



Application Guidelines

EG Ronda 2019 Oil & Gas

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1 Introduction

The Government of the Republic of Equatorial Guinea, represented by the Ministry of Mines and Hydrocarbons of Equatorial Guinea (the Ministry) and GEPetrol, the National Oil Company, invites companies active in the oil & gas industry to participate in the 2019 Oil & Gas Licensing Round of the Republic of Equatorial Guinea (“**EG Ronda 2019 Oil & Gas Round**”).

The bidding round is termed the **EG Ronda 2019 Oil & Gas Round**. Acreage in the round includes:

- Appraisal / Development opportunities in the Niger Delta offshore
- Exploration areas in the Douala Basin (Offshore)
- Exploration areas in the Rio Muni Basin (Onshore and Offshore)
- Frontier exploration acreage surrounding Annobon (Offshore)

The **EG Ronda 2019 Oil & Gas Round** was officially opened in April 2019 at the African Petroleum Producers Organisation (APPO) Cape VII conference held in Malabo.

For companies wishing to participate in the Licensing Round this document provides an overview of the Application Procedures. These procedures may be updated from time to time as the round proceeds. All updates will be published on the website (www.egronda.com).

Two block categories have been established for the **EG Ronda 2019 Oil & Gas Round** namely appraisal / development blocks and exploration blocks:

1. For **appraisal / development blocks**, the Ministry has adopted a two stage application process, with interested companies requested to submit a Pre-Qualification submission (by **3 June 2019**) and a subsequent submission of a formal application by companies that have successfully pre-qualified by **27 September 2019**.
2. For **exploration blocks**, in the EG Ronda 2019 oil & gas round a single stage application process has been established, and the closing date for submission of applications for exploration acreage is **27 September 2019**.

If you have any further queries, requests for clarification or additional information please refer to the website of the round www.egronda.com and the contact details provided therein.



2 Areas in Licensing Round and Block Designation

A series of Designated Blocks have been defined, as shown in **Table 1** below.

A map showing the Designated Blocks is included overleaf in **Figure 1**, and a GIS Portal highlighting the current licences and Designated Blocks is available on the official website (www.egronda.com). Interested companies are encouraged to regularly monitor the website for the latest information regarding the licensing round.

Designated Block for EG Ronda 2019	Block Category	Area (sq kms)
EG-27	Appraisal / Development (Former Block R)	2,052
EG-23	Appraisal / Development	372
EG-03	Exploration (onshore)	647
EG-04	Exploration (onshore)	2,173
EG-05	Exploration	2,163
EG-07	Exploration	1,107
EG-08	Exploration	731
EG-09	Exploration	2,191
EG-10	Exploration	1,536
EG-12	Exploration	766
EG-13	Exploration	1,532
EG-14	Exploration	1,510
EG-15	Exploration	2,554
EG-16	Exploration	2,289
EG-17	Exploration	1,536
EG-19	Exploration	654
EG-22	Exploration	1,993
EG-25	Exploration	1,433
EG-26	Exploration	391
EG-28	Exploration	5,411
EG-29	Exploration	3,059
EG-30	Exploration	1,302
EG-A1	Frontier Exploration, Annobon	78,486
EG-A2	Frontier Exploration, Annobon	35,331
EG-A3	Frontier Exploration, Annobon	63,383
EG-A4	Frontier Exploration, Annobon	74,097

Table 1 Designated Blocks, EG Ronda 2019 Oil & Gas Round

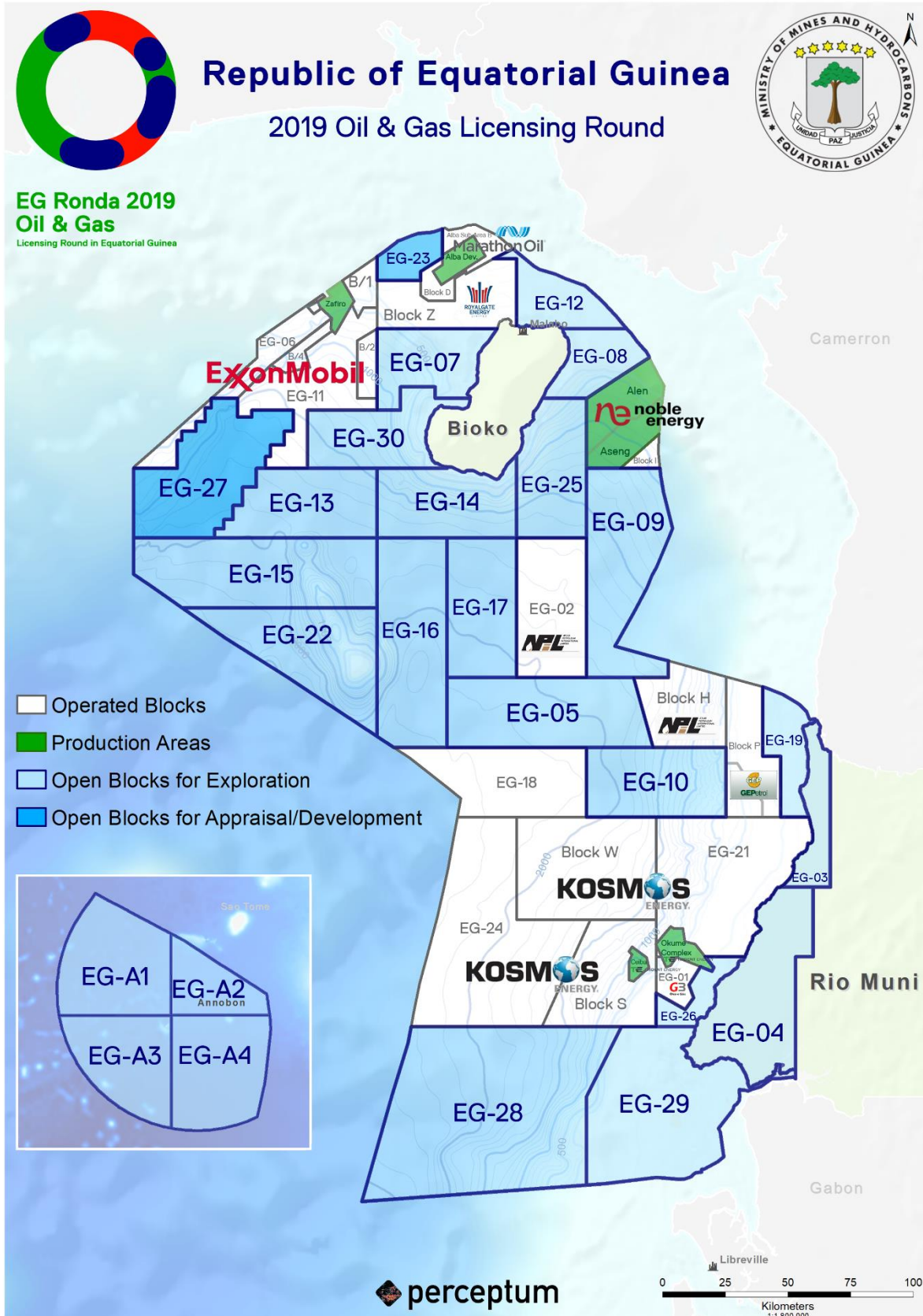


Figure 1 Designated Blocks EG Ronda 2019 Oil & Gas Round



Two block categories have been established for the EG Ronda 2019 Oil & Gas Round namely appraisal / development blocks and exploration blocks, as summarised below.

2.1 Appraisal / Development Blocks

Two Designated Blocks have been categorised as Appraisal / Development Blocks for bidding in the EG Ronda 2019 Oil & Gas Round, as listed below:

- EG-27 (former Block R)
- EG-23

Companies that wish to apply for one or more of the above Appraisal / Development Blocks must first submit a Pre-Qualification submission (see **section 4.1**) and then companies that have pre-qualified will be invited to submit applications (as outlined in **section 4.2**).

2.2 Exploration Blocks

A total of 24 Designated Blocks have been categorised as Exploration Blocks for bidding in the EG Ronda 2019 Oil & Gas Round, with areas ranging from c. 400 to c. 5,400 sq kms (with the exception of Annobon where the Frontier Exploration blocks are much larger). Applications may only be submitted for a single Designated Block.

A company may submit more than one Application.

Given the frontier nature of Annobon, four large Designated Blocks have been defined (ranging from 35,000 to 78,500 sq kms). In this case only, companies may apply for more than one Designated Block in a single Application.



3 Legal & Fiscal Documents

3.1 Hydrocarbons Law

The 2006 Hydrocarbon Law (Law 8/2006) was ratified by the Government of Equatorial Guinea on November 3rd, 2006. Copies of Law 8/2006 are available for download on the EG Ronda website www.egronda.com in both Spanish and English.

Under the terms of the Hydrocarbons Law, the State holds all hydrocarbon rights. Petroleum operations may be conducted directly by State, by the State through National Companies (GEPetrol and Sonagas), or by the State in association with a contractor (via a petroleum contract with Ministry).

The Ministry is the State's competent body in all areas of hydrocarbon management and is responsible for policies and for administration and monitoring of petroleum operations and the Ministry negotiates, executes and administers all petroleum contracts.

The Hydrocarbons Law includes provisions for the development of gas. All gas development and production is to be undertaken in partnership with National Gas Company, Sonagas. Sonagas has right of first refusal to purchase gas. Associated gas not used in operations is property of State and undeveloped gas in a contract area is the property of the State. Flaring is only permitted as an exception and subject to a fee.

The Law also defines national content provisions, including contributions to national training centres, employment of local persons and services, training and integration of nationals into all levels of organisation, social projects and payment of annual training funds.

3.2 Model Petroleum Sharing Contract

The Model Petroleum Sharing Contract is an integral part of the 2006 Hydrocarbon Law. The Model PSC has also been revised to incorporate modern Petroleum Industry practices and is also available for download on the EG Ronda website www.egronda.com in both Spanish and English.

The key biddable items within the Model Petroleum Sharing Contract are:

1. Work Programme during Initial Exploration Period
2. Royalties to be paid to the State
3. Percentage of Cost Recovery Oil
4. Production Share of Net Crude Oil between State and Contractor
5. Signature Bonus
6. Production Bonuses
7. GEPetrol Participation



The Initial Exploration Period may be of 4 or 5 year duration, split into the First and Second Exploration Sub-Periods, with up to two one-year extension periods by mutual agreement, subject to completion of work programme obligations. Mandatory relinquishment of the Contract Area is defined in the Model Contract at the end of the Initial Exploration Period and any extension periods.

The Contractor is required to provide to the State, at the sole discretion of the Ministry, either (i) a parent company guarantee or (ii) an irrevocable standby letter of credit, as a continuing guarantee of payment and performance under the Contract.

3.3 Petroleum Regulations

The Petroleum Regulations define and establish the procedures to be observed in carrying out Petroleum Operations in the Republic of Equatorial Guinea under the Hydrocarbons Law 8/2006, dated November 3rd, 2006.

The Petroleum Regulations are defined by Ministerial Order 4/ 2013, dated 20th June 2013, which came into effect when it was published in the Boletín Oficial del Estado on September 23rd, 2013.

Tax Law – law no 4/2004 dated 28 October 2004 – defined corporate income tax at 35%, with personal income tax on a sliding scale up to 35%. Depreciation set at 10% per year.

Local content / participation is defined in Law No 127/2004 – defined the minimum share (20%, paid / carried) for state companies (GEPetrol / Sonagas) in projects. All (service) companies are required to be locally registered and have 35% local participation. This law is aimed at ensuring that oil services companies provide local content. Local content in PSCs is by negotiation and would consider GEPetrol share.



4 Pre-Qualification and Application Process

4.1 Pre-Qualification (this applies to Appraisal / Development Blocks only)

All companies that wish to submit an Application for a Designated Block that has been categorised as an appraisal / development block must first pre-qualify and be able to demonstrate:

- ✓ To have competence and experience in the management and performance of petroleum appraisal and development operations;
- ✓ To have technical and operational competence;
- ✓ Companies seeking to pre-qualify should submit documentation relating to its experience in the performance of petroleum appraisal and development operations deemed relevant to support its application, namely in the areas of safety, environmental protection and employment, integration and training of national staff.

In the pre-qualification submission, companies should provide:

- 1) Their firm or business name;
- 2) Place of formation, registration, and address of the main office;
- 3) Identify / highlight key current appraisal and development projects and operations that the company is involved in;
- 4) Details of their assets structure, namely the value of equity capital, current assets and investment in current assets, as well as the value of current liabilities;
- 5) References of reputed banking institutions endorsing their financial capacity;
- 6) Annual activity reports, including balance sheets and accounts of the last three years or since inception if the company had been set up less than three years ago. Such accounts must be audited by a proven experienced independent auditing firm;
- 7) Details of company's experience in the field of oil exploration and production, including details of current reserves (supported by third party audit reports) and current production;
- 8) Number of workers employed and professional experience of management staff in the field of oil exploration and production;
- 9) Details of court cases and arbitrations against over the last five years;
- 10) Details of existing plans, future commitments, including work programs or risks that might impact the company's ability to implement any future work programs relating to the Equatorial Guinean concessions of which they might become parties to;
- 11) Details of any previous and current business activities carried out in Republic of Equatorial Guinea.

This Pre-Qualification process is open until **3 June 2019** (the closing date for pre-qualification submissions). All submissions will be evaluated by a Technical Steering Committee.



A fee of US\$10,000 is applicable to all Pre-Qualification Submissions submitted. Instructions for payment of fees are included in **section 5**. Pre-Qualification Submissions will not be evaluated until this fee has been paid.

Pre-Qualification Submissions will be evaluated in the order in which they are received and companies that have successfully pre-qualified will be advised directly in writing.

Pre-qualified companies will be invited to submit an application by **27 September 2019**.

For companies that have successfully pre-qualified there is no Application Fee to submit an Application for an Appraisal / Development Block.

4.2 Application for Appraisal / Development Blocks

Companies that have successfully completed the pre-qualification process for appraisal / development blocks will be invited to prepare and submit formal Application(s) for the Designated Block(s) of interest.

A company may submit more than one Application.

Data Purchase Obligations

Companies are not obliged to license available data and there is no obligation to attend a formal data room (see **section 7**) in order to submit an Application.

However, companies should note the Bid Evaluation Criteria and be aware that under the terms of the Hydrocarbons Law, companies that are awarded a PSC are required to license available technical data owned by the Ministry.

For the EG Ronda 2019 round, companies that wish to license available technical data owned by the Ministry will be charged an Evaluation License Fee for the Data Package (30% of the full value), valid for the duration of the Round and subsequent negotiations, with the balance (70%) due on award and ratification of the PSC.

Note that Data Licensing Fees would be cost recoverable under the PSC terms.

For those Companies that wish to license the data, the Data Packages will be prepared by the Ministry for each Appraisal / Development Block. The outline content for each Data Package is summarised in **Table 2** overleaf:



Designated Block	Summary of Data Package
EG-27	<ul style="list-style-type: none">• 21 2D seismic lines (657 Km)• Three 3D seismic surveys (5493 Km²)• A collection of technical documents including regional studies such as petroleum system and basin modelling and previous development plans.• Static and dynamic reservoir models• 11 wells with comprehensive documentation, reports and associated well data.
EG-23	<ul style="list-style-type: none">• 49 2D seismic lines (971 Km)• One 3D seismic survey (652 Km²)• A collection of technical documents including regional studies such as petroleum system and basin modelling.• 14 wells with comprehensive documentation, reports and associated well data

Table 2 Summary of Data Packages (Appraisal / Development Blocks)

The deadline for submission of Applications will be **27 September 2019**

The Ministry will seek to evaluate applications and announce awards by **26 November 2019** with negotiation of final terms commencing thereafter.

For companies that have successfully pre-qualified there is no Application Fee to submit an Application for an Appraisal / Development Block.

Applicants are requested to provide the following information.

1. Name(s) of Applicant(s) and Proposed Operator
2. Block Applied for
3. Technical Proposal including High Level (Conceptual) Appraisal / Development Plan
4. Ability to Finance Proposed Appraisal / Development Work Programme
5. Commercial Proposal including Signature Bonus (commensurate with the volumes of hydrocarbons discovered in the Block) and proposed negotiable terms for PSC summarised in **Table 6**

The High Level (Conceptual) Appraisal / Development Plan, to be included in the Technical Proposal, should be prepared to demonstrate that the applicant company has a good understanding of what is needed in order to make a Final Investment Decision for the development. It is not expected to provide a final / detailed technical and commercial case for taking the asset forward (which would be part of the work programme for the first sub-period).



The Ministry is seeking approaches that will lead to early production – and the bid evaluation criteria (see **section 6**) have been set accordingly.

The content for the High Level (Conceptual) Appraisal / Development Plan will be determined by the applicant, but the Ministry would anticipate the content to include the sections illustrated below:

**Provisional Content for High Level (Conceptual) Appraisal /
Development Plan**

Executive Summary
Introduction
Subsurface Review
Conceptual Development Review
 Subsurface Description
 Reservoir Development Plan
 Conceptual Surface Facilities
 Notional Production Profiles / Production Modelling
 Notional Cost Estimates
 Estimates for Recoverable Reserves and Resources
Oil / Gas Sales and Marketing
Safety, Health and Environment
Proposed Work Programme
Summary and Key Risks

4.3 Application for Exploration Blocks

Applications may only be submitted for a single Designated Block (with the exception of Annobon, as described in **section 2**).

A company may submit more than one Application. An Application Fee of US\$10,000 applies to each Application submitted. Applications should be approved by a duly authorised officer from each and every applicant company (in the case of an application submitted by a group) including the proposed operator company.

Data Purchase Obligations

Companies are not obliged to license available data and there is no obligation to attend a formal data room (see **section 7**) in order to submit an Application.



However, companies should note the Bid Evaluation Criteria and be aware that under the terms of the Hydrocarbons Law, companies that are awarded a PSC are required to license available technical data owned by the Ministry.

For the EG Ronda 2019 round, companies that wish to license available technical data owned by the Ministry will be charged an Evaluation License Fee for the Data Package (30% of the full value), valid for the duration of the Round and subsequent negotiations, with the balance (70%) due on award and ratification of the PSC.

Note that Data Licensing Fees would be cost recoverable under the PSC terms.

Minimum Work Programme Obligations

The Ministry has set the focus of this licensing round in aggressive Work Programmes. However, no minimum obligation has been set for each Designated Block to allow companies the freedom to decide how best to de-risk the areas during the First Exploration Period (except for the purchase of existing data on the Designated Block on PSC ratification).

For Exploration Blocks, applicant companies must provide details of purchase / reprocessing / acquisition of new 3D data (as appropriate) with a Drill or Drop decision at the end of the First Exploration Sub-Period (Year 2 or Year 3 if a 1-year Extension has been granted by Ministry).

Companies are encouraged, but not obliged, to commit to an exploration well in the First Exploration Sub-Period. However, companies that commit to drill an exploration well in the First Exploration Sub-Period will score more highly in Bid Evaluation Criteria (see **section 6**).

For the Frontier Exploration Blocks offshore Annobon, a commitment to acquire new seismic data would be required.

Minimum Signature Bonus

The Ministry has set Minimum Signature Bonus of US\$1 million for all designated Exploration blocks. There is no minimum for the Frontier Exploration blocks around the island of Annobon and the onshore blocks (EG03 & EG04). Please see Table 3 below for details on signature bonus for each block.

Designated Block for EG Ronda 2019	Block Category	Minimum Signature Bonus
EG-27	Appraisal / Development (Former Block R)	<i>No Minimum</i>
EG-23	Appraisal / Development	<i>No Minimum</i>
EG-03	Exploration (onshore)	<i>No Minimum</i>
EG-04	Exploration (onshore)	<i>No Minimum</i>
EG-05	Exploration	US\$1mm
EG-07	Exploration	US\$1mm
EG-08	Exploration	US\$1mm



EG-09	Exploration	US\$1mm
EG-10	Exploration	US\$1mm
EG-12	Exploration	US\$1mm
EG-13	Exploration	US\$1mm
EG-14	Exploration	US\$1mm
EG-15	Exploration	US\$1mm
EG-16	Exploration	US\$1mm
EG-17	Exploration	US\$1mm
EG-19	Exploration	US\$1mm
EG-22	Exploration	US\$1mm
EG-25	Exploration	US\$1mm
EG-26	Exploration	US\$1mm
EG-28	Exploration	US\$1mm
EG-29	Exploration	US\$1mm
EG-30	Exploration	US\$1mm
EG-A1	Frontier Exploration, Annobon	<i>No Minimum</i>
EG-A2	Frontier Exploration, Annobon	<i>No Minimum</i>
EG-A3	Frontier Exploration, Annobon	<i>No Minimum</i>
EG-A4	Frontier Exploration, Annobon	<i>No Minimum</i>

Table 3 Signature Bonus

It is noted that, for bid evaluation purposes, the Government places a higher emphasis on committed work programme than the signature bonus.

Applicants are requested to provide the following information.

1. Name(s) of Applicant(s) and Proposed Operator
2. Block Applied for
3. Operator's Skills and Experience in Petroleum Operations
4. Ability to Finance Proposed Work Programme
5. Technical and Commercial Offer
6. HSE Statement

A suggested table of contents for the Application is included below for reference.

Application documents should be duly approved and signed by an authorised representative of the applicant company.



Application for Exploration Block ***

Application Submitted by: Name of Proposed Operator and Partner(s)

Suggested Contents

Executive Summary

Introduction and Overview

Experience in Petroleum Operations

Operator

Partner(s)

Ability to Finance Proposed Work Programme

Technical Proposal

Technical Evaluation of Exploration Block

Committed Work Programme and Costs

Management of Health, Safety and the Environment

Summary and Key Risks

Commercial Proposal

To include proposed negotiable terms for PSC as summarised in Table 6

HSE Statement

Appendices

Supporting technical and commercial documentation regarding the experience of the operator and partner(s)' skills and experience in petroleum operations and ability to fund the proposed work programme

The following notes / guidance is provided to expand on the above:

Name(s) of Applicant(s) and Proposed Operator

Where there is bidding group with more than one company, list the names and the proposed percentage interest of each company, including proposed GEPetrol interest.

Clearly state the name of the proposed operator company and whom to contact for correspondence regarding the Application.

Block Applied for



State the Designated Block for which the Application is submitted.

The applicant is expected to have undertaken a technical evaluation of the block applied for. In its technical submission the applicant is expected to present brief and relevant documentation of G&G studies and analyses focusing on aspects that are considered critical for an evaluation of the prospectivity of the area, such as:

- a brief and focused petroleum geological analysis, describing the prospectivity in the area applied for, critical factors, key risks to be addressed etc
- a brief description of the seismic interpretation, well ties, etc, including attached interpreted seismic sections
- time and depth structure maps for prospective horizons, showing all identified prospects and leads
- brief description of the prospect/lead evaluation
- description of the work programme and exploration strategy

The technical submission should have adequate resolution of all the figures in order to show relevant details. All maps should include a scale bar and coordinates.

It is noted that, for bid evaluation purposes, the Ministry places a higher emphasis on committed work programme and expenditure than the signature bonus.

Operators Skills and Experience in Petroleum Operations

In order to demonstrate technical qualifications to undertake petroleum operations in Equatorial Guinea, the operator and each technical partner should each complete **Table 4**. This should be included within the Appendices of the Application.



Table 4 Applicant Experience in Petroleum Operations

Petroleum Operations environment	The principal countries of the company's present Petroleum Operations (O: Operator / P: Partners)		Present number of Licences	No. of Wells Drilled 2014-2018			Number of Producing Fields (PF) No. of Discoveries (D)
				Exploration	Appraisal	Production	
Onshore	Principal Country 1	O					
		P					
	Principal Country 2	O					
		P					
	Other Countries	O					
		P					
Offshore < 500 m water depth	Principal Country 1	O					
		P					
	Principal Country 2	O					
		P					
	Other Countries	O					
		P					
Deep Water (500-1500m)	Principal Country 1	O					
		P					
	Principal Country 2	O					
		P					
	Other Countries	O					
		P					
Ultra Deep Water (> 1500 m)	Principal Country 1	O					
		P					
	Principal Country 2	O					
		P					
	Other Countries	O					
		P					
Total	Principal Country 1	O					
		P					
	Principal Country 2	O					
		P					
	Other Countries	O					
		P					



Ability to Finance Proposed Work Programme

Applicant and partners should provide evidence on financial standing (such as details of company assets structure, value of equity capital, current assets and investment in current assets, as well as the value of current liabilities) and evidence of ability to fund the proposed Work Programme for the Designated Block.

Technical and Commercial Offer

The application should provide firm proposals for exploration work commitment and minimum expenditure in respect of the Designated Block applied for.

Definite proposals with respect to all those items that are negotiable items as contained in the Model Petroleum Sharing Contract must be stated, including, training, institutional support, social support and local content. The application should include as a minimum indicative offers of the following:

1. Technical Proposal - Work Programme during Exploration Period (see **Table 5**)
2. Commercial Offer (see **Table 6**)



Table 5 Summary of Technical Proposal

First Exploration Sub-Period: __ months	2D seismic acquisition	Amount (km)	
		Expected cost (US\$)	
	3D seismic acquisition	Amount (sq km)	
		Expected Cost (US\$)	
	Exploration well(s)	Number	
		Depth (mss)	
		Stratigraphic Target	
		Expected Cost (US\$ per well)	
	Other Studies / Data (specify)		
Contingent Work			
Second Exploration Sub-Period __ months	2D seismic acquisition	Amount (km)	
		Expected cost (US\$)	
	3D seismic acquisition	Amount (sq km)	
		Expected Cost (US\$)	
	Exploration well(s)	Number	
		Depth (mss)	
		Stratigraphic Target	
		Expected Cost (US\$ per well)	
	Other Studies / Data (specify)		
Contingent Work			

Table 6 Summary of Commercial Proposal

Signature Bonus	US\$		
Participation Interest	Company= % (Max 80%)	GEPetrol= % (min 20%, carried though exploration)	
Percentage of Cost Recovery Oil	%		
Annual Surface Rental fee	During expl. Period=	US\$/Ha	
	During Dev/prod. Period=	US\$/Ha	
Commercial Discovery Bonus	US\$		
First Production Bonus	US\$		
Production Bonuses (on daily production reaching the set level for 60 consecutive days)	BBIs/d	US\$	
Royalties	BBIs/d	% (Min 13%)	
	From 0 to -		
	More than		
Production Share of Net Crude Oil between State and Contractor (based on cumulative production)	MMbbls	% State Share	% Contractor Share
	From 0 to -		
	More than		
Training Contribution	During Expl. Period=	US\$	
	During Dev/Prod. Period=	US\$	
Social Programmes	During Expl. Period=	US\$	
	During Dev/Prod. Period=	US\$	
On the Job Training	During Expl. Period=	US\$	
	During Dev/Prod. Period=	US\$	
National Data Base Support	During Expl. Period=	US\$	
	During Dev/Prod. Period=	US\$	
National Institute of Hydrocarbons (INTGE) support	During Expl. Period=	US\$	
	During Dev/Prod. Period=	US\$	



HSE Statement

The Ministry wishes to ensure the success of the systematic effort needed to prevent faults and dangerous situations or undesired conditions arising or developing, and to limit pollution and injury to persons and damage to equipment, a favourable health, environment and safety culture must pervade all levels of the individual activity/establishment.

The Ministry also recognises that a favourable health, environment and safety culture is also needed to ensure continual development and improvement of health, environment and safety.

The applicant is therefore expected to provide the following documentation in support of its application for the Designated Block.

- a. QHSE Policy Statement(s)
- b. Evidence of established and implemented QHSE Management System(s)
- c. QHSE certification(s) according to best international industry practice (e.g., ISO certification 9001, ISO 14001 and/or OHSAS 18001), with copies of certificates approved by the awarding official entities.
- d. A copy of the Quality, Health, Safety and Environment Management System(s) (QHSEMS), or equivalent.
- e. A copy of Corporate Social Responsibility reports or initiatives for the past three (3) years.
- f. Experience as operator in environmentally sensitive areas.
- g. QHSE record of material events for the previous three (3) years including oil spills, site fatalities and injuries, major fires and explosions, mechanical/structural failures, emissions and waste, and main remedial efforts.



5 Payment of Fees and Submission of Pre-Qualification and Application Documents

Applications must be consistent with the provisions of the Hydrocarbons Law (No. 8/2006), and in accordance with these Application Guidelines.

Applications on behalf of more than one company (ie joint bids) are to be submitted by the proposed Operator and accompanied by a fully executed joint bidding / cooperation agreement between all parties. Such agreement shall be dated prior to the date of submission of the application and valid for the duration of any subsequent negotiations.

Payment of non-refundable Pre-Qualification / Application Fee of (US\$10,000) must accompany the application for each Designated Block / Area. The Fee should be paid, to the account below and marked with the applicant company name, directly to the National Treasury bank account:

Beneficiary: Tesoro Publico de Guinea Ecuatorial

Bank: Banco de los Estados de Africa Central (BEAC)

Account Number: 60311101-6001

Swift Code: BEACGQGQXXX

Address: Malabo II, Malabo, Equatorial Guinea.

Correspondence bank: Banque de France (Paris) FR

Swift code: BDFEFRPPCCT

Submission of Documentation

- Completed Pre-Qualification and Application submissions should be addressed to Ministry of Mines and Hydrocarbons of Equatorial Guinea, and delivered in hard copy and an electronic copy in standard MS Office software on USB disk via courier to:

Perceptum Ltd,

450 Brook Drive, Green Park, Reading, RG2 6UU, United Kingdom

c/o Ministry of Mines and Hydrocarbons of Equatorial Guinea:

- The hard copies of the Applications must be submitted in duplicates, sealed envelopes, clearly marked on the outside of the envelope: “PRE-QUALIFICATION / APPLICATION FOR PETROLEUM LICENSES - EG RONDA 2019 OIL & GAS LICENSING ROUND”
- Must be received by 12:00 hrs on the closing date.
- A Transmittal document should be provided detailing all hardcopy documents submitted and electronic files provided in USB.



EG Ronda 2019
Oil & Gas
Licensing Round in Equatorial Guinea

Government of Equatorial Guinea
Application Guidelines – EG Ronda 2019 Oil & Gas Round



- In addition, a copy of the Transmittal document should be submitted in electronic format to:
oilandgas@egronda.com
- A receipt will be issued by the Ministry upon receipt of each application.

All bids submitted shall remain valid for at least 6 months from the date of closure of the licensing round.

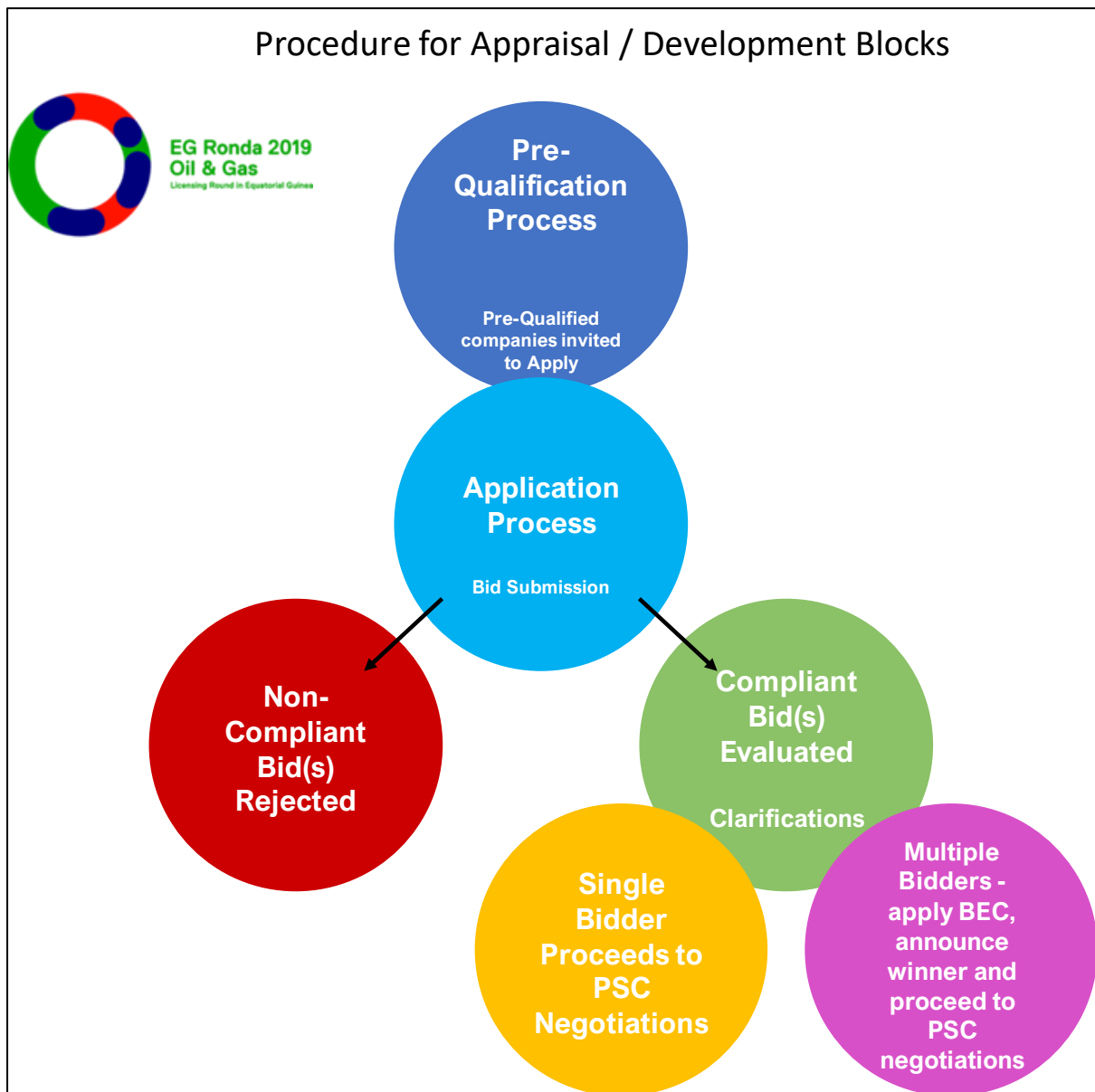
The Ministry and its advisors will treat the Pre-Qualification submissions / Block Applications submissions in confidence.

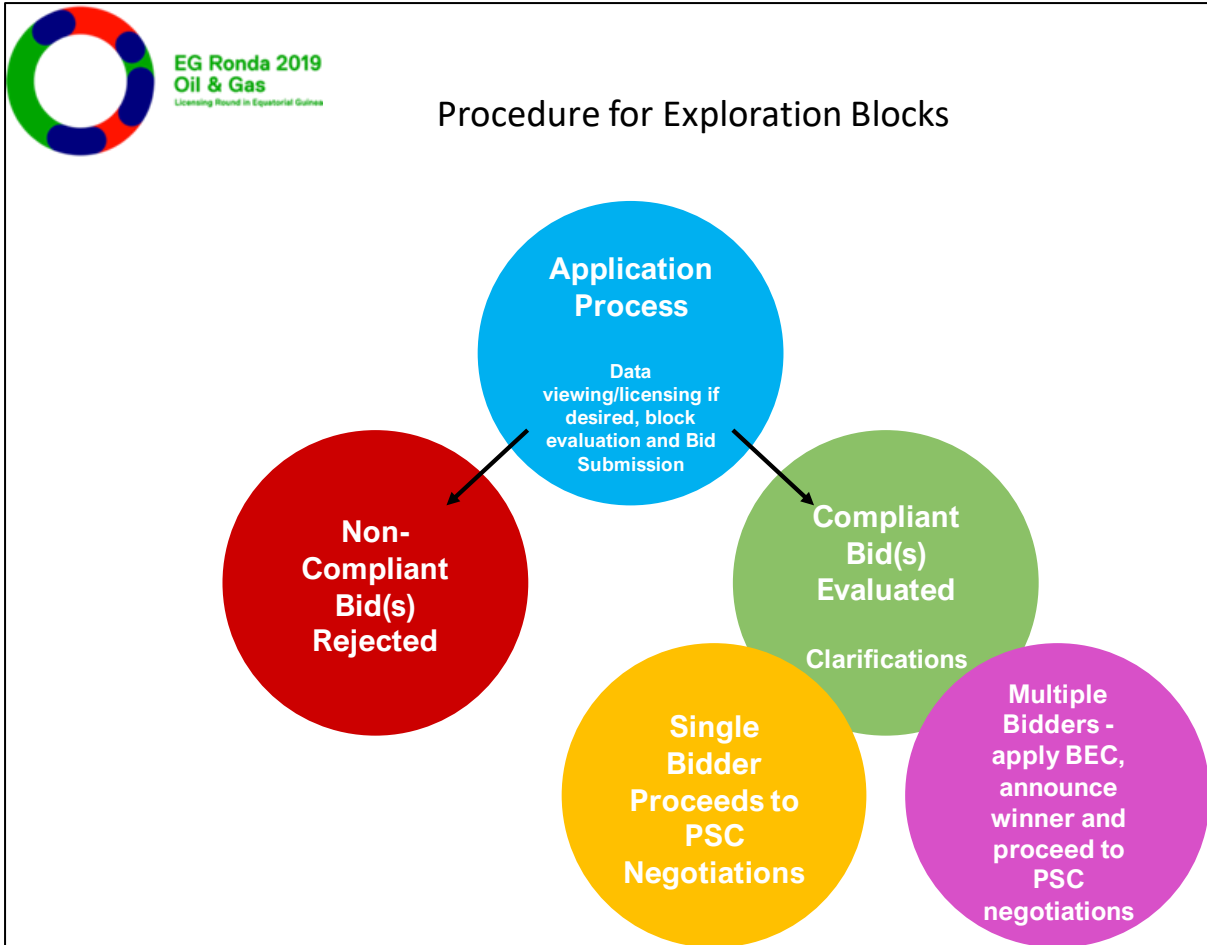
The Ministry will evaluate bids as described in **section 6**, and reserves the right not to award Block(s) for which applications are submitted.

6 EVALUATION CRITERIA

The Government of Equatorial Guinea intends that a transparent process is used to evaluate bids submitted in the round, and to ensure a rapid identification of the winning bids that will lead to discussions and finalization of PSCs with companies in an efficient manner.

The procedure for bid preparation and evaluation for an Appraisal / Development Block and an Exploration Block is illustrated below and overleaf:





All bids / applications received will be evaluated by a dedicated team drawn from relevant government departments, under the direction of the Ministry of Mines and Hydrocarbons. An initial compliance check will be undertaken to ensure that the documents submitted are compliant with these Application Guidelines. Where necessary, any initial clarifications will be made following the initial review of applications received.

In the case where multiple bids are received for the same Block(s) then a formal scoring of bids, using the Bid Evaluation Criteria defined on the following pages, will be adopted. Companies will be advised of their total scores, but the breakdown of the scores will not be provided, and neither the total score nor breakdown will be published.

The Ministry will announce the winner(s) on completion of the evaluation process and then seek to agree final PSC terms with companies during the PSC negotiations.



Bid Evaluation Criteria (BEC) of Applications for Appraisal / Development Blocks

Where more than one compliant bid is submitted for a Designated Block, then the winning bid decided on the basis of the Bid Evaluation Criteria tabulated below:

Table 7 Bid Evaluation Criteria (Appraisal / Development Blocks)

EG Ronda 2019 Bid Evaluation Criteria (Appraisal / Development Block)	
Applicant Details and Financial Information	15
Applicant size and market value	5
Ability to finance work programme	10
Applicant Technical Expertise	15
Number of Fields in Production	5
Technology relevant to Development Proposed	5
Number of new developments in past 5 years	5
Technical Proposal	30
High level / conceptual development plan proposed	15
Timescale for first production	15
Financial Proposal	40
Signature Bonus	15
Fiscal Terms	25
HSE	Pass/Fail
TOTAL	100



Bid Evaluation Criteria (BEC) of Applications for Exploration Blocks

Where more than one compliant bid is submitted for a Designated Exploration Block, then the winning bid will be decided on the basis of the Bid Evaluation Criteria tabulated below:

Table 8 Bid Evaluation Criteria (Exploration Blocks)

EG Ronda 2019 Bid Evaluation Criteria (Exploration Block)	
Applicant Details and Financial Information	15
Applicant size and market value	5
Ability to finance work programme	10
Applicant Technical Expertise	10
Number of E&P wells drilled in past 5 years	4
Technology relevant to Area applied for	2
Number of discoveries in past 5 years	4
Technical Work Programme	50
Technical database available for application	5
G&G evaluation presented in Application	10
Prospectivity of Block applied for	5
Proposed Firm Work Programme	25
Proposed Contingent Work Programme	5
Commercial Proposal	25
HSE	Pass/Fail
TOTAL	100



7 Technical Data

The Ministry of Mines and Hydrocarbons maintains a comprehensive database of exploration works carried out since the 1970's including a large library of reports and comprehensive GIS.

A Data Room has been established in the UK at the offices of Perceptum Limited and this Data Room shall remain open to companies for the duration of the Round. The Data Room provides access to the Ministry digital datasets.

Companies wishing to visit the Data Room first need to apply in writing to the Ministry at the address below, specifying the blocks over which they wish to view data. Once the Ministry has granted permission, the companies should liaise with Perceptum to arrange a mutually convenient date to attend the Data Room. A Data Room fee will apply and standard data room rules and confidentiality agreement provided by Perceptum must be signed prior to attending the Data Room.

Data owned by the Ministry is available to license from Perceptum Limited, on behalf of the Ministry, at any time.

As noted in **section 4**, for the EG Ronda 2019 round, companies that wish to license available technical data owned by the Ministry will be charged an Evaluation License Fee for the Data Package (30% of the full value), valid for the duration of the Round and subsequent negotiations, with the balance (70%) due on award and ratification of the PSC.

Bona fide bidding group partners will be treated as a single company for the purpose of the Data Room fees.



8 FURTHER INFORMATION

For further information on the **EG Ronda 2019 Oil & Gas Round** please visit the website www.egronda.com or email oilandgas@egronda.com.

9. CONTACTS DETAILS

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