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TRINIDAD AND TOBAGO

The Ministry of Energy and Energy Affairs

Trinidad and Tobago Deep Water Competitive Bid Round 2013



<http://energy.gov.tt/>



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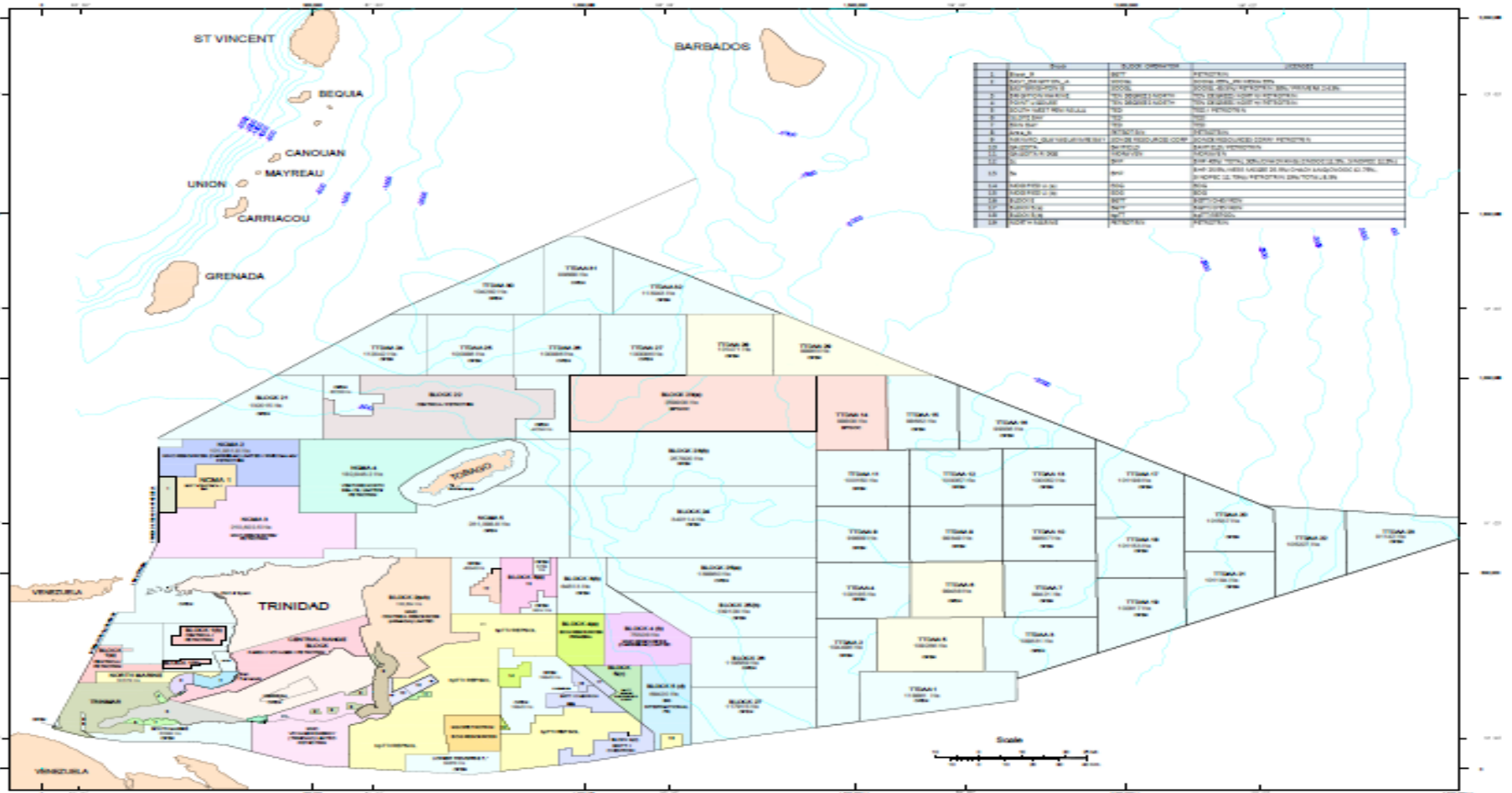
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Offshore Areas for 2013

- Companies were invited to nominate blocks in the offshore areas of Trinidad and Tobago
- A maximum of 6 Blocks will be offered
- Blocks to be offered will be based primarily on nominations from companies and prospectivity



Petroleum Acreage



The information contained herein is for general information only and does not constitute an offer of any financial product or service. It is not intended to be used as a basis for investment decisions.

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UPSTREAM ACTIVITY MAP

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Competitive Bidding Process

Technical Review of Open Acreage

Nomination - companies can indicate blocks of interest

Blocks offered for competitive bidding-
Competitive Bidding Order (CBO)

Bids evaluated and recommendations made
Technical Evaluation Committee Overview Committee, Cabinet

Blocks awarded;
Production Sharing Contract signed



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The Competitive Bidding Timeline

- Open of Bid Round – June 2013
- Close of Bid Round -November 2013



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Trinidad and Tobago Deep Atlantic Area (TTDAA)

The Trinidad and Tobago Deep water acreage

- ❖ Area 40,000 square kilometers
- ❖ Water Depths ranging between 600 to 3500 metres
- ❖ Has had limited exploration
- ❖ First offered by Competitive Bidding in 2006.
- ❖ The acreage is east of Trinidad's currently producing oil and gas fields
- ❖ Different play types are expected.



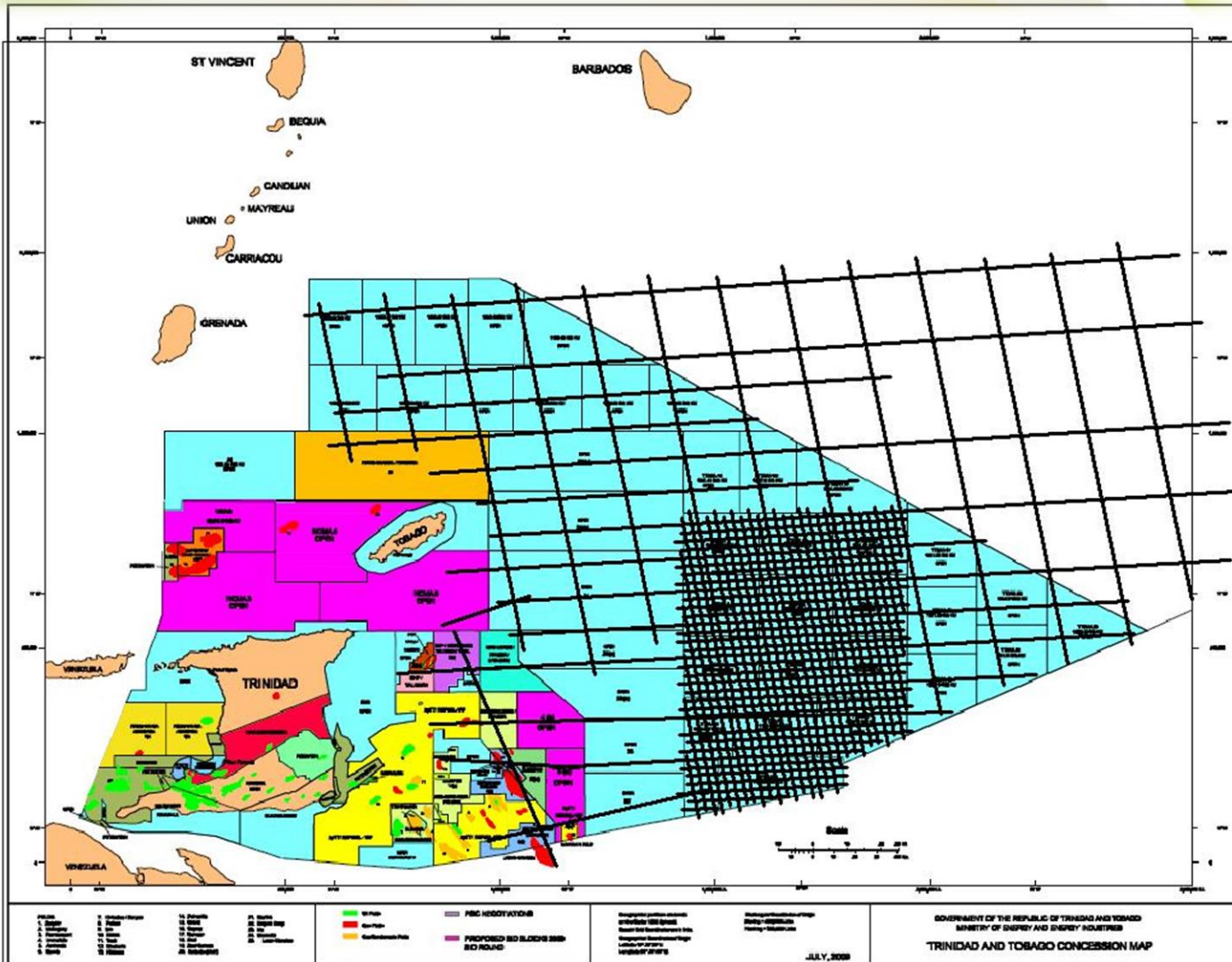
Technical Changes from 2006 - 2012

1. Increased size of blocks (800 to 1000 sqkm)
2. Additional seismic survey (PGS 2D)
3. Reprocessing (Time and Depth) of 12,300 line km TTDA 2D by Spectrum
4. Commissioned comprehensive Deepwater Study by DGA Consultants
5. New GXT reprocessing of Span Lines completed in February 2012
6. Increased Data Package Contents



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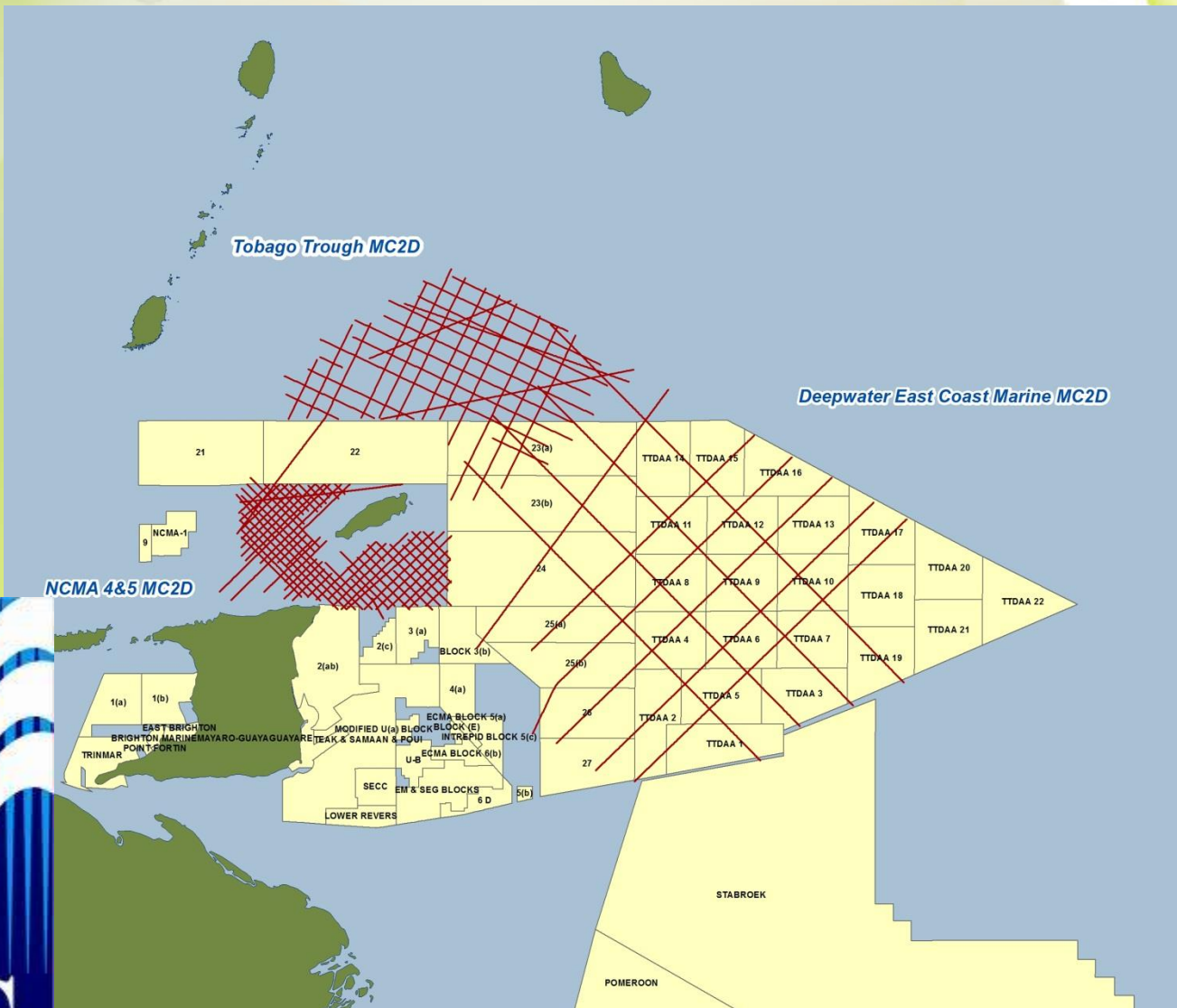
TTDAA 2002 2D Survey Outline (12300 line km) Concession Map Overlay





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PGS 2008 MC2D – 6834 line km



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BIOSTRATIGRAPHIC ASSOCIATES TRINIDAD LIMITED

The focus of this study is to provide an integrated biostratigraphic database on the Late Neogene sequences that can be utilised for

- ❖ sequence stratigraphic interpretation,
- ❖ shelf to deep water well correlation, and
- ❖ environmental modelling and tie to the deep water seismic grid



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Dynamic Global Advisors 

Trinidad Joint Study Team Phase I Report

A New Look at Eastern Deepwater Trinidad;
Seismic Interpretation & Exploration Potential


Available from DGA

Trinidad Joint Study Team Phase II Report

Basin to Leads – Risks and Reserves:
Exploration Potential of the Trinidad & Tobago Deep Atlantic
Area

Available from MEEA




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Dynamic Global Advisors

- The results of the technical studies have established play concepts, analogues with other basins, identifying leads and potential hydrocarbon reserves
- Used extensive Columbus Basin Wells
- Seismic included GXT Span Lines and TTDA 2D
- Interpretation, Modeling, Volumetrics and Risking was done. All outputs and deliverables included

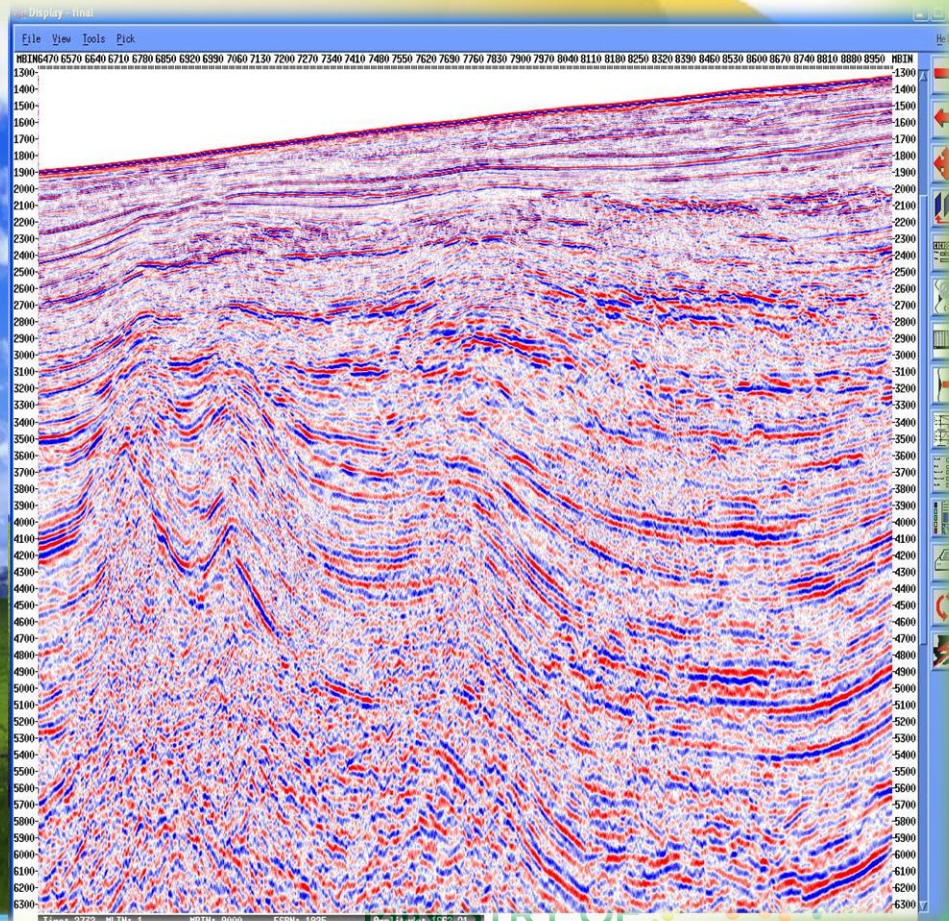
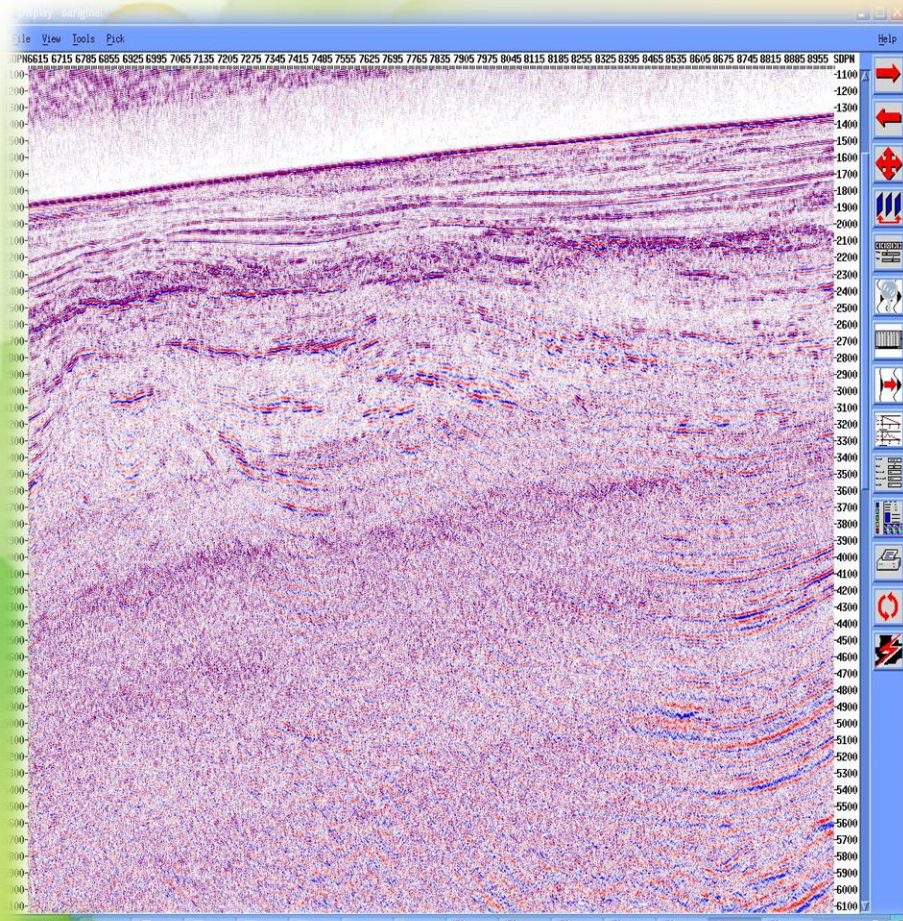


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Original vs Final Migration

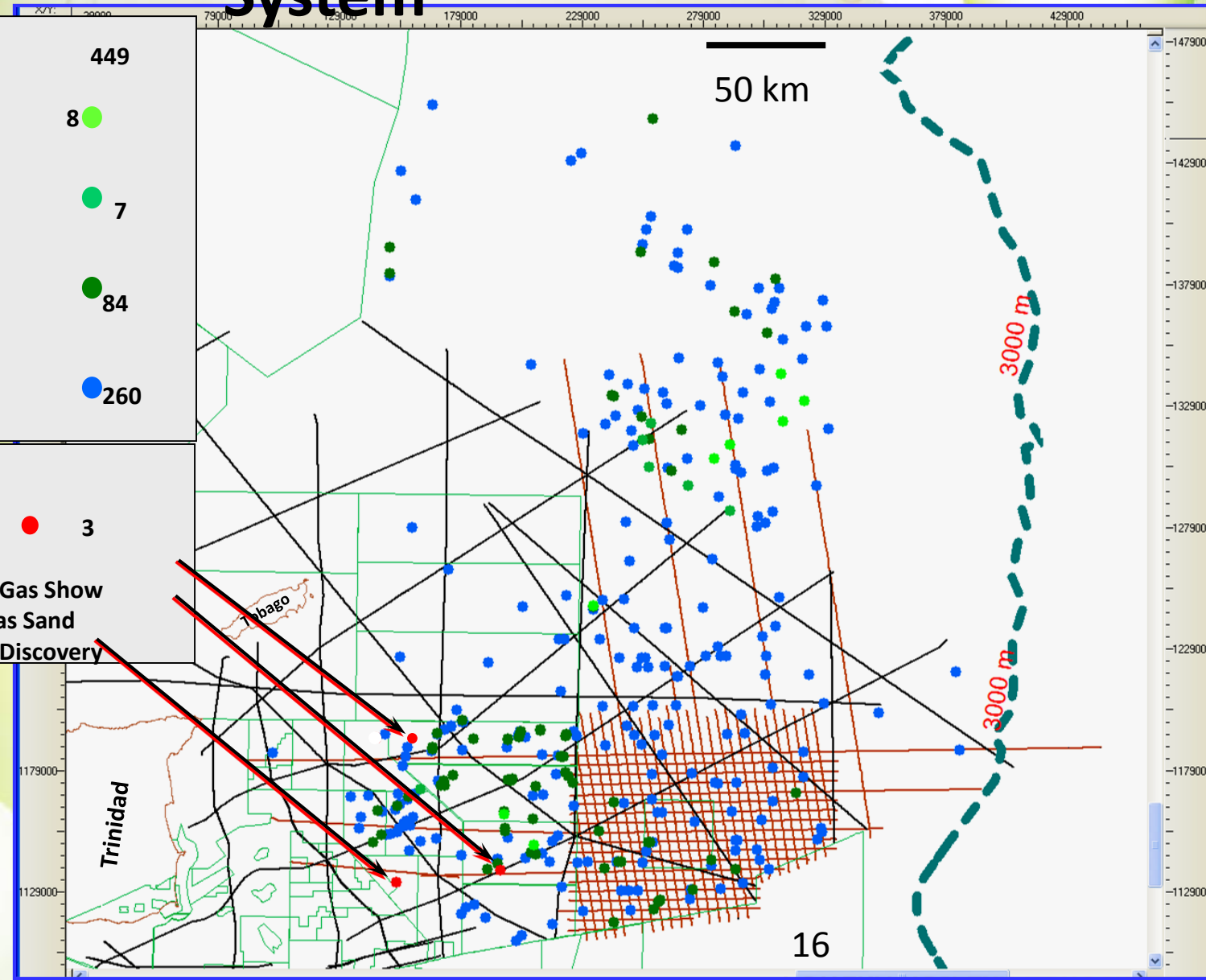




Trinidad Piston Cores Show Live Oil and an Active Hydrocarbon System

Total Piston Cores	449
Cores with Live Oil Shows	8
Cores with C15+ Heavies GT 10000 units	7
Cores with C15+ Heavies GT 1000-LT 10000 units	84
Cores with C15+ Heavies LT 1000 units	260

Gas Shows / Discoveries	3
Pepper Sauce 1	Gas Show
Dynamine 1	30' Gas Sand
Victory 1	Discovery





Taxation Changes from 2006 - 2012

1. Reduced Taxation terms
2. Improved Fiscal regime - Increased cost recovery from 60% to 80% in 2012 Bid Round
3. Signature Bonus not required
(but is optional , of course)
4. No State carry-on participation



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Requirements for Bidding

Pre – bid application fee

- Entitles the bidder to a data package for all the blocks for bid
- To be paid by each company intending to bid

Bid application fee per block

A bidder wishing to be an Operator must apply for Pre-qualification



Bid Evaluation Criteria

Each Element of the bid attracts a certain number of points

Geophysical

Seismic

3D seismic

Other Geophysical

Geological Studies

Bidders are asked to provide details of named studies proposed and illustrate their value in contributing to improving the understanding of the petroleum system.

Drilling

The work programme is totally self assessable





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Bid Evaluation Criteria

Sharing of Production

- Minister's Share of Profit Oil-
- Minister's Share of Profit Gas -



Deep Water Exploration Commercial Terms

Conventional styled (non taxable) PSCs, with the following :

- GORTT's Share of Profit Petroleum are in lieu of **taxes** with exception of the payment of Withholding Taxes and Stamp Duty
- Ring-fenced – There will be no consolidation
- Profit Shares are biddable, matrices will be open with no constraints to bidding (Production is incremental)



Deep Water Exploration Commercial Terms

Financial Obligations are fixed in the Contract

- Cost Recovery Limit fixed at 80%
- No carried Participation
- Fair Market Value as defined in Petroleum Taxes Act is utilised for the pricing of gas

Deep Water: Profit Share Matrices

Crude Oil



Price MBOPD	A	B	C	D
	< \$50.00	\$50.00 - \$75.00	\$75.00 - \$100.00	> \$100.00
	%			
< 75	X	X	X	X
75 - 100	X	X	X	X
100 - 150	X	X	X	X
150 - 200	X	X	X	X
> 200	X	X	X	X

X represents the Governments Share of Profit Petroleum which is biddable

Windfall Feature:

$$BR + 70\% * [(P - US\$100.00) / P] * (1 - BR)$$

Where:

BR is the base rate at Column D

P is the market price

Cost Recovery: 80%





Deep Water: Profit Share Matrices

Natural Gas

Price MMCFD	A	B	C	D
	< \$4.00	\$4.00 - \$6.50	\$6.50 - \$9.00	> \$9.00
	%			
< 200	X	X	X	X
200 - 350	X	X	X	X
350 - 500	X	X	X	X
500 - 750	X	X	X	X
750 - 1,000	X	X	X	X
> 1,000	X	X	X	X

No carried participation

Windfall Feature:

$$BR + 70\% * [(P - US\$9.00) / P] * (1 - BR)$$

Where:

BR is the base rate at Column D

P is the market price

Cost Recovery: 80%



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Bid Evaluation

- Evaluation of bids and announcement of results within two months from the date of bid submission.
- There are two Cabinet appointed committees which perform the evaluations:
 - A Technical Evaluation Committee comprised of staff of the Ministry of Energy, Finance and the Attorney General.
 - An Overview Committee chaired by the Permanent Secretary, Ministry of Energy and comprised of officers from the Ministry of Finance and the Solicitor General's Department and State Companies.



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Evaluation cont'd

- The Overview Committee makes recommendations on the awardees to the Cabinet.
- Cabinet forwards the recommendations to the Standing Committee of Energy
 - Committee makes recommendations to Cabinet
- Cabinet then acts on the recommendations of the SCE



Data Viewing Room

The Data Room is located at Level 23 of the offices of the Ministry of Energy and Energy Industries, International Waterfront Centre, Tower C, Port of Spain and viewing can be arranged between 8am to 4pm by appointment ([see contacts](#)).

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