Opportunities in Open Acreage Licensing Policy
Bid Round-V
<table>
<thead>
<tr>
<th>Hydrocarbon Exploration and Licensing Policy (HELP) announced in March 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Single license for both conventional and unconventional hydrocarbons</td>
</tr>
<tr>
<td>- Open Acreage Licensing Programme (OALP) allows carving out of EoIs based on available G&amp;G data</td>
</tr>
<tr>
<td>- Fiscal regime- Transition from Cost Recovery to Revenue Sharing</td>
</tr>
<tr>
<td>- Low Royalty Rates</td>
</tr>
<tr>
<td>- Pricing and Marketing freedom</td>
</tr>
<tr>
<td>- Exploration rights on all retained area for full contract life</td>
</tr>
<tr>
<td>- 100% Participating Interest (PI) allowed for foreign / private players</td>
</tr>
<tr>
<td>- OALP-V launched on 14.01.2020, Bids closing on 18.03.2020</td>
</tr>
<tr>
<td>- EoI window for OALP-VI is underway, closes on 31.03.2020</td>
</tr>
</tbody>
</table>
Government notified further Reforms in existing HELP on February 28, 2019

- Policy Reforms are applicable from OALP Bid Round-IV onwards
- 26 Sedimentary Basins of India classified into 3 Categories
- EoI windows now thrice in a Financial Year starting from first April
- Bidding Parameters made specific to Category of Sedimentary Basins
- Category-I Basins – Bidding on Revenue Sharing and Work Programme. More weightage to Work Programme (70%). Revenue Share at HRP capped at 50%
- Category-II and Category-III Basins - No Revenue Share in up to USD 2.5 billion in a Financial Year (Windfall Gain)
- Concessional Royalty Rates for early Commercial Production (10%, 20%, 30%)
- Shorter Exploration Period (3 yrs+9 months/4yrs +18 months)
- New Dispute Resolution Mechanism
OALP PROCESS: FREEDOM TO CARVE OUT BLOCKS

Contract Period
- 3 to 4 years: Exploration*
- 3 to 5 years: FDP submission
- 20 to 30 years: Development and Production
*subject to automatic extensions of 9 months (Onland & Shallow) & 18 months (Deep and Ultra Deep Water)

- Party submitting EoI for an area shall be 'Originator' and eligible for Originator Incentive
- Sedimentary basins gridded into sector of 10’ x 10’ (1’ x 1’ for existing PEL/PML)
- Bidding cycle thrice a year (continuous EoI submission, pooled every 4 months)
- Bidding through fully secured e-bidding platform
- Blocks can be carved out in single category of Basins
**A Quantum Leap in the Prognosticated Hydrocarbon Resources**

- Total Hydrocarbon reassessed resources (in place) estimated for **26 Sedimentary Basins** across Onland, Shallow Water and Deep Water areas in the present study is **41,872 MMTOE**
- Discovered Hydrocarbons is **12,076 MMTOE**
- Undiscovered Hydrocarbons is **29,796 MMTOE**
Pre-requisite for EoI Application

1. Unique Identification Numbers of the sectors (available in NDR site)
2. Online payment of INR 75,000 towards Application Fee
3. Participation Bond of requisite amount
4. Due-Diligence Report of Prospectivity
PROCESS FLOW FOR EoI SUBMISSION

1. Corporate Information
2. Sector Selection
3. Qualification Eligibility
4. Uploading of requisite documents
5. Declaration
6. EoI Application Fee Payment
7. One point Contract Information
8. Submission

- Type of Block
- Maximum Area

<table>
<thead>
<tr>
<th>Type of Block</th>
<th>Maximum Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Onland</td>
<td>10 Sectors</td>
</tr>
<tr>
<td>Shallow Water</td>
<td>20 Sectors</td>
</tr>
<tr>
<td>Deep/Ultra Deep Water</td>
<td>30 Sectors</td>
</tr>
<tr>
<td>CBM</td>
<td>2 Sectors</td>
</tr>
</tbody>
</table>

- Due Diligence Report
- Scan copy of Participation Bond
- EoI marked on India Grid Map
BIDDING STRUCTURE UNDER OALP

1. Qualification Criteria
   • Financial (Net Worth) and Technical (Operatorship Experience and Acreage Holding/Average Annual Production) as specified in NIO

2. Bid Evaluation Criteria
   - Category-I Basins
     • Work Programme (65) + Originator Incentive (05)
     • Fiscal parameters (30)
   - Category-II & III Basins
     • Work Programme (95) + Originator Incentive (05)

Net Worth Computation
Bidders have to bid for Weighted Seismic Programme for 2D & 3D Seismic and Exploratory Wells. Bidders quoting highest in the respective exploration activity will get highest marks allotted to that activity and other bidders will be proportionately evaluated.

In Category-I, the Revenue Share will have to be bid at two levels:
- Lower Revenue Point (LRP) (USD 0.05 million per day)
- Higher Revenue Point (HRP) (USD 7 million per day)
Bid carrying highest NPV will get 30 marks and other bidders will be proportionately evaluated.

Investor who has submitted an EoI for carving out a block (deemed as Originator for the respective Block) will be assigned 5 marks on a First Come First Served Basis.

<table>
<thead>
<tr>
<th>Weightage</th>
<th>Category-I</th>
<th>Category-II &amp; III</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65%</td>
<td>95%</td>
</tr>
<tr>
<td></td>
<td>30%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>
2D Seismic surveys (API)

3D Seismic surveys (API)

Exploratory Wells

Bidder quoting highest weighted Seismic programme will be assigned highest marks and others will be assigned marks proportionately.

Weighted Seismic Programme will be calculating by considering 2D and 3D seismic in the following weightage:

**For Onland:** 2D-12.5% weightage & 3D-87.5 % weightage

**For Offshore:** 2D-25% weightage & 3D-75 % weightage

Bidder quoting highest number of wells will be assigned highest marks and others will be assigned marks proportionately.
The Revenue Share will have to be bid at two levels: “Lower Revenue Point (LRP)” and “Higher Revenue Point (HRP)”. The Revenue Share for intermediate points will be calculated by linear interpolation. The bidder offering the highest NPV of the Revenue Share to the Government will score the maximum on this parameter. Rate at HRP can not exceed 50%.

<table>
<thead>
<tr>
<th>Revenue Point</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower Revenue Point</td>
<td>USD 0.05 million per day</td>
</tr>
<tr>
<td>Higher Revenue Point</td>
<td>USD 7 million per day</td>
</tr>
</tbody>
</table>

LRP shall be applicable for the Stabilization Period:
- Onland (2 years)
- Shallow Water (3 years)
- Deep/ Ultra-Deep Water (5 years)
No Revenue Share is to be quoted at the time of bidding.

Revenue Sharing at predetermined rates if annual revenue crosses USD 2.5 billion i.e. “Windfall Gain”. Financial year (April to March) will be considered for calculation of annual Revenue.

Rates of Revenue Share will be as under:

<table>
<thead>
<tr>
<th>Revenue (Net of Royalty &amp; taxes on sales) (in billion USD) in a Financial Year</th>
<th>GoI Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 2.5</td>
<td>Nil</td>
</tr>
<tr>
<td>&gt;2.5 &lt;=5.00</td>
<td>10%</td>
</tr>
<tr>
<td>&gt;5.00 &lt;=10.00</td>
<td>30%</td>
</tr>
<tr>
<td>&gt;10</td>
<td>50%</td>
</tr>
</tbody>
</table>
BIDDING PROCESS ON e-BIDDING PORTAL

1. Registration using PAN (Indian)
2. CIN or equivalent (Foreign)
3. Formation of Consortium
4. Fulfil Qualifying Criteria
5. Key in Bid Parameters
6. Preview and Submit Bid (Bid NPV displayed on screen)
7. Revise or change Bid before Bid Submission deadline
8. Bid Opening-Part - I and Part- II (Decryption) Bid Evaluation
9. Award of Block
11 Blocks with an area of 19,789 sq. km.
8 Onland, 2 Shallow Water and 1 in Ultra Deep Water

<table>
<thead>
<tr>
<th>Category of Sedimentary Basin</th>
<th>S. No.</th>
<th>Sedimentary Basin</th>
<th>Block Type</th>
<th>Number of Block(s)</th>
<th>Area (sq km.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Category-I</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Cauvery</td>
<td>Ultra Deep</td>
<td>1</td>
<td>4,064</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Assam Shelf</td>
<td>Onland</td>
<td>2</td>
<td>3,683</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Cambay</td>
<td>Onland</td>
<td>2</td>
<td>172</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Rajasthan</td>
<td>Onland</td>
<td>2</td>
<td>3,340</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Mumbai Offshore</td>
<td>Shallow Water</td>
<td>1</td>
<td>2,247</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Total (A)</strong></td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td><strong>13,506</strong></td>
</tr>
<tr>
<td><strong>Category-II</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Kutch</td>
<td>Onland</td>
<td>1</td>
<td>1,693</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Saurashtra</td>
<td>Shallow Water</td>
<td>1</td>
<td>1,420</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Total (B)</strong></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td><strong>3,113</strong></td>
</tr>
<tr>
<td><strong>Category-III</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Bengal-Purnea</td>
<td>Onland</td>
<td>1</td>
<td>3,170</td>
<td></td>
</tr>
<tr>
<td><strong>Sub- Total (C)</strong></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td><strong>3,170</strong></td>
</tr>
<tr>
<td><strong>Total (A+B+C)</strong></td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td><strong>19,789</strong></td>
</tr>
</tbody>
</table>
LOCATION OF BLOCKS ON OFFER UNDER OALP-V

RAJASTHAN BASIN (Basin Category – I)
Blocks on Offer : 2

ASSAM SHELF BASIN (Basin Category – I)
Blocks on Offer : 2

CAMBAY BASIN (Basin Category – I)
Blocks on Offer : 2

MUMBAI OFFSHORE BASIN (Basin Category – I)
Block on Offer : 1
LOCATION OF BLOCKS ON OFFER UNDER OALP-V

CAUVERY BASIN (Basin Category – I)
Block on Offer: 1

KUTCH & SAURASHTRA BASIN (Basin Category – II)
Blocks on Offer: 2
(Kutch: 1; Saurashtra:1)

BENGAL-PURNEA BASIN (Basin Category – III)
Block on Offer: 1
BASIN-WISE HYDROCARBON INPLACE

Unrisked Inplace in OALP V Basins

Note: Bengal-Purnea is under category-upgrade with discovered in-place.
OALP FACILITATORS

NDR/ Data Room Booking
https://www.ndrdgh.gov.in/NDR/
http://online.dghindia.org/oal/dataroombooking

E-bidding Portal
https://ebidding.dghindia.gov.in/

EoI Portal
http://online.dghindia.org/oal

Facilitation Desk
http://online.dghindia.org/oal/contact
Email: facilitationoal@dghindia.gov.in
Thank you