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João Afonso Fialho | jaf@vda.pt

### ANGOLA

#### BID ANNOUNCEMENT FOR THE AWARD OF PETROLEUM CONCESSIONS

Pursuant to the Overall Strategy for the Awarding of Petroleum Concessions in the period 2019-2025, approved by Presidential Decree no. 52/19, of 18 February, the National Oil, Gas and Biofuels Agency (“ANPG”) has announced the international bidding process for ten oil blocks located at Benguela (block 10) and Namibe (blocks 11, 12, 13, 27, 28, 29, 41, 42 and 43).

The bidding process started on 2 October 2019 and bids must be submitted until 5:30 p.m. Luanda time (GMT+1) of 12 November. Bids will be opened on 13 November, with the qualification of companies and evaluation of proposals running until 28 December. The concessions must be awarded on 17 January 2020, with contracts negotiated until 27 March and signed on 30 April.

The bidding announcement sets the requirements for operator and non-operator associates of the national concessionaire. It also includes the terms of reference regarding the biddable items and its respective weight. In this regard, please note the following:

- Blocks are divided in three categories:
  - 1) Shallow waters – that include blocks 10, 11, 12 and 13;
  - 2) Deep waters – that include blocks 27, 28 and 29; and
  - 3) Ultra deep waters – that include blocks 41, 42 and 43.
- Bidding items are weighted as follows:
  - Signature Bonus – 20%;
  - Social Projects Contributions – 10%;
  - No. of Exploration Wells – 50%;
  - 3D Seismic – 20%.
- National Oil Company’s (“Sonangol P&P”) working interest will be 20%, carried through exploration.

- Cost Oil Ceiling for Costs Recovery will vary in accordance with the blocks at stake:
  - Shallow waters – 55% to 65%, and 60% to 65%;
  - Deep waters – 60% to 70%, and 65% to 70%; and
  - Ultra deep waters – 60% to 70%, and 65% to 70%.
- Uplift will vary in accordance with the block at stake:
  - Shallow waters – 20%;
  - Deep waters and blocks 41 and 43 – 25%; and
  - Block 42 – 30%.
- Profit Oil Split will vary in accordance with the block at stake and with the Internal Rate of Return (IRR):
  - For an IRR of less than 10%, Sonangol P&P will be granted 15% to 20% of the Profit Oil, while the Contractor Group will be granted 80% to 85%; and
  - For an IRR of more than 25%, Sonangol P&P will be granted 80% of the Profit Oil, while the Contractor Group will be granted 20%.
- Minimum work program establishes that the initial exploration phase will be 4 years and the subsequent exploration phase 2 years.
- Required financial guarantee to be provided by the bidders will vary in accordance with the blocks at stake:
  - Shallow waters – 25 000 000 \$/Well and 10 000 \$/Km2 for 3D Seismic;
  - Deep waters – 35 000 000 \$/Well and 10 000 \$/Km2 for 3D Seismic; and
  - Ultra deep waters – 45 000 000 \$/Well and 10 000 \$/Km2 for 3D Seismic.

The template for the Production Sharing Agreement was published by ANPG and is available at its website: <https://webgis.anpg.co.ao/en/licensing-round-2019/>