

INTERNATIONAL LICENSING--2002

(from *AAPG Explorer*, August 2002)

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GENERAL COMMENTS

(Ken White, IHS Energy Group, personal communication, 2002)

The activity in acreage awards around the world generally is quite strong, especially Africa, which is particularly robust. Awards exceed relinquishments, and interest is high in major areas of opportunity, such as Brazil.

There is opportunity in all of Africa, not just confined to the typical producing countries in the North and West. Unlike Africa, activity is somewhat sluggish in Indonesia. Areas of unrest due to terrorist threats are extremely volatile today.

International success rates are good, and a developing infrastructure is driving activity around the world. Huge transmission lines in South America, for example, have influenced the delineation of areas of company interest. Another example of infrastructure being a key to future exploration activity is the 4,000-kilometer pipeline from the Tarim Basin in western China to industrial centers in the east--to be in place in five years, per the joint venture framework agreement signed by Shell, ExxonMobil, Gazprom and PetroChina.

SUMMARY

The summary presented here regarding activities in licensing and related matters is from the International Acreage Inventory, a quarterly supplement to the International Oil Letter published by the IHS Energy Group (www.ihsenergy.com).

On the map below, countries with activities summarized herein are shown in color, other than gray. The map may be used to access the list for each of those countries. With a click on the country of interest, a larger regional map is viewed, and with a second click on the country, the summary for it is viewed.

Africa

North Africa

Algeria

A Third Licensing Round includes 10 packages of 19 blocks in various basins. Also offered is a Berkine Basin Project involving six fields that includes exploration through marketing elements, with technical bids due in October.

Egypt

Thirty blocks in five basins are being offered, with application deadline of October 1. A data room and data packages are available at the Egyptian General Petroleum Corp. in Nasr City and on the EGPC Web site.

Niger

Four blocks are offered, two in a basin in the western portion of the country and one offshore.

Tunisia

A revised list of 24 blocks is being offered, with a data room opened in Tunis.

West Africa**Angola**

Three ultra-deep water areas that have been delimited for future rounds are awaiting definitions of blocks and bid terms.

Congo

Areas are available in the 750,000-km² Central Congo Basin and the 70,000-km² Tanganyika Graben in the African Rift System.

Ghana

Regulatory revisions are under way preparing for an offering this year.

Guinea

Nine deep- and ultra-deepwater blocks and 20 on the shelf will be offered in the first offshore licensing round.

Liberia

TGS-Nopec has 9,500 km of seismic data that includes deepwater and shelf areas--the first in 15 years--and is organizing a licensing round.

Mali

The first bidding round includes 15 blocks, with applications open through September.

Mauritania

Three areas are being offered, one of which is offshore.

Nigeria

Further licensing rounds are delayed until at least 2003 due to excessive delays in concluding the year 2000 round.

Senegal

Three deepwater tracts and four shelf blocks are offered, along with four onshore blocks.

Sierra Leone

An offering is imminent, with TGS-Nopec working with the government to update legislation and contracts to complement 4,500 km of seismic shot last year--the first new seismic data in 15 years.

East Africa

Djibouti

Three blocks onshore and offshore covering a total of 7,900 km² comprise the first-ever offering for petroleum exploration. A 2-D non-proprietary, speculative seismic shoot is planned by WesternGeco.

Eritrea

Despite ongoing conflict with Ethiopia, 20 blocks covering 11,800 km² in the Red Sea Basin remain open for licensing.

Ethiopia

Fourteen blocks are offered and the ministry is seeking a spec seismic shoot.

Kenya

Twelve blocks, including on- and offshore areas, are available for negotiation.

Tanzania

A second offshore round offers seven new blocks, along with five others that received no bids in round one.

Uganda

Three areas in the under-explored Albertine Graben are being offered under both royalty/tax and production sharing terms.

Southern Africa

Angola/Namibia

A joint study of six undrilled blocks ranging in size from 4,500 to 10,000 km² is available through WesternGeco, with direct negotiations welcomed and no bid round planned.

South Africa

A block relinquished by Phillips after completion of an obligation well is being re-offered.

EUROPE

Bulgaria

A tender call was announced in June for two deepwater blocks in the West Black Sea Basin, along with a shelf block.

Denmark

The customary nine-month Open Door Policy is in effect through September, where applications are accepted for any unlicensed areas west of 6° 15' East.

Greece

A Second Licensing Round is expected late this year for onshore and offshore areas, including in the deepwater Ionian Sea.

Ireland

An Open Door Policy is in effect for areas not included in previous four rounds.

Latvia

Offshore non-exclusive prospecting licensing for a shelf area is open through August, along with a tender call for three exploration permits unlicensed in the country's first offshore bid round.

Malta

Contracts are expected in the fall for five areas ranging in water depths of 50 meters to 2,000 meters.

The Netherlands

Two blocks are being reviewed for offer, with the Ninth Round bidding just being closed.

Norway

The government has indicated that licensing rounds in the Norwegian Sea will be held every second year. The 17th Round closed in March.

Portugal

Deep offshore bids for seven areas are being sought through November.

Romania

Six blocks, including five onshore, have been offered, with bids open through August.

EURASIA

Georgia

A tender including two offshore and four onshore blocks was expected to be announced in July, with 60 days to respond.

Russia

While a moratorium on acreage offerings has been levied, states are preparing a number of tenders, including a long-term exploration being considered in West Siberia. The government of the Khanty-Mansiyskiy Autonomous Okrug announced the entire okrug will be divided into zones and into blocks of 350-500 square kilometers, which will be offered to companies through open auctions.

Turkmenistan

32 Caspian Sea blocks are on offer, and 18 blocks--or parts of the blocks--lie within zones disputed by either Iran or Azerbaijan. Fifteen onshore blocks are also offered.

Uzbekistan

Direct negotiation is available on 16 projects, plus eight proposed development projects on existing fields requiring investment commitments of \$242 million (U.S.).

MIDDLE EAST**Iran**

Sixteen field development projects are being undertaken in the Zagros Fold Belt, including eight previously unbid projects offered under buy-back terms.

Iraq

Seven exploration blocks covering 84,500 square kilometers are offered in the Western Desert along the Saudi border, as well as major field development projects throughout the country.

Jordan

Five blocks remain open to foreign countries.

Oman

PGS has an agreement to shoot and interpret seismic on Block 41, which covers 19,500 square kilometers offshore northern Oman. The block includes shelf and deepwater areas.

Qatar

An open block of 2,830 square kilometers, considered to contain an extension of the 90-million-barrel Balal Field.

Syria

Eleven exploration blocks are open for application to bid under production-sharing terms.

SOUTH ASIA

India

A total of 27 exploration blocks have been offered bid, including nine deepwater blocks, seven shallow water blocks and 11 onshore blocks. Four are being offered for the first time and the others with either reprocessed or new data.

CHINA AND PACIFIC RIM

China

Sinopec is seeking government approval to open four gas fields in the Songliao Basin for foreign participation. Also, two enhanced oil recovery contracts are offered in the South Yellow Sea area and two blocks with deep gas potential are available in the Bohai Gulf.

Additionally, CNOOC has been offering blocks in the Bohai Gulf, South Yellow Sea, East China Sea and the South China Sea.

Indonesia

Migas intends to offer 23 blocks under production sharing terms, with announcement expected in August.

Malaysia

Various onshore and offshore blocks in three geographical areas remaining from a late-2001 offer remain available.

Mongolia

Direct negotiations are invited on 16 blocks.

Philippines

Jebco is acquiring up to 10,000 kilometers of data in three basins in the southern Sulu Sea in preparation for a proposed licensing round in 2003.

South Korea

Seven offshore blocks are open for exploration.

Thailand

The 18th Round closed in 2000, and a moratorium was declared. However, three additional applications were filed for that round earlier this year. No timeframe has been announced.

Vietnam

All open areas are available for direct negotiation under varying contract regimes with PetroVietnam.

SOUTH AMERICA

Bolivia

Nine blocks have been nominated for bid, two of which in non-traditional areas. Bids expected to open August 15.

Brazil

A disappointing 14 of 38 blocks offered received bids in ANP Round 4 held in mid-June, with only two blocks receiving second bids.

Chile

State oil company ENAP has yet to award a contract to any of the several companies that have expressed interest in ENAP's search for partners to rehabilitate 21 of its largest fields.

Colombia

Six blocks are being offered via farm out or joint venture agreements by Ecopetrol.

Ecuador

The upcoming bid round was reduced from eight blocks to six, with two in Ecuador's Amazon region and the remaining four along the Pacific Coast. Observers anticipate little bid action until a newly elected government takes power in January. Meanwhile, IHS reports the bid round to form operating alliances with private service companies to rehabilitate 90 inactive wells scattered in the Oriente region drags on, with no offers presented and no date set for delivery of bids.

Falkland Islands

New production licenses are being offered on all acreage not already claimed, with certain exceptions. Bids for open-door licensing can be submitted at any time, with bids opened on the last working day of each month.

Peru

IHS indicates a planned auction of three blocks adjacent to the Camisea Field has been abandoned due to lack of interest. Three other blocks remain available through direct negotiation.

Venezuela

A decision is imminent on a 10-block tender, including five offshore blocks not awarded in last year's bid round. The offshore areas lie in the 25,000-square-kilometer Plataforma Deltana area on the maritime border with Trinidad & Tobago. A wildcat in June confirmed the area's potential, and PDVSA estimates gas reserves at 38 trillion cubic feet.

CARIBBEAN AND CENTRAL AMERICA

Cuba

Sixteen onshore blocks and nine offshore blocks are offered "out of round."

Guatemala

An 11-block round planned for late 2001 is still pending.

Nicaragua

Approval is expected this year for a tender covering 150,907 square kilometers, including offshore Caribbean and Pacific areas as well as onshore coastal plain of the Pacific margin.

NORTH AMERICA

Mexico

The long-anticipated First Multiple Service Contracts tender is expected in November. The tender represents the broadest opening of the Mexican upstream sector in decades. It is anticipated that all contracts will be limited to field development, with operations limited to already-proven and audited reservoirs. However, field extensions will apparently be permitted. Contracts will carry a maximum term of 20 years broken into sub-periods.