 m, provided that the Holder of Mining Usufruct Rights obtains a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Gryfice' area within one year from the date of the Agreement being concluded.

2. If the condition of obtaining the concession referred to in paragraph 1 is not met, the obligations arising under the Agreement shall expire.
3. Within the rock mass area specified in paragraph 1, the Holder of Mining Usufruct Rights may:
 - 1) in Carboniferous and Permian formations, carry out activities relating to the prospection and exploration of oil and natural gas deposits;
 - 2) in the rest of the area, carry out any operations and activities that are necessary in order to gain access to the Carboniferous and Permian formations.
4. The surface area of the vertical projection of the area described above is 747.96 km².
5. The mining usufruct rights shall entitle the Holder of Mining Usufruct Rights to use the area specified in paragraph 1 on an exclusive basis for the prospection and exploration of oil and natural gas, as well as for carrying out all operations and activities necessary for this purpose within that area in accordance with the legislation in force, in particular the Geological and Mining Law Act of 9 June 2011 (Journal of Laws (*Dziennik Ustaw*) 2022, item 1072, as amended), and decisions issued pursuant thereto.

Section 2

The Holder of Mining Usufruct Rights declares that it raises no objections to the factual and legal status of the subject of the mining usufruct rights.

Section 3

1. The Agreement shall take effect on the date on which the concession is obtained.
2. The mining usufruct rights shall be established for a period of 30 years, including 5 years for the prospection and exploration phase and 25 years for the extraction phase, subject to Sections 8(2) and 10.
3. The mining usufruct rights shall expire if the concession expires, is withdrawn or becomes invalid, irrespective of the reason.

Section 4

The Holder of Mining Usufruct Rights undertakes to notify the Treasury in writing of any changes resulting in a change of name, registered office and address or organisational form, changes in registration and identification numbers, the transfer of the concession to another entity by operation of law, the filing of a bankruptcy petition, a declaration of bankruptcy or the initiation of restructuring proceedings. The Treasury may require that the necessary explanations be provided in such cases. Notification shall take place within 30 days from the date on which the circumstances referred to above occur.

Section 5

The Agreement shall be without prejudice to the rights of third parties, in particular owners of land, and the Holder of Mining Usufruct Rights shall not be exempt from the need to comply with requirements provided for by law, in particular those relating to the prospection and exploration of minerals and the protection and use of environmental resources.

Section 6

The Treasury reserves the right to establish within the area referred to in Section 1(1) mining usufruct rights for the purpose of carrying out activities other than those specified in the Agreement, in a manner which does not infringe the rights of the Holder of Mining Usufruct Rights.

Section 7

1. The Holder of Mining Usufruct Rights shall pay the Treasury the following fee for the mining usufruct rights in the area specified in Section 1(1) for each year of the prospection and exploration phase of mining usufruct (counted as 12 consecutive months):
 - a) PLN (amount) (in words: zlotys) for the first year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
 - b) PLN (amount) (in words: zlotys) for the second year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
 - c) PLN (amount) (in words: zlotys) for the third year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
 - d) PLN (amount) (in words: zlotys) for the fourth year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;
 - e) PLN (amount) (in words: zlotys) for the fifth year of usufruct, counting from the date on which the Agreement took effect, within 30 days from the beginning of that year of mining usufruct;

— subject to the provisions of paragraph 2.
2. If the date for payment of the fee due for a given year of mining usufruct falls between 1 January and 1 March, the Holder of Mining Usufruct Rights shall pay the fee by 1 March. However, if the fee is subject to indexation in accordance with paragraphs 3 to 5, the Holder of Mining Usufruct Rights shall pay it no earlier than the date on which the index referred to in paragraph 3 is announced, after taking that index into account.
3. The fee specified in paragraph 1 shall be indexed to the average annual consumer price indices set for the period from the conclusion of the Agreement until the year preceding the date for payment of the fee, as announced by the President of Statistics Poland in the Polish Official Gazette (*Monitor Polski*). If this index for a particular year is less than or equal to zero, there shall be no indexation for that year.
4. If the date for payment of the fee falls in the same calendar year as that in which the Agreement was concluded, the fee shall not be indexed.
5. If the Agreement was concluded and took effect in the year preceding the year in which the date for payment of the fee falls, the fee shall not be indexed if the Holder of Mining Usufruct Rights pays it by the end of the calendar year in which the Agreement is concluded and takes effect.
6. If the Holder of Mining Usufruct Rights loses the mining usufruct rights established under the Agreement before the time limit specified in Section 3(2) expires, the Holder of Mining Usufruct Rights shall be required to pay the fee for the entire year of usufruct in which these rights were lost. If, however, the mining usufruct rights are lost as a result of the concession being withdrawn or for the reasons specified in Section 10(1), (3) or (4), the Holder of Mining Usufruct

Rights shall pay the fee for the entire usufruct period of the prospection and exploration phase specified in Section 3(1) and (2), indexed in accordance with paragraph 3 and without prejudice to the contractual penalty referred to in Section 10(2). The fee shall be paid within 30 days from the date on which the mining usufruct rights were lost. The loss of usufruct rights shall not release the Holder of Mining Usufruct Rights from environmental obligations relating to the subject of the mining usufruct rights, in particular obligations relating to the protection of deposits.

7. The Holder of Mining Usufruct Rights shall pay the fee for the mining usufruct rights into the bank account of the Ministry of Climate and the Environment at the Warsaw branch of the National Bank of Poland, No 07 1010 1010 0006 3522 3100 0000, including the following communication on the transfer order: 'Ustanowienie użytkowania górniczego w związku z udzieleniem koncesji na poszukiwanie i rozpoznawanie złóż ropy naftowej i gazu ziemnego oraz wydobywanie ropy naftowej i gazu ziemnego ze złóż w obszarze "Gryfice" ("Establishment of mining usufruct rights in connection with the granting of a concession for the prospection and exploration of oil and natural gas deposits and the extraction of oil and natural gas in the 'Gryfice' area").

The date of payment shall be the date on which the Treasury's account is credited.

8. The fee specified in paragraph 1 shall not be subject to tax on goods and services (VAT). If legislation is amended with the result that the activities which are the subject of the Agreement are subject to taxation, or if the interpretation of legislation changes with the result that those activities are subject to VAT, the amount of the fee shall be increased by the amount of tax due.
9. The Treasury shall notify the Holder of Mining Usufruct Rights in writing of changes to the account number referred to in paragraph 7.
10. The fee for the establishment of mining usufruct rights shall be payable to the Treasury irrespective of the income which the Holder of Mining Usufruct Rights earns from using those rights.
11. The Holder of Mining Usufruct Rights shall send to the Treasury, within 7 days from the payment date, copies of proof of payment of the fee referred to in paragraph 1 for the establishment of the mining usufruct rights.

Section 8

1. After the Holder of Mining Usufruct Rights obtains an investment decision specifying the conditions for the extraction of oil and natural gas, the Parties shall, within 30 days from the date of that decision, sign an addendum to the Agreement specifying the conditions for the implementation of the Agreement during the extraction phase and the amount of the fee for mining usufruct rights in the area specified in Section 1(1) for each year of mining usufruct during the extraction phase.
2. If the addendum referred to in paragraph 1 has not been concluded within 30 days of the date of the investment decision specifying the conditions for the extraction of oil or natural gas, the mining usufruct rights shall expire.

Section 9

The Holder of Mining Usufruct Rights may exercise the mining usufruct rights established in Section 1(1) only after obtaining written consent from the Treasury.

Section 10

1. If the Holder of Mining Usufruct Rights infringes obligations laid down in the Agreement, the Treasury may, subject to the provisions of paragraphs 3 and 4, terminate the Agreement with immediate effect, without the Holder of Mining Usufruct Rights being entitled to make any property claims. However, the Agreement may not be terminated if the Holder of Mining Usufruct Rights has infringed obligations under the Agreement owing to force majeure.

2. If the Agreement is terminated for the reasons specified in paragraphs 1 or 4, the Holder of Mining Usufruct Rights shall pay the Treasury a contractual penalty of 25 % of the fee for the entire prospection and exploration phase of mining usufruct, as specified in Section 3(1) and (2), indexed in accordance with Section 7(3).
3. If the Holder of Mining Usufruct Rights delays payment of the fee by more than 7 days beyond the deadlines specified in Section 7(1) or (2), the Treasury shall request that the Holder of Mining Usufruct Rights pay the outstanding fee within 7 days from the receipt of the request, failing which the Agreement will be terminated with immediate effect.
4. If the Holder of Mining Usufruct Rights fails to inform the Treasury of any of the events referred to in Section 4 within 30 days of their occurrence, the Treasury may impose on the Holder of Mining Usufruct Rights a contractual penalty of 5 % of the fee for the entire prospection and exploration phase of mining usufruct for each instance of failure to provide information, or terminate the Agreement in whole or in part, subject to 30 days' notice effective at the end of the calendar month.
5. The Holder of Mining Usufruct Rights shall be bound by the Agreement until the date of expiry, withdrawal or invalidity of the concession and may not terminate the Agreement.
6. Termination of the Agreement shall be done in writing, failing which the termination will be invalid.
7. The Parties agree that if the Treasury terminates the Agreement, the fee paid for the mining usufruct rights referred to in Section 7(1) shall not be reimbursed.
8. The Treasury reserves the right to seek compensation in excess of the amount of contractual penalties on general terms if the amount of damage incurred by the Treasury exceeds the contractual penalties.

Section 11

1. The Parties have provided the following contact details for correspondence:
 - 1) Treasury:
Ministerstwo Klimatu i Środowiska [Ministry of Climate and the Environment], ul. Wawelska 52/54, 00-922 Warszawa;
 - 2) Holder of Mining Usufruct Rights:
(address).
2. The Parties are obliged to inform each other in writing without delay of any change to the contact details indicated in paragraph 1. Such a change shall not require an addendum to the Agreement. Correspondence sent to a Party's most recently provided contact address shall be deemed to have been effectively served on the other Party.
3. Each of the Parties shall serve correspondence on the other Party in person, by courier or by registered letter, using the contact details most recently provided by the Party.
4. Registered letters sent to the most recently provided address of a Party and returned by the post office or courier company owing to the addressee not having collected it on time will be treated as having been effectively served once 14 days have passed from the first delivery attempt.

Section 12

1. The parties shall not be liable for failure to comply with obligations under the Agreement resulting from force majeure if it can be proven that damage caused by force majeure influenced the failure to comply with the obligations. 'Force majeure' shall mean an external event that the Parties could not have predicted or prevented that makes it impossible for the Agreement to be implemented in whole or in part, permanently or for a given period, which a Party could not have counteracted by exercising due diligence and which did not result from errors or negligence on the part of the Party affected by it.

2. In the event of force majeure, the Parties shall immediately make every effort to agree on a course of action.

Section 13

The Holder of Mining Usufruct Rights may apply for extension of the Agreement, in whole or in part, and must do so in writing, failing which the application will be invalid.

Section 14

If the Agreement is terminated, the Holder of Mining Usufruct Rights shall not be entitled to make any claims against the Treasury for an increase in the value of the subject of the mining usufruct rights.

Section 15

Any disputes arising out of the Agreement shall be resolved by the ordinary court having geographical jurisdiction over the seat of the Treasury.

Section 16

This Agreement shall be governed by Polish law, in particular the provisions of the Geological and Mining Law Act and of the Civil Code.

Section 17

The Holder of Mining Usufruct Rights shall bear the costs of concluding the Agreement.

Section 18

Amendments to the Agreement shall be made in writing, failing which they will be invalid.

Section 19

The Agreement has been drawn up in three identical copies (one copy for the Holder of Mining Usufruct Rights and two copies for the Treasury).

Treasury

Holder of Mining Usufruct Rights