

REPUBLIC OF TRINIDAD AND TOBAGO

THE PETROLEUM REGULATIONS, CHAP. 62:01

ORDER

Made by the Minister under Regulation 4 of the Petroleum Regulations

THE PETROLEUM REGULATIONS (COMPETITIVE BIDDING) ORDER, 2010

Preamble

WHEREAS the Minister of Energy and Energy Industries (“the Minister”) is empowered by section 6(3) of the Petroleum Act, Chap. 62:01 of the laws of the Republic of Trinidad and Tobago (“the Act”) *inter alia* to enter into and sign an agreement (“a production sharing contract”) for the purpose of carrying out petroleum operations relating to the exploration, production and disposition of petroleum:

And whereas the Minister has determined to enter into production sharing contracts in respect of the public petroleum rights for marine areas off the north, east and west coasts of Trinidad and Tobago, more particularly described in Schedule 1 hereto:

And whereas in accordance with section 10 of the Act, the President may determine that the entry into production sharing contracts within the meaning of section 6 thereof, shall be subject to a procedure of competitive bidding in accordance with the Petroleum Regulations (“the Regulations”):

And whereas the President has determined that the entry into the production sharing contracts in respect of the public petroleum rights in the said marine areas off the north, east and west coasts shall be subject to a procedure of competitive bidding in accordance with the Regulations:

And whereas regulation 4 of the Regulations provides that where the President has under section 10 of the Act determined that an area shall be subject to competitive bidding, the Minister shall make an Order to that effect, which shall specify in respect of each area, the geographical description, the period during which the bids may be presented and any other conditions and details which the Minister may consider proper for the purpose:

Now, therefore, in exercise of the powers vested in him under regulation 4 of the Regulations, the Minister makes the following Order:

Citation 1. This Order may be cited as the Petroleum Regulations (Competitive Bidding) Order, 2010.

Areas subject to competitive bidding process
Schedule 1
Schedule 2

2. The marine areas in respect of which the President has determined that the award of production sharing contracts respecting public petroleum rights shall be subject to a procedure of competitive bidding are divided into seven blocks and are more particularly described in Schedule 1 and illustrated on the map attached hereto, as Schedule 2.

Bids invited 3. Bids for production sharing contracts in respect of the blocks described in Schedule 1 are invited for the carrying out of exploration and production operations in the marine areas referred to in Schedule 2.

Form of and time for presentation of Bids

4.(1) Bids shall be presented in duplicate, under confidential cover, in sealed envelopes marked "Bid for Production Sharing Contract", with the block applied for clearly marked, to the office of the Permanent Secretary, Ministry of Energy and Energy Industries, Level 26, Tower C, Energy Trinidad and Tobago, International Waterfront Centre, #1 Wrightson Road, Port-of-Spain, Republic of Trinidad and Tobago, West Indies from the date of this Order until 10:00 a.m. on the first Wednesday, four months after the date of publication of this Order.

(2) Bidders shall be at liberty to request, in writing or by telefax, any further information which may be required in order to complete a bid or any interpretation thereof, such request to be made to the-

Permanent Secretary,
Level 26, Tower C,

Energy Trinidad and Tobago,
International Waterfront Centre,
#1 Wrightson Road,
Port of Spain,
Republic of Trinidad and Tobago,
West Indies.
Attention: Director, Resource Management
Fax No. (868) 625-0306

(3) Persons interested in conducting exploration and production operations in any of the blocks described in Schedule 1, shall submit a separate bid application in respect of each block.

(4) Notwithstanding anything to the contrary which may be contained or implied in this Order, the Ministry of Energy and Energy Industries (“the Ministry”) does not bind itself to accept any bid or part thereof submitted pursuant to this Order and the Ministry further reserves the right to reject any and all bids.

(5) The Ministry shall notify unsuccessful bidders in writing as soon as possible after the award of contracts.

(6) After the public opening of bids, the Ministry may disclose the process, information relating to the examination, clarification, evaluation and comparison of bids or recommendations concerning the award of contracts.

(7) Any effort by a bidder to influence the Ministry in the process of examination, clarification, evaluation and comparison of bids and in decisions concerning the award of contracts may result in the rejection of the bidder’s bid.

Pre-bid
application fee

5. Persons intending to bid either individually or as a member of a consortium shall pay to the Permanent Secretary in the Ministry, prior to the close of bids as referred to in clause 4(1), a pre-bid application fee of-

- (a) fifty thousand dollars in the currency of the United States of America for Blocks NCMA 3, NCMA 4 and NCMA 5 which shall entitle the bidder to bid on any or all of these blocks;

- (b) forty thousand dollars in the currency of the United States of America for Block NCMA 2 which shall entitle the bidder to bid on this block;
- (c) forty thousand dollars in the currency of the United States of America for Block 4(b) which shall entitle the bidder to bid on this block;
- (d) forty thousand dollars in the currency of the United States of America for Block 5(d) which shall entitle the bidder to bid on this block; or
- (e) forty thousand dollars in the currency of the United States of America for North Marine Block which shall entitle the bidder to bid on this block.

Data packages

6. Payment of the application fee referred to in clause 5 shall be a prerequisite for the submission of a bid and in relation to the relevant block entitles the prospective applicant to receive from the Ministry in respect of that block, a data package which shall include-

- (a) a Petroleum Regulations (Competitive Bidding) Order, 2010;
- (b) a Model Production Sharing Contract, 2010 for Shallow Marine Areas;
- (c) a Model Production Sharing Contract, 2010 for Average Water Depth Areas;
- (d) the Model Joint Operating Agreement (JOA);
- (e) the Trinidad and Tobago Energy Sector Local Content and Local Participation Framework; and
- (f) relevant information with respect to the area(s) for which bid(s) may be presented.

Bid application fee

7. In addition to the pre-bid application fee, a bid application fee of fifty thousand dollars in the currency of the United States of America, shall be payable to the Permanent Secretary in the Ministry, on submission of the application.

Information in support of bid

- 8.(1) Every bid shall be accompanied by the following:
- (a) a signed declaration indicating that the Production Sharing Contract has been examined and the Contract terms agreed, to be presented in the form attached hereto as Schedule 3;

Schedule 3

Schedule 4

(b) a summary of the proposals in respect of items referred to in clause 11(1) presented in the prescribed manner indicated in the Summary Bid Form attached hereto as Schedule 4;

(c) legal identity of the bidder(s);

(d) technical capacity, competence and experience in petroleum operations and related activities of the bidder(s);

(e) corporate and financial structure and backing of the bidder(s); and

(f) such other details as the bidder may consider relevant.

(2) Where the bidder has not been pre-qualified before the coming into operation of this Order, the bidder shall submit the requirements referred to in subclause (1)(c) to (1)(e).

Separate contract for each block

9. A production sharing contract will be issued in respect of each block described in Schedule 1.

Requirement for bid proposal

10. A bid proposal shall provide for the maximum utilization of services and facilities available in Trinidad and Tobago in both the exploration and production phases of the contract.

Requirement for bid

11.(1) A bid shall conform to the provisions of the Model Production Sharing Contracts referred to in clause 6(b) and (c) and shall contain proposals in respect of the following:

(a) a commitment to a work programme, (“the Minimum Work Programme”) which represents the applicant’s best efforts to explore the contract area based on his technical evaluation of the block;

(b) a commitment to spend such sum of money (“the Minimum

Expenditure Obligation”) as shall be necessary to complete the Minimum Work Programme;

- (c) proposals, in the form set out in Schedule 4, for the sharing of petroleum produced from the contract area;
- (d) for Blocks NCMA 2, NCMA 3, NCMA 4 and NCMA 5 and North Marine Block, twenty per cent carried participation for the State in the first four years of the exploration period for all exploration operations, inclusive of appraisal operations; and
- (e) a signature cash bonus which shall be payable on the issue of the Contract.

(2) Where several bidders are awarded the same number of points, each bidder shall be required to bid an additional signature cash bonus for the purpose of determining the preferred bidder.

(3) A bid proposal shall be evaluated on the basis of-

- (a) the provisions outlined in the Model Production Sharing Contract, 2010 for Shallow Marine and the Model Production Sharing Contract, 2010 for Average Water Depth Areas referred to in clause 6; and

Schedule 5

- (b) the Point System to be used for Evaluating Bids set out in Schedule 5.

Announcement of successful bids

12. Successful bids shall be announced on the first Wednesday six months after the date of publication of this Order.

Requirement of successful bidders

13.(1) A successful bidder wishing to be granted a production sharing contract shall-

- (a) execute such production sharing contract with the State within thirty days of the notification of the successful bid;

Chap. 81:01

- (b) before commencing petroleum operations in the contract area, register under the Companies Act or be incorporated thereunder;

- (c) deliver to the Minister on the effective date, guarantees for-

(i) the total amount of the work unit obligation in the form of a bond or banker's guarantee or other form of guarantee acceptable to the Minister; and

(ii) the sum of four hundred thousand dollars in the currency of the United States of America for the performance of any other obligation under the contract, in cash, securities or other form of guarantee acceptable to the Minister;

(d) maintain such separate books of accounts with respect to petroleum operations in the contract area as may satisfy the Minister to whom responsibility for finance is assigned; and

(e) participate in the "National Oil Spill Contingency Plan".

(2) The Model Production Sharing Contract, 2010 for Shallow Marine and the Model Production Sharing Contract for Average Water Depth Areas referred to in clause 6 and the bidder's bid proposal pursuant to this Order shall be the basis for the issue of the production sharing contract to be entered into between the President, the Minister and successful bidders.

(3) Failure to execute the contract referred to in subclause (1)(a) within thirty days of receipt of notification of the success of the bid may result in the non-issue of the contract.

Issue, renewal and termination of production sharing contracts

14.(1) A production sharing contract shall be issued initially for a period of six years, in respect of each block listed in Schedule 1 but upon the achievement of a commercial discovery, it may be renewed, as to a part only of the contract area, for a term of twenty-five years from the effective date of the contract.

(2) Where a commercial discovery is not achieved within six years, the contract referred to in subclause (1) shall terminate automatically.

SCHEDULE 1

(Clause 2)

THE AREAS SUBJECT TO COMPETITIVE BIDDING

The areas subject to Competitive Bidding comprise the seven blocks of various shapes and sizes located, designated and described as specified hereunder and illustrated on the map in Schedule 2:

Geographical co-ordinates of origin:

Latitude $10^{\circ} 26' 30''\text{N}$

Longitude $61^{\circ} 20' 00''\text{W}$

Rectangular co-ordinates of origin:

Easting 430,000 links

Northing 325,000 links

Geographical positions are based on the Clarke 1858 Spheroid

Cassini grid co-ordinates are in links/geographical

GEOGRAPHICAL DESCRIPTION OF AREAS

BLOCK NCMA 2

Block NCMA 2 comprising approximately 251,877.895 Ac (101,931.8 Ha) situate off the north coast of Trinidad and Tobago bounded by the lines joining the points listed hereunder and shown on the attached map.

Name of co-ordinates

A 217491.7623 lks. E 842900.0991 lks. N
61° 43' 30'' W. Long. 11° 23' 00'' N. Lat.

B 475214.1685 lks. E 842763.2277 lks. N
61° 15' 00'' W. Long. 11° 23' 00'' N. Lat.

C 475248.0465 lks. E 723630.3623 lks. N
61° 15' 00'' W. Long. 11° 10' 00'' N. Lat.

D 357603.0076 lks. E 723640.3034 lks. N
61° 28' 00'' W. Long. 11° 10' 00'' N. Lat.

E 357627.897 lks. E 778624.5689 lks. N
61° 28' 00'' W. Long. 11° 16' 00'' N. Lat.

F 285255.4609 lks. E 61° 36' 00" W. Long.	778673.9261 lks. N 11° 16' 00" N. Lat.
G 285226.3695 lks. E 61° 36' 00" W. Long.	746599.4838 lks. N 11° 12' 30" N. Lat.
H 249032.6274 lks. E 61° 40' 00" W. Long.	746636.3205 lks. N 11° 12' 30" N. Lat.
J 217362.9176 lks. E 61° 43' 30" W. Long.	746675.2679 lks. N 11° 12' 30" N. Lat.

BLOCK NCMA 3

Block NCMA 3 comprising approximately 520,457.536 Ac (210,622.5 Ha) situate off the north coast of Trinidad and Tobago bounded by the lines joining the points listed hereunder and shown on the attached map.

Name of co-ordinates

C 475248.0465 lks. E 61° 15' 00" W. Long.	723630.3623 lks. N 11° 10' 00" N. Lat.
CF 475267.513 lks. E 61° 15' 00" W. Long.	654130.5311 lks. N 11° 02' 25" N. Lat.
K 580658.0928 lks. E 61° 03' 22" W. Long.	654101.427 lks. N 11° 02' 24" N. Lat.
L 580658.0928 lks. E 61° 03' 22" W. Long.	562513.7883 lks. N 10° 52' 25" N. Lat.
M 520548.3928 lks. E 61° 10' 00" W. Long.	562513.7883 lks. N 10° 52' 25" N. Lat.
N 520548.3928 lks. E 61° 10' 00" W. Long.	539611.3449 lks. N 10° 49' 55" N. Lat.
P 200193.0428 lks. E 61° 45' 22" W. Long.	539611.3449 lks. N 10° 49' 54" N. Lat.
Q 212531.128 lks. E 61° 44' 01" W. Long.	575702.0096 lks. N 10° 53' 51" N. Lat.
R 213441.9096 lks. E 61° 43' 55" W. Long.	579519.4989 lks. N 10° 54' 16" N. Lat.
S 213541.8444 lks. E 61° 43' 55" W. Long.	655033.5736 lks. N 11° 02' 30" N. Lat.

T 217242.0419 lks. E 61° 43' 30" W. Long.	655033.6281 lks. N 11° 02' 30" N. Lat.
U 248929.7557 lks. E 61°40' 00" W. Long.	654995.2305 lks. N 11° 02' 30" N. Lat.
V 248945.0893 lks. E 61° 40' 00" W. Long.	668741.329 lks. N 11° 04' 00" N. Lat.
W 321367.407 lks. E 61° 32' 00" W. Long.	668676.6277 lks. N 11° 04' 00" N. Lat.
X 321379.7053 lks. E 61° 32' 00" W. Long.	687004.6092 lks. N 11° 06' 00" N. Lat.
Y 339483.1352 lks. E 61° 30' 00" W. Long.	686993.4573 lks. N 11° 06' 00" N. Lat.
Z 339503.7241 lks. E 61° 30' 00" W. Long.	723649.4799 lks. N 11° 10' 00" N. Lat.
D 357603.0076 lks. E 61° 28' 00" W. Long.	723640.3034 lks. N 11° 10' 00" N. Lat.

BLOCK NCMA 4

Block NCMA 4 comprising approximately 452,068.037 Ac (182,946.2 Ha) situate off the north coast of Trinidad and Tobago bounded by the lines joining the points listed hereunder and shown on the attached map.

Name of co-ordinates

B 475214.1531 lks. E 61° 15' 0" W. Long.	842763.2277 lks. N 11° 23' 00" N. Lat.
Y 520460.7449 lks. E 61° 10' 00" W. Long.	842778 lks. N 11° 23' 00" N. Lat.
Z 861774 lks. E 60° 32' 15" W. Long.	842778 lks. N 11° 22' 56" N. Lat.
AA 834508 lks. E 60° 35' 16" W. Long.	835740 lks. N 11° 22' 11" N. Lat.
AB 792106.4968 lks. E 60° 39' 58" W. Long.	820295.9117 lks. N 11° 20' 30" N. Lat.
AC 781244.6539 lks. E	820295.9117 lks. N

60° 41' 10" W. Long.	11° 20' 30" N. Lat.
AD 688867.1132 lks. E	751852.6926 lks. N
60° 51' 23" W. Long.	11° 13' 03" N. Lat.
AE 658728.6328 lks. E	720609.3958 lks. N
60° 54' 44" W. Long.	11° 09' 39" N. Lat.
AF 661373.4996 lks. E	707140.0595 lks. N
60° 54' 26" W. Long.	11° 08' 11" N. Lat.
AG 669784.0496 lks. E	692722.4806 lks. N
60° 53' 31" W. Long.	11° 06' 37" N. Lat.
AH 689704.1822 lks. E	678578.7601 lks. N
60° 51' 19" W. Long.	11° 05' 04" N. Lat.
AJ 689718.995 lks. E	654118.7157 lks. N
60° 51' 19" W. Long.	11° 02' 24" N. Lat.
K 580658.0928 lks. E	654101.427 lks. N
61° 03' 22" W. Long.	11° 02' 24" N. Lat.
CF 475267.513 lks. E	654130.5311 lks. N
61° 15' 00" W. Long.	11° 02' 25" N. Lat.
C 475248.0465 lks. E	723630.3623 lks. N
61° 15' 00" W. Long.	11° 10' 00" N. Lat.

BLOCK NCMA 5

Block NCMA 5 comprising approximately 571,055.552 Ac (231,098.8 Ha) situate off the north coast of Trinidad and Tobago bounded by the lines joining the points listed hereunder and shown on the attached map.

Name of co-ordinates

AP 972422 lks. E	725782 lks. N
60° 20' 04" W. Long.	11° 10' 08" N. Lat.
AQ 972425 lks. E	541473.756 lks. N
60° 20' 08" W. Long.	10° 50' 02" N. Lat.
AR 951376.6039 lks. E	541194.6232 lks. N
60° 22' 27" W. Long.	10° 50' 00" N. Lat.
AS 844934.2713 lks. E	540864.0111 lks. N
60° 34' 12" W. Long.	10° 50' 00" N. Lat.

AT 755382.9712 lks. E 60° 44' 05" W. Long.	540585.7023 lks. N 10° 49' 59" N. Lat.
AU 689590.575 lks. E 60° 51' 21" W. Long.	540381.2318 lks. N 10° 49' 59" N. Lat.
AV 689521.2532 lks. E 60° 51' 21" W. Long.	562686.8896 lks. N 10° 52' 25" N. Lat.
L 580658.0928 lks. E 61° 03' 22" W. Long.	562513.7883 lks. N 10° 52' 25" N. Lat.
K 580658.0928 lks. E 61° 03' 22" W. Long.	654101.427 lks. N 11° 02' 24" N. Lat.
AJ 689718.995 lks. E 60° 51' 19" W. Long.	654118.7157 lks. N 11° 02' 24" N. Lat.
AH 689704.1822 lks. E 60° 51' 19" W. Long.	678578.7601 lks. N 11° 05' 04" N. Lat.
AK 726581.9083 lks. E 60° 47' 14" W. Long.	672803.7604 lks. N 11° 04' 25" N. Lat.
AL 755648.9367 lks. E 60° 44' 01" W. Long.	685198.7056 lks. N 11° 05' 46" N. Lat.
AM 810750.2406 lks. E 60° 37' 56" W. Long.	705598.5141 lks. N 11° 07' 59" N. Lat.
AN 838991 lks. E 60° 34' 48" W. Long.	725782 lks. N 11° 10' 11" N. Lat.

NORTH MARINE BLOCK

North Marine Block comprising approximately 50,853.092 Ac (20,579.6 Ha) situate off the western coast of Trinidad and Tobago bounded by the lines joining the points listed hereunder and shown on the attached map.

Name of co-ordinates

BR 331100 lks. E 61° 30' 54" W. Long.	250000 lks. N 10° 18' 19" N. Lat.
BS 328300 lks. E 61° 31' 12" W. Long.	242500 lks. N 10° 17' 30" N. Lat.
BT 312150 lks. E 61° 32' 59" W. Long.	234000 lks. N 10° 16' 34" N. Lat.
BU 290000 lks. E	241300 lks. N

61° 35' 26" W. Long.	10° 17' 22" N. Lat.
BV 280000 lks. E 61° 36' 32" W. Long.	245600 lks. N 10° 17' 50" N. Lat.
BW 270000 lks. E 61° 37' 38" W. Long.	246000 lks. N 10° 17' 52" N. Lat.
BX 257376 lks. E 61° 39' 41" W. Long.	241893 lks. N 10° 17' 25" N. Lat.
BY 250176 lks. E 61° 39' 49" W. Long.	238300 lks. N 10° 17' 02" N. Lat.
BZ 241200 lks. E 61° 40' 48" W. Long.	230000 lks. N 10° 16' 07" N. Lat.
CA 236800 lks. E 61° 41' 17" W. Long.	220000 lks. N 10° 15' 02" N. Lat.
CB 100000 lks. E 61° 56' 21" W. Long.	220000 lks. N 10° 15' 01" N. Lat.
CC 100000 lks. E 61° 56' 22" W. Long.	250000 lks. N 10° 18' 17" N. Lat.
CD 222000 lks. E 61° 42' 55" W. Long.	250000 lks. N 10° 18' 18" N. Lat.
CE 310000 lks. E 61° 33' 13" W. Long.	250000 lks. N 10° 18' 19" N. Lat.

BLOCK 4B

Block 4B comprising approximately 186,138.514 Ac (75,327.9 Ha) situate off the eastern coast of Trinidad and Tobago bounded by the lines joining the points listed hereunder and shown on the attached map.

Name of co-ordinates

BA 1038635.636 lks. 60° 12' 53" W. Long.	E 398503.769 lks. N 10° 34' 24" N. Lat.
BB 1125418.015 lks. 60° 03' 19" W. Long.	E 398813.5104 lks. N 10° 34' 24" N. Lat.
BC 1196472.395 lks. E 59° 55' 31" W. Long.	337401.505 lks. N 10° 27' 40" N. Lat.
BD 1196778.61 lks. E 59° 55' 31" W. Long.	267128.4188 lks. N 10° 20' 00" N. Lat.

BP 1106056.142 lks. E 266804.2533 lks. N
60° 05' 30" W. Long. 10° 20' 00" N. Lat.

BQ 1039107.076 lks. E 266565.03 lks. N
60° 12' 53" W. Long. 10° 20' 00" N. Lat.

BLOCK 5D

Block 5D comprising approximately 169,055.973 Ac (68,414.8 Ha) situate off the eastern coast of Trinidad and Tobago bounded by the lines joining the points listed hereunder and shown on the attached map.

Name of co-ordinates

BP 1106056.142 lks. E 266804.2533 lks. N
60° 05' 30" W. Long. 10° 20' 00" N. Lat.

BD 1196778.61 lks. E 267128.4188 lks. N
59° 55' 31" W. Long. 10° 20' 00" N. Lat.

BE 1197025.979 lks. E 210373.004 lks. N
59° 55' 31" W. Long. 10° 13' 48" N. Lat.

BF 1197666.582 lks. E 63365.3361 lks. N
59° 55' 31" W. Long. 9° 57' 46" N. Lat.

BG 1179858.4023 lks. E 59158.3899 lks. N
59° 57' 28" W. Long. 9° 57' 19" N. Lat.

BH 1179789.469 lks. E 89710.03 lks. N
59° 57' 28" W. Long. 10° 00' 39" N. Lat.

BJ 1142535.356 lks. E 89641.051 lks. N
60° 01' 34" W. Long. 10° 00' 40" N. Lat.

BK 1142535.35 lks. E 50356.5478 lks. N
60° 01' 35" W. Long. 9° 56' 23" N. Lat.

BL 1128399.561 lks. E 47028.0798 lks. N
60° 03' 08" W. Long. 9° 56' 01" N. Lat.

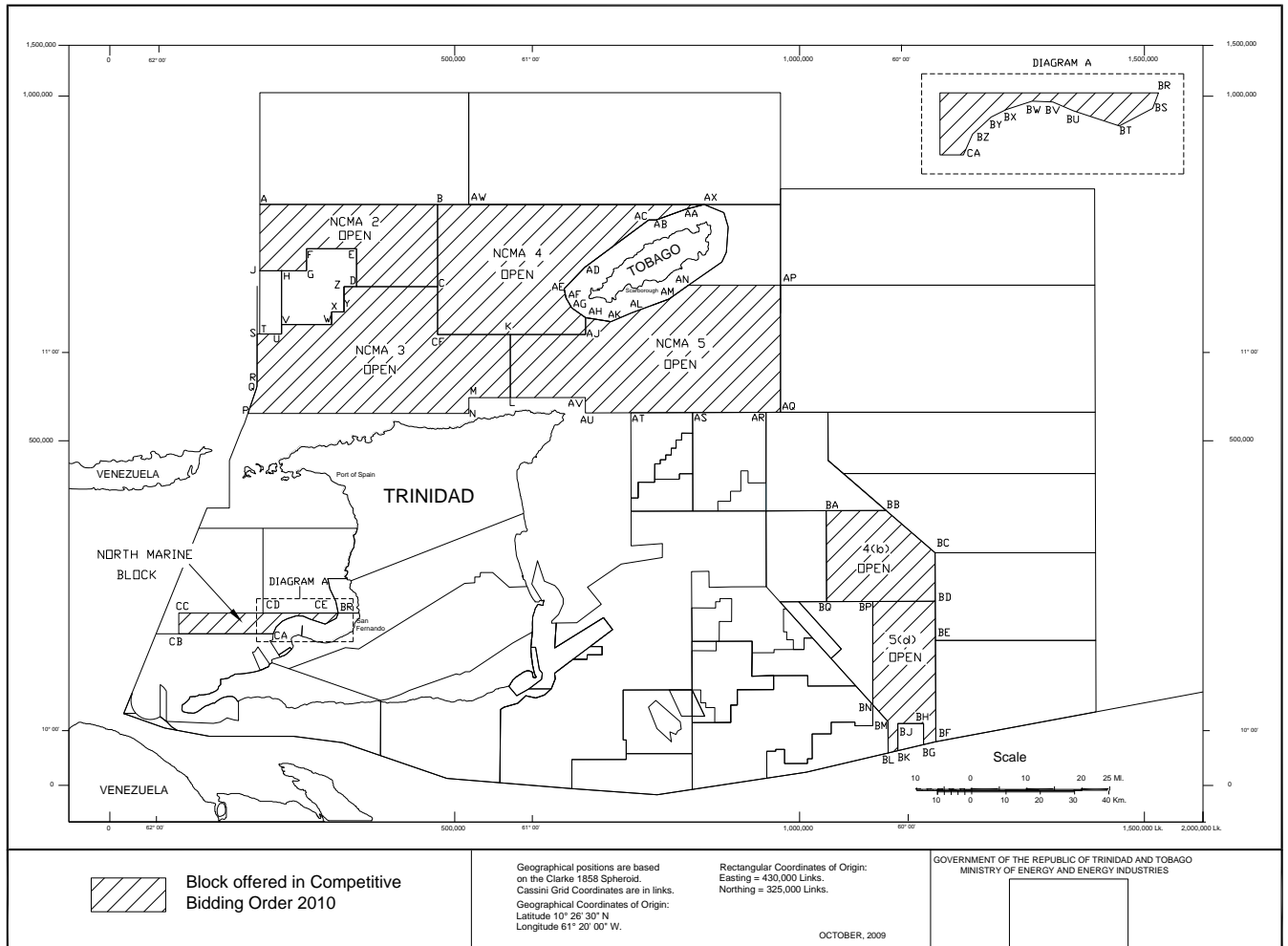
BM 1128223.3 lks. E 92530.1 lks. N
60° 03' 08" W. Long. 10° 00' 59" N. Lat.

BN 1106056.142 lks. E 117105.0948 lks. N
60° 05' 34" W. Long. 10° 03' 40" N. Lat.

SCHEDULE 2

(Clause 2)

MAP SHOWING AREAS UNDER COMPETITIVE BIDDING ORDER, 2010



SCHEDULE 3

(Clause 8(1)(a))

DECLARATION to be made by a duly authorized representative of the company

Company Name

Address

I, _____, of _____ in the
(city/town)

do solemnly declare that (X company) has accepted the provisions of the Production Sharing Contract, 2010 for (Shallow Marine Areas or the Production Sharing Contract for Average Water Depth Areas)* and all its Annexes having analysed all its terms and condition for submission of a bid in response to the call for tender contained in the Petroleum Regulations (Competitive Bidding) Order, 2010. (X company) is therefore prepared to execute said contract without additions or erasures, exceptions being the terms contained in the accepted bid submission.

And I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

Commissioner for Oaths/Notary Public

DECLARED before me at the _____)

of _____)

in the _____, this _____)

day of _____ A.D., 2 _____)

A Commissioner for Oaths/Notary Public

for the

(print or stamp name here)

MY APPOINTMENT EXPIRES: _____ (must be legibly printed or stamped)

*Insert name of appropriate contract.

SCHEDULE 4

[Clause 8(1)(b)]

SUMMARY BID FORM

BLOCKS NCMA 2, NCMA 3, NCMA 4, NCMA 5 AND NORTH MARINE BLOCK

TERM OF CONTRACT

- 1st Phase - seismic option – 2 years
- 1st Phase - seismic and exploration drilling
 - seismic and 1 well – 3 years
 - seismic and 2 wells – 4 years
 - seismic and 3 wells – 5 years
- 2nd Phase - exploration drilling
- 3rd Phase - exploration drilling

Drilling of exploration wells is a requirement in the second and third phases of the exploration period.

MINIMUM WORK PROGRAMME

WORK UNITS
(US\$1MN equivalent to one work unit)

Geophysical

SEISMIC

3D Seismic _____

Other Geophysical _____

Geological

Studies

Drilling:

Wells Depth _____

SIGNATURE BONUS US\$ _____

Government's Share of Profit Crude Oil (per cent %)

<u>Production Tier</u>	<u>Crude Oil Price Class</u>			
	A	B	C	D

Production
up to 6,000 B/D

Production in
excess of 6,000 B/D
and up to 20,000 B/D

Production in
excess of 20,000 B/D
and up to 50,000 B/D

Production in
excess of 50,000 B/D
and up to 75,000 B/D

Production in
excess of 75,000 B/D

Where:

Price Class A refers to Government's share for a Crude Oil price less than or equal to US\$40.00 per Barrel.

Price Class B refers to Government's share for a Crude Oil price greater than US\$40.00 per barrel but less than or equal to US\$55.00 per Barrel.

Price Class C refers to Government's share for a Crude Oil price greater than US\$55.00 per barrel but less than or equal to US\$70.00 per Barrel.

Price Class D, Crude Oil Price greater than US\$70.00 per Barrel, the Government's share of Profit Crude Oil is equal to:

$$BR + 70\% (P - US\$70) / P] (1-BR)$$

Where:

BR refers to the Base Rates set out in Price Class D, and P is the Crude Oil price Government's Share of Profit Natural Gas (per cent %).

Government's Share of Profit Natural Gas (per cent %)

<u>Production Tier</u> <u>MMcfd</u>	<u>Natural Gas Price Class</u>			
--	--------------------------------	--	--	--

	A	B	C	D
--	---	---	---	---

Production up to 60 MMcfd

Production in excess
of 60 MMcfd and up to 150 MMcfd

Production in excess
of 150 MMcfd and up
to 300 MMcfd

Production in excess
of 300 MMcfd and up
to 450 MMcfd

Production in excess
of 450 MMcfd

Where:

Price Class A refers to Government's share for a Natural Gas at Fair Market Value less than or equal to US\$3.00 per Mcf.

Price Class B refers to Government's share for a Natural Gas at Fair Market Value greater than US\$3.00 per Mcf but less than or equal to US\$4.50 per Mcf.

Price Class C refers to Government's share for a Natural Gas at Fair Market Value greater than US\$4.50 per Mcf but less than or equal to US\$6.00 per Mcf.

Price Class D, Natural Gas Fair Market Value greater than US\$6.00 per Mcf, the Government's share of Profit Natural Gas is equal to:

$$BR + 70\% [(P - US\$6.00) / P] (1 - BR)$$

where: BR refers to the Base Rates set out in Price Class D, and P is the Natural Gas price.

SUMMARY BID FORM – Blocks 4(b) and 5(d)

TERM OF CONTRACT

- 1st Phase - seismic option – 1 year
- 1st Phase - seismic and exploration drilling
 - seismic and 1 well – 3 years
 - seismic and 2 wells – 4 years
 - seismic and 3 wells – 5 years
- 2nd Phase - drilling
- 3rd Phase - drilling

Drilling of exploration wells is a requirement in the second and third phases of the exploration period.

MINIMUM WORK PROGRAMME

WORK UNITS
(US\$1MN equivalent to one work unit)

Geophysical

3D seismic _____

Reprocessing _____

Other Geophysical _____

Geological

Studies _____

Drilling

Wells Depths _____

SIGNATURE BONUS

US\$ _____

Government's Share of Profit Crude Oil (per cent %)

Production Tier	Crude Oil Price Class			
	A	B	C	D
Production up to 10,000 B/D				
Production in excess of 10,000 B/D and up to 25,000 B/D				
Production in excess of 25,000 B/D and up to 50,000 B/D				
Production in excess of 50,000 B/D and up to 75,000 B/D				
Production in excess of 75,000 B/D				

Where:

Price Class A refers to Government's share for a Crude Oil price less than or equal to US\$40.00 per Barrel.

Price Class B refers to Government's share for a Crude Oil price greater than US\$40.00 per barrel but less than or equal to US\$60.00 per Barrel.

Price Class C refers to Government's share for a Crude Oil price greater than US\$60.00 per barrel but less than or equal to US\$80.00 per Barrel.

Price Class D, Crude Oil Price greater than US\$80.00 per Barrel, the Government's share of Profit Crude Oil is equal to:

$$BR + 70\% [(P - US\$80) / P] (1 - BR)$$

Where: BR refers to the Base Rates set out in Price Class D, and P is the Crude Oil price.

Government's Share of Profit Natural Gas (per cent %)

Production Tier MMcfd	Natural Gas Price Class			
	A	B	C	D
Production up to 60 MMcfd				
Production in excess of 60 MMcfd and up to 150 MMcfd				
Production in excess of 150 MMcfd and up to 300 MMcfd				
Production in excess of 300 MMcfd and up to 450 MMcfd				
Production in excess of 450 MMcfd				

Where:

Price Class A refers to Government's share for Natural Gas at Fair Market Value less than or equal to US\$4.00 per Mcf.

Price Class B refers to Government's share for Natural Gas at Fair Market Value greater than US\$4.00 per Mcf but less than or equal to US\$5.50 per Mcf.

Price Class C refers to Government's share for Natural Gas at Fair Market Value greater than US\$5.50 per Mcf but less than or equal to US\$7.00 per Mcf.

Price Class D, Natural Gas at Fair Market Value greater than US\$7.00 per Mcf, the Government's share of Profit Natural Gas is equal to:

$$BR + 70\% [(P - US\$7.00) / P] (1 - BR)$$

where: BR refers to the Base Rates set out in Price Class D, and P is the Natural Gas price.

SCHEDULE 5

[Clause 11(2)(b)]

POINT SYSTEM FOR USE IN THE EVALUATION OF BIDS RECEIVED

Competitive Bidding Order, 2010

MINIMUM EXPLORATION PROGRAMME

100 POINTS

Blocks NCMA 2, NCMA 4 and North Marine

Block NCMA 2

Geophysical 25 points

Seismic

1 sq km of 3D seismic - 0.025 points

Other Geophysical

1line km of data – 0.025 points to a maximum of 10 points

Geological Studies 10 points

Bidders should provide details of studies proposed and illustrate their value in contributing to improving the understanding of the petroleum system.

Drilling 65 points

Block NCMA 4

Geophysical 25 points

1 sq km of 3D Seismic - 0.014 points

Other Geophysical

1line km of data – 0.025 points to a maximum of 10 points

Geological Studies 10 points

Bidders should provide details of studies proposed and illustrate their value in contributing to improving the understanding of the petroleum system.

Drilling

65 points

The point allocation for wells in Blocks NCMA 2 and NCMA 4 will be based on cumulative footage as per the following table:

Points per well depth (m), Cumulative points for wells = 65			
	Cumulative well depth	Incremental Points	Cumulative Points
First 500m	500	0.7	0.7
Next 250m	750	0.8	1.5
Next 250m	1000	0.8	2.3
Next 250m	1250	0.8	3.1
Next 250m	1500	0.9	4.0
Next 250m	1750	0.9	4.9
Next 250m	2000	1.0	5.8
Next 250m	2250	1.0	6.8
Next 250m	2500	1.0	7.9
Next 250m	2750	1.1	9.0
Next 250m	3000	1.1	10.1
Next 250m	3250	1.2	11.3
Next 250m	3500	1.3	12.5
Next 250m	3750	1.3	13.9
Next 250m	4000	1.4	15.2
Next 250m	4250	1.4	16.7
Next 250m	4500	1.5	18.2
Next 250m	4750	1.6	19.7
Next 250m	5000	1.6	21.4
Next 250m	5250	1.7	23.1
Next 250m	5500	1.8	24.9
Next 250m	5750	1.9	26.8
Next 250m	6000	2.0	28.8
Next 250m	6250	2.1	30.9
Next 250m	6500	2.2	33.1
Next 250m	6750	2.3	35.3
Next 250m	7000	2.4	37.7
Next 250m	7250	2.5	40.2
Next 250m	7500	2.6	42.8
Next 250m	7750	2.7	45.6
Next 250m	8000	2.9	48.4
Next 250m	8250	3.0	51.4
Next 250m	8500	3.1	54.6
Next 250m	8750	3.3	57.9
Next 250m	9000	3.4	61.3
Next 250m	9250	3.6	65

North Marine Block

Geophysical 20 points

Seismic

Reprocessing : 1sq km of 3D seismic - 0.027 points

Acquisition: 1 sq km of 3D seismic - 0.027 points

Other Geophysical

1line km of data – 0.027 points to a maximum of 10 points

Geological Studies 10 points

Bidders should provide details of studies proposed and illustrate their value in contributing to improving the understanding of the petroleum system.

Drilling

70 points

The point allocation for wells in North Marine Block will be based on cumulative footage as per the following table:

Points per well depth (m), Cumulative points for wells = 70			
	Cumulative well depth	Incremental Points	Cumulative Points
First 500m	500	0.8	0.8
Next 250m	750	0.8	1.6
Next 250m	1000	0.9	2.4
Next 250m	1250	0.9	3.3
Next 250m	1500	0.9	4.3
Next 250m	1750	1.0	5.2
Next 250m	2000	1.0	6.3
Next 250m	2250	1.1	7.3
Next 250m	2500	1.1	8.5
Next 250m	2750	1.2	9.6
Next 250m	3000	1.2	10.9
Next 250m	3250	1.3	12.2
Next 250m	3500	1.3	13.5
Next 250m	3750	1.4	14.9
Next 250m	4000	1.5	16.4
Next 250m	4250	1.5	17.9
Next 250m	4500	1.6	19.6
Next 250m	4750	1.7	21.3
Next 250m	5000	1.8	23.0
Next 250m	5250	1.9	24.9
Next 250m	5500	1.9	26.8
Next 250m	5750	2.0	28.9
Next 250m	6000	2.1	31.0
Next 250m	6250	2.2	33.2
Next 250m	6500	2.3	35.6
Next 250m	6750	2.5	38.0
Next 250m	7000	2.6	40.6
Next 250m	7250	2.7	43.3
Next 250m	7500	2.8	46.1
Next 250m	7750	2.9	49.0
Next 250m	8000	3.1	52.1
Next 250m	8250	3.2	55.4
Next 250m	8500	3.4	58.7
Next 250m	8750	3.5	62.3
Next 250m	9000	3.7	66.0
Next 250m	9250	3.9	70

NCMA 3 and NCMA 5

Block NCMA 5

Seismic

Seismic

1 sq km of 3D - 0.017 points

Other Geophysical

1line km of data – 0.017 points to a maximum of 10 points

Geological Studies 10 points

Bidders should provide details of studies proposed and illustrate their value in contributing to improving the understanding of the petroleum system.

Drilling 50 points

Block NCMA 3

Geophysical 40 points

Seismic

1 sq km of 3D - 0.019 points

Other Geophysical

1line km of data – 0.019 points to a maximum of 10 points

Geological Studies 10 points

Bidders should provide details of studies proposed and illustrate their value in contributing to improving the understanding of the petroleum system.

Drilling

50 points

The point allocation for wells in Blocks NCMA 3 and NCMA 5 will be based on cumulative footage as per the following table:

Points per (m), Cumulative points for wells = 50			
	Cumulative well depth	Incremental Points	Cumulative Points
First 500m	500	0.7	0.7
Next 250m	750	0.7	1.4
Next 250m	1000	0.8	2.2
Next 250m	1250	0.8	3.0
Next 250m	1500	0.9	3.9
Next 250m	1750	0.9	4.8
Next 250m	2000	1.0	5.7
Next 250m	2250	1.0	6.8
Next 250m	2500	1.1	7.8
Next 250m	2750	1.2	9.0
Next 250m	3000	1.2	10.2
Next 250m	3250	1.3	11.5
Next 250m	3500	1.4	12.9
Next 250m	3750	1.5	14.3
Next 250m	4000	1.5	15.9
Next 250m	4250	1.6	17.5
Next 250m	4500	1.7	19.2
Next 250m	4750	1.8	21.0
Next 250m	5000	1.9	23.0
Next 250m	5250	2.1	25.0
Next 250m	5500	2.2	27.2
Next 250m	5750	2.3	29.5
Next 250m	6000	2.4	32.0
Next 250m	6250	2.6	34.6
Next 250m	6500	2.7	37.3
Next 250m	6750	2.9	40.2
Next 250m	7000	3.1	43.3
Next 250m	7250	3.3	46.6
Next 250m	7500	3.5	50.0

Blocks 4(b) and 5(d)

Block 4(b)

Geophysical 20 points

Seismic

Reprocessing : 1sq km of 3D – 0.027 points

Acquisition: 1 sq km of 3D - 0.027 points

Geological Studies 10 points

Bidders should provide details of studies proposed and illustrate their value in contributing to improving the understanding of the petroleum system.

Drilling 70 points

Block 5(d)

Geophysical 20 points

Seismic

Reprocessing: 1sq km of 3D - 0.027 points

Acquisition: 1 sq km of 3D - 0.027 points

Geological Studies 10 points

Bidders should provide details of studies proposed and illustrate their value in contributing to improving the understanding of the petroleum system.

Drilling 70 points

The Points allocation for wells in Blocks 4(b) and 5(d) will be based on cumulative footage as per the following table:

Points per Well Depth (m), Cumulative points for wells = 70			
Cumulative Well Depth		Incremental Points	Cumulative Points
First 500m	500	0.8	0.8
Next 250m	750	0.8	1.6
Next 250m	1000	0.9	2.4
Next 250m	1250	0.9	3.3
Next 250m	1500	0.9	4.3
Next 250m	1750	1.0	5.2
Next 250m	2000	1.0	6.5
Next 250m	2250	1.1	7.3
Next 250m	2500	1.1	8.5
Next 250m	2750	1.2	9.6
Next 250m	3000	1.2	10.9
Next 250m	3250	1.3	12.2
Next 250m	3500	1.3	13.5
Next 250m	3750	1.4	14.9
Next 250m	4000	1.5	16.4
Next 250m	4250	1.5	17.9
Next 250m	4500	1.6	19.6
Next 250m	4750	1.7	21.3
Next 250m	5000	1.8	23.0
Next 250m	5250	1.9	24.9
Next 250m	5500	1.9	26.8
Next 250m	5750	2.0	28.9
Next 250m	6000	2.1	31.0
Next 250m	6250	2.2	33.2
Next 250m	6500	2.3	35.6
Next 250m	6750	2.5	38.0
Next 250m	7000	2.6	40.6
Next 250m	7250	2.7	43.3
Next 250m	7500	2.8	46.1
Next 250m	7750	2.9	49.0
Next 250m	8000	3.1	52.1
Next 250m	8250	3.2	55.4
Next 250m	8500	3.4	58.7
Next 250m	8750	3.5	62.3
Next 250m	9000	3.7	66.0
Next 250m	9250	3.9	70.0

There will be no points awarded for the programmes in the optional phases

