



TANZANIA 3RD OFFSHORE LICENCE ROUND 2004/2005

INSTRUCTIONS TO APPLICANTS FOR HYDROCARBON EXPLORATION IN THE TANZANIA OFFSHORE DEEP SEA BASINS

Yona S.M. Killagane
Managing Director

Tanzania Petroleum Development Corporation







**TANZANIA 3RD OFFSHORE LICENSING ROUND
26TH NOVEMBER 2004**



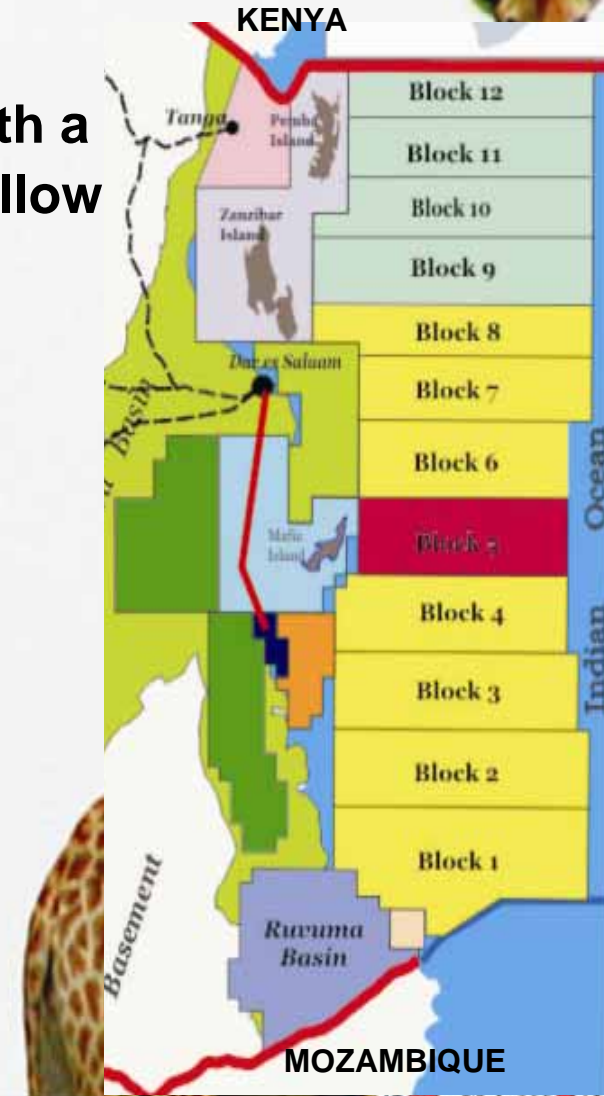
BLOCKS UNDER THIRD LICENCING ROUND



- Seven (7) discrete blocks are demarcated with a Total area of 71,103 square kilometers, as follow

 Block No. 1	13,270 sq. km
 Block No. 2	11,300 sq. km
 Block No. 3	10,790 sq. km
 Block No. 4	10,190 sq. km
 Block No. 6	9,250 sq. km
 Block No. 7	8,492 sq. km
 Block No. 8	7,811 sq. km

- Total Area** **71,103 sq. km**



CONSIDERATIONS IN DEFINITIONS OF LICENCING BLOCKS



- ◆ Spectrum of targets (leads/prospects) in a range of water depths to the limit of present production technology.
- ◆ Approximately 10,000 sq km areas
This allows scope for phased exploration and Relinquishment with large retained area.
Nearly 2,500 sq km can still be retained after 11 years.
- ◆ Need to follow a logical geographic co-ordinate system.

BIDDING INSTRUCTIONS



- ◆ Separate application must be presented for each block.
- ◆ If the applicant submits proposals for more than one block, the applicants' priority given to each block should be clearly indicated.
- ◆ Only one Licensing Block will be awarded to an applicant or consortium.



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BIDDING INSTRUCTIONS

- ◆ Applications, in triplicate, in sealed envelopes clearly marked on the top
- ◆ "APPLICATION FOR HYDROCARBON EXPLORATION IN TANZANIA – 3RD OFFSHORE LICENSE ROUND – 2004/2005"

must be sent by registered mail or hand delivered to:

THE MANAGING DIRECTOR
TANZANIA PETROLEUM DEVELOPMENT CORPORATION
37/38 ALI HASSAN MWINYI ROAD
P.O. BOX 2774
DAR ES SALAAM
TANZANIA

- ◆ No application sent in by e - mail and or telefax will be accepted.



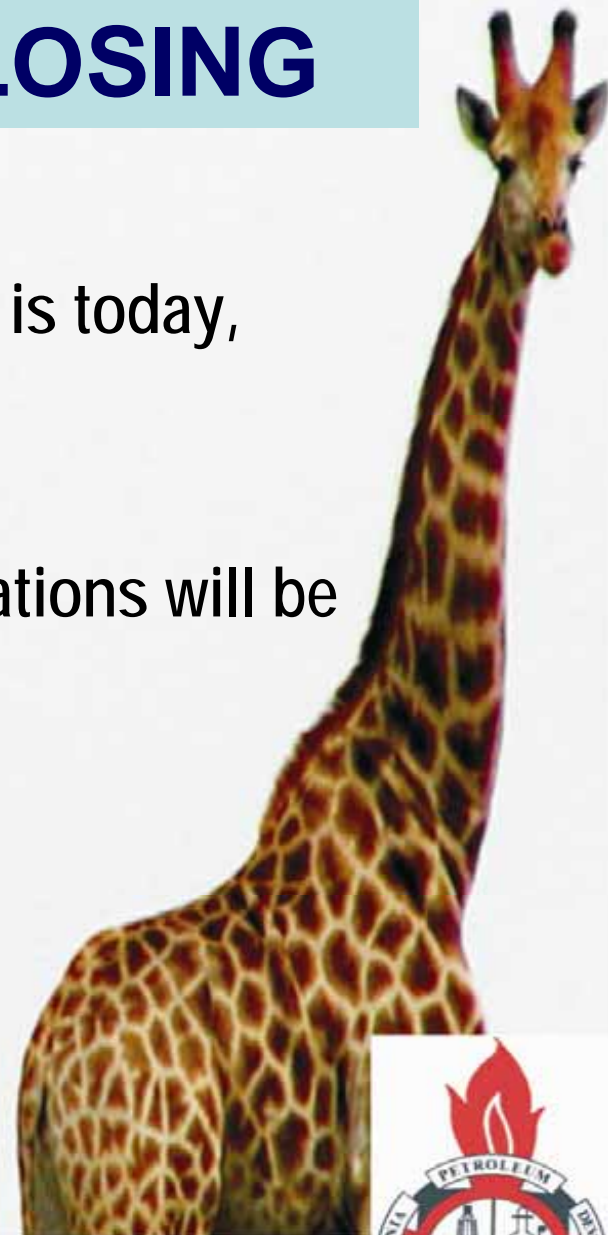
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LAUNCHING AND CLOSING

- ◆ The launching date for the License Round is today, **26th November, 2004.**
- ◆ The closing date for submission of applications will be **12:00 hrs local time on Wednesday, 25th May, 2005.**



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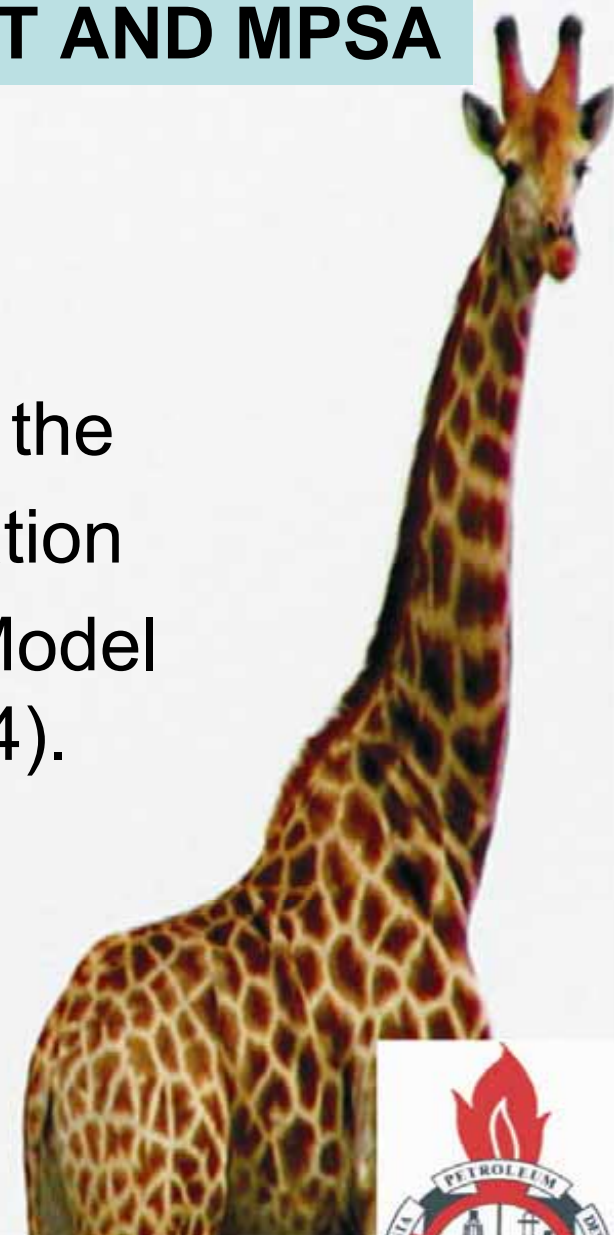
OPENING AND BID VALIDITY



- ◆ There will be a public opening of the bids immediately after the closing of the bidding period.
- ◆ Companies or their representatives who wish to witness the opening of bids at the TPDC offices are free to attend.
- ◆ All bids must remain valid for a minimum of at least one (1) year from the date of closure of the Licensing Round.

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CONSISTENCY WITH THE ACT AND MPSA



- ◆ Applications must be consistent with the provisions of the Petroleum (Exploration and Production) Act, 1980 and the Model Production Sharing Agreement (2004).

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APPLICATIONS FOR A CONSORTIUM

- ◆ Applications on behalf of more than one company are to be accompanied by a fully executed agreement between those companies, and should comply with the following conditions:
 - The participating interest of each company must be clearly stated.
 - The Operator must be stated.



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BIDDERS INFORMATION

- ◆ Each application must contain the following information:
 - Name, address and country of registration of the applicant.
 - The particulars of the technical and industrial qualifications of the applicant and his employees.



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BIDDERS INFORMATION (cont.)

- ◆ The particulars of the technical and industrial resources available to the applicant.
- ◆ The particulars of the kinds of financial resources available to the applicant including capital credit facilities and guarantees so available.
- ◆ The applicant is required to submit audited financial statements and annual reports for the last 3 years.



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BIDDERS INFORMATION (cont.)

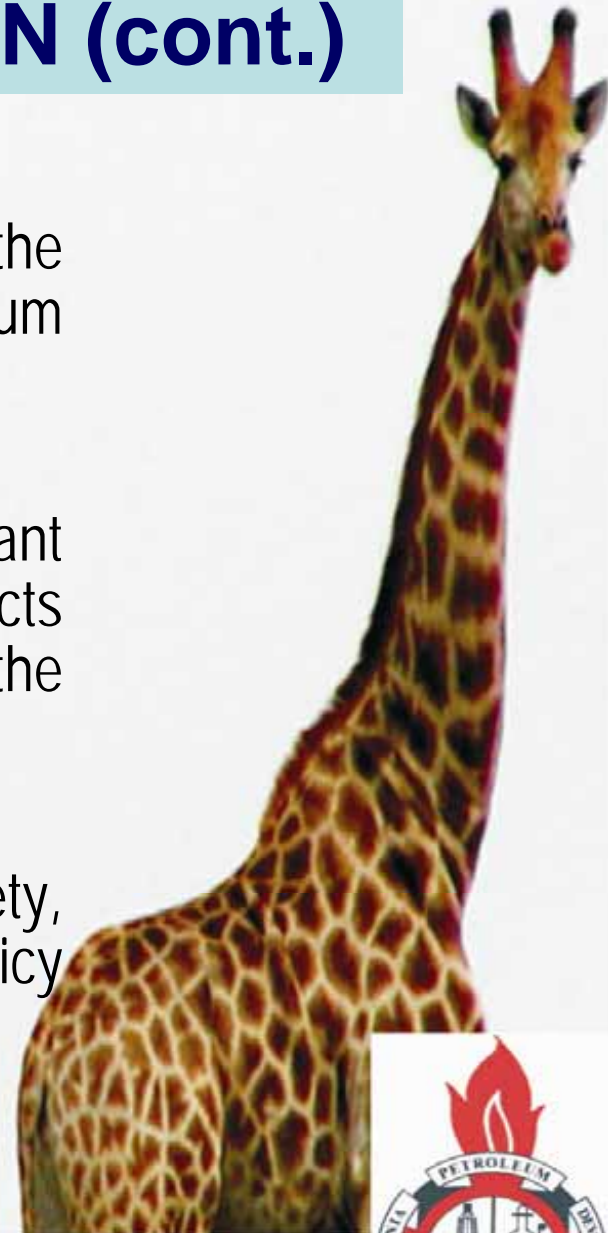


- ◆ The proposals of the applicant for work and minimum expenditure in respect of the block or blocks specified in the application must be stated.
- ◆ Definite proposals with respect to all negotiable items as contained in the Model Production Sharing Agreement (2004) must be clearly stated in the application.
- ◆ Proposals with respect to training and employment of the citizens of the United Republic of Tanzania must be made.

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BIDDERS INFORMATION (cont.)



- ◆ Geological and geophysical evaluations of the licensing block(s) identifying the petroleum prospectivity of the block(s) must be submitted.
- ◆ Where prospects have been mapped, the applicant should give detailed evaluations of such prospects with documentation of reservoir parameters and the estimation of reserves and recoverable reserves.
- ◆ An applicant should submit details of the Safety, Health and Environment Protection company policy and record of the same for the last 3 years.

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BIDDERS INFORMATION (cont.)

◆ A non-refundable application fee of US\$ 10,000 for each block must accompany the application. Bank Account for Tanzania Petroleum Development Corporation is:

Account Name: TPDC
Account Number: 100 027 038
Bank: Citibank (T) Limited
P.O. Box: 71625
Dar es Salaam,
Tanzania



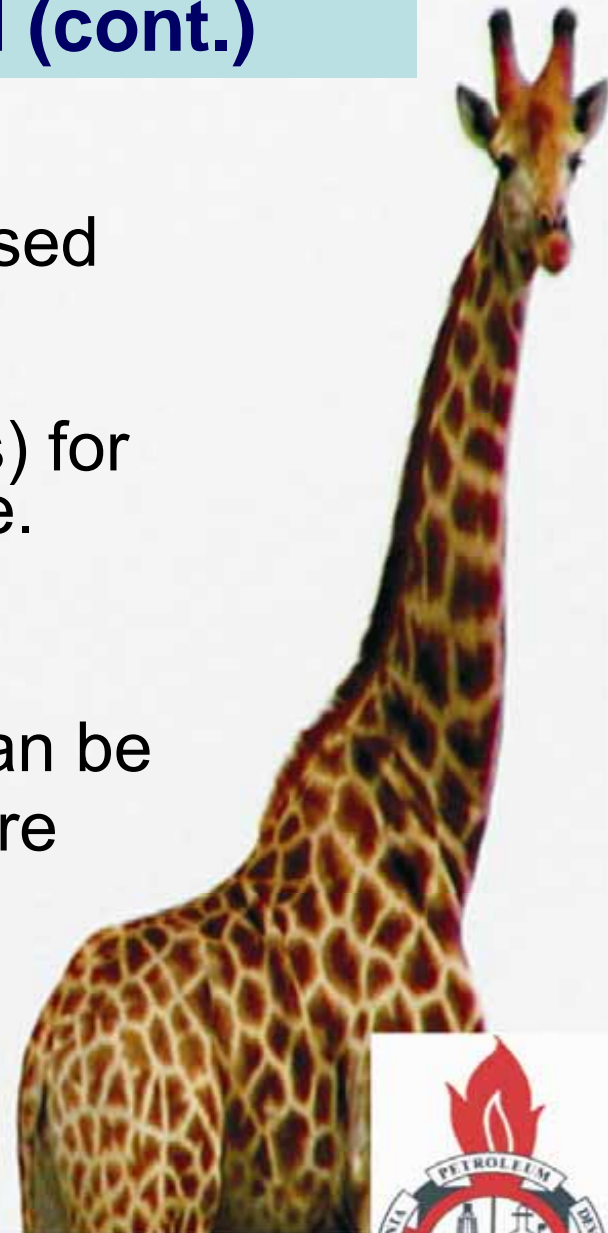
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BIDDERS INFORMATION (cont.)

- ◆ Mandatory data packages to be purchased by companies applying in the Round include:
 - Available seismic data over block(s) for which applications are being made.
 - The well data package.
- ◆ Costs incurred in acquiring such data can be offset against the exploration expenditure obligations of the PSA.
- ◆ Arrangements for data viewing and purchase can be done directly with WesternGeco.



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BIDDERS INFORMATION (cont.)

- ◆ All applicants will be invited to attend an interview to explain the technical and strategic rationale of their exploration philosophy.



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BID EVALUATION CRITERIA

- ◆ The Ministry of Energy and Minerals and the Tanzania Petroleum Development Corporation will take the following aspects into consideration:
 - Minimum work programme and exploration expenditure. Preference will be given to bids that include 3D seismic over identified prospects and at least one well commitment for each play type.
 - The technical competence and financial strength of the applicant to be able to carry out exploration and production of hydrocarbons in industrially acceptable standards.



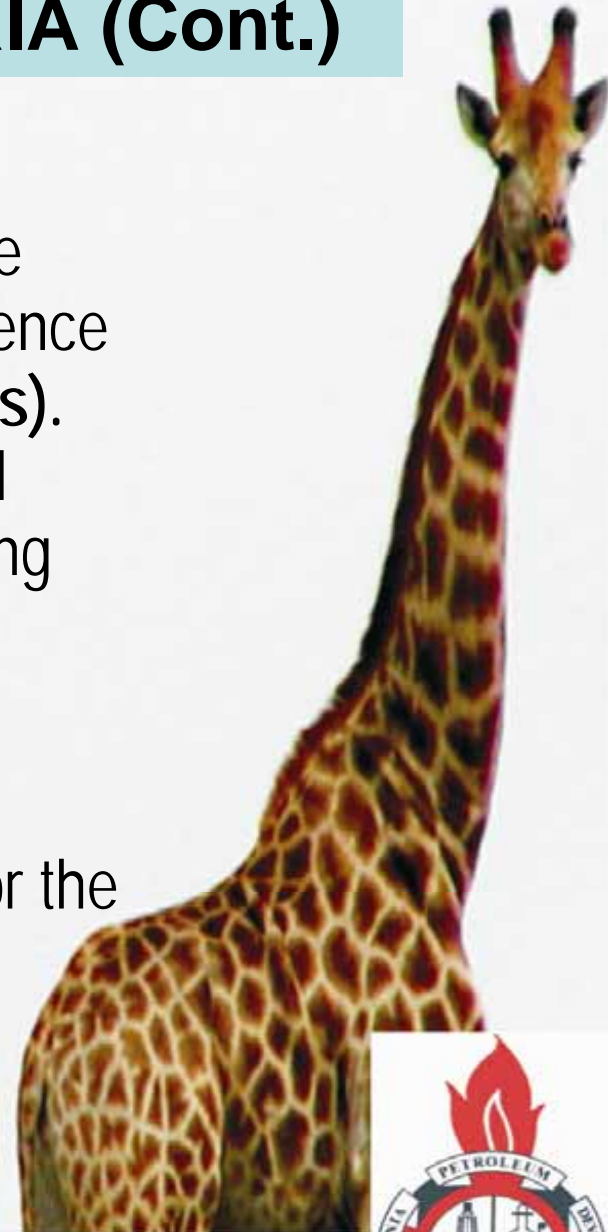
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BID EVALUATION CRITERIA (Cont.)



- ◆ The applicant's willingness to perform a complete evaluation of the hydrocarbon potential in the licence area within three time frames (**4yrs + 4yrs + 3yrs**). This includes the minimum work programme and expenditure as indicated in the Production Sharing Agreement.
- ◆ Strength of the proposed safety, health and environmental protection including a proposal for the decommissioning of the production facilities.



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EVALUATION RESULTS



- ◆ The results of the evaluation shall be posted on the TPDC website:

<http://www.tpdc-tz.com>

- ◆ The information presented is also available on the TPDC website



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THANK YOU



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