

## **APPENDIX V**

**CALL FOR BIDS NO. NS14-1**

**FORM OF PROMISSORY NOTE**

**FORM OF BANK LETTER OF GUARANTEE**

**FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT**

**PLEASE NOTE: Pursuant to Paragraph 2.7 (b) (iii) of Call for Bids NS14-1, Work Deposits must be in the form of either:**

- 1. Bank Draft,**
- 2. Money Order,**
- 3. Certified Cheque,**
- 4. Promissory Note and Bank Letter of Guarantee**
- 5. Irrevocable Standby Letter of Credit, or**
- 6. Cash**

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**PART A – INFORMATION PROMISSORY NOTE**

A Promissory Note must:

- be identified as a non-interest bearing demand promissory note;
- be accompanied by a bank letter of guarantee;
- be executed by identified signing officers of the company;
- be dated;
- be payable on demand to the Receiver General;
- be payable at a clearly addressed branch of the bank in Halifax;
- refer to the Call for Bids and parcel number or the relevant licence or any condition therein giving rise to the posting of the security;
- be either without an expiry date, or if stated, must not expire earlier than 180 days following expiry of the period for which the security is posted.
- be explicit as to the amount;
- be countersigned as "Approved for Issue" by an identified signing officer of the bank;
- be on corporate letterhead; and
- be addressed to the Board.

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**PART B – SAMPLE PROMISSORY NOTE**

[Company letterhead  
with address]

[Date]

Non-interest Bearing Demand Promissory Note  
\$ \_\_\_\_\_

\_\_\_\_\_ [name of successful bidder] \_\_\_\_\_ promises to pay to the Receiver  
General for Canada, on demand, the sum of \_\_\_\_\_ dollars  
(\$ \_\_\_\_\_ ) if this note is presented at the \_\_\_\_\_ Branch of \_\_\_\_\_ [name  
of bank] \_\_\_\_\_ [address] \_\_\_\_\_ , Halifax, Nova Scotia.

This demand promissory note is issued in accordance with paragraph 2.7(b) of Call for  
Bids No. NS14-1 (Parcel #\_\_\_\_), made by the Canada-Nova Scotia Offshore Petroleum  
Board on March 20, 2014. [ At the successful bidder's option, the following sentence  
may be inserted: This demand promissory note expires on July 14<sup>th</sup>, 2022.]

\_\_\_\_\_ [name of successful bidder] \_\_\_\_\_

\_\_\_\_\_ [signature(s) of signing officer(s)] \_\_\_\_\_

\_\_\_\_\_ [name(s) and title(s) of signing officer(s)] \_\_\_\_\_

Approved for issue:

\_\_\_\_\_ [name of bank] \_\_\_\_\_

\_\_\_\_\_ [signature of signing officer] \_\_\_\_\_

\_\_\_\_\_ [name and title of signing officer] \_\_\_\_\_

\_\_\_\_\_ [bank branch and address] \_\_\_\_\_

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**PART C — INFORMATION BANK LETTER OF GUARANTEE**

A bank letter of guarantee must:

- be issued by one of the banks as defined in the Bank Act;
- be executed by an identified signing officer of the bank;
- be addressed to the Board;
- refer to the note being a guarantee of the note provided by the company;
- be explicit in agreeing to pay on demand to the Receiver General the sum named in the note;
- be either without an expiry date, or if stated, must not expire earlier than 180 days following expiry of the period for which the security is posted;
- be explicit as to address of the branch where the note may be presented in Halifax; and
- contain conditions:
  - requiring the note to be signed by the company; and
  - stating the words required in the note to indicate the bank's "Approved for Issue" including the names of persons authorized to sign.

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**PART D —SAMPLE BANK LETTER OF GUARANTEE**

[Bank letterhead with address]

[Date]

Canada-Nova Scotia Offshore Petroleum Board  
8th Floor, T.D. Centre  
1791 Barrington Street  
Halifax, Nova Scotia  
B3J 3K9

Dear Sirs:

We understand that \_\_\_\_\_ [name of successful bidder] \_\_\_\_\_ is depositing with you its non-interest bearing demand promissory note dated \_\_\_\_\_, in the amount of \$ \_\_\_\_\_, in accordance with paragraph 2.7(b) of your Call for Bids No. NS14-1 (Parcel #\_\_\_). We hereby issue this letter of guarantee in respect of this note.

\_\_\_\_\_ [name of Canadian chartered bank] \_\_\_\_\_ engages to pay to the Receiver General for Canada, on demand, the amount named in this note on the following conditions:

1. The note is executed by \_\_\_\_\_ [name of successful bidder] \_\_\_\_\_ and is payable to the Receiver General for Canada;
2. The note is presented during normal banking hours at the \_\_\_\_\_ Branch of \_\_\_\_\_ [name of bank] \_\_\_\_\_, \_\_\_\_\_ [address] \_\_\_\_\_, Halifax, Nova Scotia, no later than, July 14, 2022;
3. The note bears the words "Approved for issue" and is countersigned by or on behalf of the Manager, \_\_\_\_\_ Branch of \_\_\_\_\_ [name of bank] \_\_\_\_\_, \_\_\_\_\_ [address] \_\_\_\_\_, \_\_\_\_\_ [city and province] \_\_\_\_\_; and
4. The note is endorsed on behalf of the Receiver General for Canada.

\_\_\_\_\_ [name and address of bank]

\_\_\_\_\_ [signature of signing officer]

\_\_\_\_\_ [name and title of signing officer]

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**PART E —SAMPLE FORM OF IRREVOCABLE STANDBY LETTER OF CREDIT**

**NOTE: The Letter of Credit must be issued by a bank found in Schedule I or II of the Bank Act (S.C. 1991, c. 46).**

(DATE OF ISSUE)

**IRREVOCABLE STANDBY LETTER OF CREDIT NO. (L/C NO.) FOR (\$ AMOUNT CAD.)**

**BENEFICIARY**

THE CANADA-NOVA SCOTIA OFFSHORE PETROLEUM BOARD  
1791 BARRINGTON STREET,  
8<sup>TH</sup> FLOOR, TD CENTRE  
HALIFAX, NS, B3J 3K9  
ON BEHALF OF THE RECEIVER GENERAL FOR CANADA

**APPLICANT**

(Name & Address)

**AMOUNT \$\_\_\_\_\_CAD.**  
(amount in words)---00/100 Canadian Dollars

**EXPIRY DATE**

[1 year from date of issue] and auto renewal clause included in text below

**PLACE OF EXPIRY**

Canada

At the request of and for the account of our customer (***Applicant - Name and Address***) the "Customer", we hereby establish in the Beneficiary's favour our Irrevocable Standby Letter of Credit **number (L/C NO.)** for a sum not exceeding in the aggregate amount of (***Amount in Words***)--00/100 Canadian Dollars (**\$\_\_\_\_\_CAD.**).

This Irrevocable Standby Letter of Credit is given in accordance with paragraph 2.7(b) of Call for Bids No. NS14-1 (Parcel #\_\_\_), made by the Canada-Nova Scotia Offshore Petroleum Board on March 20, 2014 and relates to the terms and conditions in the Exploration Licence dated January 15, 2015, equal in the amount to the sum of this Credit.

Our obligation to pay the Beneficiary under this Irrevocable Standby Letter of Credit is irrevocable, absolute and unconditional and, in furtherance and support thereof and without limiting the irrevocable, absolute and unconditional nature of our obligations to the Beneficiary hereunder, any demand by the Beneficiary shall be honoured without any inquiry as to the Beneficiary's rights to make such demand, without regard to or recognition of any contractual rights, claims or defences (legal or equitable) of the Customer against the Beneficiary and without regard to any other defence to the Beneficiary's demand for payment, arising as a result of any dispute between the Beneficiary and the Customer or between the Customer and ourselves.

Payment under this Irrevocable Standby Letter of Credit shall be available to the Beneficiary on sight against presentation by the Beneficiary to (*issuing Bank, name and address*) of a written demand for payment, purportedly signed by a duly authorized representative of the Beneficiary, which demand we shall honour without inquiring whether the Beneficiary has a right as between the Beneficiary and the Customer to make such a demand, without recognizing any claims of the Customer and without raising any defence arising as between the Customer and ourselves, accompanied by a certification purportedly signed by the Beneficiary or a duly authorized representative of the Beneficiary that the Customer is in default under the terms of the Exploration Licence.

Partial drawings are permitted.

We irrevocably and unconditionally agree to pay you at sight, without protest or notification, or without inquiry into further proof or conditions and without consideration for any objections or protest made by the Customer.

It is understood that the Bank is obligated under this Irrevocable Standby Letter of Credit to the payment of monies only and not the performance of the Exploration Licence.

It is a condition of this Irrevocable Standby Letter of Credit that it **shall be deemed to be automatically renewed** without amendment, for one year from the present or any future expiration date hereof, **unless at least one hundred and twenty (120) days** prior to any such date, we shall notify the Beneficiary in writing at the address noted above, by courier that we elect not to consider this Irrevocable Standby Letter of Credit renewed for any such additional period. Upon receipt by you of such notice, you may draw by means of your written demand.

Notwithstanding the auto-renewal clause mentioned herein above it is a condition of this Irrevocable Standby Letter of Credit that it shall not be auto-renewed beyond July 14, 2022 (the "Final Expiry Date") and shall expire on the Final Expiry Date.

The rights of all parties and any disputes with respect to this Irrevocable Standby Letter of Credit, shall be governed by the laws of the Province of Nova Scotia and shall be dealt with by the courts within that jurisdiction.

This Irrevocable Standby Letter of Credit is issued subject to the International Standby Practices 1998 (ISP98) (International Chamber of Commerce Publication No. 590).

Payments under this Irrevocable Standby Letter of Credit are to be made payable to the Receiver General for Canada.

\_\_\_\_\_  
*(Authorized Signature)*

Countersigned:

\_\_\_\_\_  
*(Authorized Signature)*