

**SPECIFICATIONS FOR THE 12<sup>th</sup> LICENSE ROUND  
OF THE GABONESE SEDIMENTARY BASIN**

**I. LICENSE ROUND CONTEXT**

**1. Context**

The Gabonese State, through the Ministry of Oil, Gas, Hydrocarbons and Mines, is organizing the twelfth (12th) license round of its maritime sedimentary basin for the award of thirty-five (35) exploration blocks in accordance with the laws and regulations in force.

**2. Purpose of the Specifications**

The purpose of the present specifications is to set out the conditions for participation and selection of companies wishing to sign Exploration and Production Sharing Contracts (EPSC) with the Gabonese State, with respect to the thirty-five (35) exploration blocks put up for auction. These blocks are located in the conventional zone and in deep and ultra-deep water zone.

For each block, the successful bidder will be invited to enter into negotiations with the State in order to sign an Exploration and Production Sharing Contract (EPSC)

**3. General Information on the blocks**

Information on the designation, area and water depths of the blocks is recorded in the table below:

	<b>Blocks</b>	<b>Surface Area (km<sup>2</sup>)</b>	<b>Water Depth (m)</b>
<b>1</b>	A3	695	200 – 2500
<b>2</b>	A4	2085	2300 - 2500
<b>3</b>	AB5	3455	200 - 2200
<b>4</b>	AB6	2574	400 - 2300
<b>5</b>	B6	1250	100 - 700
<b>6</b>	B7	2285	200 - 2400
<b>7</b>	BC3	3384	1000 - 2300
<b>8</b>	BC4	3299	200 - 2200
<b>9</b>	BC8	4066	100 - 2400
<b>10</b>	C11	2500	1000 - 3500

<b>11</b>	C12	2500	2500 - 3800
<b>12</b>	C13	2500	3600 - 3800
<b>13</b>	C14	2500	3500 - 3800
<b>14</b>	C15	2500	3500 - 3800
<b>15</b>	CD2	2114	0 - 400
<b>16</b>	CD3	3493	0 - 100
<b>17</b>	CD4	1947	0 - 200
<b>18</b>	D9	1887	30 - 200
<b>19</b>	D15	2500	3200 - 3500
<b>20</b>	D16	2500	3200 - 3600
<b>21</b>	E9	1101	0 - 100
<b>22</b>	E10	2926	30 - 500
<b>23</b>	E12	818	1300 - 2400
<b>24</b>	E13	2500	2100 - 3400
<b>25</b>	E14	2500	3000 - 3200
<b>26</b>	E15	2500	2900 - 3200
<b>27</b>	E16	2500	2900 - 3300
<b>28</b>	E17	2525	3100 - 3700
<b>29</b>	F10	1369	0 - 100
<b>30</b>	F11	2502	40 - 800
<b>31</b>	F16	1128	2700 - 3100
<b>32</b>	G10-11	1872	0 - 100
<b>33</b>	G12-13	2989	0 - 800
<b>34</b>	G14	1941	800 - 2600
<b>35</b>	H12-13	1929	0 - 800

## **II. CONDITIONS FOR PARTICIPATING IN THE LICENSE ROUND**

### **1. Capacity Required**

Any company with the proven technical and financial capacity to carry out hydrocarbon exploration and exploitation activities is free to bid.

The company with the required capacities may bid alone or in association with as many blocks as it wishes.

If the bidder applies for more than one block, it must submit the bids for each block in separate envelopes, taking care to separate the technical bid from the commercial bid.

## **2. Purchase of Seismic Data**

The bidder is not required to purchase the seismic data in order to participate in the tender.

However, the bidder may, prior to bidding, if it so wishes, purchase the seismic data for the blocks of its choice from the State's technical service providers. In this case, the bidder will be awarded additional points when the bids are examined, in accordance with the evaluation grid.

On the other hand, the successful bidder for a block is required, upon signature of the Exploration and Production Sharing Contract, to purchase a minimum volume of 2D and/or 3D seismic data from the State's technical service providers.

In case of purchase of seismic data from technical partners, the bidder must attach to its file a proof of payment and the invoice corresponding to the purchase of said data.

In case of conclusion of an Exploration and Production Sharing Contract, the cost of the seismic data purchased on a block will be included in the petroleum cost account of the Exploration and Production Sharing Contract of said block.

However, the costs related to the purchase of seismic data of a block borne by the bidder or the successful bidder shall not be reimbursable if the bidder or the successful bidder does not conclude an Exploration and Production Sharing Contract with the State on the said block.

## **III. DOCUMENTS TO PROVIDE**

Each tenderer must compile a file in three (03) copies for each block, in French, on A4 paper and also on removable electronic storage medium.

The constituent parts of the file shall be contained in three (03) separate envelopes, namely:

- an envelope containing the tenderer's identification details;
- an envelope containing the technical offer;
- an envelope containing the commercial offer.

### **1. Contents of the Bidder's Identification**

All tenderers must produce the information necessary for identification, in particular:

#### **a. Legal, Administrative and Financial Information**

- Company Registration Sheet or equivalent;
- Share Capital;
- Place of stock exchange listing for listed companies;
- Recent annual activity report.

## **b. QHSSE Documents**

- Hygiene, Safety, Health and Environment Charter ;
- Hygiene, Safety, Health and Environment Policy.

## **c. Technical Documents**

- Experience in the hydrocarbon sector;
- Main areas of intervention;
- Average daily production (oil and gas).

All these elements must be contained in an envelope.

## **2. Presentation of the Technical Offer**

Each tenderer shall clearly state all the elements of its technical offer, in particular:

- the duration of the exploration phases;
- the volume of seismic data acquisition;
- the number of wells to be drilled and their distribution by phase;
- the estimated cost of the work.

The bidder is free to provide any other additional information likely to enhance the value of their bid.

All these elements must be contained in an envelope.

## **3. Presentation of the Commercial Offer**

Each bidder shall include in their commercial offer all the economic and fiscal elements of the Exploration and Production Sharing Contract that they wish to conclude with the Gabonese State, namely:

- the rate of the royalty;
- the cost recovery limit;
- the percentage of the 1<sup>st</sup> production sharing tranche;
- the amounts of the support funds;
- the EPSC signature bonus;
- the State's participation.

The tenderer is free to provide any other additional information likely to improve their offer.

All these elements must be contained in an envelope.

All the envelopes mentioned above must be clearly identifiable and sealed.

#### **IV. CLOSING DATE AND VALIDITY OF THE TENDER**

##### **1. Deadline for Submission of Tenders**

The files must be sent to the Minister of Oil, Gas, Hydrocarbons and Mines, either by registered parcel, or deposited at his secretariat against an acknowledgement of receipt, no later than **April 30<sup>th</sup>, 2020**, with the following mention: **“Not to be opened, 12<sup>th</sup> License round”**.

##### **2. Validity of the Bid**

Tenders submitted under this invitation to tender shall be valid for six (6) months from the official closing date for submission of applications.

#### **V. EVALUATION OF BIDS**

The evaluation of bids is carried out by the State according to the criteria defined below. Each file is evaluated on the basis of a maximum score of ten thousand (10,000) points divided between the economic and fiscal elements, on one hand, and the technical elements, on the other hand.

The score achieved by each tenderer is the sum of the points obtained at the end of the evaluation of the technical and commercial offers.

##### **1. Economic and Fiscal Elements**

Taxation represents 2,375 points. Four (4) items will be assessed:

- the royalty (925 points) ;
- the cost recovery limit (335 points) ;
- the first tranche of production sharing (490 points) ;
- the State participation rate (625 points).

Any proposal contrary to the minima set by Law N°002/2019 of July 16<sup>th</sup>, 2019 regulating the hydrocarbons sector in the Gabonese Republic shall result in the elimination of the offer.

To this end, any bidder is free to request from the Hydrocarbons Administration, representing the State, any information or clarification it deems necessary for the presentation of the best possible bid.

##### **2. Support Funds criteria**

The criteria concerning the Support Funds represent 125 points. The evaluation will cover all the Support Funds provided for in law N°002/2019; namely:

- Hydrocarbons Support Fund;
- Equipment Fund;

- Training Fund;
- Fund for the Development of Local Communities;
- Fund for the mitigation of the impact of petroleum activities on the environment.

### **3. Work Programs criteria**

The weighting of the work program criteria is 5,000 points. The evaluation covers both mandatory and optional commitments:

#### *a. Mandatory Bid Commitments at the submission*

- Speed of execution of the first drilling (900 points) ;
- Number of wells to be drilled (1250 points) ;
- Additional 2D seismic (150 points) ;
- Additional 3D seismic (1000 points).

#### *b. Optional Bid Commitments at the submission*

- Purchase of 2D seismic data 2D (300 points) ;
- Purchase of 3D seismic data (1400 points).

### **4. Signature Bonus criteria**

The Signature Bonus for the Exploration and Production Sharing Contract represents 2500 points.

A copy of the bid evaluation grid is appended to these specifications.

## **VI. BID EXAMINATION PROCEDURE**

### **1. Opening of Bids**

The opening of the bids shall take place in Libreville. The date and place will be communicated by the State on the website dedicated to the 12<sup>th</sup> license round ([www.gabon12thround.com](http://www.gabon12thround.com)), and by any other means of communication no later than fifteen (15) days before the opening date of the bids.

Bids shall be opened in the presence of the bidders or their representatives.

In order to ensure maximum transparency in the process, the bid opening will be supervised by a bailiff who will draw up the minutes relating to all the bid opening operations.

The Judicial Officer must be registered at the Chamber of Judicial Officers of Gabon.

Bids will be examined in accordance with the evaluation criteria mentioned above, following the steps below:

- Evaluation of the technical bids;
- Evaluation of the commercial bids;
- Establishment of a ranking of the bidders by block;
- Audition of the bidders.

During the examination of the bids, the State may request clarifications from the bidders in order to better assess their bids.

If several companies submit identical bids for the same block, the State will invite them, at the opening session, to bid higher on their respective bids, if they so wish.

## **2. Qualification of Bidders**

Upon completion of the evaluation of the bids and establishment of the ranking of the bidders for each block, the two (2) bidders with the highest score are qualified for the audition stage.

The audition will cover the following elements:

- Company Registration Sheet or equivalent;
- Share Capital;
- Place of stock exchange listing for publicly traded companies;
- Recent annual activity report;
- Health, Safety, Health and Environment Charter;
- Health, Safety, Health and Environment Policy.
- Experience in the hydrocarbons sector;
- Main regions of intervention;
- Average daily production (oil and gas).

## **3. Announcement of Results**

The announcement of the final results of the license round for each block will be made by the Minister of Oil, Gas, Hydrocarbons and Mines.

No later than one (1) week after this announcement, the Minister of Oil, Gas, Hydrocarbons and Mines, on behalf of the State, shall invite the winning companies to enter into the negotiation of the Exploration and Production Sharing Contracts.

The State and the winning bidder shall negotiate in good faith and have a period of three (03) months to reach an agreement, particularly on the work commitments and the economic and fiscal terms of the EPSC.

In the event of unsuccessful negotiations with the successful bidder within the aforementioned period, the State reserves the right to open discussions with the company that came in second at the audition, in order to conclude an EPSC.

## **VII. NOTIFICATIONS**

For any information or clarification regarding the submission of tenders or the conduct of the invitation to tender, tenderers may contact the following addresses:

1. Ministry of Oil, Gas, Hydrocarbons and Mines

Postal Box 874 or 576, Libreville, GABON

To the attention of: **The Minister of Oil, Gas, Hydrocarbons and Mines**

2. [dhhgabon@gmail.com](mailto:dhggabon@gmail.com)



## **ANNEXES**

- 1. Hydrocarbons Code;**
- 2. Summary Table of Offers;**
- 3. Evaluation Grid;**
- 4. Deep and Ultra-Deep Offshore Terms Sheet;**
- 5. Term Sheet for the Conventional Area;**
- 6. Standard EPSC.**