

MODIFICATIONS IN OALP BID DOCUMENTS (NIO, MRSC AND MODALITIES) FOR OALP-VIII AND FUTURE ROUNDS

DISCLAIMER

- The contents and data in this presentation are intended to provide a brief summary of modifications undertaken in OALP-VIII Bid Documents for ready reference and information purposes. No part or content of this presentation shall have any bearing on any legal and contractual terminologies used in the Bid Documents and no representation/warranty is hereby made as to the correctness or accuracy of the contents of this presentation.
- The Revised NIO, Modalities of Operationalization of OALP, MRSC and Geoscientific Information is uploaded on www.dghindia.gov.in and www.ebidding.dghindia.gov.in

BRIEF OF MODIFICATIONS IN OALP BID DOCUMENTS FOR BID ROUND - VIII

S.N.	Modification Area	Earlier Provision	New Provision																									
1	Larger Acreages for Play Based Exploration (PBE)	<p>Maximum area in an Expression of Interest (Eoi):</p> <table><tr><th>Type of Block</th><th>Maximum Limit</th></tr><tr><td>Onland</td><td>10 Sectors ((~3,360 sq.km)</td></tr><tr><td>Shallow Water</td><td>20 Sectors (~6,720 sq.km)</td></tr><tr><td>Deep/Ultra deep</td><td>30 Sectors (~10,080 sq.km)</td></tr></table> <p>* (1 sector = ~336 sq.km)</p>	Type of Block	Maximum Limit	Onland	10 Sectors ((~3,360 sq.km)	Shallow Water	20 Sectors (~6,720 sq.km)	Deep/Ultra deep	30 Sectors (~10,080 sq.km)	<p>Maximum area increased as below:</p> <table><tr><th>Type of Block</th><th>Maximum Limit</th></tr><tr><td>On Land</td><td>20 Sectors (~6,720 sq.km)</td></tr><tr><td>Shallow Water</td><td>40 Sectors (~13,400 sq.km)</td></tr><tr><td>Deep/Ultra deep</td><td>60 Sectors (~20,160 sq.km)</td></tr></table>	Type of Block	Maximum Limit	On Land	20 Sectors (~6,720 sq.km)	Shallow Water	40 Sectors (~13,400 sq.km)	Deep/Ultra deep	60 Sectors (~20,160 sq.km)									
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2	CWP and Originator Incentive	<p>CWP: Seismic Survey and Exploratory Wells. Existing Biddable criteria and Work:</p> <table><tr><th>Bid Parameter</th><th>Cat-I</th><th>Cat-II and III</th></tr><tr><td>CWP (Seismic API)</td><td>13</td><td>19</td></tr><tr><td>CWP (Well)</td><td>52</td><td>76</td></tr><tr><td>Originator Incentive</td><td>5</td><td>5</td></tr><tr><td>Revenue Share (LRP/HRP%)</td><td>30</td><td>0</td></tr></table>	Bid Parameter	Cat-I	Cat-II and III	CWP (Seismic API)	13	19	CWP (Well)	52	76	Originator Incentive	5	5	Revenue Share (LRP/HRP%)	30	0	<p>Changes applicable for Cat-II/III basins only</p> <ul style="list-style-type: none">CWP: 2D and 3D Seismic API only.Maximum quotable 2D seismic (in LKM) to be 10 times block areaNo wells as biddable in order to encourage PBE.Originator Incentive - 10 points, wherever applicable. <table><tr><th>Bid Parameter</th><th>Cat-I</th><th>Cat-II and III</th></tr><tr><td>CWP (Seismic API)</td><td rowspan="3">No changes</td><td>90</td></tr><tr><td>Originator Incentive</td><td>10</td></tr><tr><td>Revenue Share (LRP/HRP %)</td><td>-</td></tr></table>	Bid Parameter	Cat-I	Cat-II and III	CWP (Seismic API)	No changes	90	Originator Incentive	10	Revenue Share (LRP/HRP %)	-
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S.N.	Modification Area	Earlier Provision	New Provision
3	LD for delay in commencement of Development and Production	Dual LD imposed for delays in commencement of development operations and commercial production	Only Single stage LD applicable only in case of delay in Commercial Production timelines LD Amounts: One-time fixed payment of USD 2,000,000 (USD two million) for Onland Blocks and USD 10,000,000 (USD ten million) for Offshore Blocks and USD 2000 per day over and above the fixed payment
4	Longer Stabilization Period	Onland Blocks- 2 Years, Shallow water Blocks- 3 Years, Deep/Ultra-Deep water blocks-5 Years *During Stabilization Period contractor to share revenue at LRP Rate	<ul style="list-style-type: none"> • Stabilization period increased by 2 years for each block type. GoI Revenue Share @LRP. • Stabilization period to commence from commercial production under FDP/ Development Area. • Further, % Revenue Share for Commercial production under Early Monetization during Exploration/ Development Phase to be fixed at LRP.
5	Retention Period for submission of FDP	Subsequent to completion of appraisal activities, No provision for retention period for submission of FDP in Earlier Bid Documents.	<ul style="list-style-type: none"> • Retention Period of 3 years allowed after Govt. approval for market linkage, development of infrastructure/technology for sub-commercial discoveries on payment basis. • Retention Fee payment structure shall be USD 100,000, 150,000, 200,000 for each consecutive year.

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S.N.	Modification Area	Earlier Provision	New Provision
6	Scope of Force Majeure	Force Majeure is defined in Article 29.2 and has specified the events, without limitation to the generic definition, which shall be considered as force majeure	Included pandemics, national trade sanctions and embargoes under Applicable Laws of India, terrorism under ambit of Force Majeure.
7	Allotment of Intervening Areas of less than 1'x1' units	No area smaller than 1'x1' grid can be carved out for offering through bidding. Accordingly, such areas remain unexplored	Units less than 1'x1' may be allowed for carving of blocks wherever complete 1'x1' units are not available. Blocks may be carved in polygonal manner, or along natural boundaries like coastlines, borders, forests, etc.)
8	Operatorship Experience	Experience of Shallow water blocks is not considered for participation in Ultra-Deep Water blocks	Experience in Shallow water blocks will be considered for all type of blocks, including Ultra-Deep water blocks
9	Net Worth Definition	Net worth excludes (CCDs) and other equity	Net worth to include CCDs and other equity in line with IFRS /Ind AS

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S.N.	Modification Area	Earlier Provision	New Provision
10	Longer & Phased Exploration Period	<p>Onland /Shallow Water Blocks- 3 years +9 months(ext.)</p> <p>Deep/Ultra Deep-water Blocks- 4 years+18 months (ext.)</p>	<p>Changes applicable for Cat-II/III basins only</p> <p>Overall phased Exploration Period -7 years comprising:</p> <p>a. Phase-I : 3 years dedicated to Seismic API and prospecting.</p> <p>b. Phase-II : 4 years for Exploratory Wells.</p> <p>Phase-II is split into Part-A & Part B of 2 years periods each, and Operator has option to enter each period by committing minimum 1 Exploratory Well.</p> <p>50% & 25% Contract area to be relinquished after Phase-I and Phase-II Part-A., respectively. Option to retain such area by committing 1 additional well for per each 25% of area retained.</p>
11	Target Depth	<ul style="list-style-type: none"> Seismic API and Exploratory Well is a Biddable Criteria. Government prescribes TD for CWP Expl. Wells for each block in NIO 	<p>TD: At least one of the following depths, whichever is shallower:</p> <p>(i) Target Depth (TD), as specified in Appendix B (for Category-I basin), or noted by the MC based on due diligence (for Category-II/III basins);</p> <p>(ii) to Basement;</p> <p>Note: Target Depth can be revised only once as following criteria:</p> <p>i. Permissible deviation in the range of + or - 15% of actual TD for achieving the geologic objective and noted by the MC.</p> <p>ii. Any deviation beyond this will be based on Government approval on MC recommendations.</p>
12	Work Programme Flexibility	<p><i>Permissible Activities for swapping:</i> 2D and 3D seismic API</p> <p>2D and 3D seismic API can be swapped in a manner such that the weightage seismic programme quoted and the marks obtained at the time of bidding remains the same or are higher</p>	<p><u>For Category-II & III</u></p> <p><i>Permissible Activities for swapping:</i> Seismic, re-processing, gravity-magnetic and wells</p> <ul style="list-style-type: none"> Only Phase-I CWP interchangeable Inter-changeability ratios details in <i>provided in last slide.</i>

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13	Effective Date of Contract and Exploration Timelines, Term of the Contract	Grant of PEL/Signing of Deed is the Effective date of the Contract. Timelines for certain activities begin prior to the Effective Date such as License application, submission of Guarantees, clause for option to exit in case license is not granted	<ul style="list-style-type: none"> • Effective date of Contract to be date of signing of RSC • Commencement date of Expl. period will be grant of first License. • In case of multi-jurisdiction license, gap period between grant of 1st and subsequent leases shall be granted as additional Excusable Delay applicable for entire block.
14	Deduction from Revenue for computing Revenue Share	Deduction is allowed only for taxes on Sales.	Deduction is allowed for all taxes on Sales, Production and Supply.
15	RBI/FBIL reference rate for conversion	Currently, Govt. dues are converted from USD to INR on daily basis.	A single RBI/FBIL/RBI Authorized Agency conversion rate as of remittance day to be considered.
16	Early Monetization Provisions	Only enabling clause for production and sale during Exploration period. Separate Govt. O.M. dated 23.05.2020 provided guidelines for Early Monetisation during exploration period	<p>SOP for Early Monetization of Discoveries included in MRSC, including requirement for submission of Early Development plan (EDP), request for PML for EDP, subsuming of EDP to block FDP, etc.</p> <p>Revenue Share for Commercial Production under EDP to be fixed at LRP.</p>

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S.N.	Modification Area	Earlier Provision	New Provision
17	Definition of Arms Length Sale	No explicit restriction for sale of hydrocarbons to PI members of the Contractor, subject to transparent bidding process. However, provisions of Gazette notification dated 15.10.2020 are applicable	Provisions of Gazette notification dated 15.10.2020 on Gas Marketing reforms incorporated in MRSC. The sale of hydrocarbon to the Contractor or its constituents will not be considered as Arms' Length Sales.
18	Excusable Delays (ED)	ED for Environmental clearances only	<ul style="list-style-type: none"> • ED of all statutory permits and clearances in India. • Maximum number of Extra Days towards excusable Delay shall be 720 days in Exploration Period, beyond which contractor to have option to exit without LD.
19	Change in Consortium before bidding	Change in Consortium at EoI and bidding stage is not allowed. Any change in consortium will lead to loss of Originator incentive	Change in consortium is allowed during EoI/Bidding stage without affecting the benefit of Originator incentive. However, operator should remain intact up to the signing of contract. This will give flexibility to companies in making consortium
20	Tender Fee and Application Fee	Application/Tender Fee of Rs. 75,000/- at the time of submission of EoI or Bid	Application/Tender Fee of Rs. 500,000/- at the time of submission of EoI or Bid.

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21	Reduced Bid Bond and Participation Bond	<p>Minimum bond of USD 150,000 per sector with ceiling of USD 1,000,000 and USD 2,000,000 for Onland/Shallow water and Deep/Ultra-Deep Water blocks, respectively.</p> <p>Bid Bond/Participation Bond for 1x1 grids beyond the minimum 1 sector is pro-rated.</p>	<p>A Minimum bond of USD 20,000 per sector with ceiling of USD 2,00,000 for all type of blocks.</p> <p>Bid Bond/Participation Bond for 1x1 grids beyond the minimum 1 sector is pro-rated, and areas in partial 1x1 grids shall be rounded off to minimum 1x1 grid.</p>
22	Basic Data Package – Free of Cost	<p>Bidder needs to purchase Mandatory basic Data package for each block it bids.</p>	<p>Basic data package will be available without any cost for investors registered over e-bidding portal.</p>

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WEIGHTAGE FOR INTERCHANGEABILITY OF WORK PROGRAMME

For swapping of work programme, equivalent weightage for different types of work programmes, as per table below shall be applicable.

WEIGHTAGE FOR WORK PROGRAMME INTERCHANGEABILITY									
Parameter	Unit	Onland		Shallow Water		Deep Water		Ultra-Deep Water	
		Weightage	Quantum proportionate to 1 well	Weightage	Quantum proportionate to 1 well	Weightage	Quantum proportionate to 1 well	Weightage	Quantum proportionate to 1 well
Exploratory Well	No.	400	1	3000	1	10000	1	12000	1
2D Seismic API	LKM	1.00	400	1.00	3000	1.00	10000	1.00	12000
3D Seismic API	SKM	7.00	57	3.00	1000	3.00	3333	3.00	4000
2D Seismic Reprocessing	LKM	0.07	5714	0.07	42857	0.07	142857	0.07	171429
3D Seismic Reprocessing	SKM	0.47	851	0.20	15000	0.20	50000	0.20	60000
Gravity Magnetic Potential API	LKM	0.20	2000	0.20	15000	0.20	50000	0.20	60000

Note: API stands for Acquisition, Processing and Interpretation.

THANK YOU