



THE GOVERNMENT OF
THE REPUBLIC OF
TRINIDAD AND TOBAGO

TRINIDAD ONSHORE BID ROUND 2013



Image: Thorsten Schwins



MINISTRY OF
ENERGY
AND ENERGY AFFAIRS
POWER. PROSPERITY. PROGRESS.



AGENDA



**Advantages
of doing
business in
Trinidad and
Tobago**



**Exploration
and
Production
Licence**



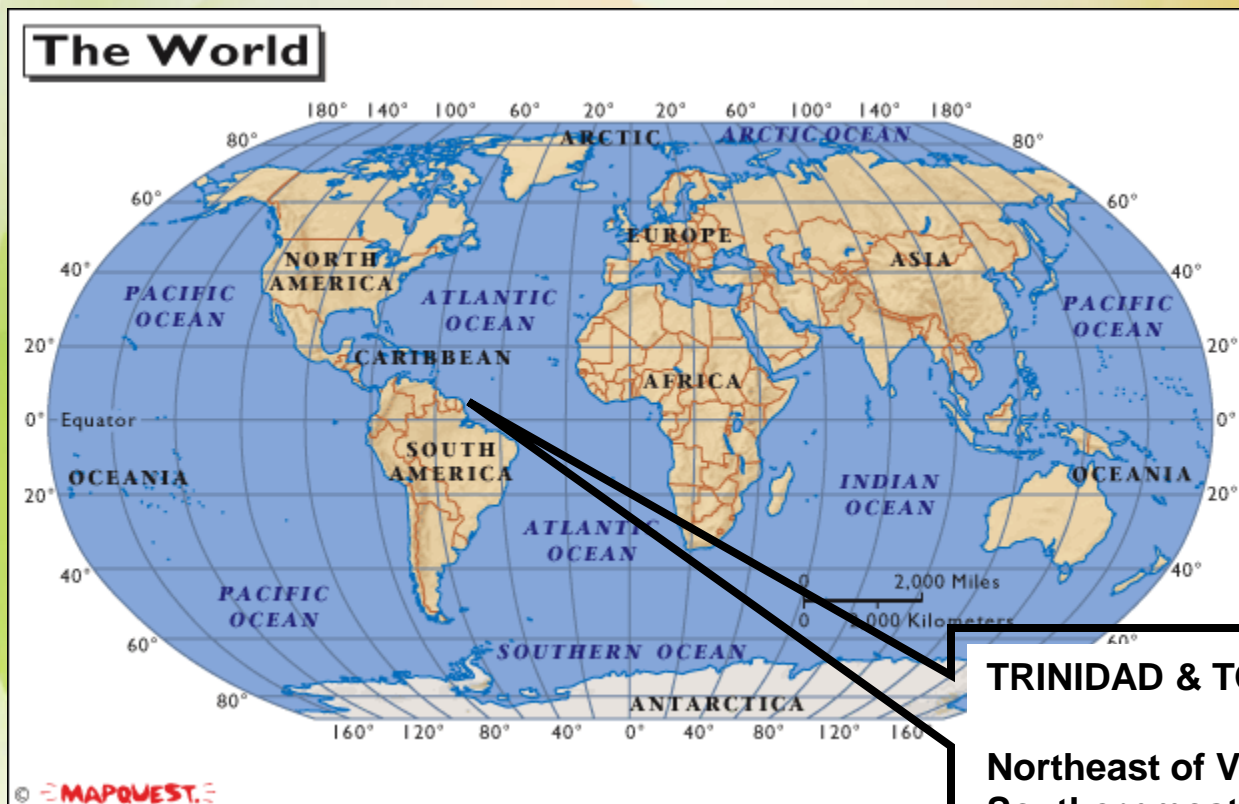
**Joint
Operating
Agreement**



**Competitive
Bid order**



Commercial oil production began 104 yrs ago Oil Production (end of Nov 2012)- 78,846 bopd



TRINIDAD & TOBAGO

Northeast of Venezuela
Southernmost islands
of the Caribbean

Gas utilization began 60 yrs ago
Avg. Gas Production (end of Nov 2012)- 4.1 bcf/d



Trinidad & Tobago Business Advantages

Fundamental Human Rights and Freedoms guaranteed in Constitution

Stable democratic nation with orderly and peaceful transitions of power

History of observing sanctity of contract



Trinidad & Tobago Business Advantages

Access to Developed and Emerging Markets by virtue of location and historical dealings

Highly Skilled and Trained English Speaking Labor Force

No Restrictions On Repatriation Of Capital, Profits, Dividends, Interest, Distributions Or Gains On Investment. Only Withholding Tax Applies.



Trinidad & Tobago Business Advantages Cont'd

Bi-lateral investment treaty with US,
CANADA, UK and other countries

Double taxation treaties with US

International Arbitration



ANNOUNCEMENT OF BID ROUND

**THE PETROLEUM REGULATIONS
(ONSHORE COMPETITIVE BIDDING)
ORDER, 2013 invites bids for the
grant of Exploration and
Production Licences for three
blocks located onshore in the
southern basin of Trinidad**



LICENCE TO BE EXECUTED

**AN EXPLORATION AND
PRODUCTION (PUBLIC PETROLEUM
RIGHTS) LICENCE IN ACCORDANCE
WITH THE PETROLEUM ACT**



THE GOVERNMENT OF
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CHANGES BASED ON FEEDBACK AT LAST MEETING IN CALGARY

SIZE OF BLOCKS

PRIVATE PETROLEUM RIGHTS – COMMITAL LETTERS

PRIVATE PETROLEUM RIGHTS – AREAS EXCISED

HEAVY UPFRONT WEIGHTING OF INVESTMENT

SPEED OF PROCESS – MODEL LICENCE AND JOA



TERM OF LICENCE

Initially period of six years

Upon the achievement of a commercial discovery, field renewed for an additional 19 years

If no commercial discovery, Licence terminates automatically



LOCAL CONTENT

CONTRACTOR REQUIRED TO COMPLY WITH THE LOCAL CONTENT AND LOCAL PARTICIPATION FRAMEWORK FOR THE REPUBLIC OF TRINIDAD AND TOBAGO

- LOCAL CONTENT

- LOCAL PARTICIPATION

ASSISTANCE BY THE MINISTER



THE GOVERNMENT OF
THE REPUBLIC OF
TRINIDAD AND

LAND USE RIGHTS

LICENCES FOR TRANSPORTATION

CUSTOMS REGULATIONS

VISAS FOR FOREIGN EMPLOYEES AND SUB CONTRACTORS

WORK PERMITS

ACCESS TO INFORMATION ON THE CONTRACT AREA

DEALING WITH GOVERNMENT AUTHORITIES



JOINT OPERATING AGREEMENT TO BE EXECUTED

A JOINT OPERATING
AGREEMENT WITH PETROTRIN

MODEL JOINT
OPERATING AGREEMENT
BASED ON AIPN MODEL
JOA

NON- NEGOTIABLE

IF RESERVATIONS
EXPRESSED IN BID THEY
MAY BE CONSIDERED
BUT WE ARE UNDER NO
OBLIGATION TO ACCEPT



PETROTRIN CARRY

The Petroleum Company of Trinidad and Tobago has a twenty per cent participating interest in each block awarded and a carry for the execution of the Minimum Work Obligations only



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PETROTRIN CARRY INCLUDES:

MINIMUM WORK OBLIGATIONS

FINANCIAL OBLIGATIONS UNDER THE LICENCE

SECONDEE

PROVISION OF DATA

TRANSACTION AUDIT



PETROTRIN BRINGS TO THE TABLE:

LEASES AND OWNERSHIP OF SOME PETROLEUM RIGHTS

WIDE EXPERIENCE IN OPERATING IN THE TERRAIN

KNOWLEDGE OF THE LOCAL HABITS AND CUSTOMS

A WELL ESTABLISHED LAND MANAGEMENT SYSTEM

A DATA BASE OF THE OWNERSHIP OF THE PETROLEUM RIGHTS IN THE AREA

DATA ON ADJOINING BLOCKS



OWNERSHIP OF PETROLEUM RIGHTS IN BLOCKS

**95% OF SUB SURFACE RIGHTS CAN BE
OPERATED UPON**

**91% OWNED
BY THE STATE**

**4.22% OWNED
BY PRIVATE
OWNERS AND
LEASED BY
PETROTRIN**

**4.78% EITHER
OPEN ACREAGE
OR A LETTER
OF COMMITTAL
HAS BEEN
OBTAINED**



COMPETITIVE BIDDING ORDER

COMPETITIVE BIDDING
ORDER PUBLISHED UNDER
THE PETROLEUM ACT
INCLUDED IN DATA
PACKAGE AND ON WEBSITE



Requirements for Bidding

The Bid Participation fee is US \$40,000

This fee entitles the bidder to

- receive a data package which includes data for all three blocks
- bid on any or all of the blocks



Contents of Data Package

The Petroleum Regulations Onshore
Competitive Bidding Order 2013)

The Model Exploration and Production (Public Petroleum Rights) Licence 2013 for the Onshore Areas

The Local Content and Local Participation Policy Framework for the Republic of Trinidad and Tobago dated October 7th 2004

The Model Joint Operating Agreement

Relevant Information with respect to the blocks



Documents to Accompany Bid

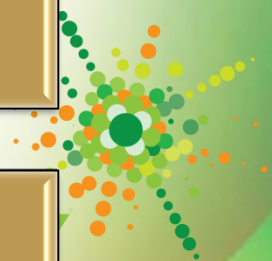
Signed Declaration, indicating that the Model Licence has been examined and the terms agreed to

Documents showing Cash Flow in relation to Commercial Evaluation

Documents demonstrating Legal Identity of Bidder

Evidence of Technical Competence and experience in Petroleum Operations

Documents showing the corporate and financial structure and banking of the Bidder





Bid should include:



**TECHNICAL AND
COMMERCIAL
EVALUATION OF
THE BLOCK**



**THE MINIMUM
WORK
PROGRAMME**



**THE MINIMUM
EXPENDITURE
OBLIGATION**



TIE BREAKER

Where more than one bidder for a particular block is awarded the same number of points, each bidder shall be required to bid a signature cash bonus for the purpose of determining the preferred bidder for that block.



TIME LINE



**Bidding Period
ends on 30
August, 2013**



**Successful bids to
be announced by
October 31, 2013**



**Licence and JOA
to be executed by
November 30,
2013**