

**NOTICE INVITING OFFERS
FOR
EXPLORATION OF OIL AND NATURAL GAS
UNDER
NEW EXPLORATION LICENSING POLICY
EIGHTH ROUND (NELP-VIII)**

ANNOUNCEMENT

Under the New Exploration Licensing Policy (NELP) for exploration of oil and natural gas, the Government of India announces Eighth offer of exploration blocks. Companies are invited to bid for 70 exploration blocks on offer. A total of 18 onland blocks of which 10 are Type S blocks, 28 shallow water blocks and 24 deepwater blocks (beyond 400 metre bathymetry) are on offer. Companies may bid for one or more blocks, singly or in association with other companies, through an unincorporated or incorporated venture. For Onland small size blocks with area of less than 200 Sq km categorized as Type S blocks, technical capability will neither be a pre-qualification criterion nor a bid evaluation criterion. For Onland and shallow water blocks, technical capability will be a pre-qualification criterion. For Deepwater blocks, technical capability will be a bid evaluation criterion.

MAIN FEATURES OF TERMS OFFERED

The successful bidder would be required to enter into a Production Sharing Contract (PSC), which will be based on the Model Production Sharing Contract (MPSC). Some of the attractive features of the terms offered by the Government are:

- There will be only one Exploration phase of 7 years for all blocks. There will be no compulsory relinquishment after 4 years (when mandatory and committed programme are to be completed) and operators will have option to relinquish entire area after completion of minimum work programme or retain the Block by committing to carry out drilling of one well per year in case of onland and shallow water Blocks or one well in 3 years in case of deepwater Blocks. In any case, the entire area (leaving aside the Discovery Area and Development Area) would require to be relinquished at the end of 7 years of exploration.
- Up to 100% participation by foreign companies.
- No signature, discovery or production bonus.
- No mandatory State participation.
- No carried interest by National Oil Companies (NOCs).
- Income Tax Holiday for seven years from start of commercial production of "Mineral Oil".
- No customs duty on imports required for petroleum operations.
- Biddable cost recovery limit: Up to 100%.
- Option to amortise exploration and drilling expenditures over a period of 10 years from first commercial production.
- Sharing of profit petroleum with Government of India based on biddable pre-tax investment multiple achieved by the contractor.
- Royalty for onland areas is payable at the rate of 12.5% for crude oil and 10% for natural gas. For shallow water offshore areas, royalty is payable at the rate of 10% for both crude oil and natural gas. For deepwater offshore areas (beyond 400 m iso-bath) royalty is payable for both crude oil & natural gas at the rate of 5% for the first seven years of commercial production and thereafter at the rate of 10%.
- Fiscal stability provision in the contract.
- Freedom to the contractor for marketing of oil and gas in the domestic market.
- Liberal provisions for assignment.
- Arbitration and Conciliation Act, 1996, based on United Nations Commission on International Trade Law (UNCITRAL) model, applicable.
- To facilitate investors, a Petroleum Tax Guide (PTG) compiled in 1999 is provided.
- Predetermined Liquidated Damages (LD) specified for unfinished Minimum Work Programme.
- One time Bank Guarantee (BG) at a lower rate for the total committed work programme.
- A nominal bid bond at specified rate to encourage serious bidders.

BIDDABLE TERMS

Companies would be required to bid for:

- Work programme commitment.

- Percentage of value of annual production sought to be allocated towards cost recovery.
- Profit petroleum share offered to Government of India (GOI) at the lowest tranche (less than or equal to 1.500) and the highest tranche (3.500 and above) of Pre-Tax Investment Multiple (PTIM) expected to be reached.

Note: Profit Petroleum share to GOI corresponding to PTIM expected to be reached between the lowest tranche and the highest tranches indicated above, will be interpolated on a linear scale with a positive slope depending upon the exact PTIM achieved in each of the preceding year.

A Bid Format for all blocks is available in the exclusive website of NELP-VIII, <http://www.indianelpviii.com> as well as on the web sites <http://www.petroleum.nic.in> and <http://www.dghindia.org>.

BID EVALUATION

The following main parameters will be considered while evaluating the bids [for detailed Bid Evaluation Criteria (BEC), please see Appendix-I to III to this NIO]:

- Technical capability of the proposed Operator:**
 - (a) For the onland blocks under Type-S only work programme & fiscal package will be considered for bid evaluation. Technical capability will neither be a pre-qualification criterion nor a bid evaluation criterion.
 - (b) For the onland and shallow water blocks, technical capability will be a pre-qualification criterion. The designated operator has to score non-zero on one out of the three sub-criteria of technical capability apart from non-zero score on operatorship experience.
 - (c) For Deepwater blocks Technical capability will be an evaluation criterion. Evaluation of technical capability of the proposed operator against a bid, among other things, will be based on experience as operator in terms of number of years, Acreage holding (PEL), Average Accretion of Proved Reserves (IP), Average Annual Production and drilling of exploratory wells.
 - (d) Where a parent company endorses the bid and undertakes to provide financial and performance guarantee, in case their bid is declared successful, the technical parameters of the parent company of the designated operator, as prescribed in the BEC, would be considered for evaluation of the bid. For details please refer Appendix II & III.
- Financial capability of the bidding company/consortium:**
 - (a) The networth of the bidding companies should be equal or more than its participating interest value of the work programme commitment including biddable work programme and mandatory work programme.
 - (b) The annual report including the audited annual accounts for the latest completed year and a Certificate of networth from company's statutory auditor(s) based on the latest audited annual accounts certifying the net worth of the bidding company should be submitted. The net worth will be calculated in accordance with the method given in the "FORMAT FOR SUBMISSION OF BIDS". In case the parent company provides financial and performance guarantee, the annual report, annual accounts and networth certificate in respect of parent company should be submitted.
 - (c) In case a bidding company either bidding alone or as a consortium happens to be the best ranked bidder for two or more blocks, the networth of the company shall be required to be equal to or more than its participating interest in the value of minimum work programme commitment for all such blocks. In case, the company's networth is less than its participating interest in the value of minimum work programme commitment for such blocks, the bids will be considered in order of priority given by that company in their bids for respective blocks.
 - (d) In case a bidding company or each of the company constituting consortium does not furnish the above documents, the bid shall be summarily rejected. In case, financial and performance guarantee of a parent company is provided, the financial capability of the parent company shall be considered for evaluating the financial capability of a bidding company.

iii) Work programme:

- (a) Only the committed biddable work programme by the bidding company (ies)/consortium will be considered for evaluation purposes. Any contingent/ conditional work programme will be ignored, while evaluating the bids. Mandatory work programme will not be considered for evaluation. Mandatory work programme and bid Work Programme are required to be completed within first 4 years.
- (b) In respect of onland and shallow water Blocks, the Contractor will have to commit at least one exploratory well per year for retaining the Block up to 7 years (i.e. 3 years beyond initial 4 years). In case the Contractor fails to drill one well in a year, the entire area (leaving aside the Discovery Area and Development Area) would require to be relinquished at the end of that particular year.
- (c) In respect of deepwater Blocks, the Contractor will have to commit drilling at least one exploratory well in 3 years after the initial 4 years. In case, the Contractor fails to commit drilling one well in 3 years beyond initial 4 years, the entire area (leaving aside the Discovery Area and Development Area) would require to be relinquished at the end of 4 years.

iv) Fiscal Package:

Profit petroleum share offered to Government of India (GOI) by the bidder at the lowest tranche (less than or equal to 1.500) and the highest tranche (3.500 and above) of Pre-Tax Investment Multiple (PTIM) along with offered annual cost recovery limit will be taken into account for evaluation of Fiscal Package. Profit Petroleum share to GOI corresponding to PTIM between the lowest and the highest tranches indicated above, will be interpolated on a linear scale with a positive slope depending upon the exact PTIM achieved in each of the preceding year.

v) Evaluation of bids and rejection criteria

- a) The designated operator for onland (except Type S blocks) and offshore blocks would be required to obtain non-zero score on one out of the three sub-criteria of technical capability apart from non-zero score on operatorship experience.
- b) Bidders would be required to confirm to carryout the Mandatory Work Programme given against the blocks in this NIO during first four years (Please refer the table at page 7 & 8). A bid not confirming to carrying out the Mandatory Work Programme during first four years as prescribed in the NIO, shall be liable to be rejected.
- c) Bids not submitted in "Format for Submission of Bids" covering all the information/details listed therein including Bid Bond are liable to be rejected.
- d) Any assumptions / deviations in a bid which are inconsistent or not complying with the contract terms listed in the brochure "Notice Inviting Offer for Exploration of Oil and Natural Gas under New Exploration Licensing Policy-Eighth Round (NELP-VIII)" may render the bid liable for rejection.
- e) Government at its sole discretion reserves the right to accept or reject any or all of the bids received without assigning any reason, whatsoever.
- f) For a bid to be valid, bidding company or consortium, as the case may be, is required to pay Tender Fees by way of purchase of the requisite Data Package of the block to be bid on or before bid closing date. For the deep water block namely MB-DWN-2009/1 (which was earlier MB-DWN-2005/8 under NELP-VII round) the company (ies), which had purchased Data Packages in the earlier relevant NELP rounds is/are not required to pay Tender Fees by way of re-purchase of the Data Package.
- g) For the blocks AA-ONN-2009/1 and AA-ONN-2009/2 of Assam-Arakan basin and AN-DWN-2009/1 to 12 of Andaman basin, the bidding company(ies) or consortium, as the case may be, is required to purchase the requisite Basin Information Docket for the bid(s) to be valid.
- h) Company(ies) would be ineligible to bid as operator for the block(s) which was/were relinquished by it/them without completing the Minimum Work Programme (MWP) under NELP regime as operator. However, such company(ies) can be member of consortium with another company as operator.

INFORMATION AVAILABILITY

A brochure of Notice Inviting Offers giving details of the blocks on offer, their geographical location on a map of India, the terms and conditions, bid formats, price list, a copy each of MPSC, PTG and Site Restoration Fund Scheme (SRFS) will be made available free of cost to companies. Copies of these documents may also be seen at website of Ministry of Petroleum & Natural Gas <http://www.petroileum.nic.in> and at website of Directorate General of Hydrocarbons <http://www.dghindia.org> and exclusive website of NELP-VIII <http://www.indianelpviii.com>

Basin Information Dockets prepared by Directorate General of Hydrocarbons (DGH) for each of the basins wherein the blocks are on offer for exploration of oil and gas are also available. These Dockets contain information on regional and local geology, status of exploration activities, hydrocarbon potential and a brief write-up on block(s) on offer. The CD-ROM of Basin Information Dockets is available for purchase. The Data Packages of the blocks on offer, prepared by DGH, are available in digital mode. The digital data set comprising seismic data, navigation data and well-log data (wherever available) for the individual blocks are available for purchase (for details, see Price List).

The digital copies of the Basin Information Dockets and Data Packages on work stations with interpretation facilities are available for inspection at data viewing centres for NELP-VIII at New Delhi (NOIDA), Houston, London, Calgary and Perth on dates mentioned against each of these locations on website. Besides, online NELP-VIII data viewing facility is available on the website <http://www.indianelpviii.com>

For a bid to be valid, bidding company or any member of consortium, as the case may be, is required to submit proof that it has purchased the requisite Data Package of the block to be bid (for details, please refer "Price List").

Companies interested in inspection of data, purchase of Basin Information Docket and Data Packages and for any further details in this regard may contact:

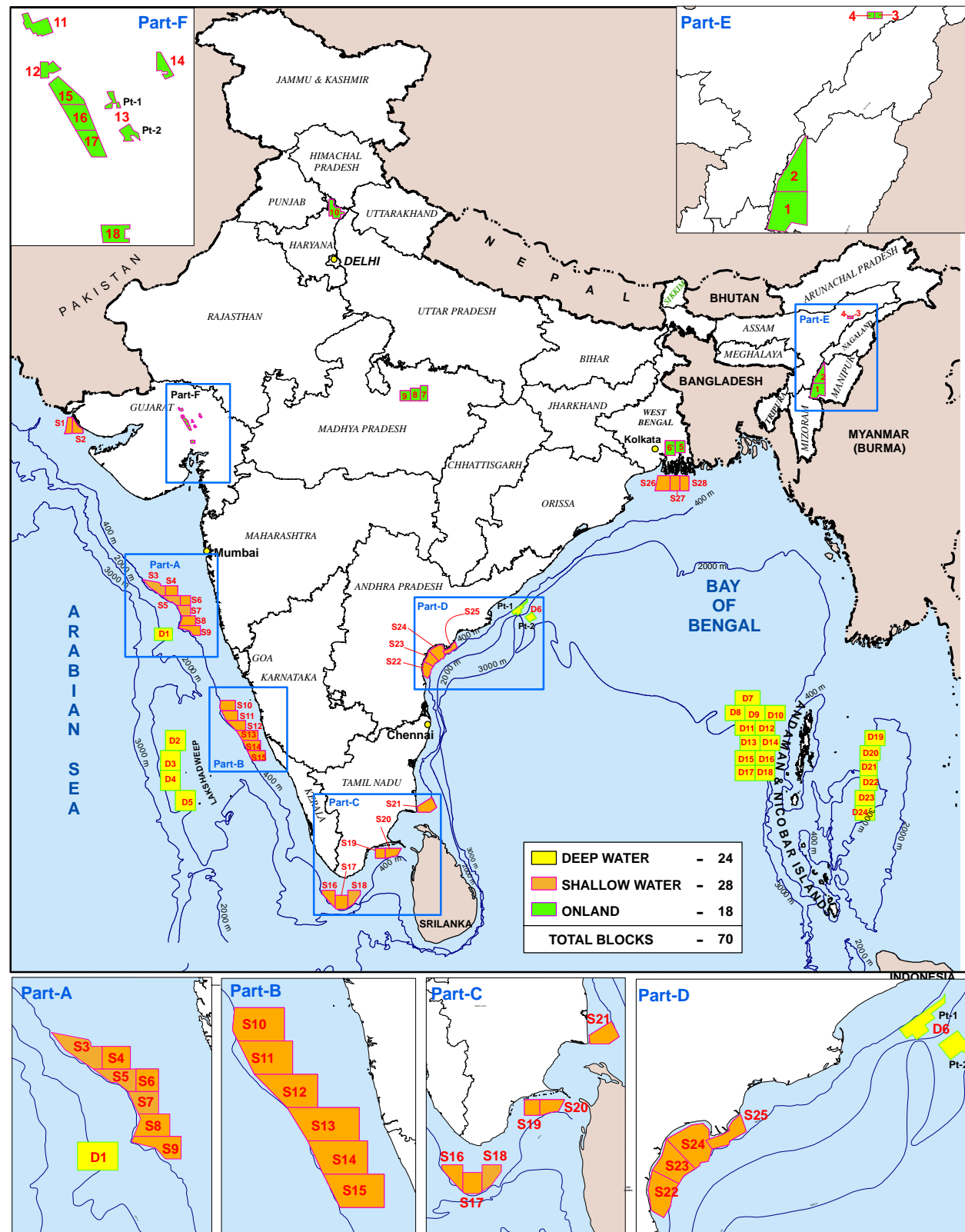
Directorate General of Hydrocarbons
C-139, SECTOR-63, NOIDA (UP), INDIA
Pin Code: 201301
Telephone : 91-120-4029400
Fax : 91-120-4029410
E-mail : dg@dghindia.org
Website : <http://www.dghindia.org>
: <http://www.petroileum.nic.in>
: <http://www.indianelpviii.com>

Bids in duplicate should be submitted in sealed envelopes superscribed "Confidential" "Bid under New Exploration Licensing Policy- Eighth Round (NELP-VIII) for the block(s) _____" not later than **1200 hours IST on 10th August 2009 (Monday) at the above address.**

Public opening of bids in the presence of the authorized representatives of the bidders will take place at **1330 hrs. IST** on the same day at the above address or at another venue which will be notified in the national newspapers. Bidders intending to be present during the bid opening should depute their authorized representative(s).

Sd/-
(D.N.Narasimha Raju)
Joint Secretary to the Government of India
Ministry of Petroleum & Natural Gas
Room No. 204 (a), 'A' Wing,
Shastri Bhawan, Dr. Rajendra Prasad Road,
New Delhi-110001 India
e-mail: jse.png@sb.nic.in
Phone:91-11-23381832, Fax :91-11-23070562
9th April 2009

**EXPLORATION BLOCKS ON OFFER UNDER
NEW EXPLORATION LICENSING POLICY - EIGHTH ROUND (NELP-VIII)**



**DETAILS OF EXPLORATION BLOCKS ON OFFER WITH
MANDATORY WORK PROGRAMME UNDER NEW EXPLORATION
LICENSING POLICY- EIGHTH ROUND (NELP-VIII)**

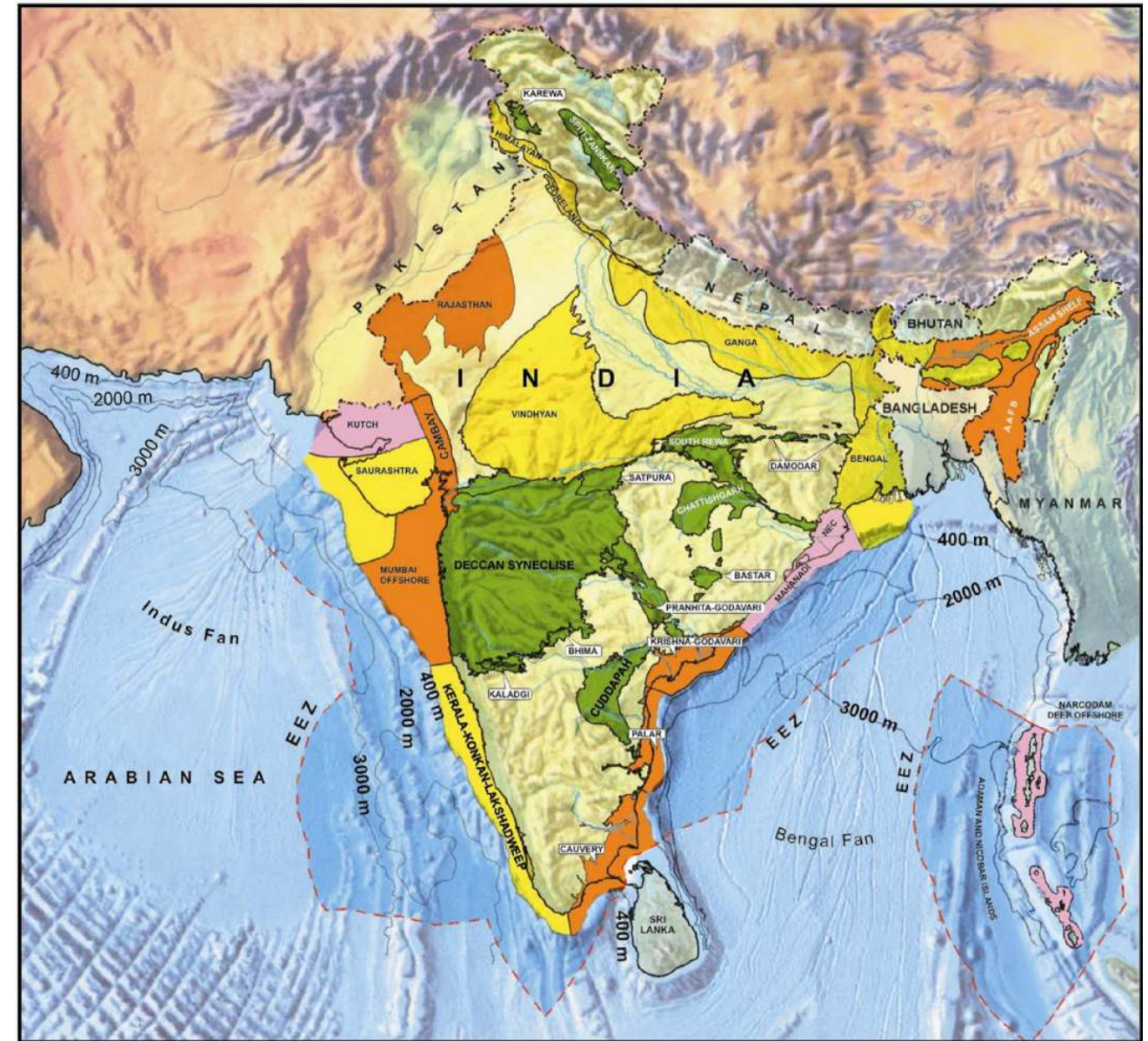
SL. NO.	BASIN	BLOCK NAME	MAP REF. NO.	APPROX. AREA (SQ.KM.)	MAX. WELL DEPTH FOR BID EVALUATION (M) #	MANDATORY WORK PROGRAMME 2D SEISMIC (API)	
						GRID SIZE	QUANTUM OF WORK IN LKM (APPROX.)
DEEP WATER BLOCKS							
1	MUMBAI	MB-DWN-2009/1	D-1	2961	4400	-	-
2	KERALA-KONKAN	KK-DWN-2009/1	D-2	5349	4000	32 x 32	640
3		KK-DWN-2009/2	D-3	5361	3000	32 x 32	640
4		KK-DWN-2009/3	D-4	5374	3700	32 x 32	640
5	KRISHNA-GODAVARI	KG-DWN-2009/4	D-5	5390	3600	32 x 32	640
6		KG-DWN-2009/1	D-6 (A&B)	1800	7000	-	-
7	ANDAMAN	AN-DWN-2009/1	D-7	4981	5000	32 x 32	600
8		AN-DWN-2009/2	D-8	3995	5000	32 x 32	480
9		AN-DWN-2009/3	D-9	3992	5000	32 x 32	480
10		AN-DWN-2009/4	D-10	3990	5000	32 x 32	480
11		AN-DWN-2009/5	D-11	4002	5000	32 x 32	480
12		AN-DWN-2009/6	D-12	3999	5000	32 x 32	480
13		AN-DWN-2009/7	D-13	4009	5000	32 x 32	480
14		AN-DWN-2009/8	D-14	4006	5000	32 x 32	480
15		AN-DWN-2009/9	D-15	4017	5000	32 x 32	480
16		AN-DWN-2009/10	D-16	4014	5000	32 x 32	480
17		AN-DWN-2009/11	D-17	4024	5000	32 x 32	480
18		AN-DWN-2009/12	D-18	4021	5000	32 x 32	480
19		AN-DWN-2009/13	D-19	4007	5200	32 x 32	480
20		AN-DWN-2009/14	D-20	4014	4400	32 x 32	480
21		AN-DWN-2009/15	D-21	3518	5400	32 x 32	420
22		AN-DWN-2009/16	D-22	3524	6400	32 x 32	420
23		AN-DWN-2009/17	D-23	4034	6200	32 x 32	480
24		AN-DWN-2009/18	D-24	4040	5300	32 x 32	485
SHALLOW WATER BLOCKS							
25	GUJARAT-KUTCH	GK-OSN-2009/1	S-1	1264	4000	-	-
26		GK-OSN-2009/2	S-2	1242	4200	-	-
27	MUMBAI	MB-OSN-2009/1	S-3	2299	4600	-	-
28		MB-OSN-2009/2	S-4	1635	5300	-	-
29		MB-OSN-2009/3	S-5	1492	5800	-	-
30		MB-OSN-2009/4	S-6	1309	5300	-	-
31		MB-OSN-2009/5	S-7	1477	5100	-	-
32		MB-OSN-2009/6	S-8	1876	5200	-	-
33		MB-OSN-2009/7	S-9	1865	5000	-	-

SL. NO.	BASIN	BLOCK NAME	MAP REF. NO.	APPROX. AREA (SQ.KM.)	MAX. WELL DEPTH FOR BID EVALUATION (M) #	MANDATORY WORK PROGRAMME 2D SEISMIC (API)	
						GRID SIZE	QUANTUM OF WORK IN LKM (APPROX.)
34	KERALA-KONKAN	KK-OSN-2009/1	S-10	2004	5300	-	-
35		KK-OSN-2009/2	S-11	1860	4700	-	-
36		KK-OSN-2009/3	S-12	1874	4500	-	-
37		KK-OSN-2009/4	S-13	2475	4300	-	-
38		KK-OSN-2009/5	S-14	2088	4300	-	-
39		KK-OSN-2009/6	S-15	2107	4300	-	-
40		KK-OSN-2009/7	S-16	1914	4600	-	-
41		KK-OSN-2009/8	S-17	2295	4600	-	-
42		KK-OSN-2009/9	S-18	2032	4600	-	-
43	CAUVERY	CY-OSN-2009/1	S-19	1362	4300	-	-
44		CY-OSN-2009/2	S-20	1621	5200	-	-
45		CY-OSN-2009/3	S-21	2385	2600	16 x 16	330
46	KRISHNA-GODAVARI	KG-OSN-2009/1	S-22	1472	4300	-	-
47		KG-OSN-2009/2	S-23	1471	3700	-	-
48		KG-OSN-2009/3	S-24	1988	6100	-	-
49		KG-OSN-2009/4	S-25	835	6100	-	-
50	BENGAL	WB-OSN-2009/1	S-26	2621	10000	-	-
51		WB-OSN-2009/2	S-27	1915	10000	-	-
52		WB-OSN-2009/3	S-28	1695	10000	-	-
ONLAND BLOCKS							
53	ASSAM-ARAKAN	AA-ONN-2009/1	1	2217	3300	32 x 32	300
54		AA-ONN-2009/2	2	1740	3200	32 x 32	240
55		AA-ONN-2009/3*	3	84	5000	4 x 4	45
56		AA-ONN-2009/4*	4	84	5000	4 x 4	45
57	BENGAL	WB-ONN-2009/1	5	1519	8000	16 x 16	210
58		WB-ONN-2009/2	6	1887	8000	16 x 16	260
59	VINDHYAN	VN-ONN-2009/1	7	1405	5000	16 x 16	190
60		VN-ONN-2009/2	8	1562	5000	16 x 16	210
61		VN-ONN-2009/3	9	1250	5000	16 x 16	170
62	HIMALAYAN FORELAND	HF-ONN-2009/1	10	1930	5000	-	-
63	CAMBAY	CB-ONN-2009/1*	11	113	4500	4 x 4	60
64		CB-ONN-2009/2*	12	68	4000	-	-
65		CB-ONN-2009/3*	13-A & B	90	4000	-	-
66		CB-ONN-2009/4*	14	69	3000	-	-
67		CB-ONN-2009/5*	15	165	4700	4 x 4	85
68		CB-ONN-2009/6*	16	177	3000	4 x 4	90
69		CB-ONN-2009/7*	17	144	1500	4 x 4	75
70		CB-ONN-2009/8*	18	136	2500	-	-

* Type S Block

Well depth from seabed in respect of offshore blocks

SEDIMENTARY BASIN MAP OF INDIA



LEGEND

- | | | | |
|---|---|---|--|
|  | CATEGORY-I BASIN
(Proven commercial productivity) |  | CATEGORY-IV BASIN
(Potentially Prospective) |
|  | CATEGORY-II BASIN
(Identified prospectivity) |  | PRE-CAMBRIAN BASEMENT/
TECTONISED SEDIMENTS |
|  | CATEGORY-III BASIN
(Prospective Basins) |  | DEEP WATER AREAS
WITHIN EEZ |

CATEGORIZATION OF SEDIMENTARY BASINS

Category*	Basin	Basinal Area (Sq. Km.)		Total
		Onland	Offshore	
UP TO 200M ISOBATH				
I	Cambay	51,000	2,500	53,500
	Assam Shelf	56,000	----	56,000
	Bombay offshore	----	116,000	116,000
	Krishna Godavari	28,000	24,000	52,000
	Cauvery	25,000	30,000	55,000
	Assam-Arakan Fold Belt	60,000	----	60,000
	Rajasthan	126,000	----	126,000
	SUB. TOTAL	346,000	172,500	518,500
II	Kutch	35,000	13,000	48,000
	Mahanadi-NEC**	55,000	14,000	69,000
	Andaman-Nicobar	6,000	41,000	47,000
	SUB. TOTAL	96,000	68,000	164,000
III	Himalayan Foreland	30,000	----	30,000
	Ganga	186,000	----	186,000
	Vindhyan	162,000	----	162,000
	Saurashtra	52,000	28,000	80,000
	Kerala-Konkan-Lakshadweep	----	94,000	94,000
	Bengal	57,000	32,000	89,000
	SUB. TOTAL	487,000	154,000	641,000
IV	Karewa	3,700	----	3,700
	Spiti-Zaskar	22,000	----	22,000
	Satpura-South Rewa-Damodar	46,000	----	46,000
	Narmada	17,000	----	17,000
	Decan Syncline	273,000	----	273,000
	Bhima-Kaladgi	8,500	----	8,500
	Cuddapah	39,000	----	39,000
	Pranhita-Godavari	15,000	----	15,000
	Bastar	5,000	----	5,000
	Chhattisgarh	32,000	----	32,000
	SUB. TOTAL	461,200	----	461,200
	TOTAL	1,390,200	394,500	1,784,700
DEEP WATERS				
	Kori-Comorin 85° E Narcodam	----	----	1,350,000
	GRAND TOTAL	----	----	3,134,700

* Categorization based on the prospectivity of the basin as presently known. The four recognized categories are basins which have :

I Established commercial production

II Known accumulation of hydrocarbons but no commercial production as yet

III Indicated hydrocarbon shows that are considered geologically prospective

IV Uncertain potential which may be prospective by analogy with similar basins in the world.

This categorization will necessarily change with the results of further exploration.

** Under upgradation to Category-I after Gas discoveries in Block NEC-OSN-97/2

GEOLOGICAL SET-UP OF SEDIMENTARY BASINS OF OFFERED BLOCKS

MUMBAI BASIN

The Mumbai offshore basin is a passive margin basin located in the central part of the west coast of India. The Kori-Comorin and Laxmi-Laccadive ridges with their complementary depressions are the main tectonic elements. The basin covers an area of about 236,000 sq.km. including deep waters. It is the country's most prolific oil and gas producing basin and is located on a broad shelf believed to be one of the largest continental terrace in the world. The Mumbai High field, which is contiguous to the blocks being offered, is a giant oil field. Over 725 exploratory wells have been drilled resulting in more than 90 oil and gas discoveries. Many more medium to large structures have been mapped in the moderate to deep water areas. The inplace reserves established are around 3375 MMt. The prognosticated hydrocarbon resources are of the order of 9190 MMt.

More than 5 kms. of sediments ranging in age from Paleocene to Recent are present. Early Eocene to Early Miocene sequences are the potential source rocks. The carbonates and clastics of shelfal sequences have good reservoir facies. Shales of the shelfal depositional system are cap rocks. The Indus Fan Delta system is expected to provide litho-stratigraphic entrapments in deep waters. Hydrocarbon accumulations are anticipated within carbonate buildups in Eocene to Middle Miocene, within wedgeouts along margins of ridges and basement highs in Eocene sediments and in unconformity related features within Paleogene sequence. Additionally, Canyon-channel deposits offer other major plays in deep waters.

8 blocks : 1 in deepwater viz. MB-DWN-2009/1, and 7 blocks in shallow water viz. MB-OSN-2009/1, MB-OSN-2009/2, MB-OSN-2009/3, MB-OSN-2009/4, MB-OSN-2009/5, MB-OSN-2009/6 & MB-OSN-2009/7 are being offered in this basin.

KERALA-KONKAN BASIN

The Kerala-Konkan offshore basin is a pericratonic rift basin located in the southern part of the west coast of India. The basin covers an area of about 580,000 sq. km including deep waters. The basin is relatively less explored. The shelfal horst and graben complex, Alleppey Plateau, Lakshadweep depression, Laccadive ridge & Arabian abyssal plain are the key structural elements. More than 5 kms thick sediments ranging in age from Cretaceous to Recent are present. Paleocene to Eocene shales have fair potential for generation of hydrocarbons. Extensive platform carbonates and shelf margin reefal bodies possess excellent reservoir characteristics. Additionally, sandstone reservoirs are expected in shelfal horst-graben complex and turbidite reservoirs in deep sea fan complex. Intraformational shales / claystones of Paleocene to Miocene sequences are the likely cap rocks.

So far, about 15 wells have been drilled in the basin and hydrocarbon shows have been observed in some of these wells. A number of positive adsorbed gas anomalies have been observed in part of the basin. The prognosticated hydrocarbon resources are of the order of 660 MMt. Carbonate buildups and carbonate banks over basement highs in the shelf margin and truncation of Cretaceous sediments against Eocene unconformity are the principal exploration targets. Recent seismic data acquired in deep waters has revealed attractive play types like carbonate buildups in Miocene, wedgeouts in Paleocene-Eocene, channel sands in Eocene-Oligocene and turbidite and distal fans in Miocene.

13 blocks : 4 in deepwater viz. KK-DWN-2009/1, KK-DWN-2009/2, KK-DWN-2009/3 & KK-DWN-2009/4 and 9 blocks in shallow water viz. KK-OSN-2009/1, KK-OSN-2009/2, KK-OSN-2009/3, KK-OSN-2009/4, KK-OSN-2009/5, KK-OSN-2009/6, KK-OSN-2009/7, KK-OSN-2009/8 & KK-OSN-2009/9 are being offered in this basin.

KRISHNA-GODAVARI BASIN

Krishna-Godavari basin is a pericratonic rift basin characterised by en-echelon interior fractures and sags. It is located on the East coast of India and extends both onland and offshore. The onland part covers an area of 28,000 sq km and the offshore part including deep waters covers an area of about 145,000 sq. km. The thickness of sedimentary fill is around 7 kms, of which Tertiary deltaic sequence is over 4 kms and the remaining about 3 kms consists of Proterozoic to Cretaceous sediments. The prognosticated hydrocarbon resources are of the order of 1130 MMt.

The basin has extensive seismic coverage in the onland and shallow water areas. The offshore part of this basin is characterised by a series of NE-SW trending growth faults and associated Neogene rollover anticlines. More than 350 exploratory wells have been drilled in the basin, resulting in numerous oil and gas discoveries. Structural highs, fault closers, stratigraphic wedge-outs and unconformity related traps form the targets of exploration. Recent seismic data acquired in deep waters has revealed attractive play types like Paleocene-Eocene wedge-outs, clastic and carbonate lenticular bodies, tilted fold blocks and rollover anticlines in Paleogene sequences and channel sands in Pliocene and Pleistocene sequence. Recently, a number of commercial discoveries of gas have been made in the deep waters in channel levee complexes which have put India firmly on deepwater oil and gas map of the world.

5 blocks : 1 in deep waters viz. KG-DWN-2009/1, and 4 in shallow waters viz. KG-OSN-2009/1, KG-OSN-2009/2, KG-OSN-2009/3 & KG-OSN-2009/4 are being offered in this basin.

ANDAMAN – NICOBAR BASIN

The Andaman-Nicobar basin is an Island Arc basin, extending over both onland and offshore areas and is located in the southeastern part of the Bay of Bengal. The basin occupies an area of about 47,000 sq. km, including deep waters. Cretaceous to Recent sediments with a total thickness of more than 7 kms are present.

So far, 15 wells have been drilled. Gas has been discovered in Mid-Miocene limestone in one of the wells and indications of gas from Early-Miocene sediments have been recorded in a number of wells. Several positive anomalies have been brought out by Geochemical sniffer surveys in the offshore areas. The prognosticated hydrocarbon resources are of the order of 180 MMt. Structural traps associated with drape over basement highs, fault related closures and pinch-outs / wedge-outs are some of the likely exploration targets. Recent seismic data acquired in deep waters has revealed carbonate buildups in Eocene - Miocene and turbidite and gas hydrates in Neogene.

18 blocks : 18 in deep waters viz. AN-DWN-2009/1, AN-DWN-2009/2, AN-DWN-2009/3, AN-DWN-2009/4, AN-DWN-2009/5, AN-DWN-2009/6, AN-DWN-2009/7, AN-DWN-2009/8, AN-DWN-2009/9, AN-DWN-2009/10, AN-DWN-2009/11, AN-DWN-2009/12, AN-DWN-2009/13, AN-DWN-2009/14, AN-DWN-2009/15, AN-DWN-2009/16, AN-DWN-2009/17 & AN-DWN-2009/18 are being offered in this basin.

GUJARAT-KUTCH BASIN

The Gujarat Kutch basin is a pericratonic rift basin extending both onland and offshore and is located in the northern part of the west coast of India.

Uplifts from north, east and south are the main tectonic elements. The basin covers an area of about 48,000 sq. km including deep waters.

About 6 kms of sediments, ranging in age from Mesozoic to Recent are present. Mature source rocks occur in Jurassic to Paleocene sequences. Sandstone of Paleocene and Late Cretaceous, extensive carbonate platforms in association with shelf-margin reefals and siltstone possess excellent reservoir characteristics. Tertiary

intraformational shales are the likely cap rocks. More than 23 exploratory wells have been drilled in the Basin and oil & gas shows have been observed in some of the wells. The prognosticated hydrocarbon resources are of the order of 760 MMt.

2 blocks : 2 in Shallow water viz. GK-OSN-2009/1 & GK-OSN-2009/2 are being offered in this basin.

CAUVERY BASIN

The Cauvery basin is a pericratonic rift basin extending both onland and offshore and is located in the southern part of the East Coast of India. This is a proven petroliferous basin covering an area of around 2,50,000 sq. km including deepwaters. About 8 km of sediments, ranging in age from Mesozoic to Recent are present. Cretaceous – Early Eocene sequences contain potential source, reservoir rocks and cap rocks. The basin is characterised by a number of NE - SW trending horst-graben features. More than 431 onland wells, 68 offshore wells have been drilled, resulting in 31 oil and gas discoveries (26 onshore and 5 offshore). The prognosticated hydrocarbon resources are of the order of 430 MMt. for the onland part and the in-place hydrocarbon reserves are around 98 MMt. Structural highs, fault closures and pinch-outs / wedge-outs in Cretaceous and Paleogene sequences are the main exploration targets.

3 blocks : 3 in Shallow water viz. CY-OSN-2009/1, CY-OSN-2009/2 & CY-OSN-2009/3 are being offered in this basin.

BENGAL BASIN

The Bengal basin is a polycyclic rift basin located in the eastern part of the Indian Peninsula. The basin extends both onland and offshore. The onland part covers an area of about 57,000 sq. km. More than 9 kms. of sediments ranging in age from Paleozoic to Recent overlie the Pre-Cambrian basement. Carbonaceous shales within Lower Gondwana subgroup and Jalangi shale in Paleocene are the potential source rocks. Sandstones within Gondwana and Paleogene sequences and limestones in Paleogene sequence are the suitable reservoir rocks. The prognosticated hydrocarbon resources are of the order of 190 MMt. So far, 37 wells have been drilled in the onland part of the basin where numerous gas and oil shows have been recorded. 7 offshore wells have been drilled and hydrocarbon indications were observed in some of these wells. A number of interesting propane anomalies have been identified through geochemical surveys. Stratigraphic pinchouts within Cretaceous – Paleocene sequence, reefoidal bodies in Eocene sequence and Oligocene wedgeouts are the exploration targets.

5 blocks : 2 in Onland viz. WB-ONN-2009/1 & WB-ONN-2009/2 and 3 in Shallow water viz. WB-OSN-2009/1, WB-OSN-2009/2 & WB-OSN-2009/3 are being offered in this basin.

ASSAM-ARAKAN BASIN

Assam-Arakan basin is a polycyclic basin located in the North-Eastern part of India. The shelf part of the basin spreads over the Brahmaputra and Dhansiri valley, shelf to basinal slope part lies below the Naga Thrust and the basinal (geosynclinal) part is occupied by the Naga Schuppen belt and the Cachar-Tripura Mizoram-Manipur fold belts. This is a proven petroliferous basin covering about 116,000 sq km.

About 7 kms thick sediments ranging in age from Paleocene to Recent are present in the shelf part and a huge thickness of more than 10 kms sediments ranging in age from Upper Cretaceous to Recent is present in the fold and thrust belt. Eocene-Pliocene sequences contain potential source, reservoir and cap rocks. Around 115 oil and gas fields have been discovered in the basin. The total prognosticated resources are of the order of 5040 MMt. In-place reserves are more than 1600 MMt. Extensive exploration, particularly in Dhansiri Valley, Naga-Schuppen belt and in Nagaland-Tripura-Manipur fold belt is warranted for making further commercial discoveries. Basement highs, fault closures and strati-structural traps are the exploration targets in the shelf part. In the Naga

Schuppen belt, structural closures, both in the sub-thrust and supra-thrust blocks are also attractive exploration targets. Large exposed anticlines in Tripura-Manipur fold belt and structural highs in the intervening valleys hold high potential for hydrocarbons in Oligocene and Miocene sediments. Additionally, recent reinterpretation of geoscientific data has identified attractive plays like fault propagation folds and duplexes in Tripura - Manipur area.

4 blocks : 4 in Onland viz. AA-ONN-2009/1, AA-ONN-2009/2, AA-ONN-2009/3 & AA-ONN-2009/4 are being offered in this basin.

VINDHYAN BASIN

The Vindhyan basin is a large intra-cratonic sag basin situated in the central part of India. It occupies an area of about 162,000 sq. km. and is formed as a result of large scale downward in the northern part of Indian platform after the Delhi orogeny. More than 5 kms thick sediments ranging in age from Proterozoic to Recent are present. The basin is relatively unexplored and only 3 exploratory wells have been drilled so far. One well has indicated presence of gas. Lower Vindhyan shales have good source rock potential. Sandstones and limestones of Lower and Upper Vindhyan sequences are the potential reservoir rocks with intraformational shales acting as cap rocks. Bright chances of entrapment exist in the zones of secondary porosity development within Lower and Upper Vindhyan. The prognosticated resources are of the order of 230 MMt.

Large basement highs, fault closures and unconformity related traps are some of the interesting exploration targets.

3 Blocks : 3 in onland viz. VN-ONN-2009/1, VN-ONN-2009/2 & VN-ONN-2009/3 are being offered in this basin.

HIMALAYAN FORELAND

The Himalayan Foreland basin constitutes the southern tectonic province of the Himalayan Orogen. It occupies an area of 30,000 sq. km. Greater Himalaya, Lesser Himalaya and Outer Himalaya are the three tectonic belts. The major structural elements are parallel to the main Himalayan trend in the form of thrusts, faults and folds.

The basin contains more than 5 kms. of Permo-Carboniferous to Recent sediments. Eocene Subathu shales are considered to be potential source rocks and Eocene to Miocene sandstones form good reservoirs. Prognosticated hydrocarbon resources are of the order of 150 MMt. Structural traps and Wedgeouts in Eocene-Oligocene sequences are the principal plays.

1 Block : 1 in onland viz. HF-ONN-2009/1, is being offered in this basin.

CAMBAY BASIN

The Cambay basin is an intracratonic rift basin situated in the western part of India. This is a proven petroliferous basin covering an area of about 53,500 sq. km. More than 90 oil & gas fields have been discovered, of which two namely, Ankleshwar and Gandhar are giant fields. Over 7 km thick Tertiary sediments are present. The total prognosticated hydrocarbon resources are of the order of 2050 MMt and established in-place reserves are more than 1314 MMt. Structural and strati-structural plays in Tertiary sediments are the main exploration targets.

8 Blocks : 8 in onland viz. CB-ONN-2009/1, CB-ONN-2009/2, CB-ONN-2009/3(A &B), CB-ONN-2009/4, CB-ONN-2009/5, CB-ONN-2009/6, CB-ONN-2009/7 & CB-ONN-2009/8 are being offered in

TERMS AND CONDITIONS:

1. Parties to the Contract:

The Parties to the contract shall be the Government of India and the awardee company or consortium.

2. Type of Contract:

The contract shall be a production sharing type of contract. Companies are free to bid for any number of blocks, singly or in consortium. Each of the companies participating in a consortium must have a minimum interest of 10% and the percentage participating share of each of the companies in the consortium should be specified in the bid.

3. Participation by Companies:

Companies who wish to bid would have to:

- (a) Give audited financial statements and certificate of networth from its statutory auditors in accordance with the bid format to prove its financial capability.
- (b) Give satisfactory proof of technical capability of the proposed operator in accordance with the bid format.
- (c) Give Bid Bond at the specified rates.

4. Commencement of petroleum operation:

The company will commence petroleum operations not later than six months from the Effective Date of the contract, as defined in the Model Production Sharing Contract (MPSC).

5. Exploration Period:

There will be only one Exploration phase of 7 years for all blocks. There will be no compulsory relinquishment after 4 years (when mandatory and committed programme are to be completed) and operators will have option to relinquish entire area after completion of minimum work programme or retain the Block by committing to carry out drilling of one well per year in case of onland and shallow water Blocks or one well in 3 years in case of deepwater Blocks. In any case, the entire area (leaving aside Discovery Area and Development Area) would require to be relinquished at the end of 7 years of exploration.

6. Development and production period:

The development and production period will not exceed a period of twenty years in respect of crude oil and natural gas extracted in association with crude oil. The development and production period may be extended with mutual agreement between the Government and contractor upto a period of five years or such period as mutually agreed based on the estimated economic life. However, in case of non-associated natural gas, the development and production period will not exceed thirty (30) years or such other period as mutually agreed between Government and contractor based on the estimated economic life. Bidders are advised to refer Article – 11 of the MPSC.

7. Relinquishment:

In respect of onland and shallow water Blocks, the Contractor will have to commit at least one exploratory well per year for retaining the Block up to 7 years (i.e. 3 years beyond initial 4 years). In case the Contractor fails to drill one well in a year, the entire area (leaving aside Discovery Area and Development Area) would require to be relinquished at the end of that particular year.

In respect of deepwater Blocks, the Contractor will have to commit drilling at least one exploratory well in 3 years after the initial 4 years. In case, the Contractor fails to commit drilling one well in 3 years beyond initial 4 years, the entire area (leaving aside Discovery Area and Development Area) would require to be relinquished at the end of 4 years.

8. **Minimum Work Obligation:**

The companies shall be required to commit to carrying out the mandatory exploration work programme during the first four years as specified by the Government in the NIO for each block (please refer table at pages 7 & 8). In addition, the Work Programme bid by the company, as given in the BEC, shall also form part of the Minimum Work Programme commitment to be stipulated in the contract with the successful bidding company(ies).

9. **Liquidated Damages:**

The following Liquidated Damages shall be levied in case of unfinished committed work programme including wells committed during the 5th, 6th and 7th years of exploration.

	US \$		
	Onland	Shallow water	Deep water
Per well	1,000,000	3,000,000	6,000,000
Per sq.km of 3D	5,000	1,500	1,500
Per line km of 2D	2,500	1,000	1,000

10. **Expenditure Obligation:**

One-time Bank Guarantee (BG) valid for the period of exploration at the rate of 7.5% of total committed work programme shall be given by the Contractor. (Please refer Article 29 of the MPSC)

11. **Cost Recovery:**

The percentage of value of annual production of petroleum proposed to be allocated for recovery of costs every year should be indicated in the bid.

12. **Profit Petroleum:**

The share of profit petroleum to Government of India (GOI) at the lowest tranche (less than or equal to 1.500) and the highest (3.500 and above) tranche of pre-tax Investment Multiple (PTIM) shall be bid and shall be specified in the contract. Profit Petroleum share to GOI corresponding to PTIM between lowest and highest tranches will be interpolated on a linear scale with positive slope depending upon the exact PTIM achieved in each of the preceding year. (Please refer the Format for submission of Bids and Model Production Sharing Contract).

13. **Valuation:**

The valuation of crude oil produced shall be based on the international price of similar reference crude(s). For details kindly see the provisions in MPSC. For valuation of natural gas, refer the Article on Natural Gas.

14. **Domestic Supply:**

The contractor shall be required to sell 100% of the company's entitlement to crude oil and natural gas from the contract area in the Domestic Market till India becomes self reliant.

15. **Natural Gas:**

The contract will include separate provisions dealing with commercial exploitation of associated and non-associated gas (refer the Article on Natural Gas in the MPSC).

16. **Assignment:**

Assignments are permitted with prior approval of the Government of India. Approvals for requests for assignment would not be unreasonably withheld, subject to suitable guarantees as may be required, depending on the nature of the assignment. Government shall respond on an assignment application within

120 days from the receipt of application, failing which application shall be deemed to have been approved (for details, refer the Article on Assignment in the MPSC). However, no assignment will be permitted in case of Type S blocks without completion of Minimum Work Programme during first four years.

17. **Management of Operations:**

Government shall nominate two (2) members representing Government in the Management Committee, whereas each Company constituting Contractor shall nominate one member each to represent Company in the Management Committee, provided that in case Contractor comprises of a single company, that company shall nominate two (2) members.

18. **Taxes & Duties:**

Royalty for onland areas is payable at the rate of 12.5% for crude oil and 10% for natural gas. For shallow water offshore areas, royalty is payable at the rate of 10% for both crude oil and natural gas where as for deepwater offshore areas (beyond 400 m iso-bath) royalty is payable for both crude oil & natural gas at the rate of 5% for the first seven years of commercial production and thereafter at the rate of 10%. The royalty shall be determined in accordance with Petroleum and Natural Gas Rules, 1959. Bidders are exempt from the payment of customs duty on all imports for petroleum operations under the contract. As regards income tax, provisions of Income Tax Act, 1961 shall apply.

19. **Bonuses:**

There shall be no signature, discovery or production bonus.

20. **Repatriation of Funds:**

Government of India shall permit remittances of money out of India by the company of such amounts as may be due to the company under the contract.

21. **Data:**

All data gathered during the course of operation under this contract shall be the property of the Government of India.

22. **Local Preference:**

The company is required to give preference to the use of Indian goods and services subject to quality, schedule, availability and competitive pricing.

23. **Employment & Training:**

The company shall give preference to the employment of qualified Indian nationals and shall undertake appropriate training programmes.

24. **Transfer of Technology:**

Preference shall be given to companies who agree to transfer of technology to the Government of India or its nominees.

25. **Applicability of Laws:**

Contract shall be governed by the applicable Indian laws.

26. **Arbitration:**

Arbitration procedures shall be as per the Indian law in this regard (Please refer Article 33 of MPSC).

27. **General:**

The accounting and audit procedure will be separately agreed to in the contract (please refer Appendix-C of the MPSC).

28. Right to accept Bids:

Government of India reserves for itself the right to accept or reject any or all the bids at its sole discretion.

29. Right to ask clarifications on the bids:

Government may ask any clarification(s) from the bidding companies in order to evaluate the bids.

30. Consequence of furnishing false/misleading information / data :

Later on, at any stage after evaluation of the bids, if any information or data is found to be false or misleading or the bidder has suppressed any material fact which formed part of bid evaluation, the bid shall be liable to be rejected, and in case of award of block or execution of the contract, the award shall be withdrawn or the contract shall be liable for cancellation.

31. Bid Bond:

Bidders shall be required to furnish bid bond at the time of submission of bid for each block which will be valid for one year period. The bid bond will be released on signing of PSC for the block. The following amount will be taken as bid bond:

- | | |
|--------------------------|----------------|
| (i) Deepwater block | Rs.2.0 million |
| (ii) Shallow water block | Rs.1.5 million |
| (iii) Onland block | Rs.1.0 million |
| (iv) Onland Type S block | Rs.0.5 million |

32. Special conditions in respect of blocks offered in Andaman seas :

- i) *Parties to the contract acknowledge that India has Maritime Agreements with Indonesia, Thailand and Myanmar and some boundaries of the contract area are contiguous to International Maritime Boundary. If any single geological petroleum or natural gas structure or field, or other mineral deposit of whatever character, extends across the boundary line referred to in the Appendix-B of the Contract, the two Governments shall communicate to each other all information in this regard and shall seek to reach agreement as to the manner in which the structure, field or deposit will be most effectively exploited and the benefits arising from such exploitation will be equitably shared. Accordingly, the Contractor shall provide all information to arrive at and establish extent of reservoir / field by the Government and the right of the Contractor under the contract shall be subject to the conditions of International Maritime Agreements with Indonesia, Thailand and Myanmar.*
- ii) *During Exploration Period, the Contractor shall provide details of its survey and exploratory drilling plan six (6) months in advance to the Directorate General of Hydrocarbons (DGH) to enable it to coordinate with Indian Space Research Organization (ISRO) / Department of Space (DOS) and Interface the activities of the Contractor and ISRO / DOS in relation to their space programme in rocket stage impact zone.*
- iii) *The Contractor shall not have any permanent structure in the areas between 104-106 degree azimuths. During the commercial production phase, the Contractor would have only seabed pipeline in case of gas discoveries and FPSO for oil discoveries. The Contractor shall implement the latest technologies to enable the Contractor to dismantle FPSO at short notice and moved out of the declared danger zone before a launch. The launch danger period and the danger zones shall be intimated by ISRO / DOS to DGH and the Contractor.*
- iv) *The Contractor shall follow all normal shipping restrictions during the said notified launch period.*
- v) *All notifications with regard to the Andaman zone shall be notified to the Contractor by ISRO / DOS and this activity shall be coordinated by DGH.*

These special conditions shall be incorporated in the Contract for all the blocks offered in Andaman basin in this round.

BID EVALUATION CRITERIA (BEC)

The Bid Evaluation Criteria (BEC) for evaluation of bids under NELP-VIII has been formulated to determine the acceptability of the bids and their relative ranking for a particular block to enable the Government to take a decision on the bids received. The blocks have been categorized into (four (4) types namely, Type-S Blocks (onland blocks having area less than 200 sq. Km.), onland blocks (area of 200 sq. Km. or more), shallow water blocks (offshore blocks of 400 m. bathymetry or less) and deepwater blocks (offshore blocks of more than 400 m. bathymetry) as mentioned against each block in the table at pages 7 & 8 of the NIO. However, there is uniform bid evaluation criteria for onland blocks and shallow water blocks. Hence the bid evaluation criteria has been specified for three types, namely Type-S blocks (Appendix-I), onland and shallow water blocks (Appendix-II) and deepwater blocks (Appendix-III). The bidders are advised to carefully read the NIO and BEC for the relevant type of block(s), Bid Format & MPSC before formulating their bids.

The three types of BEC are specified below in detail:

APPENDIX-I

Onland : Type S

Qualifying criteria

The bidders would be required to meet the following Minimum Qualifying Criteria, failing which the bid shall be liable for rejection:

- I. The bidder must be a company singly or in association with other companies, through an unincorporated or incorporated venture.
- II. Bidders would be required to confirm to carryout the Mandatory Work Programme given against the blocks to be bid, in the first 4 years as per the NIO (please refer the table at page 8).
- III. Bidder(s) must submit annual report including audited annual accounts for the latest completed year and a certificate of their networth certified by company's statutory auditor(s) for the latest completed year for every company in the consortium and the net worth will be calculated in accordance with the method given in the "FORMAT FOR SUBMISSION OF BIDS". The net worth of every company should be equal to or more than every company's participating interest in the Minimum Work Programme (MWP) commitment, which shall include Mandatory Work Programme and bid work programme. In case the parent company's financial and performance guarantee is provided, the annual report, audited accounts and certificate of networth should be furnished in respect of the parent company.
- IV. Company(ies) would be ineligible to bid as operator for the block(s) which was/were relinquished by it/them without completing the MWP under NELP regime. However, such company can be a member of consortium with another company as operator.
- V. Technical capability will not be a pre-qualification criterion.
- VI. The bids will be evaluated on the basis of biddable work programme and fiscal package.
- VII. Successful bidder(s) will not be allowed to transfer it's / their participating interest till completion of Minimum work programme during first four years of exploration.

VIII. Bids not submitted in “Format for Submission of Bids” covering all the information/details listed therein including Bid Bond are liable to be rejected.

Bids for Onland blocks Type-S (as shown in the table in NIO at page 8) will be evaluated and ranked in accordance with the evaluation criteria provided herein. The points for each criterion shall be as under: -

Criteria	Weightage (points on a scale of 100)
(A) Biddable Work Programme	50
(B) Fiscal Package	50

(A) EVALUATION FOR BIDDABLE WORK PROGRAMME

The points for the biddable Work Programme commitment shall be as under:

- (i) 2D Seismic surveys (API) : 7 points
- (ii) 3D Seismic surveys (API) : 18 points
- (iii) Exploratory Wells : 25 points

Work Programme	Points
(i) 2D Seismic surveys (API)	Bidder with the highest 2D seismic survey (LKM) will be assigned 7 points and other bidders will be assigned points proportionately.
(ii) 3D Seismic surveys (API)	Bidder with the highest 3D seismic survey (sq.Km.) will be assigned 18 points and other bidders will be assigned points proportionately.
(iii) Exploratory wells	Bidder with the highest total meterage of all wells (m.) bid will be assigned 25 points and other bidders will be assigned points proportionately.

Note: Maximum well depth for each of the blocks is indicated and wherever greater drilling depths are offered under “Exploratory wells” allocation of points will be restricted to the maximum well depth specified at page 8 for evaluation. Bidders are free to bid any depths from exploration perspective.

(B) FISCAL PACKAGE:

- (i) The Fiscal Package will take into account Profit petroleum share offered to Government of India (GOI) by the bidder at the lowest tranche (less than or equal to 1.500) and the highest tranche (3.500 and above) of Pre-Tax Investment Multiple (PTIM) along with offered annual cost recovery limit. Profit Petroleum share to GOI corresponding to PTIM between the lowest and the highest tranches indicated above, will be interpolated on a linear scale with a positive slope depending upon the exact PTIM achieved in each of the preceding year as under:

$$Z = a + [(b - a) * (X - 1.5) / 2]$$

Where

Z denotes Government share percentage

‘a’ denotes Government share percentage corresponding to the lowest PTIM of less than or equal to 1.500.

‘b’ denotes Government share percentage corresponding to the highest of 3.500 and above. [‘b’ should always be higher than ‘a’]

‘X’ denotes Investment Multiple of Contractor at the end of preceding Year, rounded off to three decimal places

- (ii) The Net Present Value (NPV) of Profit Petroleum share offered to Government by applying ten percent discount rate will be computed taking into account sensitivities of various hypothetical reserves and oil & gas price scenarios.
- (iii) The NPV of the government share of profit petroleum will be calculated by applying weightages of 12/26/12 for low/most likely/high price and reserves scenarios.
- (iv) For evaluation of Fiscal Package offered by bidders, certain assumptions in respect of CAPEX and OPEX, production profiles derived from estimated reserves of each block on offer have been made available on DGH website: www.dghindia.org. Bidders are advised to carefully go through these assumptions while formulating the bid(s).
- (v) The NPV will be computed with crude oil price of US\$ 90/60/30 per barrel and gas price of US\$ 200/150/100 per thousand cubic metres for high/most likely/low price scenarios and on the basis of assumptions on reserves, production and costs referred to above. For purposes of evaluation of fiscal package, first seven years would be assumed as exploration phase for all the blocks with production to commence from eighth year.
- (vi) The bidder offering the highest Government NPV (Net Present Value) will be given the maximum 50 points and other bidders will get points proportionately computed with reference to the Government NPV computed for the highest bid.

APPENDIX-II

Onland and Shallow water blocks upto 400 m. bathymetry:

Qualifying criteria

The bidders for blocks would be required to meet the following Minimum Qualifying Criteria, failing which the bid shall be liable for rejection: -

- I. The bidder must be a Company singly or in association with other companies, through an unincorporated or incorporated venture.
- II. Bidders would be required to confirm to carryout the Mandatory Work Programme given against the blocks to be bid, as per the NIO (please refer the table at pages 7 & 8) during the first four years.
- III. Bidder must submit annual report including audited annual accounts for the latest completed year and a certificate of their networth certified by company's statutory auditor(s) for the latest completed year for every company in the consortium and the net worth will be calculated in accordance with the method given in the "FORMAT FOR SUBMISSION OF BIDS". The net worth of every company should be equal to or more than every company's participating interest in the Minimum Work Programme (MWP) commitment, which shall include Mandatory Work Programme and biddable minimum work programme. In case the parent company's financial and performance guarantee is provided, the annual report, audited accounts and certificate of networth should be furnished in respect of the parent company.
- IV. Company(ies) would be ineligible to bid as operator for the block(s) which was/were relinquished by it/them without completing the MWP under NELP regime. However, such company can be a member of consortium with another company as operator.
- V. For onland and shallow water blocks technical capability will only be a pre-qualification criterion. The designated operator would be required to score non-zero on one out of the three sub-criteria of technical capability apart from non zero score on operatorship experience.
- VI. The bids will be evaluated on the basis of biddable work programme and fiscal package.
- VII. Bids not submitted in "Format for Submission of Bids" covering all the information/details listed therein including Bid Bond are liable to be rejected.

Technical Capability: (only for pre-qualification and nil weightage for bid evaluation)

Sl. No.	Sub-criteria	Physical Quantity
(i)	Acreage Holding Petroleum Exploration license (PEL) (sq. Km.) (Total onland, shallow and deep waters)	
(ii)	Operatorship Experience (years) (Experience of operatorship in oil and gas exploration and / or development and / or production in the last consecutive 10 years)	
(iii)	Average Annual Accretion of Proved reserves (1P) during last 5 years (MMBoe) (Total onland, shallow and deep waters)	
(iv)	Average Annual production (O+OEG) for the previous 5 years (MMBoe) (Total onland, shallow and deep waters)	

Bids for Onland and Shallow water blocks upto 400 m. bathymetry (as shown in the table in NIO at pages 7 & 8) will be evaluated and ranked in accordance with the evaluation criteria provided herein. The points for each criterion shall be as under: -

Criteria	Weightage (points on a scale of 100)
(A) Biddable Work Programme	50
(B) Fiscal Package	50

(A) EVALUATION FOR BIDDABLE WORK PROGRAMME

The points for the biddable work programme commitment shall be as under:

- | | | |
|-------------------------------|---|-----------|
| (i) 2D Seismic surveys (API) | : | 7 points |
| (ii) 3D Seismic surveys (API) | : | 18 points |
| (iii) Exploratory Wells | : | 25 points |

Work Programme	Points
(I) 2D Seismic surveys (API)	Bidder with the highest 2D seismic survey (LKM) will be assigned 7 points and other bidders will be assigned points proportionately.
(ii) 3D Seismic surveys (API)	Bidder with the highest 3D seismic survey (sq.Km.) will be assigned 18 points and other bidders will be assigned points proportionately.
(iii) Exploratory wells	Bidder with the highest total meterage of all wells (m.) bid will be assigned 25 points and other bidders will be assigned points proportionately.

Note: Maximum well depth for each of the blocks is indicated and wherever greater drilling depths are offered under "Exploratory wells" allocation of points will be restricted to the maximum well depth specified at pages 7 & 8 for evaluation. Bidders are free to bid any depths from exploration perspective. Biddable well depth in case of offshore wells has to be from sea bed.

(B) FISCAL PACKAGE:

- (i) The Fiscal Package will take into account Profit petroleum share offered to Government of India (GOI) by the bidder at the lowest tranche (less than or equal to 1.500) and the highest tranche (3.500 and above) of Pre-Tax Investment Multiple (PTIM) along with offered annual cost recovery limit. Profit Petroleum share to GOI corresponding to PTIM between the lowest and the highest tranches indicated above, will be interpolated on a linear scale with a positive slope depending upon the exact PTIM achieved in each of the preceding year as under:

$$Z = a + [(b - a) * (X - 1.5) / 2]$$

Where

Z denotes Government share percentage

'a' denotes Government share percentage corresponding to the lowest PTIM of less than or equal to 1.500.

'b' denotes Government share percentage corresponding to the highest PTIM of 3.500 and above. ['b' will be higher than 'a']

'X' denotes Investment Multiple of Contractor at the end of preceding Year, rounded off to three decimal places

- (ii) The Net Present Value (NPV) of Profit Petroleum share offered to Government by applying ten percent discount rate will be computed taking into account sensitivities of various hypothetical reserves and oil & gas price scenarios.
- (iii) The NPV of the government share of profit petroleum will be calculated by applying weightages of 12//26/12 for low/most likely/high price and reserves scenarios.
- (iv) For evaluation of Fiscal Package offered by bidders, certain assumptions in respect of CAPEX and OPEX, production profiles derived from estimated reserves of each block on offer have been made available on DGH website: www.dghindia.org. Bidders are advised to carefully go through these assumptions while formulating the bid(s).
- (v) The NPV will be computed with crude oil price of US\$ 90/60/30 per barrel and gas price of US\$ 200/150/100 per thousand cubic metres for high/most likely/ low price scenarios and on the basis of assumptions on reserves, production and costs referred to above. For purposes of evaluation of fiscal package, first seven years would be assumed as exploration phase for all the blocks with production to commence from eighth year.
- (vi) The bidder offering the highest Government NPV (Net Present Value) will be given the maximum 50 points and other bidders will get points proportionately computed with reference to the Government NPV computed for the highest bid.

APPENDIX-III

Deepwater blocks (beyond 400 m. bathymetry):

Qualifying criteria

The bidders for blocks would be required to meet the following Minimum Qualifying Criteria, failing which the bid shall be liable for rejection: -

- I. The bidder must be a Company singly or in association with other companies, through an unincorporated or incorporated venture.
- II. Bidders would be required to confirm to carryout the Mandatory Work Programme given against the blocks to be bid, as per the NIO (please refer the table at page 7) during the first 4 years.
- III. Bidder must submit annual report including audited annual accounts for the latest completed year and a certificate of their networth certified by company's statutory auditor(s) for the latest completed year for every company in the consortium and the net worth will be calculated in accordance with the method given in the "FORMAT FOR SUBMISSION OF BIDS". The net worth of every company should be equal to or more than every company's participating interest in the Minimum Work Programme (MWP) commitment which shall include Mandatory Work Programme and biddable Minimum Work Programme. In case the parent company financial and performance guarantee is provided, the annual report, audited accounts and certificate of networth should be furnished in respect of the parent company.
- IV. Company(ies) would be ineligible to bid as operator for the block(s) which was/were relinquished by it/them without completing the MWP under NELP regime. However, such company can be a member of consortium with another company as operator.
- V. The designated operator in a block would be required to score non-zero in technical capability parameters on an aggregate basis i.e. the total score of the designated operator on account of Acreage Holding, Operatorship Experience, Average Annual Accretion of Proved Reserves (1P) and Average Annual Production taken together should be more than zero.
- VI. For Deepwater blocks Technical capability will be an evaluation criterion. The bids will be evaluated on the basis of Technical capability of designated operator, biddable work programme and fiscal package offered to the Government.
- VII. Bids not submitted in "Format for Submission of Bids" covering all the information/details listed therein including Bid Bond are liable to be rejected

Bids for deepwater blocks beyond 400 m. bathymetry (as shown in the table in NIO at page 7 will be evaluated and ranked in accordance with the evaluation criteria provided herein. The points for each criterion shall be as under: -

Criteria	Weightage (points on a scale of 100)
(A) Technical capability	25
(B) Biddable Work Programme	25
(C) Fiscal Package	50

(A) TECHNICAL CAPABILITY

Sl. No.	Sub-criteria	Max. Point	Scale	
			Parameter (Point) Minimum	Parameter (Point) Maximum
(i)	Acreage Holding (sq. km.) Petroleum Exploration License (PEL) beyond 400 m. bathymetry	3	(0) 0	(3) 50,000
(ii)	Operatorship experience (years) (Experience of operatorship in oil and gas exploration and /or development and / or production in the last consecutive 10 years beyond 400 m bathymetry)	3	(0) 0	3 (10)
(iii)	Average Annual Accretion of Proved Reserve (1P) during last 5 years (MMboe) > 400 m bathymetry	4	–	(4)**
(iv)	Average Annual Production of O+OEG (MMboe) during last 5 years > 400 m bathymetry	4#	(0) 0	(4) 50
(v)	Average Annual Production of O+OEG (MMboe) during last 5 years upto 400 m bathymetry from its share of total acreage held either as operator or non operator.	4#	(0) 0	(4) 150
(vi)	Drilling of Deepwater Exploratory wells beyond 400 m bathymetry during last 5 years	2	(0) 0	(2) 4
(vii)	Companies bidding in Consortium/ Partnership with Indian Company <u>OR</u> Companies bidding alone. (For Consortium with Indian company(ies) one of the partners should have deepwater production beyond 400 m bathymetry with minimum PI of 10% and be designated as operator.)	5#	Production beyond 400 m & upto 1000 m (3 <u>OR</u> 2) or Production beyond 1000 m bathymetry (5 <u>OR</u> 4) a. Operator with production of O+OEG (MMboe) during last 5 years beyond 400 m and up to 1000 m bathymetry bidding singly: 2 points b. Operator with production of O+OEG (MMboe) during last 5 years beyond 400 m and up to 1000 m bathymetry bidding in consortium with Indian companies: 3 points c. Operator with production of O+OEG (MMboe) during last 5 years beyond 1000 m bathymetry bidding singly: 4 points d. Operator with production of O+OEG (MMboe) during last 5 years beyond 1000 m bathymetry bidding in consortium with Indian company (s): 5 points	

Production figures information available in public domain (source to be specified) and certified by the concerned CEO of the proposed operator company will be considered.

** For a block, the designated operator having highest average annual accretion of Proved reserves (1P), during the last 5 years shall get the highest score i.e. 4 points and other bidders (respective designated operator) will get proportionate points with respect to the highest designated operator. For example, if the highest bidder (the designated operator) has average annual accretion of Proved reserves (1P), during the last 5 years of 1000 MMBoe, then it will score 4 points and in case the designated operator of second bidder has 500 MMBoe of this parameter, it will get 2 points.

(B) EVALUATION FOR BIDDABLE WORK PROGRAMME

The points for the biddable Work Programme commitment shall be as under:

- (i) 2D Seismic surveys(API) : 4 points
- (ii) 3D Seismic surveys (API) : 8 points
- (iii) Exploratory Wells : 13 points

Work Programme	Points
(i) 2D Seismic surveys (API)	Bidder with the highest 2D seismic survey (LKM) will be assigned 4 points and other bidders will be assigned points proportionately.
(ii) 3D Seismic surveys (API)	Bidder with the highest 3D seismic survey (sq.Km.) will be assigned 8 points and other bidders will be assigned points proportionately.
(iii) Exploratory wells	Bidder with the highest total meterage of all wells (m.) bid will be assigned 13 points and other bidders will be assigned points proportionately.

Note: Maximum well depth for each of the blocks is indicated and wherever greater drilling depths are offered under “Exploratory wells” allocation of points will be restricted to the maximum depth specified at page 7 for evaluation. Bidders are free to bid any depths from exploration perspective. Biddable well depth in case of offshore wells has to be from sea bed.

(B) FISCAL PACKAGE:

- (i) The Fiscal Package will take into account Profit petroleum share offered to Government of India (GOI) by the bidder at the lowest tranche (less than or equal to 1.500) and the highest tranche (3.500 and above) of Pre-Tax Investment Multiple (PTIM) and the annual cost recovery limit. Profit Petroleum share to GOI corresponding to PTIM between the lowest and the highest tranches indicated above, will be interpolated on a linear scale with a positive slope depending upon the exact PTIM achieved in each of the preceding year as under:

$$Z = a + [(b - a) * (X - 1.5) / 2]$$

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Z denotes Government share percentage

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'b' denotes Government share percentage corresponding to the highest PTIM of 3.500 and above.
[Value of 'b' should always be higher than 'a']

'X' denotes Investment Multiple of Contractor at the end of preceding Year, rounded off to three decimal places

- (ii) The Net Present Value (NPV) of Profit Petroleum share offered to Government by applying ten percent discount rate will be computed taking into account sensitivities of various hypothetical reserves and oil & gas price scenarios.
- (iii) The NPV of the government share of profit petroleum will be calculated by applying weightages of 12/26/12 for low/most likely/high price and reserves scenarios.
- (iv) For evaluation of Fiscal Package offered by bidders, certain assumptions in respect of CAPEX and OPEX, production profiles derived from estimated reserves of each block on offer have been made available on DGH website: www.dghindia.org. Bidders are advised to carefully go through these assumptions while formulating the bid(s).
- (v) The NPV will be computed with crude oil price of US\$ 90/60/30 per barrel and gas price of US\$ 200/150/100 per thousand cubic metres for high/most likely/ low price scenarios and on the basis of assumptions on reserves, production and costs referred to above. For purposes of evaluation of fiscal package, first seven years would be assumed as exploration phase for all the blocks with production to commence from eighth year.
- (vi) The bidder offering the highest Government NPV (Net Present Value) will be given the maximum 50 points and other bidders will get points proportionately computed with reference to the Government NPV computed for the highest bid.