

Concession No 4/03/p

Acting according to Art. 14 par. 1 point 1 of the Act of 19th Nov. 1999, Law on Economic Activity (Dz.U. No. 101, pos. 1178 with subsequent modifications), Art. 15 par. 1 point 1 of the Act of 4th Feb. 1994, Geological and Mining Law (Dz.U. No. 27, pos. 96 with subsequent modifications), and Art. 104 and following ones of the Code of Administrative Law, after considering the Application of Energia Zachód Ltd. from Warsaw, referring to the Agreement of 27th August, 2002 on establishing Mining Usufruct, between the State Treasury represented by the Minister of Environment and Ramco Energy Plc., modified by the Annex No. 1 of 18th Feb. 2003 and after obtaining opinions of relevant towns and counties' administrative organs, as required by the Geological and Mining Law,

I decide

1. To grant Energia Zachód Ltd. a concession to prospect and explore oil and gas deposits within the Concession Block No. 207, encompassing the towns Poznań and Kórnik; towns and communities Czerniejewo, Kostrzyn, Pobiedziska, and Swarzędz, as well as communities Czerwonak, Dominowo, Kleszczewo, Niekła and Września in the Greater Poland Voivodeship, delimited by lines connecting points of the following geographic coordinates: [see original]. The surface area is 631.1 km².
2. The prospecting and exploratory work is aimed at documenting oil and gas deposits in the above described area, using the balance criteria for documenting oil and gas deposits.
3. The conditions binding a company using the concession are defined by the Mining Usufruct Agreement of 27th August, 2002 between the State Treasury represented by the Minister of Environment and Ramco Energy Plc., modified by the Annex No. 1 of 18th Feb. 2003.
4. The Concession is granted for 6 years from the date of issue, divided into four stages:

Stage I – 12 months,

Stage II – 24 months,

Stage III – 24 months,

Stage IV – 12 months.

5. The extent of prospecting and exploration works is established jointly for the Concession Blocks No. 207 and 208, under the Mining Usufruct Agreement of 27th August, 2002.

The prospecting and exploration will be done in four stages. Commencing each subsequent stage will depend on results of the previous stage.

During the first stage, the Company will analyse, reprocess and reinterpret existing geological and geophysical data and materials. During the next three stages, the Company will:

- a) acquire and interpret 300 km of 2D seismic profiles;
- b) acquire and interpret 75 km of 3D seismic data;
- c) drill a borehole no deeper than the bottom of the Carboniferous beds.

In each stage the Company has to perform one of the above tasks, so that all are completed by the end of the stage IV. Besides, in case it is decided to enter stage IV, the Company is obliged to drill another (second) borehole not reaching the bottom of the Carboniferous.

The detailed extent of work has been defined in the Geological Work Plan.

6. Permissible quantitative changes of the actual extent of work within the granted Concession shall not exceed 10 percent.

7. The Energia Wielkopolska Ltd. is under obligation to present to the Concession issuing body, a written statement about completion of each stage and about commencing the following one.

8. The results will be presented as geological documentation consistent with the balance criteria for documenting oil and gas deposits.

9. The contractor of the geological works is obliged to manage the material extracted or spontaneously emerging during the operations, according to the Act of 4th Feb. 1994, the Geological and Mining Law (Dz.U. No. 27, pos. 96 with subsequent modifications).

10. The operator is under obligation to present to the Concession issuing body, annual reports about the work being done.

11. The activity to which the Concession pertains, shall commence within 6 month after the Concession has been issued.

12. In the Concession Area, the company is obliged to obtain a permission from the Voivode to conduct operations within the Landscape Parks (LP): "Puszcza Zielona" LP, Lednicki LP, and Promno LP.

13. The Concession does not violate the rights of land owners and not alleviate the necessity to respect regulations, especially those of the Geological and Mining Law, and pertaining to spatial management, protection of the environment, farmlands and forests, wildlife and waters.

14. The fee for conducting activities described in the Concession is set to 30,342 EUR, payable in PLN according to mean exchange rates of the National Bank of Poland (NBP) as of the day of payment, in the following installments:

- a) 10,096 EUR within 14 days of obtaining the Concession
- b) two more installments of 10,123 EUR each, to be paid annually before 28th February beginning in 2004.

The aforementioned Fee is in 60 percent an income of the communities within the Concession Area, and in 40 percent an income of the National Fund for Environment Protection and Water Management (NFOŚiGW); account No. NBP, Warsaw Branch 8210101010006839186900000. The Energia Zachód Ltd. is obliged to send copies of the payment confirmations to the Concession issuing body within seven days of the payment to the communities and the NFOŚiGW, according to Art. 85 of the Geological and Mining Law.

Following the Art. 107 of the Code of Administrative Law no written justification is given for the above decision, as it fully satisfies the requests of the Applicant.

The decision is final.

A party contesting this decision may address the Minister of Environment within 14 days of obtaining it (according to relevant regulations) with a petition to reconsider the case.