

REFERENCE TERM OF PUBLIC CALL FOR PURCHASE OF NATURAL GAS

1. OBJECT OF PUBLIC CALL

1.1. The **COMPANHIA DE GÁS DO CEARÁ - CEGÁS**, exclusive concessionaire of local piped gas services in the **State of Ceará**, makes public that it intends to acquire NATURAL GAS, regardless of its origin (Onshore, Offshore, LNG, etc.), according to supply needs and conditions foreseen in this TERM, through PUBLIC CALL of OFFERING COMPANIES.

2. TERMINOLOGY

2.1. For better understanding, the terms spelled in VERSALETE letters, whether singular or plural, will have the following definitions:

2.1.1. LOCAL DISTRIBUTION COMPANY OF CHanneled GAS or LDC: means the **COMPANHIA DE GÁS DO CEARÁ - CEGÁS**, company holding a public concession for local GAS services channeled from **Ceará**, in the form of §2º, of art. 25 of the Federal Constitution.

2.1.2. REFERENCE CONDITIONS: means the temperature of 20°C (twenty degrees Celsius), the absolute pressure of 101,325 Pa (one hundred and one thousand, three hundred and twenty five Pascals) and the superior calorific power (PCS), on a dry basis, for GAS equal to 9,400 kcal / m³ (nine thousand four hundred kilocalories per cubic meter).

2.1.3. PUBLIC CALL NOTICE; NOTICE; PUBLIC CALL; OR CALL: means the public process for the acquisition by LDC of NATURAL GAS of potential OFFERING COMPANIES, presented on the LDC website in accordance with item 11 of this TERM.

2.1.4. OFFERING COMPANY: means the Company interested in participating in the public call process for the supply of natural gas to LDC, according to the conditions established in the public notice and in this REFERENCE TERM.

2.1.5. WITHDRAWAL GUARANTEE: means the volume of GAS, under REFERENCE CONDITIONS, which LDC undertakes to withdraw, on a daily, weekly, monthly, or annual basis, as expressly provided in the contract.

2.1.6. GAS or NATURAL GAS: means the mixture of hydrocarbons consisting essentially of methane, other hydrocarbons and non-combustible gases, which is extracted from natural reservoirs and remains in a gaseous state under normal atmospheric conditions, in addition to including biomethane, a gas consisting essentially of methane, derived from the purification of biogas, according to Resolution nº 685/2017 of the **Agência Nacional do Petróleo, Gás Natural e Biocombustíveis (ANP)**. The quality of the GAS will be that of ANP Resolution Nº. 16/2008, known as RANP Nº. 16/2008; or whatever replaces it.

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2.1.7. **TRANSPORTATION GAS PIPELINE:** means the transport pipeline(s) that are characterized as infrastructure for handling NATURAL GAS from processing, storage or other transport pipelines to storage facilities, other transport pipelines and delivery points to state NATURAL GAS distribution concessionaires.

2.1.8. **LIQUEFIED NATURAL GAS or LNG:** means NATURAL GAS subjected to a liquefaction process for storage and transportation, subject to regasification in its own units.

2.1.9. **CONTRACT LOT:** means the set of contracting conditions defined in the PUBLIC CALL notice, for which the interested OFFERING COMPANIES may submit proposals for contracting GAS supply, being represented by the code CC DDDD /FF, where:

- (i) CC corresponds to the Hiring Modality (FB);
- (ii) DDDD corresponds to the daily amount of GAS in the REFERENCE CONDITIONS to be contracted, given in thousand m³/day; and
- (iii) FF corresponds to the number of years the contract is in force.

2.1.10. **HIRING MODALITY FIRM-BASE or FB:** means contractual modality with greater GUARANTEE OF WITHDRAWAL and DELIVERY of contracted GAS, with the objective of meeting the base of GAS demand in the LDC market.

2.1.11. **DELIVERY POINT OR CUSTODY TRANSFER STATION:** means the point of LDC facilities necessary for GAS to be made available by the OFFERING COMPANY to LDC, in the REFERENCE CONDITIONS, where there will be a transfer of GAS custody.

2.1.12. **RECEIVING POINT:** means the point in Brazilian territory where the GAS owned by the OFFERING COMPANY will be transferred to the custody of the Carrier agent so that it can begin its transportation up to the DELIVERY POINT.

2.1.13. **REFERENCE TERM or TERM:** means the present instrument.

3. DELIVERY POINT OR CUSTODY TRANSFER STATION

3.1. The DELIVERY POINTS located in the **State of Ceará** are described in Tables 1 and 2:

3.1.1. Table 1 – List of DELIVERY POINTS connected to the NATURAL GAS transport pipeline in the State of **Ceará**:

Delivery Point Code	Name	County
1	FORTALEZA	FORTALEZA
2	AQUIRAZ	AQUIRAZ
3	PECÉM	CAUCAIA

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Delivery Point Code	Name	County
4	CAUCAIA	CAUCAIA
5	ARACATI	ARACATI
6	LUBNOR	FORTALEZA
7	HORIZONTE	HORIZONTE

3.2. It should be noted that, subject to the conditions established in the Concession Contract, the LDC may make an investment to receive the NATURAL GAS closest to the production and processing area, or to the regasification unit, or to the final consumption points, where it can currently there is no distribution network infrastructure, in which case the DELIVERY POINT defined in item 3.1 will be changed automatically.

3.3. The rules for connecting to the distribution network will be defined by LDC in a specific document and / or in the Purchase and Sale Agreement.

4. CONTRACT LOTS

4.1. For this PUBLIC CALL, the LDC intends to receive offers for contracting GAS supply in two alternative CONTRACTING LOTS:

4.1.1. For Lot 1, contracting supply at the DELIVERY POINTS that are defined in Table 1, item 3.

LOT 1: FB 0600/2			
Modality	Supply Volume	Supply start	Contract term
Firm	600,000 m ³ /day	01/01/2022	2 years

4.2. If the OFFERING COMPANY has an interest in submitting one or more proposals with conditions other than those established in the CONTRACT LOT above, it may do so freely, the LDC being responsible for analyzing the interest in the proposal.

4.3. If there is a need by the OFFERING COMPANY for information regarding the location and capacity of the DELIVERY POINTS listed in table 1 of item 3, the same OFFERING COMPANY must send correspondence to LDC requesting details, which will be made available by LDC upon a signature of a confidentiality term.

5. QUALITY OF THE GAS SUPPLIED

5.1. The NATURAL GAS must meet the quality requirements established in Resolution ANP n^o 16/2008 or whatever replaces it.

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5.2. The offerer must present the NATURAL GAS quality analyzes, through a laboratory with valid accreditation by the INMETRO, according to the requirements established in the Standard ABNT NBR ISO/IEC 17025:2005.

5.3. The technical cases omitted in this REFERENCE TERM and/or in other applicable normative instruments will be defined in the project/contract, the OFFERING COMPANY being bound by provisions to be defined in such documents.

6. RELIABILITY OF NATURAL GAS SUPPLY

6.1. For cases of sale through LNG, proof of GAS availability abroad must be presented and proof of LNG delivery capacity in Brazil.

6.2. In all cases, the OFFERING COMPANY declares to be aware of the need to prove access to the gas transport network that meets the DELIVERY POINTS described in item 3, in table 1, so that the supply can start on the date object of this CALL PUBLIC, that is, on the day **01/01/2022**.

6.2.1. The LDC hereby declares to the OFFERING COMPANY that it does not have proof of access to the gas transport network that meets the DELIVERY POINTS, described in item 3, in table 1, until the date established for sending the commercial sale proposal NATURAL GAS, that the eventual conclusion of a binding instrument will be conditioned to the presentation of the aforementioned proof of access.

7. PRICES AND COMMERCIAL CONDITIONS

7.1. The OFFERING COMPANY must present an initial GAS price proposal in the REFERENCE CONDITION (ex-taxes), delivered at one of the DELIVERY POINTS listed in item 3, table 1, or table 2, if applicable.

7.2. The GAS price must be expressed in Reais per cubic meter (R\$/m³) for each CONTRACT LOT, the reference in Dollar per million BTU may be added (US\$/MMBTU), provided that the date and quotation of the PTAX Dollar to be used for conversion into Reais are presented.

7.2.1. The price of GAS contained in the commercial proposal for the sale of NATURAL GAS will be composed of the portion of molecule (PM) and at least a portion of logistics (PL) or regasification portion (PR) or compression portion (PC):

$$PG = PM + PL + PR + PC$$

Where:

PG – corresponds to the GAS price expressed in R\$/m³, US\$/MMBtu;

PM – corresponds to the portion of the molecule expressed in R\$/m³, US\$/MMBtu,

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which should be indexed to the price of Brent Oil in US\$/barrel and/or at the price of gas Henry Hub (HH) in US\$/MMBtu, or other indicator, and readjusted quarterly.

PL – corresponds to the portion associated with GAS transport costs, whether pipeline, road or other means of transport, expressed in R\$/m³, which can be readjusted annually as defined by the Regulatory Authority.

PR – corresponds to the portion associated with the Regasification costs and other costs for making GAS available, expressed in R\$/m³, which can be readjusted annually.

PC – corresponds to the portion associated with compression costs and other costs for making GAS available, expressed in R\$/m³, which can be readjusted annually.

7.3. All reference variables for setting the GAS price must be informed.

7.4. In the proposal, the cost of transporting GAS in the REFERENCE CONDITION must be itemized in R \$ / m³, which corresponds to all costs incurred by the OFFERING COMPANY to move the GAS in Brazilian territory between the RECEIPT POINT and the DELIVERY POINT.

7.5. In the case of a proposal for Lot 2, the responsibility and all expenses arising for making gas available at the DELIVERY POINT are the sole responsibility of the OFFERING COMPANY, such as, but not limited to, investment and / or infrastructure cost / expense , regasification, compression, obtaining licenses and authorizations, etc.

7.6. In addition to the costs for this, the OFFERING COMPANY is solely responsible for the effective obtaining of licenses and authorizations from regulatory bodies, necessary for the delivery of GAS.

8. OTHER CONDITIONS

8.1. The OFFERING COMPANY will not be entitled to any compensation for the costs related to participation in this PUBLIC CALL.

8.2. Participation in the PUBLIC CALL does not bind any of the PARTIES (LDC and OFFERING COMPANY) and does not generate any commitment to acquire GAS by LDC.

8.3. If the delivery of NATURAL GAS is by road, this must be done through a station owned by the OFFERING COMPANY connected to the LDC's DELIVERY POINT.

8.4. If the offer is through LNG, the OFFERING COMPANY shall be responsible for contracting all stages until the delivery of GAS to LDC, and the price of the GAS offered must take into account all costs up to the DELIVERY POINT.

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8.5. The LDC reserves the right to change the conditions of the PUBLIC CALL or to cancel it at any time and must inform the OFFERING COMPANIES of these facts.

8.6. In the event of a judicial decision or other competent public authority determining the presentation of the submitted proposal, the LDC will request that the respective process be processed in secret, in order to ensure the confidentiality of the proposals.

8.7. The proposal must be valid for not less than 180 (one hundred and eighty days) days, counted from the opening date of the proposals.

8.8. The OFFERING COMPANY(s) that present(s) the most advantageous set of conditions evaluated by the LDC will be qualified(s), for example, but not limited to, **(i)** lowest GAS price value; **(ii)** better condition of penalties; **(iii)** withdrawal commitments; **(iv)** billing conditions; etc.

8.9. In the next stage, after negotiations with the qualified OFFERING COMPANY(S), the one whose conditions are most advantageous for LDC will be selected.

8.10. Homologated the event, after closing the negotiations between the parties, the LDC will call the winning OFFERING COMPANY to sign the contract.

9. CONFIDENTIALITY

9.1. With the sending of the commercial proposal, the OFFERING COMPANY and LDC automatically confirm their adherence to the conditions of this TERM and are committed to maintaining strict secrecy and confidentiality under the information sent and received.

9.2. In no event, will it represent a violation of the confidentiality and confidentiality ensured, the disclosure, by LDC, to control bodies and regulatory agents, of the commercial proposal (s) and their respective COMPANY(IES) OFFERER(S), and must be accompanied by the recommendation of secrecy and confidentiality.

10. INSTRUCTIONS FOR PARTICIPATION IN THE PUBLIC CALL

10.1. The OFFERING COMPANY must forward to the e-mail suprimentogn@cegas.com.br, **until 5 pm on 01/29/2021**, commercial proposal for the sale of NATURAL GAS according to the conditions established in the commercial proposal model presented in this PUBLIC CALL, signed by its legal representatives.

11. CONTACT AND INFORMATION

11.1. Information about the PUBLIC CALL will be posted on the LDC website:

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www.cegas.com.br.

11.2. Any communication and provision of additional information may be made through the electronic address: suprimentogn@cegas.com.br.