

## Rules for Participating in Brasil Round 9



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September 2007

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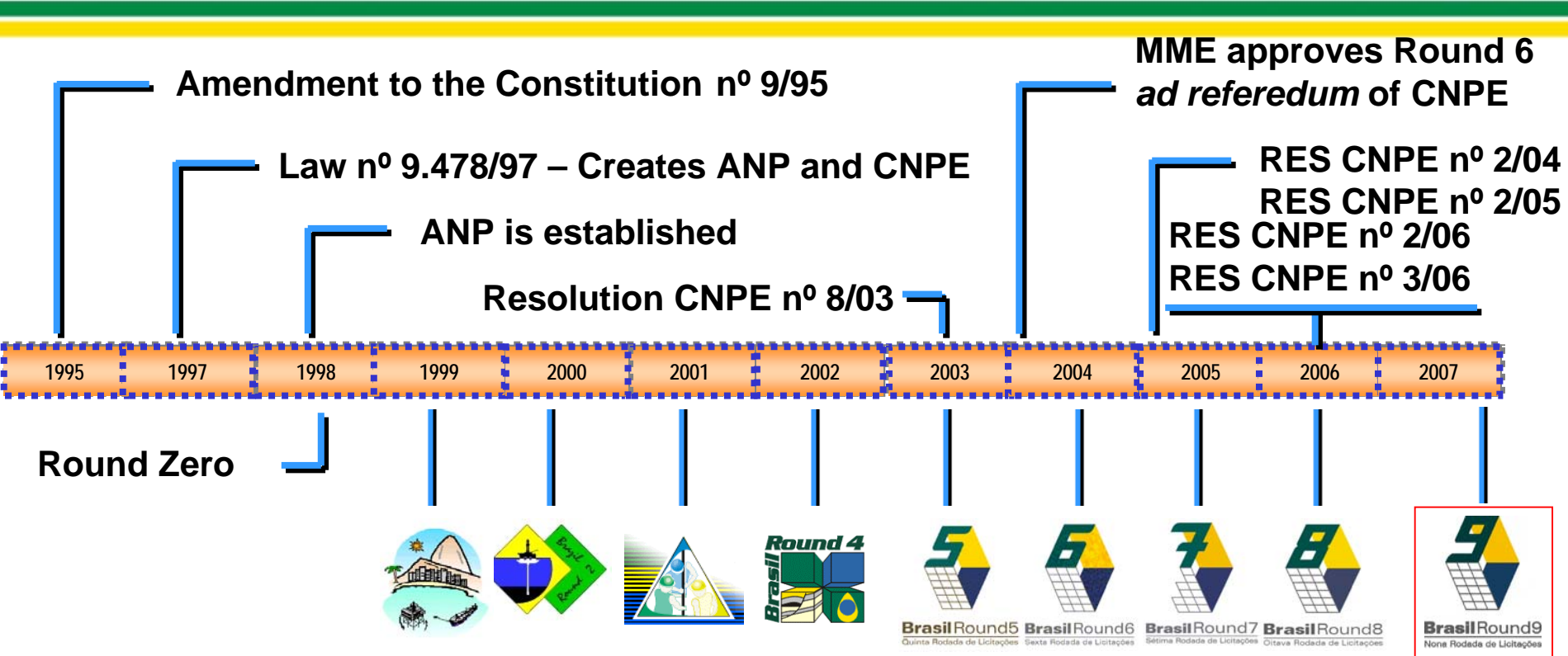
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# Rules for Participating in Brasil Round 9



## **BRASIL ROUND HISTORY**

# BRASIL ROUND HISTORY



ANP was responsible for all steps of the licensing rounds promotion.

ANP study potentials areas according the CNPE first Resolution. The ANP promotes BID Rounds of the blocks approved by CNPE second Resolution.



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# Rules for Participating in Brasil Round 9



**SUBJECT OF  
BRASIL ROUND 9**

## Brasil Round 9 - Resolution CNPE nº 5 (21/December/2006)

Nº 22, quarta-feira, 31 de janeiro de 2007

**Diário Oficial da União - Seção 1**

### Ministério de Minas e Energia

#### CONSELHO NACIONAL DE POLÍTICA ENERGÉTICA

##### RESOLUÇÃO Nº 5, DE 21 DE DEZEMBRO DE 2006

Autoriza a elaboração de estudos visando à realização da 9ª Rodada de Licitações de blocos para exploração e produção de pe-

blocos exploratórios possibilitam a fixação de empresas nacionais e estrangeiras no País, dando continuidade à demanda por bens e serviços locais, à geração de empregos e à distribuição de renda, resolve:

Art. 1º Autorizar a ANP, com a supervisão do MME, a realizar estudos, em 2007, visando ao planejamento da 9ª Rodada de Licitações de blocos para exploração e produção de petróleo e gás natural.

Parágrafo único. Determinar ao MME que, com base nos estudos efetivados pela ANP, avalie e apresente seus resultados ao CNPE, em consonância com as diretrizes emanadas na Resolução CNPE nº 8, de 21 de julho de 2003.

Art. 2º Definir como objeto dos estudos:

I - áreas em Bacias Maduras, com a finalidade de oferecer

**CNPE authorizes ANP to start the studies of potentials areas regarding to promote Brasil Round 9**

Petróleo, Gás Natural e Biocombustíveis - ANP na condução das licitações de áreas para exploração de petróleo e gás natural, com vistas a ampliar as reservas brasileiras, minimizar a dependência energética externa do gás natural e manter a auto-suficiência na produção de petróleo; interessa ao Governo Federal promover o conhecimento das bacias sedimentares, dando continuidade às atividades de pesquisa e desenvolvimento; a incorporação de reservas decorrentes dos resultados de pesquisas exploratórias de petróleo e gás natural ocorre após longo período de maturação; a oferta de gás natural no País é insuficiente para o atendimento da demanda prevista para os próximos anos; e as licitações de

produtoras; e

III - áreas em Bacias Maduras, com a finalidade de oferecer oportunidades a pequenas e médias empresas, em bacias densamente exploradas, possibilitando a continuidade da exploração e a produção de petróleo e gás natural nessas regiões onde essas atividades exercem importante papel socioeconômico.

Art. 3º Esta Resolução entra em vigor na data de sua publicação.

SILAS RONDEAU CAVALCANTE SILVA



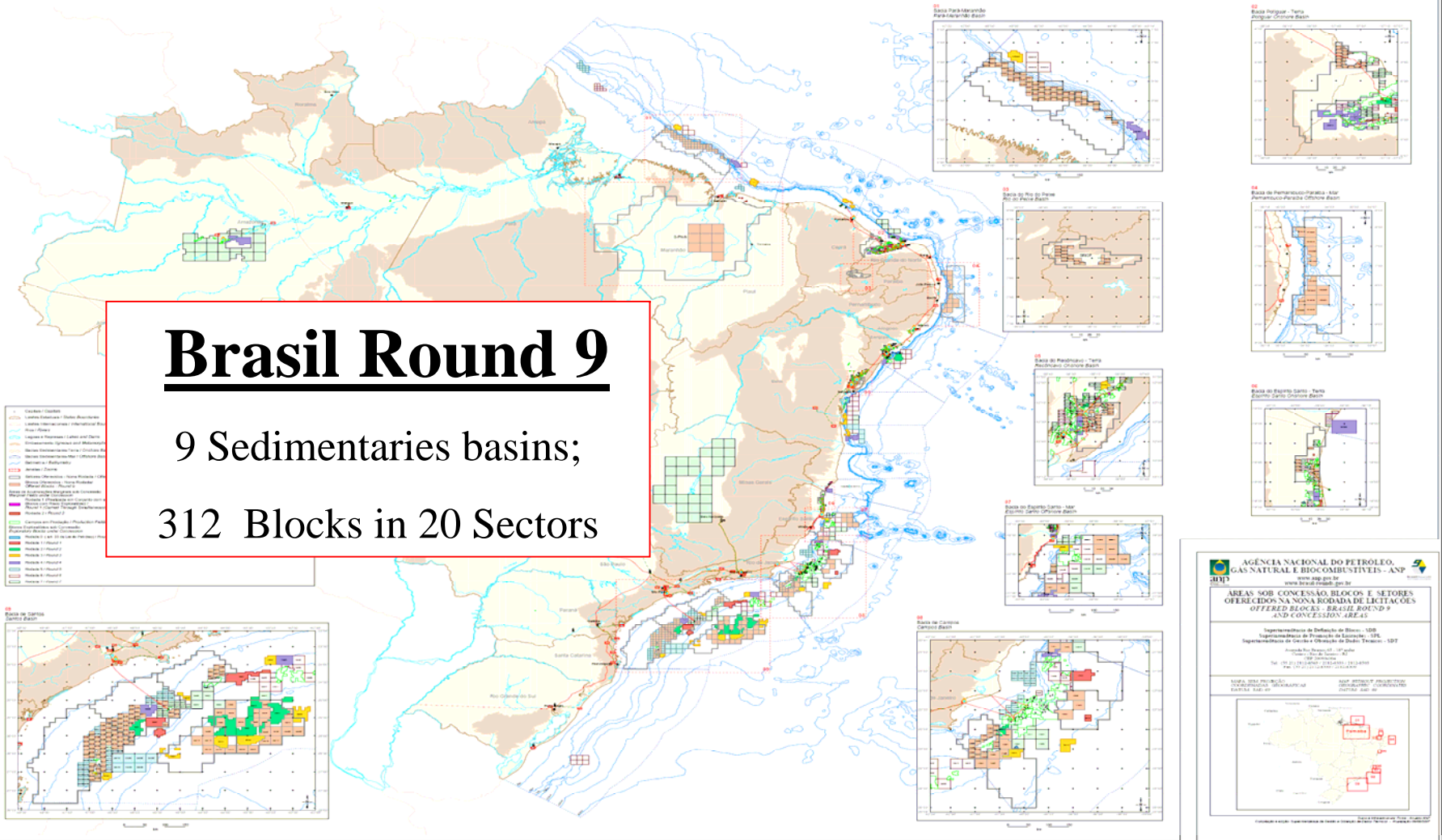
## Brasil Round 9 – Resolution CNPE nº 2 (25/June/2007)

Nº 137, quarta-feira, 18 de julho de 2007	Diário Oficial da União - Seção 1
<b>Ministério de Minas e Energia</b>	pela Resolução nº 5, de 21 de dezembro de 2006, do Conselho Nacional de Política Energética - CNPE, foi autorizada a elaboração de estudos visando ao planejamento da 9ª Rodada de Licitações de blocos para exploração e a produção de petróleo e gás natural, resolve:
<b>CONSELHO NACIONAL DE POLÍTICA ENERGÉTICA</b>	Art. 1º Autorizar a realização da 9ª Rodada de Licitações de blocos para exploração e a produção de petróleo e gás natural a ser realizada em 2007.
<b>RESOLUÇÃO Nº 2, DE 25 DE JUNHO DE 2007</b>	Art. 2º Definir como objeto da rodada de licitações:
Autoriza a realização da 9ª Rodada de Licitações de blocos para exploração e produção de petróleo e gás natural em 2007.	I - áreas em Bacias de Elevado Potencial de Descobertas para Gás Natural e Petróleo, com ênfase no potencial para a produção de gás natural e petróleo leve, com vistas a recompor as reservas nacionais de hidrocarbonetos e o atendimento da crescente demanda interna de gás natural;
O PRESIDENTE DO CONSELHO NACIONAL DE PO-	
<h1>CNPE authorizes ANP to promote Brasil Round 9 in 2007</h1>	
desenvolvimento; a incorporação de reservas decorrentes dos resultados de pesquisas exploratórias de petróleo e gás natural ocorre após longo período de maturação; a oferta de gás natural no País se mostra insuficiente para o atendimento da demanda prevista para os próximos anos; as licitações de blocos exploratórios possibilitam a fixação de empresas nacionais e estrangeiras no País, dando continuidade à demanda por bens e serviços locais, à geração de empregos e à distribuição de renda; e	NELSON JOSÉ HUBNER MOREIRA

## Brasil Round 9

9 Sedimentaries basins;

312 Blocks in 20 Sectors



**AGÊNCIA NACIONAL DO PETRÓLEO,  
GÁS NATURAL E BIOCOMBUSTÍVEIS - ANP**

www.anp.gov.br  
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**ÁREAS SOB CONCESSÃO, BLOCOS E SETORES  
OFERECIDOS NA NONA RODADA DE LICITAÇÕES  
OFFERED BLOCKS - BRASIL ROUND 9  
AND CONcession AREAS**

Superintendência de Defesa de Bloco - SDB  
Superintendência de Proteção de Ambiente - SPA  
Superintendência de Gestão e Operação de Dutos - SOD

Assessoria de Planejamento e Desenvolvimento - APD  
Assessoria de Regulação Econômica - ARE  
Assessoria de Regulação Ambiental - RA  
Assessoria de Regulação de Mercado - RM  
Assessoria de Regulação de Preços - RP  
Assessoria de Regulação de Qualidade - RQ  
Assessoria de Regulação de Segurança - RS  
Assessoria de Regulação de Saúde - RSe  
Assessoria de Regulação de Segurança e Saúde - RSS





## Exploration Models

I – Areas in **High Potential Basins for Natural Gas and Petroleum production**, with special focus in the potential for the natural gas production, aiming recomposing the national oil reserves and addressing the growing domestic demand;

II – Areas in Technological and Knowledge **New Frontiers Basins**, with the purpose to attract investments for the regions with few geological exploration or with technological frontiers to be surpassed, allowing the emergence of new production basins;

III – Areas in **Mature Basins**, with the purpose to offer opportunities to small and medium size companies, **in highly explored basins**, allowing the continuity of the exploration and production of petroleum and natural gas in such regions, where such activities have a significant social-economic role.

# SUBJECT OF BRASIL ROUND 9

Basin	Sector	Exploration Model	Numbers of Blocks	Acreage (km <sup>2</sup> )	Duration of Exploration Phase (years)	Exploration Periods (years)	Qualification Required
Campos	SC-AR4	High Potential	19	3.013,92	5	3 + 2	B
	SC-AP1	High Potential	2	1.350,13	6	4 + 2	A
	SC-AP3	High Potential	3	2.747,48	6	4 + 2	A
	SC-AP5	High Potential	6	3.580,75	6	4 + 2	A
Espírito Santo	SES-T4	Mature	10	292,22	3	2 + 1	C
	SES-AR3	High Potential	2	361,18	6	4 + 2	B
	SES-AP1	New Frontier	6	4.347,69	6	4 + 2	A
Pará-Maranhão	SPAMA-AR1	New Frontier	40	7.692,90	6	4 + 2	B
	SPAMA-AR2	New Frontier	10	1.923,29	6	4 + 2	B
Parnaíba	SPN-N	New Frontier	10	30.664,46	6	4 + 2	C
Pernambuco/Paraíba	SPEPB-AP2	New Frontier	5	2.991,92	7	5 + 2	A
	SPEPB-AP3	New Frontier	8	5.012,75	7	5 + 2	A
Potiguar	SPOT-T1B	Mature	20	573,42	3	2 + 1	C
Recôncavo	SREC-T4	Mature	32	816,87	3	2 + 1	C
Rio do Peixe	SRIOP	New Frontier	19	613,43	4	3 + 1	C
Santos	SS-AR2	High Potential	10	1.412,77	5	3 + 2	B
	SS-AR3	High Potential	32	5.365,36	5	3 + 2	B
	SS-AR4	High Potential	52	8.637,84	5	3 + 2	B
	SS-AUP2	High Potential	20	11.725,60	7	5 + 2	A
	SS-AUP3	High Potential	6	3.950,49	7	5 + 2	A



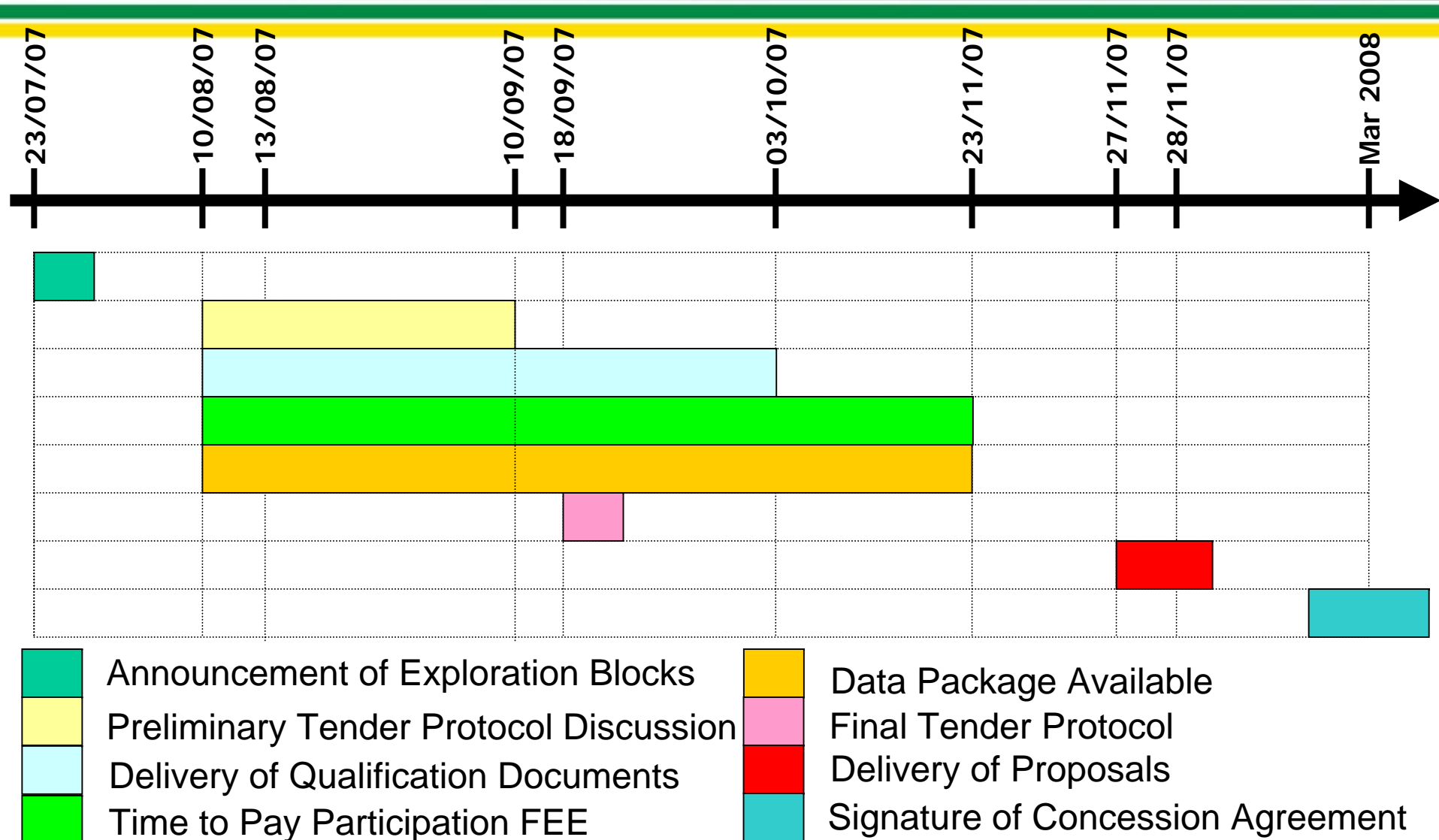
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# Rules for Participating in Brasil Round 9



## TIMELINE OF BID ROUND 9

# TIMELINE OF BID ROUND 9





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# Rules for Participating in Brasil Round 9



## MAIN ASPECTS OF TENDER PROTOCOL

## Conditions to Participate in BID ROUND 9

- 1) Presentation of the **Letter of Intent**, containing all documents and information required by tender protocol.
- 2) Obtaining **technical, financial and legal qualification**, issued by ANP.
- 3) Payment of **Participation Fee**.

P.S. documents shall be provided in 02 copies. Documents requiring certification, legalization provided by Consulate/Embassy and sworn translation, when required, are described in Tender Protocol.

## Conditions to Participate in BID ROUND 9

### 1) Letter of Intent contain the following information:

- **Power of attorney to appoint the Accredited Representative**, for which all mail related to the Bid Round 9 will be send .
- **Letter of Presentation**, signed by the respective Accredited Representative, attesting the veracity of the information provided in the Letter of Intent.
- **Name of the company(s) holding** its share control or more than 20% of the voting capital, with the description of the respective share interests.
- **Confidentiality Agreement**, signed by the Accredited Representative.

## Conditions to Participate in BID ROUND 9

### 2) Qualification

- To execute the Bid Round 9 a **Special Bid Committee (CEL)** was created, exclusively for this bid, duly approved by the ANP Collegiate Executive Board. **It's responsible for the analysis the all documents** from the companies for qualifications purpose.

#### 2.1) Technical Qualification

- The technical qualification of the companies will be **based** on the respective **experiences evidenced in executing activities of exploration and production of petroleum and natural gas**. Such companies may request their technical qualification as **Non-Operators or Operators**.



## Conditions to Participate in BID ROUND 9

### 2.1.1) Non-Operator Qualification

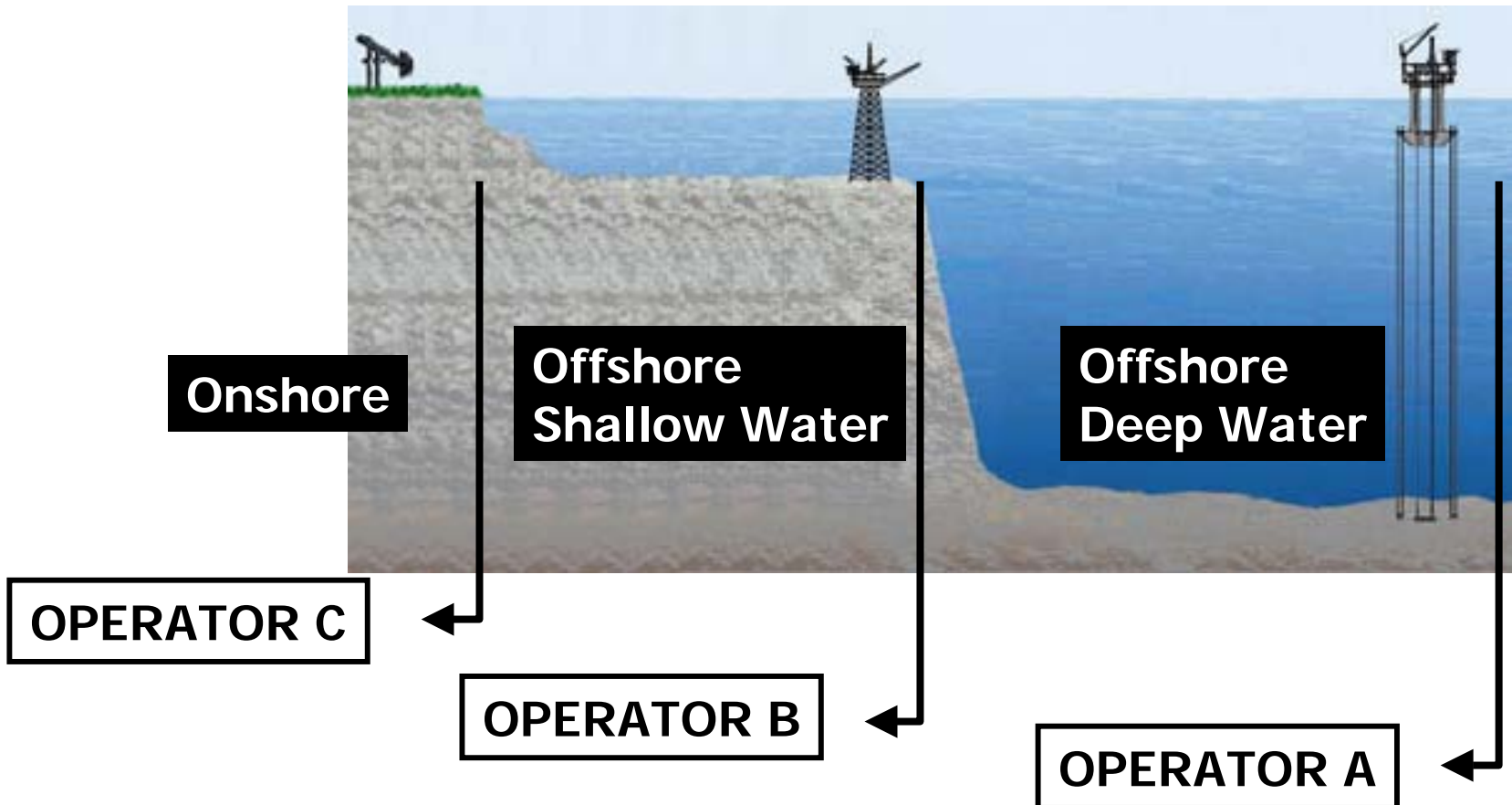
- Companies that are not in the sector of exploration and production of petroleum and natural gas, or that want to be qualified as non-operators, shall provide a **summary of its main business activity**, as well as its relationship with respective parent or controller company, when applicable.

### 2.1.2) Operator Qualification

- Companies requesting to be qualified as Operators shall provide **all information required for the evaluation of its technical capacity**, including information about the places where the company currently executes exploration and / or production of petroleum and natural gas activities.

## Conditions to Participate in BID ROUND 9

### 2.1.2) Operator Qualification (continue)



## Conditions to Participate in BID ROUND 9

### 2.2) Financial Qualification

- Consolidated financial statements for the 03 last fiscal years. Such statements shall be audited by independent auditor.
- Fiscal Legal Opinion of the Financial Statements of the company, notarized, issued by independent auditor, certifying that the documents are reflecting the reality and are in compliance with the usual accountability techniques and procedures.
- Current and historic classification of the company, in compliance with Standard & Poors Rating Services (S&P) and Moody's Investor Services, Inc. (Moody's), or credit lines, credit agreements, or bank references.

## Conditions to Participate in BID ROUND 9

### 2.2) Financial Qualification (continue)

- **Description of the long-term liabilities**, including the higher loans and the identification of the main assets that are committed with the financial guarantees of the company.
- **Details of the medium term planning**, if they may significantly change the financial situation of the company.
- The financially qualified companies will be responsible for supplying **Financial Guarantees and Performance Bond** as required in the **Concession Agreement**.

## Conditions to Participate in BID ROUND 9

### 2.2) Financial Qualification (continue)

- Companies with net equity below than **R\$ 22.000.000,00** will not be qualified for **“A” Blocks**.
- Companies with net equity below than **R\$ 20.000.000,00** will not be qualified for **“A”** and **“B” Blocks**.
- Companies with net equity below **R\$ 1.000.000,00** will not be qualified for **“A”**, **“B”** and **“C” Blocks**. However, may be qualified, as Operators for **“C” Blocks**, companies with net equity higher than **R\$ 350.000,00** since presenting proposals through consortiums (pool of companies) where the total net equity of companies part of such consortium is higher than **R\$ R\$1.000.000,00**.

## Conditions to Participate in BID ROUND 9

### 2.3) Legal Qualification

- Presentation of the documents and information required in the **Letter of Intent**.
- A full notarized copy of the articles of incorporation or bylaws of the company, duly registered in the respective **competent Trade Board or equivalent**, as applicable.
- **Statement provided by the Accredited Representative** of the company concerning **all relevant legal or judicial pending issues**, including those that may cause insolvency, creditors agreement, bankruptcy or any other event that may affect the financial credibility of the company.

## Conditions to Participate in BID ROUND 9

### 2.3) Legal Qualification (continue)

- Evidence that the company is duly incorporated and in **regular operation under the laws applicable in the respective country of origin.**
- Commitment that, if declared as Bidder Winner, will incorporate a **company in compliance with the Brazilian laws**, with headquarters and management in Brasil.

## Conditions to Participate in BID ROUND 9

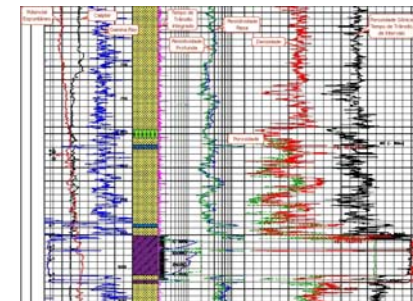
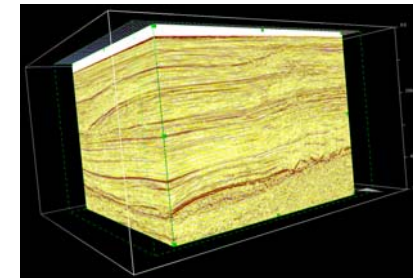
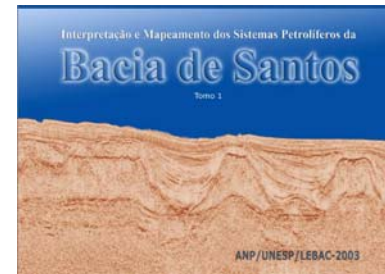
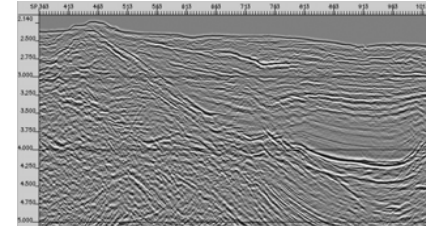
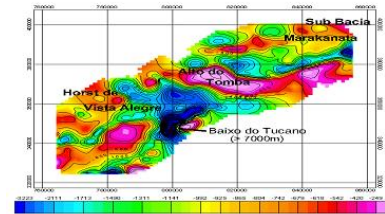
### 3) Payment of Participation Fee

Basin	Sector	Exploration Model	Numbers of Blocks	Participation Fee (R\$)	Qualification Required
Campos	SC-AR4	High Potential	19	R\$ 75.000,00	B
	SC-AP1	High Potential	2	R\$ 150.000,00	A
	SC-AP3	High Potential	3		A
	SC-AP5	High Potential	6		A
Espírito Santo	SES-T4	Mature	10	R\$ 15.000,00	C
	SES-AR3	High Potential	2	R\$ 45.000,00	B
	SES-AP1	New Frontier	6	R\$ 110.000,00	A
Pará-Maranhão	SPAMA-AR1	New Frontier	40	R\$ 45.000,00	B
	SPAMA-AR2	New Frontier	10		B
Parnaíba	SPN-N	New Frontier	10	R\$ 15.000,00	C
Pernambuco/Paraíba	SPEPB-AP2	New Frontier	5	R\$ 75.000,00	A
	SPEPB-AP3	New Frontier	8		A
Potiguar	SPOT-T1B	Mature	20	R\$ 15.000,00	C
Recôncavo	SREC-T4	Mature	32	R\$ 15.000,00	C
Rio do Peixe	SRIOF	New Frontier	19	R\$ 15.000,00	C
Santos	SS-AR2	High Potential	10	R\$ 110.000,00	B
	SS-AR3	High Potential	32		B
	SS-AR4	High Potential	52		B
	SS-AUP2	High Potential	20	R\$ 150.000,00	A
	SS-AUP3	High Potential	6		A



## Data Packages and Information

- Scenario and geological considerations, such as: description of geology, stratigraphic column, schematic geologic sections and other relevant information.
- Seismic 2D e 3D data
- Well data
- Potentials Methods data
- Special Reports



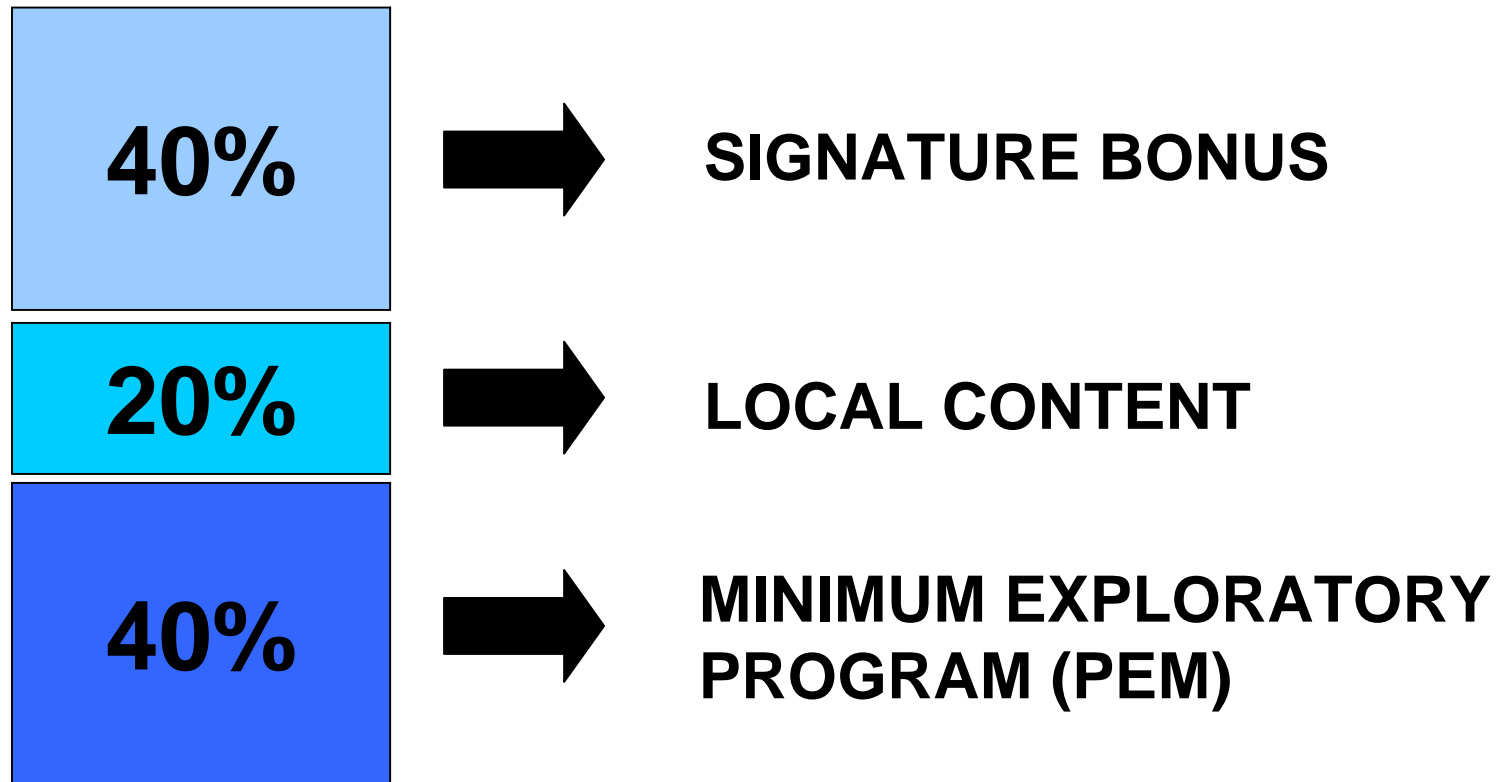
## Delivery of Proposals

### 1) Offer (Proposal) Guarantee Bond

- In order to ensure the liability of the bidder winner in signing the Concession Agreement for the Block(s), which is winner, **each company or pool shall provide the respective Offer Guarantee Bonds to ANP**. Such Bonds shall be provided prior the date of the presentation of the proposals.
- The values of the Bonds are **R\$ 60.000,00 for each Offshore Block** and **R\$ 15.000,00 for each Onshore Block**. Such Offer Guarantee Bond(s) as Letter of Credit or Bid Bond, shall be delivered to ANP until 23/11/2007.

## Delivery of Proposals

### 1) Rules for Submission of Offers (BID FACTORS)



## Delivery of Proposals

### 1.1) Signature Bonus

- The Subscription or **Signature Bonus** cannot be lower than the **minimum value provided in final tender protocol for each block**. Any offer below the minimum values established will be disqualified .

### 1.2) Commitment of Purchase of Local Goods and Services

- The company or pool of companies declared as Bidder Winner in the Bid Round 9 shall comply with the **obligations offer for Local Investments in the Exploration Phase and Development Stage (“Local Content”)**, as described in tender protocol.

## Delivery of Proposals

### 1.2) Commitment of Purchase of Local Goods and Services

Local of Blocks	Exploration Phase 5 %		Development Phase 15 %	
	Minimum (%)	Maximum (%)	Minimum (%)	Maximum (%)
Deep Water $P^* > 400$ m	37	55	55	65
<i>Shallow Water</i> $100 \text{ m} < P^* \leq 400$ m	37	55	55	65
<i>Shallow water</i> $P^* \leq 100$ m	51	60	63	70
<i>Onshore</i>	70	80	77	85

## Delivery of Proposals

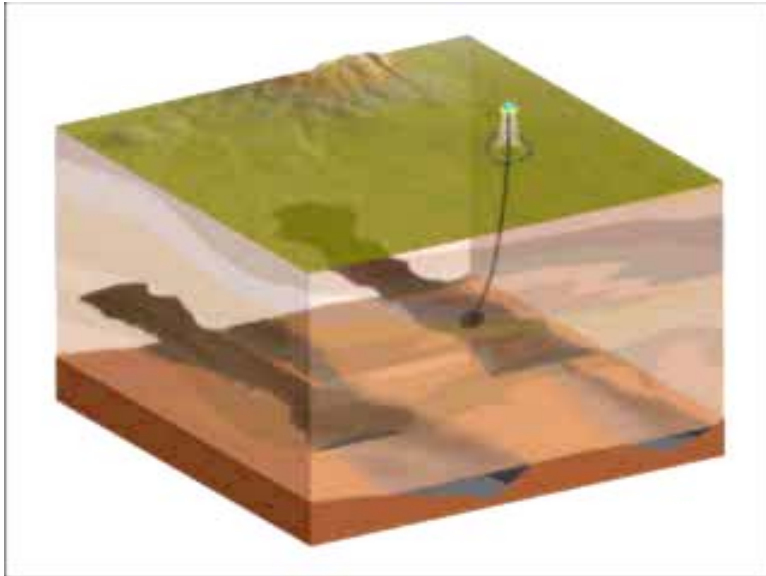
### 1.3) Minimum Exploratory Program - PEM

- For the judgment of proposals will be considered the **Minimum Exploratory Program offered, expressed in Work Units (UT)**, to be fully complied along the First Period of Exploration, exclusively in the area of the Block in offer.
- **Minimum Exploratory Program with value equal to zero will not be accepted.** The delivery of offers of this nature will cause the company to be disqualified. Only Minimum Exploratory Program expressed in full numbers of Work Units will be accepted.

## Delivery of Proposals

### 1.3) Minimum Exploratory Program – PEM (continue)

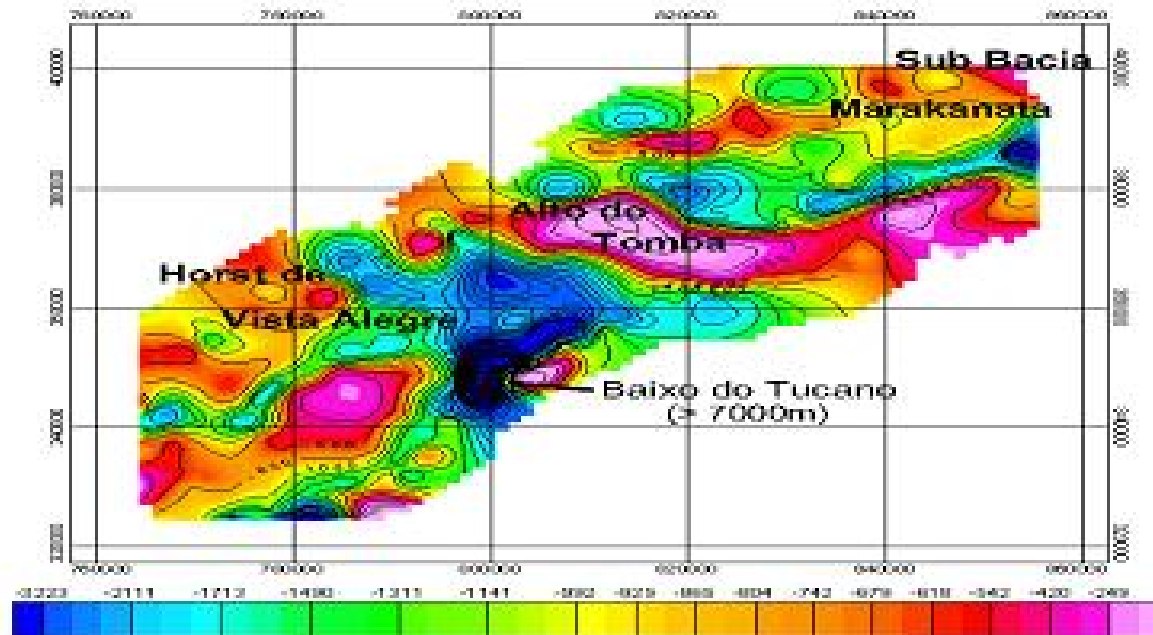
#### Well Drilling



## Delivery of Proposals

### 1.3) Minimum Exploratory Program – PEM (continue)

#### Potentials Methods Acquisition (Grav/Mag only onshore)

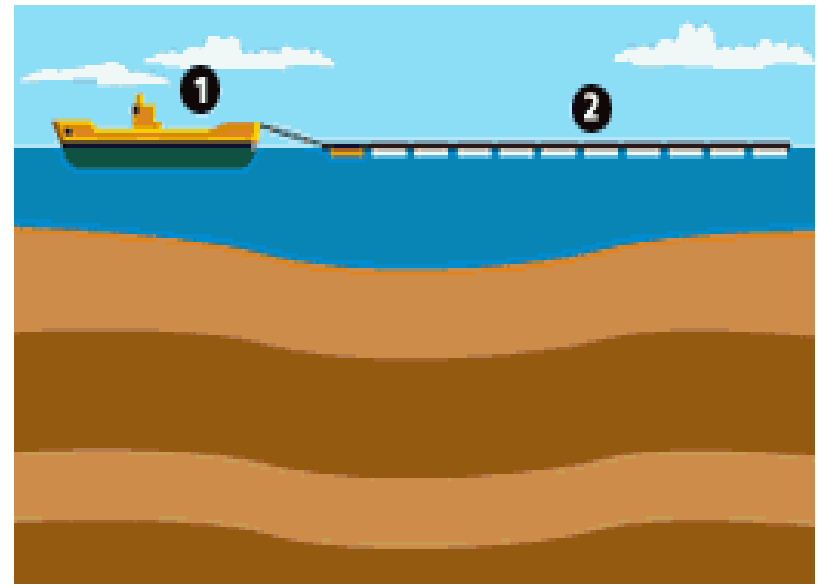
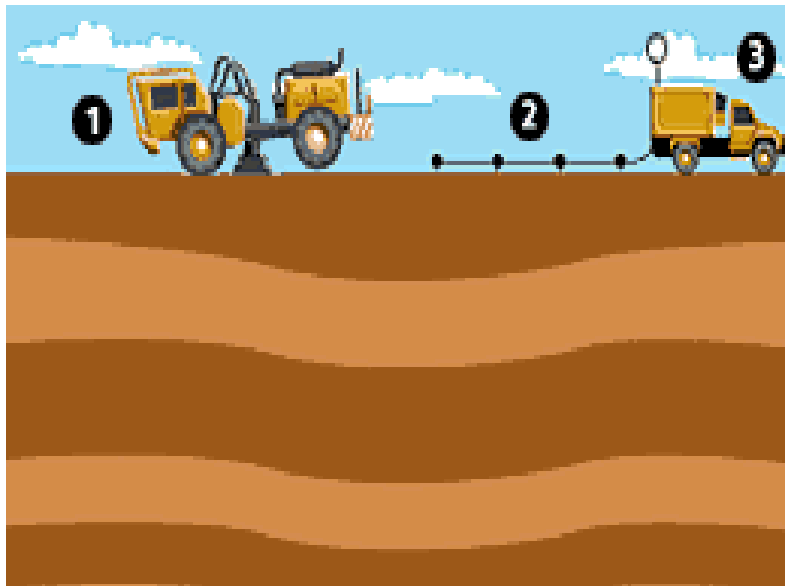




## Delivery of Proposals

### 1.3) Minimum Exploratory Program – PEM (continue)

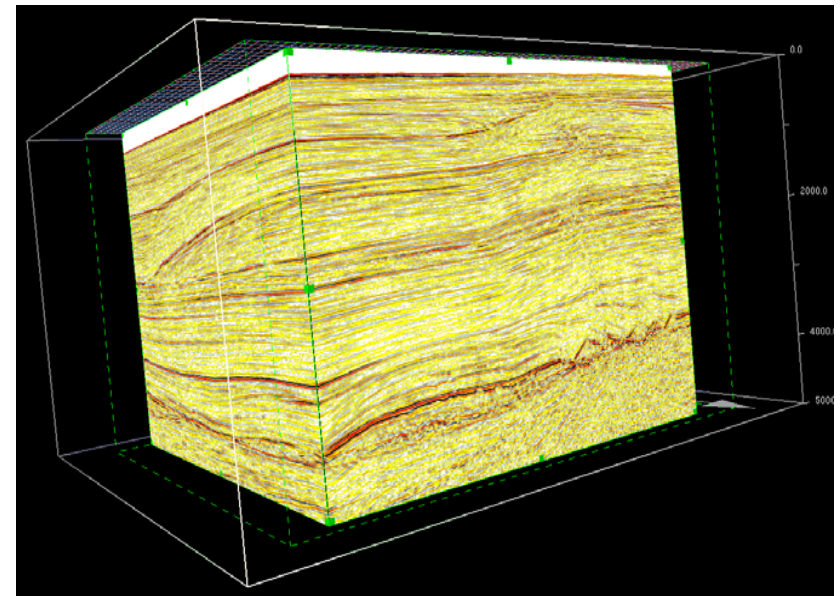
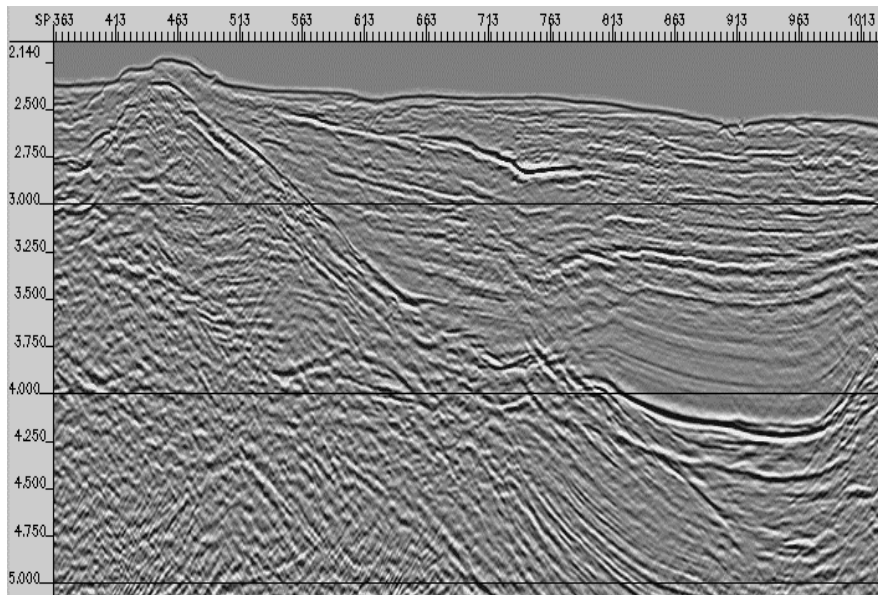
#### 2D & 3D SEISMIC ACQUISITION



## Delivery of Proposals

### 1.3) Minimum Exploratory Program – PEM (continue)

#### 2D & 3D SEISMIC ACQUISITION

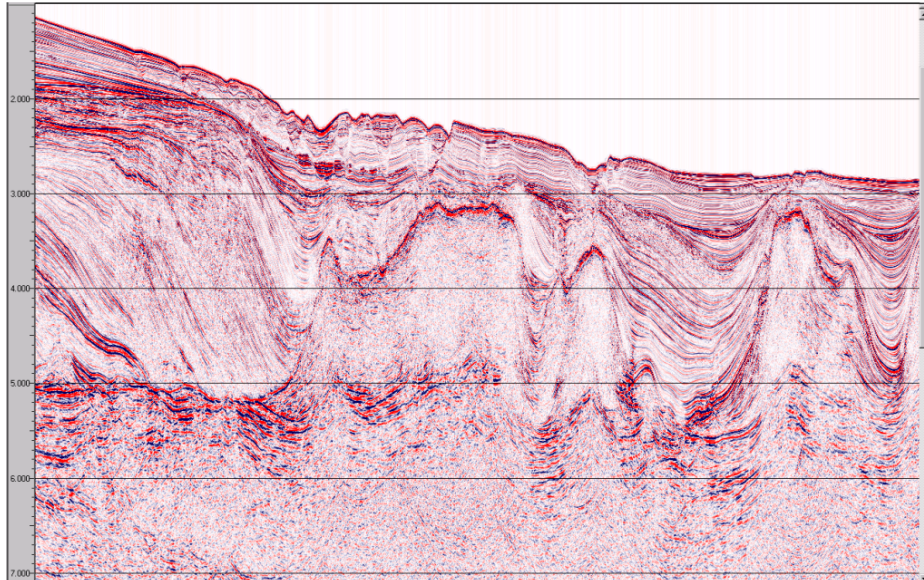


## Delivery of Proposals

### 1.3) Minimum Exploratory Program – PEM (continue)

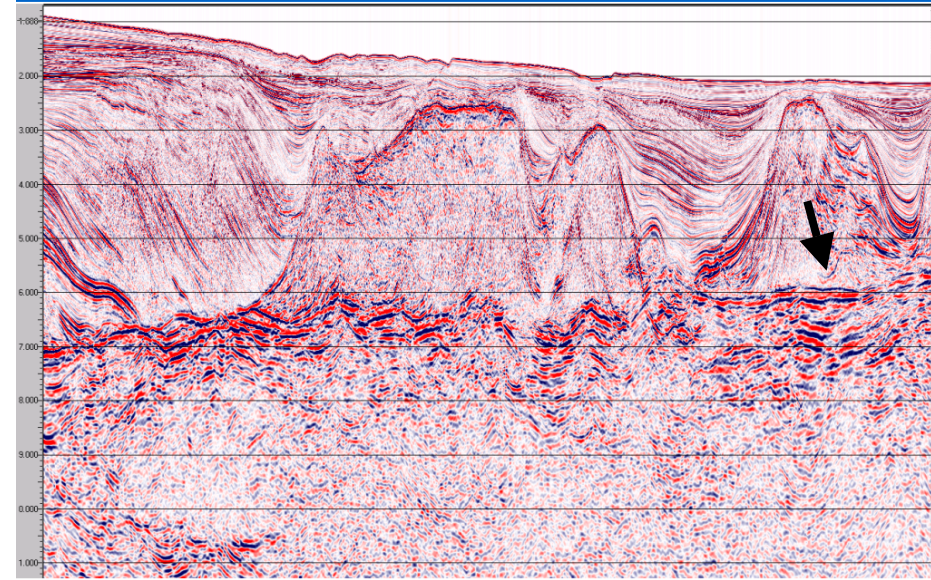
**2D & 3D SEISMIC PSDM REPROCESSING (only offshore)**  
**Pre-Stack Depth Migration – PSDM (new on this BID)**

PSTM



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PSDM

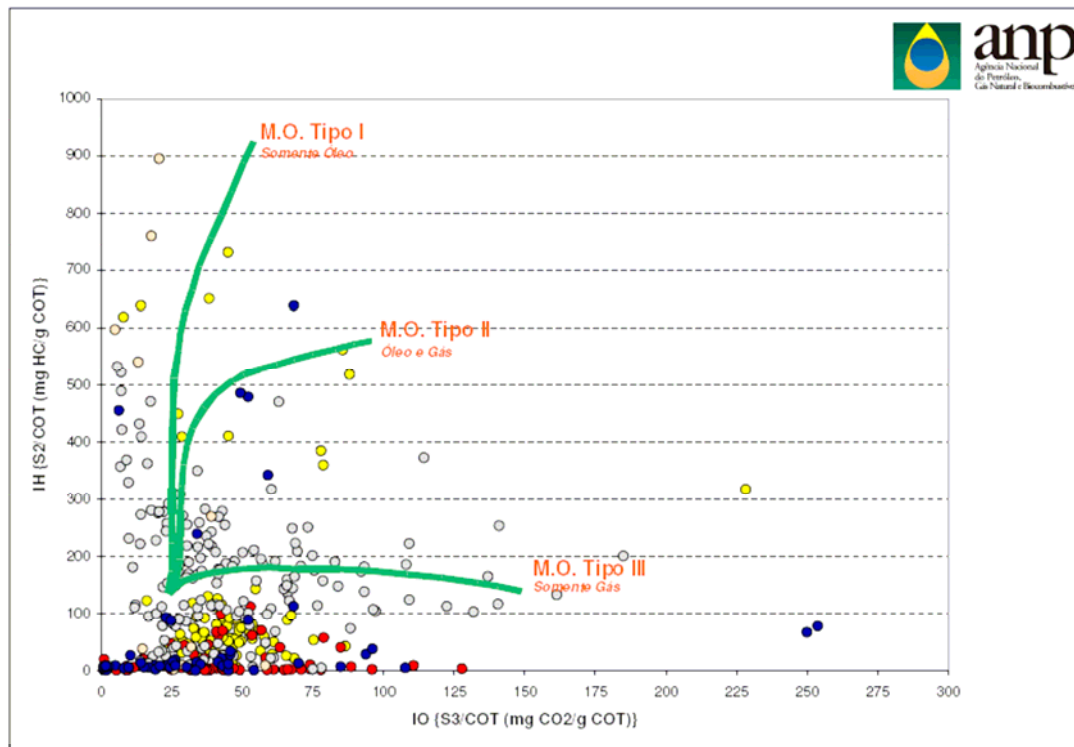


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## Delivery of Proposals

### 1.3) Minimum Exploratory Program – PEM (continue)

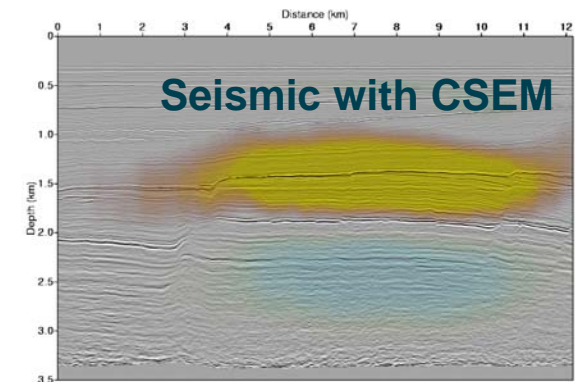
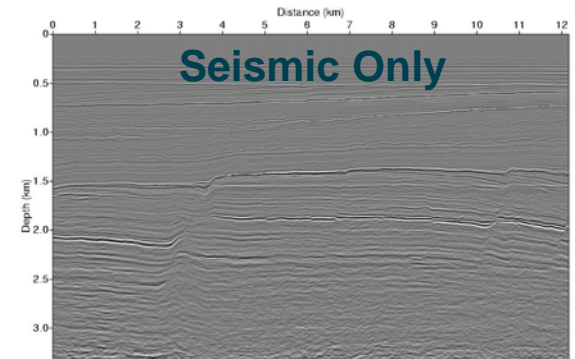
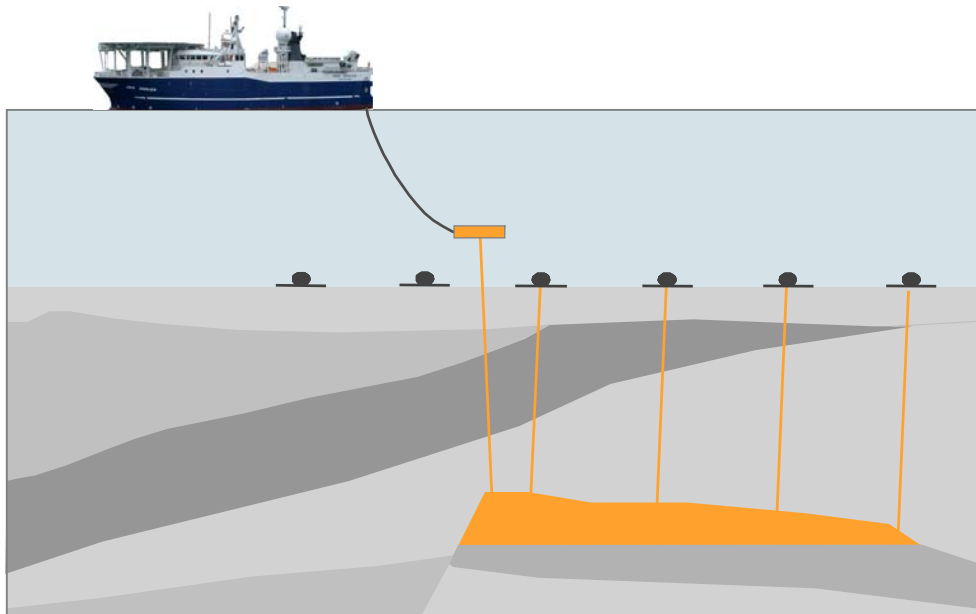
### Geochemical Acquisition (new on this BID)



## Delivery of Proposals

### 1.3) Minimum Exploratory Program – PEM (continue)

### Electromagnetic w/ Controlled Source Acquisition (only offshore) (new on this BID)



## Judgment of Proposals

- The judgment of proposals of qualified bidders will be provided upon the **attribution of points and scores for all proposals for each block**

**Score 1 = [(signature bonus offered) / (higher signature bonus offered)] x 40**

**Score 2 = [(local content offered in exploration) / (higher Local Content offered in exploration)] x 5**

**Score 3 = [(local content offered in development) / (higher Local Content offered in development)] x 15**

**Score 4 = [(Exploratory Program Offered, in UTs) / (higher Exploratory Program Offered, in UTs)] x 40**

**Final Score = Score 1 + Score 2 + Score 3 + Score 4**

## Judgment of Proposals (continue)

- The final result of the bid of each block will be part of the **Judgment Report, which CEL** will propose the adjudication of the bid subject to the respective Bidder Winner (company or pool of companies). The Judgment Report will be submitted to the ANP Collegiate Executive Board.
- After approval of the Judgment Report by ANP Directory Board, in whole or in part, **CEL will publish the result of the Bid in the Federal Official Gazette** and in significant distribution newspapers.
- After published the result of the bid judgment, **ANP will call the Bidder Winner (company or pool of companies) to sign (execute) the Concession Agreements.**



**anp**  
National Agency of  
Petroleum, Natural Gas and Biofuels

# Rules for Participating in Brasil Round 9



## OVERVIEW OF CONCESSION AGREEMENT



# OVERVIEW OF CONCESSION AGREEMENT

## Main provisions of the Concession Agreement

- Term up to 34 years, comprising the Exploration and Production Phases. The Exploration Phase will have the term from 03 to 07 years, divided in 02 periods, each associated to Minimum Exploratory Programs (PEM). At the end of the First Exploratory Period, the Concessionary shall choose: returning the area or assuming the commitment to drill an exploratory well, giving continuity and proceeding to the Second Period of Exploration.
- For each field discovered and commercially registered, through the evaluation plan, the Concessionary shall submit a Development Plan to be approved by ANP. The Production Phase, including the Development Stage, will have the maximum term of 27 years.

# OVERVIEW OF CONCESSION AGREEMENT

## Main provisions of the Concession Agreement (continue)

- The petroleum and natural gas are property of the Federal Government until reaching the Fiscal Measurement Point, as from which they will then belong to the Concessionary, provided that all taxes are fully paid. The Concessionary has the right to use the production pursuant with provisions of Law 9.478/97 and with the provisions of the Concession Agreement.
- The Concessionary shall pay the Governmental Interests pursuant to Law 9.478 dated August 06, 1997 (“Lei do Petróleo”, i.e., Petroleum Law): Signature Bonus, *Royalties*, Special Participation (when applicable) and Payment for the Occupation or Retention of the Area, in addition to the taxes and financial charges provided in the Brazilian legislation applicable.

# OVERVIEW OF CONCESSION AGREEMENT

## Main provisions of the Concession Agreement (continue)

- The Concessionary will be responsible for all risks and expenses related with the Operations, pursuant with the terms and conditions of the Concession Agreement.
- The Concessionary must immediately report the discovery of any reservoir of oil and/or natural gas.
- In case of fields extending over adjoining blocks, operated by other concessionaries, the parties involved shall agree on the splitting of production.



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**CONCLUSIONS**

- The **bidding for the grant of concession contracts** in Brasil Round 9 shall be subject to the provisions of the **Law 9.478/97**, to the regulations **ANP Resolution 174/99**, and the **Tender protocol**.
- The **judgment of the bidding** shall identify the **most advantageous proposal**, according to objective criteria **established in the Tender Protocol**.
- The Tender Protocol is accompanied by the **draft of the concession contract**.



# CONCLUSIONS

- The **concession contract draft** establishes that the concessionaries must adopt in all the operations the necessary **procedures regarding HSE** purposes.
  
- All the documentation regarding the qualification process for the **Brasil Round 9** must be delivery to **ANP** until **03 Oct 2007**.



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# Rules for Participating in Brasil Round 9

## THANK YOU!

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