

Seychelles International Upstream Petroleum Licensing Initiative 2013



Government of Seychelles

**Call for Proposals for an
Offering of Petroleum Prospective Acreage
in the Indian Ocean
Surrounding the Seychelles and
Contained within the Country's
Exclusive Economic Zone**

Application Guidelines

PETROSEYCHELLES,
Victoria, Mahe, the Republic of Seychelles

TABLE OF CONTENTS

1.0 INTRODUCTION	3
1.1 INVITATION FOR PROPOSAL FOR EXPLORATION AND PETROLEUM OPERATIONS IN THE REPUBLIC OF SEYCHELLES	3
1.2 PROPOSAL SUBMISSION	5
2.0 DESCRIPTION OF THE OFFERING	6
2.1 GENERAL DESCRIPTION	7
2.1.1 MANAGEMENT OF PETROLEUM OPERATIONS	7
2.1.2 THE ROLE OF PETRSEYCHELLES	8
2.1.3 EXPLORATION	8
2.1.4 DISCOVERY, APPRAISAL AND DEVELOPMENT PHASE	9
2.1.5 FISCAL REGIME	10
2.1.5.1 Seychelles Petroleum Income Tax Rates, Additional Profits Taxes and ROR	10
2.1.5.2 Import Duties and Exchange Controls	10
2.1.6 APPLICABLE LAWS	11
2.2 DESCRIPTION OF THE AREAS OFFERED FOR THE UPSTREAM PETROEUM LICENSING INITIATIVE IN THE SEYCHELLES EEZ	11
2.2.1 THE DEFINITIVE MAP	11
3.0 AVAILABLE SEISMIC DATA AND WELL DATA	13
3.1 SEISMIC DATA	13
3.2 WELL DATA	13
3.3 DATA PACKAGE	13
3.4 PRICES FOR DATA	14
3.5 OWNERSHIP OF DATA	14
4.0 REQUEST FOR PROPOSALS FROM SUITABLY-QUALIFIED OIL COMPANIES, THE FORMAT FOR THE SUBMITTAL DATES, THE EVALUATION PROCESS, GOVERNMENT AND THE EVALUATION COMMITTEE, QUALIFICATION, NOTIFICATION OF QUALIFIED COMPANIES	15
4.1 GOVERNMENT AND THE EVALUATION COMMITTEE, THEIR ROLE IN THE LICENSING INITIATIVE PROCESS	15
4.2 AN EXPLANATION OF THE OPEN FILE PROCESS	15
4.2.1 QUALIFICATION OF OPERATOR	16
4.2.2 QUALIFICATION AS POTENTIAL NON-OPERATOR (FOR A SUBSEQUENT PARTNERSHIP WITH A QUALIFIED OPERATOR)	16
4.2.3 PARTNERSHIP AND LIABILITIES	16
4.3 REQUIREMENTS FOR PROPOSALS	17
4.3.1 INFORMATION RELATING TO TECHNICAL CAPABILITY	18
4.3.2 INFORMATION RELATING TO FINANCIAL CAPACITY	19
4.3.3 INFORMATION RELATING TO MANAGEMENT CAPABILITY OF APPLICANT	19
4.3.4 LEGAL AND ADMINISTRATIVE REQUIRMENTS	19
4.3.5 TECHNICAL AND FISCAL PARAMETERS	20
4.3.6 OTHER INFORMATION THAT THE APPLICANT MIGHT WISH TO SUBMIT	20
4.4 STANDARDS FOR QUALIFICATION	21
4.5 EVALUATION OF PROPOSALS AND NOTIFICATION OF QUALIFIED COMPANIES	21
4.6 PARTNERSHIP/CONSORTIA	21
4.7 NEGOTIATIONS FOR SEYCHELLES ACREAGE	21
5.0 FEES	22
5.1 SEISMIC AND WELL DATA	22
5.2 DATA AND DATA PACKAGES	22
5.3 ACREAGE FEE PER SQUARE KILOMETRE AND TRAINING FUND	23

6.0 EXPLANATION OF INFORMATION	23
7.0 COMMUNICATION	24
8.0 REPRESENTATIONS, WARRANTIES AND RESERVED RIGHTS	24
ANNEX A: APPLICANT DETAILS AND FINANCIAL INFORMATION	25
ANNEX B: TECHNICAL SUMMARY	37
ANNEX C: BIDDABLE ITEMS	45
ANNEX D: DATA PACKAGE CONTENT	47

1.0 INTRODUCTION

This Call for proposals is issued in conformity with the Constitution of the Republic of Seychelles, the Republic, and the Seychelles Petroleum Mining Act 1976 as well as other laws in force. The Call concerns the implementation of the Seychelles International Upstream Petroleum Initiative. This Open File Process is designed to encourage suitably qualified Oil Companies to sign “royalty-tax-additional profits tax” petroleum agreements (PAs) with the Republic for the exploration and production of petroleum within certain defined Agreement Areas (“Areas”), located within the Exclusive Economic Zone, EEZ, of the Republic. Each Area must not exceed 10,000 square kilometres and must be located in areas made available as per The Definitive Map (see this guide section 2.2.1). Any islands located within an Agreement Area will have an exclusion zone of five kilometres around them within which petroleum operations shall not be conducted.

1.1 INVITATION FOR PROPOSAL FOR EXPLORATION AND PETROLEUM OPERATIONS IN THE REPUBLIC OF SEYCHELLES.

This Call for proposal invites suitably qualified oil companies, to participate, either separately or in partnerships, as operators and/or as non-operators in petroleum exploration and production operations in the Republic at their sole risk and cost. This Call is binding upon the Republic and upon applicants. The Government of the Republic of Seychelles (“Government”), has appointed Petroseychelles, a para-statal Seychellois State oil company, wholly owned by the Republic, as the competent Government agency to fully oversee the Licensing Initiative. By this official Call, the Government of Seychelles invites proposals from oil companies for participation in the current Licensing Initiative with a timetable and under terms and conditions to be more fully described below.

It is intended that this Seychelles Licensing Initiative be conducted under conditions of strict probity and transparency in conformity with best international licensing practice. In addition, the Government attaches great importance to securing Seychellois public support for the licensing of petroleum acreage within the Republic and in its EEZ. Accordingly, PetroSeychelles, in conjunction with Government ministries and other Seychelles bodies, will employ an official Evaluation Committee (“EC”), properly constituted, for the evaluation of proposals from interested oil companies.

In its offices in Victoria, Mahe, Seychelles, PetroSeychelles, has established a modern Data Bank of all geophysical (seismic and other), geological (well and other) and engineering data on the petroleum potential of the Seychelles. These technical and other materials connected with this Licensing Initiative (“the Data”), will be available for inspection and for purchase. In connection with this Licensing Initiative, PetroSeychelles has caused to be created a data package which is available for purchase. Information on the data

prepared for the Licensing Initiative, their prices, their availability and arrangements for inspection are given below in this Call for Proposals.

As part of this Licensing Initiative, the Government has devised a **two-stage process**, called “Open File Process” namely:

- (i) Stage 1: Upon receipt of a proposal from an individual company, an assessment will be conducted as to the qualifications of the applicants in terms of technical, financial and management capabilities. This process will ensure in the sole opinion of the Government and PetroSeychelles whether or not the application is to be considered qualified.
- (ii) Stage 2: If in the opinion of Government and PetroSeychelles the application is made by a qualified company, following this initial screening process, an announcement will be made to the industry with a Request for Competitive Proposals regarding the Agreement Area for which a proposal has been received, without disclosing the terms offered by the first applicant. Other oil companies that are interested in the same proposed Agreement Area will have ninety (90) days to submit their own proposal (application) for this particular Agreement Area, as only defined by the initial applicant.

At the end of the ninety days, the various applications received for this specific Agreement Area will be evaluated by the Evaluation Committee. The company selected after Stages 1 and 2 will be invited to negotiate a Petroleum Agreement with the Government and PetroSeychelles, but it is understood that the outcome of such negotiations might not necessarily result in the signing of a Petroleum Agreement. Moreover, it is a condition of this Open File Process that the bid parameters submitted to the Government and PetroSeychelles shall not necessarily be considered to be final, but rather as steps on the pathway for the company being accepted as being qualified for Petroleum Agreement. Accordingly, applicants must accept that the Government and PetroSeychelles reserve the right to negotiate to improve such biddable parameters, or to reject any offer at any time during the negotiations.

Following their evaluation of the Data, interested companies are asked to submit a formal proposal in the form to be more fully discussed below and in the English language only. Separate proposals are required for more than one Agreement Area. The proposal in the form and with the content specified below will be used by the Government and PetroSeychelles and the EC in their sole judgement to determine those companies to be qualified to enter into negotiations. It is a condition of participation in the Seychelles International Upstream Petroleum Licensing Initiative that all applicants have accepted that the judgement of the Government of Seychelles and PetroSeychelles and the EC are final in respect of this Licensing Initiative, and that participants waive any recourse to further judicial determination and that Government of Seychelles and PetroSeychelles may reject any proposal without giving any reason.

As more fully described in Section 4, the proposal must include specific information relating to each applicant's financial, technical and management capability. The proposal will include, but shall not be limited to competitive offers by the applicants of a suitable work programmes for the Agreement Area, US dollar commitments (to be protected by a bank guarantee or some such suitable instrument) and other information. In view of the extreme environmental sensitivity of the Seychelles and of all parts of it, the Government attaches great importance to measures that each applicant will propose for the protection of the Seychellois environment, fisheries, marine habitats and tourist amenities. It is estimated that the evaluation process by PetroSeychelles, Government and the EC and will take one month following receipt of the deadline given for proposals to be accepted for a specific Agreement Area. Consequent upon this process, applicant companies may or may not become qualified and be invited to the Seychelles to negotiate on a non-exclusive basis.

1.2 PROPOSAL SUBMISSION

Any company wishing to participate in the Seychelles International Upstream Petroleum Licensing Initiative can submit its proposal to the offices of PetroSeychelles in Victoria, Mahe, Seychelles any time after 1st June 2013. The address to submit a proposal for a specific Agreement Area is listed in Section 7.

The proposal to be submitted by the applicant, consisting of the information listed in Section 4, and in five identical copies, must be sent by international courier or may be delivered by hand to the address given in Section 7. The five copies of the proposal in five separate envelopes shall be contained within a sealed, large outer envelope. This large outer envelope shall be marked clearly with the words "Seychelles International Upstream Petroleum Licensing Initiative Proposal for the Offering of Seychelles Petroleum Prospective Acreage". The outer envelope, also marked if possible with the wording given above, will be placed inside a further heavy duty postal envelope for despatch to the Seychelles and which should be addressed to Chief Executive Officer, PetroSeychelles, New Port, Victoria, Mahe, Seychelles. This outer postal envelope must also include a covering letter identifying the name and address of the sender and her/his company title and position, the Applicants Details and Financial Information as at Annex A of this Guide together with a Technical Summary as at Annex B of this Guide. If the applicant intends to apply for more than one Agreement Area (each one corresponding to a Petroleum Agreement) then separate proposals as well as inner and outer postal covering envelopes must be used, marked with the wording as modified appropriately and as given above. Acknowledgement of each Proposal, indicating time and date of its receipt, will be made by PetroSeychelles by faxed or emailed copies of the applicant covering letter with a name and signature of the individual receiving the documents. The actual Proposals contained within the inner sealed

envelopes will be opened ninety days after Government had made the announcement of the offer after receiving the first bid qualified proposal for the concerned Area in the presence of all the members of the EC (or their alternates) on the dates given above.

This Call for Proposals supersedes all previous communications on past or present licensing efforts within the Republic of Seychelles. All interested companies must follow the procedures established in this Call for Proposals. Any other representations made by officers or employees of PetroSeychelles or any other person regarding this call for proposals will not be binding on government and on PetroSeychelles or the EC. The terms and conditions of this Call for Proposals may be varied by government or PetroSeychelles at any time without giving notice and in their sole judgement. Any such change will be published on the website dedicated to the Licensing Initiative. This Call for Proposal may be withdrawn by Government at any time without explanation. This Call for Proposal is issued under the sovereign prerogatives of the Republic of Seychelles and it is a condition of participation in this Call for Proposal that applicant oil companies waive any legal action on matters contained within or connected to this Call for Proposals whether in the Courts of the Republic of Seychelles, or elsewhere.

2.1 DESCRIPTION OF THE OFFERING

The following is a summary description of the general terms and conditions that will govern the Exploration and Development of oil and gas in the Agreement Areas allotted to the Seychelles International Upstream Petroleum Licensing Initiative. Except as provided herein, this summary is based on the applicable petroleum legislation and the Seychelles 2013 Model Petroleum Agreement (MPA), which will be provided within the Data Packages that are sold, and will otherwise be found on the PetroSeychelles website at www.petroseychelles.com.

THE PETROLEUM MINING ACT

The Seychelles Petroleum Mining Act of 1976, provides for two types of Upstream Petroleum arrangements:

- (i) a non-exclusive Exploration License of a type, which is not under offer in the current licensing initiative; and
- (ii) an exclusive **Petroleum Agreement**, which may be awarded to a company, or a group of companies within a joint venture. This type of arrangement takes the form of a Petroleum Agreement in which the Company takes title to any petroleum produced from the Agreement Area, whether oil or gas, upon payment of the Royalty. Whilst Royalty under the MPA is set at the rate of 10 per cent it may be reduced to 5 per cent for natural gas and for crude oil marginal fields as defined in the MPA and applied solely at the discretion of

the Government. No State participation option is planned under the 2013 MPA.

THE PETROLEUM (TAXATION) ACT

The Petroleum (Taxation) Act of 2008 has been updated and amended in May 2013 for the purposes of the Licensing Initiatives under the amended MPA. Seychelles Petroleum Income Tax (PIT) is payable on taxable income at the rate of 35 per cent whilst a two-tier Petroleum Additional Profits Tax (PAPT) is only payable on petroleum profits exceeding pre-determined annual profitability thresholds.

The first tier PAPT at a rate of 25% will be applicable after the company has achieved an effective rate of return of 15%. The second tier PAPT is biddable both for the second PAPT rate and its corresponding rate of return threshold. Accordingly, the companies should indicate their offer for those terms in their proposal.

Whilst the present fiscal scheme is fixed for the duration of the current Licensing Initiative and for the Petroleum Agreements signed under it, the Government does not undertake to maintain the current fiscal scheme into future Licensing Initiatives or future Petroleum Agreements.

2.1 GENERAL DESCRIPTION

The Seychelles International Upstream Licensing Initiative calls for exploration of Agreement Areas, by selected Oil Companies, either alone or in partnerships, to be followed by the Appraisal, Development and Production of either oil and/or gas arising from any commercial discoveries.

The Petroleum Operations as defined in the Petroleum Mining Act of Seychelles will take place in two phases as more particularly described below:

- (i) The Exploration Phase, to include any Appraisal operations. (See Section 2.1.3), and
- (ii) The Development and Production Phase (See Section 2.1.4)

2.1.1 MANAGEMENT OF PETROLEUM OPERATIONS

The management of petroleum operations will be carried out by the Oil Company, subject to the provisions of: international standards of best international petroleum industry practice; sound environmental practice and applicable Seychelles laws and regulations. In the absence of specific regulations, petroleum operations will be undertaken subject to the principle

of Safety Cases and self-regulation. PetroSeychelles will supervise the petroleum operations, on behalf of the Government represented by the Minister of the Government responsible for petroleum activities. The Company and PetroSeychelles will join together in a Technical Advisory Committee (TAC), for the purpose of reviewing the results of work programmes, budgets and determining future work. The responsibilities of the TAC are defined in the Model Agreement.

Government attaches great importance to the maintenance of the environmental integrity of the Exclusive Economic Zone (EEZ) of Seychelles and is concerned about the regulatory and self-regulatory tasks needful to manage this. Accordingly, in all petroleum operations, all technical and non-technical communications, reports, logs, descriptions, interpretations of whatever kind submitted to the Government and PetroSeychelles, together with all supervisory aspects of the Petroleum Operations must be carried out in a working language fully comprehensible to the Seychelles Government and PetroSeychelles, and for this purpose, that language shall be English.

2.1.2 THE ROLE OF PETRSEYCHELLES

The Government, through PetroSeychelles, will be responsible for supervising the Petroleum Operations in the EEZ and will ensure that a regulatory and management regime is put in place by each Operator that:

- reflects the highest international standards of Upstream Petroleum Operations world-wide including a zero discharge regime whilst petroleum operations including drilling, development and production are being carried out
- the self-regulatory and management regime that is put in place must be conscious of the necessity to self-impose the highest standards of Good Oilfield Practice
- protects the health and human resources of all affected by the Petroleum Operations
- ensures the public safety
- ensures the preservation of the environment, pristine marine habitats and amenities of Seychelles and of its neighbours
- ensures that Seychelles fishermen, tourist operators and others who depend on commercial operations within and without Seychelles waters are not disadvantaged

2.1.3 EXPLORATION

The Exploration Phase comprises three Exploration Periods. The Company will bear all exploration risk and expense through the Initial Exploration Period of 3 years, a Second Period of 3 years and a Third Period of 3 years. The whole Exploration Phase shall not to exceed 9 years, unless extended in the cases detailed in the MPA. During this time, the Company shall perform a minimum agreed work programme within each Exploration Period, which

has to be established in the negotiations, but which will in any case include a commitment to acquire 2-D or 3-D seismic data, a commitment to drill one or more wells to a known stratigraphic horizon or to a certain defined depth, whichever is deeper. Government and PetroSeychelles attach great importance for the inclusion of firm well commitments in the proposed work programme and it is unlikely that the Government will permit negotiations to be concluded without such a commitment at least in the Second Exploration Period.

Applicant will be asked to specify in their Proposal the number of line kilometres and/or square kilometres respectively of 2-D and/or 3-D seismic that they intend to acquire within their Agreement Area within each of their Exploration Periods, the number of Exploratory Wells as defined in the MPA; and the minimum Expenditures to be incurred in each of the Exploration Periods.

In order for a Company to proceed into a subsequent Exploration Period, all committed work for the previous Exploration Period has to have been completed in full and an obligatory relinquishment of a certain percentage of the original acreage has have been made. Mandatory relinquishments will be 40% after the First Exploration Period, 30% after the Second Exploration Period and the remainder of the Agreement Area, excluding any petroleum fields discovered, after the third Exploration Period.

If the Company does not wish to proceed further in the remaining unexpired portions of an Exploration Period, the Company may withdraw from their Agreement Area without penalty provided that all minimum work commitments of that Exploration Period have been fulfilled, including the drilling of any commitment wells of that Exploration Period and then only may any Bank Guarantee required of them by the Government shall be returned to them uncalled.

For the purposes of defining an Agreement Area and for the purpose of implementing an orderly relinquishment scheme, Government has caused the entire Seychelles EEZ to be subdivided into “five minute by five minute blocks of latitude and longitude” to which all relinquishments scheme shall conform, as more particularly laid down in the MPA.

Applicants are reminded that acceptance by Government of a Proposal as evidence of applicant Qualification does not bind the Government to acceptance of any of the parameters specified in the proposal by the applicant as being final.

2.1.4 DISCOVERY, APPRAISAL AND DEVELOPMENT PHASE

The Seychelles MPA provides that the combined Exploration and Production Period is thirty four years, with the right to certain extensions when justified. Following the drilling of a discovery well, the Company will be required to submit to Government an Appraisal Programme. Following the achievement of a successful Appraisal programme and a Declaration of Commerciality of

a Field by the Company, the Company shall submit to Government a Development Plan. The content of the Development Plan is stipulated in the MPA as well as the definition of the development area in respect of the field.

The MPA provides for special arrangements in respect of associated and non-associated natural gas, including the right to retain a gas discovery during a longer period to assess its commerciality.

2.1.5 FISCAL REGIME

In the Petroleum Agreement, the ownership of the petroleum produced is vested in the Company after payment of the Royalty. Petroleum Income Tax is payable on profits as further described in the Petroleum Tax Act. When the Company achieves the agreed Rate of Return thresholds, payment of Additional Profits Tax is made.

2.1.5.1 Seychelles Petroleum Income Tax Rates, Additional Profits Taxes and ROR

Currently, Seychelles Petroleum Income Tax is levied at a rate of 35% on profits which will be calculated for the purposes of the petroleum agreements according to the schedule of Allowed and Disallowed Petroleum Costs given in the Accounting Procedure of the Petroleum Agreement and described in the Petroleum Tax Act. Accounting Procedure is attached as a Schedule to each Petroleum Agreement. Exploration and Development costs incurred as part of the Petroleum Operations are depreciated over a period of 5 years, with straight line depreciation being applied.

2.1.5.2 Import Duties and Exchange Controls

In conformity with modern international petroleum practice, the Government of Seychelles will permit the import free-of-all-charges of whatever kind of all material needful for the petroleum operations, including, but not limited to, food and drink, consumable goods, manufactured items, all geological, geophysical and all other equipment for the drilling, logging, testing, coring, casing, cementing, completion and production and work over of wells, all development and production equipment, all manufactured jackets and production platforms and facilities, whether fixed or mobile, and all floating and bottom-supported drilling rigs and equipment, workboats, aircraft and helicopters, whether or not owned or hired by the operating partnership.

The Company will be permitted to freely import all foreign currency needed for the petroleum operations and to open and maintain domestic Seychelles Rupee bank accounts for the payment of local services. The Company is permitted to maintain foreign bank accounts offshore for the payment of foreign services and for the receipt of proceeds-of-sale of produced hydrocarbons. It is intended that no profit or loss may be made on exchange of foreign or domestic currency and also that the Government of Seychelles will levy no royalties, corporate taxes, additional profits taxes, import duties, value added taxes or other imposts on the Petroleum Operations, save as provided in the Petroleum Agreement.

2.1.6 APPLICABLE LAWS

All petroleum operations and Petroleum Agreements shall be governed by the laws of the Republic of Seychelles. In conformity with sound international petroleum practice, the MPA provides that resolution of disputes between Government, PetroSeychelles and the Company concerning matters contained with the Petroleum Agreement, may take place in three different fora:

- in so far as possible, within the Technical Advisory Committee;
- in the case of specific disputes, subject to a Sole Expert; and
- in the event that conciliation has not been possible, through the use of recognised venues of international arbitration.

2.2 DESCRIPTION OF THE AREAS OFFERED FOR THE UPSTREAM PETROEUM LICENSING INITIATIVE IN THE SEYCHELLES EEZ

A Map has been produced, which provides an outline of the Seychelles EEZ and the areas available to oil companies. A company may choose any area in the part of the EEZ that the Government has made available. Oil companies may select any area to constitute an Agreement Area, which size may not exceed 10,000 square kilometres. Companies may make separate proposals for more than one Agreement area.

However, the government reserves the right to use its sole judgement as to a reasonable number of Agreement Areas to be awarded to any one applicant. The map also shows some areas that will not be available for the License Initiative.

2.2.1 THE DEFINITIVE MAP

3.0 AVAILABLE SEISMIC DATA AND WELL DATA

The Government possesses seismic data that have been acquired since the 1970s as well as well data from wells drilled in the 1980s and 1995. New seismic data have recently been acquired. These data will be offered to interested applicants at competitive sale prices.

3.1 SEISMIC DATA

A wide range of vintages of 2D seismic data (seismic data was first acquired in the 1970s in Seychelles waters and new data have been acquired quite recently) are available for purchase from PetroSeychelles and Fugro. Maps of the seismic data grid as well as details of seismic data (dates, grid spacing, acquisition parameters and so on) are accessible on the PetroSeychelles website www.petroseychelles.com. In addition, the Government intends to make available tapes of selected seismic lines for reprocessing by interested Companies on request.

3.2 WELL DATA

Full well data are contained in the Data Package available for sale. This includes all well logs as LAS files and scanned pdf files of the paper displays as well as all well reports.

3.3 DATA PACKAGE

A data package has been prepared for sale to prospective applicants. The package includes the following:

- a SMT Kingdom project, containing open file seismic data;
- LAS well log data for the 4 wells, plus all well reports; and
- a selection of reports from previous exploration efforts, including data acquisition and processing reports, and interpretation reports.

Annex D contains a detailed listing of the data package contents.

3.4 PRICES FOR DATA

The data package will be sold at a cost of US\$ 20,000 per set.

3.5 OWNERSHIP OF DATA

All data remain the sole property of Government of Seychelles in perpetuity even after sale and licensing for use and may not be sold, traded or otherwise transferred to third parties except as provided below, without the prior written permission of the Government of Seychelles. Data may be shown to third parties after sale to a particular company, but solely for the purpose of securing partners, or as required by the regulatory authorities in the home country of incorporation or to bona fide consultants and no copies may be provided to unlicensed third parties.

With the exception of the above, all well and other data sold and licensed to applicant remain the sole property of Government of Seychelles in perpetuity and may not be sold, traded or otherwise transferred to third parties without the prior written permission of Government of Seychelles.

Questions about data or about any other aspect of the 2013 Seychelles International Licensing Initiative must be addressed to:

Chief Executive Officer or Exploration Manager
PetroSeychelles
P. O. Box 230
First Floor, SEYPEC Building
Victoria, Mahe, Seychelles
Phone: (248) 4324422
Email: e.belle@PetroSeychelles.com

No communications will be accepted from an applicant or any other person in connection with this Licensing Initiative to any other addressee.

4.0 REQUEST FOR PROPOSALS FROM SUITABLY-QUALIFIED OIL COMPANIES, THE FORMAT FOR THE SUBMITTAL DATES, THE EVALUATION PROCESS, GOVERNMENT AND THE EVALUATION COMMITTEE, QUALIFICATION, NOTIFICATION OF QUALIFIED COMPANIES

Government of Seychelles will conduct the Seychelles International Upstream Licensing Initiative, according to the following sequence of events.

The announcement of opening of the Licensing Initiative will be at the beginning of June by issuing a press release and launching of PetroSeychelles website, to include information in connection with the Licensing Initiative at:

www.petroseychelles.com

At the same time sales of the data package will commence. Addresses to which application for data may be made are given on the website.

4.1 GOVERNMENT AND THE EVALUATION COMMITTEE, THEIR ROLE IN THE LICENSING INITIATIVE PROCESS

PetroSeychelles has been mandated to act in any and all respects of this Licensing Initiative. Government ministries/para-statal, for example the Ministry of Finance, Trade and Investment, Ministry of the Environment, Seychelles Fishing Authority and other Seychelles bodies may be involved in the evaluation of the applicant proposals. To this end, an Evaluation Committee has been authorised to carry out the process of evaluation of proposals. This body will be comprised of:

- Chief Executive Officer of PetroSeychelles
 - Technical specialists of PetroSeychelles (geologists and geophysicists)
 - Lawyer
 - Economists
 - Environmental scientists
- (External consultants may be drafted in, as necessary)

4.2 AN EXPLANATION OF THE OPEN FILE PROCESS

As discussed above, both the Government and PetroSeychelles attach the greatest importance to attracting as many well-qualified applicants to participate in the Open File process. The process of submitting a proposal for the Agreement Area in Seychelles is intended to be as inclusive as possible. This Open File process has been designed with this objective in mind.

4.2.1 QUALIFICATION OF OPERATOR

The Government of Seychelles has set high standards for those Companies to be considered to be qualified as Operators. However, in no sense does PetroSeychelles intend to imply by this that only the larger “major” Companies will be considered as applicants, or Operators. Government is mindful of the particular gifts, innovative developments, management skills and technical advances that have been pioneered by and demonstrated by the “independents” over the last fifty years, as well as quite recently.

To this end, for Qualification as Operator the Evaluation Committee will require evidence of the following:

- adequate financial strength - a demonstrably responsive and strong local and home office permanent management structure, as well as in-house staff qualified to the highest international petroleum standards.
- attention will be directed to management plans developed in anticipation of extreme events and conditions.
- involvement in innovative technical developments, particularly those in challenging environments and those requiring particular attention to environmental sensitivities
- a sound and externally-audited process for the Self-Regulation of petroleum operations

4.2.2 QUALIFICATION AS POTENTIAL NON-OPERATOR (FOR A SUBSEQUENT PARTNERSHIP WITH A QUALIFIED OPERATOR)

To Qualify as non-Operator, the Evaluation Committee will require evidence of:-

- adequate financial strength with enough well-qualified permanent staff able to ensure adequate financial controls on the petroleum operations as well as to interrogate Operator’s technical and other plans
- involvement as a non-Operating partner in petroleum operations in a variety of marine and non-marine conditions, or alternatively demonstrate permanent staffing by petroleum professionals with such a background

4.2.3 PARTNERSHIP AND LIABILITIES

Applicants are reminded that it is public policy of the Seychelles that all partnerships between properly-qualified Companies be governed by Joint and Several Liability for issues related to the concerned Petroleum Agreement entered into with the government (even when they are acting under a joint operating agreement providing for several liability between them under such operating agreement). Moreover Government and/or PetroSeychelles will require an adequate level of parent company and/or bank guarantee for all rights, duties, obligations and liabilities undertaken as part of the petroleum operations. Applicants are reminded that some

liabilities may survive the ends of Petroleum Agreements so that Government will pay particular attention to any Assignment of Rights, whilst not refusing them unreasonably.

4.3 REQUIREMENTS FOR PROPOSALS

This Call for Proposals has been drafted with international upstream petroleum contractual terms and conditions in mind and in accordance with international best practice.

All applicants wishing to be considered for the Licensing Initiative must be qualified in their own right. The process of Qualification is the evaluation by PetroSeychelles and the Evaluation Committee of the technical, financial and managerial capability of each individual applicant company whether or not bound in a partnership or Group and expressing interest in the acreage offered as specified in the Licensing Initiative. The Proposal will also include certain offers made by the applicant in respect of work programmes, US dollar commitments, and other negotiable parameters as more particularly specified below. A separate proposal must be submitted for each Agreement Area, applied for. Following qualification, each qualified company or partnership/consortium of companies will be invited by Government to negotiate competitively for the Agreement Area requested. The competitive negotiations are a continuation of the whole Licensing Initiative Process. Each company or partnership evaluated as qualified will be notified of its success. Qualification will be evaluated on the demonstrated capability of each applicant in the sole judgement of Government and the Evaluation Committee. Approaches made to other Seychelles government officials or organisations could render applicants non-compliant with the terms and conditions of this Call for Proposals and could cause rejection of their proposal without further discussion.

Companies may choose to be qualified either:

- only financially as non-Operator or
- financially and technically as Operator and should state so clearly in their proposal.

Although Qualification as specified in this Call for Proposal is the criterion for entering in negotiations, companies should bear in mind that if they wish to make a proposal by themselves on an Agreement Area they should be qualified as Operator, meaning that if a company is only Qualified financially, it will need to join a Consortium Group to propose on an Agreement Area. Each Consortium Group will be required to contain a Qualified Operator with at least a 10% Working Interest. Companies wishing to be Qualified must submit the documentation and information required in detail below and this constitutes the Proposal. The Proposal will be reviewed by Government and

the Evaluation Committee to assess the operating and financial capability of each applicant. The information submitted should include any evidence the applicant wishes to have considered in the assessment of its capabilities, whether or not specified below.

As a minimum the Proposal must complete Annex A and B found at the end of this document.

4.3.1 INFORMATION RELATING TO TECHNICAL CAPABILITY

Companies should provide locations in the world where current exploration and production activities are conducted, current production and investment (exploration and production) levels. For companies that are not primarily in the exploration and production business, an overview of their operations in their primary business should also be included.

For companies wishing to be considered for operatorship, the Evaluation Committee will be looking for experience and demonstrated competence in a number of key aspects:

- Proven ability to operate not only in the exploratory stage, but also in the development and production (Development) stages.
- Experience of deep drilling (up to 30,000 feet), over-pressured/high pressure (15,000 psi) wells, ultra deep water wells up to 10,000 feet water depth and of operations in areas with concentrations of hydrogen sulphide and other noxious substances.
- Experience of operating in environmentally sensitive areas. In particular, conditions involving:
 - Areas including or adjacent to national parks, fisheries and other areas of extreme environmental sensitivity
 - Regulations that involve zero discharge operations in some areas, and full site restoration to pre-existing conditions

Thus, companies are requested to provide documentation supporting their application for operatorship along the following lines:

(i) Description of key oil/gas fields (or areas) that are currently being operated or developed by the applicant company.

(ii) Description of operations in difficult operating conditions including deep water, high temperature/pressure operations and environmentally sensitive areas.

(iii) Any other supporting information relevant to the request for qualification as an Operator.

4.3.2 INFORMATION RELATING TO FINANCIAL CAPACITY

Companies are requested to provide the following documentation:

- A. Audited consolidated financial statements for the applicant company with notes of the last five (5) years, including:
 - (i) Balance Sheet
 - (ii) Income Statement
 - (iii) Cash Flow Statement
 - (iv) Nature of capitalisation
- B. The applicant company's present credit rating (S & P and/or Moody's ratings) or lines of credit, credit agreements and any other bank reference.
- C. Any additional information supporting the financial capacity of the applicant including a draft of a Bank Guarantee that the Company wishes Government to take into account.
- D. Government and PetroSeychelles attach great importance to the protection of the liabilities attaching to the applicant as part of their Proposal. Applicants are required to demonstrate the means, details and levels of Insurance and Self Insurance that they hold in respect of Upstream, Midstream and Downstream petroleum operations.

Applicants should satisfy themselves that their proposal conforms to this Call for Proposals and to the Seychelles Petroleum Mining Act.

4.3.3 INFORMATION RELATING TO MANAGEMENT CAPABILITY OF APPLICANT

The applicants should list and discuss their upstream petroleum projects in which the applicant has participated whether as Operator or as Non-Operator. This is considered to be important evidence of the applicant's management and other capabilities.

4.3.4 LEGAL AND ADMINISTRATIVE REQUIREMENTS

- A. The name, title, address, telephone and fax number of the person who shall be the single point of contact in the applicant company to whom all correspondence should be sent.
- B. A copy of the Articles of Incorporation and By Laws of the applicant company, plus the name of any sovereign state that directly or indirectly holds 10% or more of the voting shares of the applicant company or otherwise has an interest that could constitute control.
- C. Each Proposal must include Map Showing Agreement Area with coordinates and area for which interest is expressed.

4.3.5 TECHNICAL AND FISCAL PARAMETERS

Within their Proposal each company will be expected to submit 'bids' in respect of the following parameters only. These parameters only are:

- Agreement Area applied for defined against PetroSeychelles Block map
- Tier 2 PAPT rate and threshold
- Exploration work programmes and US dollar commitment
- The proposed Environmental, Abandonment and Decommissioning Procedures.

The latter item should take into account the environmental sensitivities of each particular area that has formed the subject of a separate Tender. Government attaches great importance to this aspect of the petroleum tendering process and urge complete details of environmental protection procedures to be given.

Company should note that the notification of qualification does not imply acceptance of the Company's levels of the biddable parameters listed above. Each of these parameters will be discussed in more detail below.

A. Exploration Work Programmes and Dollar Commitments

Companies are requested to link their Exploration Periods to their choice of work programme. Each work programme submitted should define an acceptable amount of seismic data to be reprocessed, extent of new seismic data for acquisition and processing and a commitment to drill a well or wells to particular depths and stratigraphic horizons chosen on sound geological principles. No non-conventional exploratory drilling methods (i.e. 'slim-hole') will be acceptable and reference to 'Economic Basement' could render a Proposal liable to rejection. Government and PetroSeychelles are seeking an early well commitment, but all Proposals will ultimately be evaluated on their technical merits.

Each work programme offered by a Company must include a costing for the seismic processing, seismic acquisition and drilling phases. A cost estimate must also be submitted of general and administrative costs. Together, these costings will constitute the basis for an agreed contractual US dollar commitment.

B. Tier Two PAPT

The rate of the second tier of Petroleum Additional Profits Tax to be applicable for the taxation of additional profits and the threshold trigger rate for its application shall be specified in the relevant petroleum Agreement.

4.3.6 OTHER INFORMATION THAT THE APPLICANT MIGHT WISH TO SUBMIT

Applicants are invited to submit any other matters for consideration that they would wish the Government and PetroSeychelles to know or otherwise take into consideration.

4.4 STANDARDS FOR QUALIFICATION

The decision whether to qualify an applicant will be made in the sole judgement and discretion of Government taking into account the criteria given above in Section 4.1, inter alia. However Government may reject any application without giving reasons for so doing. It is a condition of entering this Licensing Initiatives that each applicant accepts all of the Terms and Conditions stipulated herein.

4.5 EVALUATION OF PROPOSALS AND NOTIFICATION OF QUALIFIED COMPANIES

A committee of experts, Evaluation Committee, will be established to evaluate bids. Qualified companies will be notified in writing by date as to their status, including any constraints or restrictions on the degree to which they will be eligible to enter into Agreements for Agreement Area as a result of the negotiations process and as to whether they qualify as an Operator. Companies will be advised of their status which will be based upon an evaluation of the technical, financial and any other information supplied. Following the evaluation of the Proposals, Government will invite qualified companies to negotiate in Victoria, Mahe on a non-exclusive basis.

4.6 PARTNERSHIP/CONSORTIA

Qualified companies will be free to form consortia up to the point of submission of a Proposal for an Area. The only restrictions that will apply are:

- (i) Each consortium must contain a company pre-qualified as an Operator; and,
- (ii) The minimum interest that may be held by an applicant in a consortium is 10%.

4.7 NEGOTIATIONS FOR SEYCHELLES ACREAGE

Each qualified company or consortium of companies will be invited to negotiate with the Government for the acreage it requests. Negotiations with the Company will be conducted on the basis of the Model Petroleum

Agreement. Negotiations will be conducted with regards to the following biddable items:

- (i) Agreement Area
- (ii) Work programme and commitments
- (iii) Fiscal regime – Tier 2 PAPT,

and all other issues of concern to Government and the Company without exception, except for items already specifically enacted in Seychelles' law. As part of the proposal, the Company should submit offers for the biddable items as specified in Annex C

There is no limitation on the number of Agreement Areas for which applicants may tender. Separate agreements will be required for each Agreement Area. Government may take into account its own view of the company's technical and financial capabilities of operating more than one Agreement Area. Negotiations for each Agreement Area will proceed on a non-exclusive basis with one or more qualified company or Consortia of companies. Upon the sole judgement of Government, a successful Company will be chosen from those negotiating on the basis of the Government's evaluation of the most favourable Terms and Conditions offered by such qualified Company or Consortium of companies during the process of negotiations. There is no time limit for negotiations although it is obviously the wished for them to be concluded expeditiously.

5.0 FEES

In this Call for Proposals, any and all fees payable are stipulated in US dollars and the rates are effective of the date of this Call for Proposal as given on its front cover. However in the event of a dollar crisis PetroSeychelles reserves the right to re-quote all fees in an equally-convertible currency so as to restore prices to a value at rates provided by Barclays Bank, Victoria, Mahe on the effective date of this Call for Proposal.

5.1 SEISMIC AND WELL DATA

The prices for seismic and well data are advised on the PetroSeychelles website www.PetroSeychelles.com

5.2 DATA AND DATA PACKAGES

Open file data are available for inspection at the offices of PetroSeychelles and multi-client data are also available for inspection and purchase from CGG and ION Geophysical.

The PetroSeychelles Data Package is to be made available to interested applicants upon payment of appropriate fees as stipulated in the data catalogue available on the PetroSeychelles website. PetroSeychelles is entitled at its sole discretion to take account of the amount of data purchased as one parameter in assessing proposals.

5.3 ACREAGE FEE PER SQUARE KILOMETRE AND TRAINING FUND

Although Government does not intend to front-end load any petroleum projects in Seychelles by demanding large Signature Bonuses, Government does intend to request payment from applicants for the administrative costs in the monitoring of Company's operations post signature. To this end Government requests Annual Seychelles Petroleum Rental Fee as a US dollar amount per square kilometre (see the MPA).

In the First Exploration Period, Rental Fee will be US\$10 per square kilometre and in the Second Period, taking into account the reduction of acreage at each relinquishment, the Rental Fee will be US\$15 per square kilometre. In the Third Period, taking into account the further reduction of acreage after relinquishment, the Rental Fee will be US\$20 per square kilometre.

Given the increasing administrative and technical burden that Government will experience during the Appraisal and Development/Production phases, assuming a successful exploration effort, Government expects Company to increase level of Annual Rental Fee for those phases, to US\$1,000 per square kilometre.

At the commencement of each Agreement year of its Petroleum Operations, the Company shall make available to the Government a contribution of US\$100,000 during the Exploration Phase and US\$200,000 during the Development Phase for the purposes of training and technical assistance to PetroSeychelles.

6.0 EXPLANATION OF INFORMATION

PetroSeychelles welcomes visitors to the PetroSeychelles offices in Victoria, Mahe by prior arrangement to ensure that appropriate staff is available.

There are several daily flights to Seychelles by major international airlines operating from major airline hub cities in the Arabian Gulf and also from elsewhere in Europe, Asia and Africa. There are numerous high class luxury hotels on Mahe.

Seychelles operates visa free admittance to nationals of all countries. All that is required is proof of accommodation and return tickets.

Whilst extending a cordial invitation to personnel of interested companies to PetroSeychelles, all costs of such visits are to the applicants account and in no case is PetroSeychelles assuming responsibility for them.

7.0 COMMUNICATION

All communications must be sent to the address given below except as provided by written permission of Government or PetroSeychelles or as provided herein.

Chief Executive Officer or Exploration Manager
PetroSeychelles
P. O. Box 230
First Floor, SEYPEC Building
Victoria, Mahe, Seychelles
Phone: (248) 4324422
Email: e.belle@PetroSeychelles.com
p.joseph@PetroSeychelles.com

8.0 REPRESENTATIONS, WARRANTIES AND RESERVED RIGHTS

Whilst the information made available in this Call for Proposals and also the information which may be subsequently made available, whether as a supplement to this Call for Proposal or otherwise, in answers to questions from prospective applicants or in the seismic data, well data, Data Dockets and Data Packages, is believed to be fairly presented, neither government, PetroSeychelles, their employees, their agents, their consultants or those entitled to speak for them in connection with this Licensing Initiative, make any representation or warranty, either expressed or implied, as to the correctness of such information. Moreover neither Government nor PetroSeychelles or any of the categories of personnel listed in the previous sentence shall be held responsible or liable for any interpretations, analyses, decisions or investments or the lack of them made using the geological, geophysical and engineering data aforesaid provided as part of this Licensing Initiative`.

Government reserves the right, at any time at its sole discretion, to declare any proposal from any applicant to be null and void without giving any reason. Government may also withdraw certain areas in the EEZ at its sole discretion from this Licensing Initiative without giving any reason. Government may also declare a part or a whole of the Seychelles Petroleum Licensing Initiative to be withdrawn without notice and to be null and void without giving any reason. Applicant shall accept that in no event may a claim be lodged in any court both within and without the Republic of Seychelles against any Seychelles government official or any employee, agent, consultant of PetroSeychelles or any other person authorised to speak for PetroSeychelles as part of this Licensing Initiative for events arising as part of this Licensing Initiative or otherwise.



Government of Seychelles

REPUBLIC OF SEYCHELLES LICENSING INITIATIVE

ANNEX A: APPLICANT DETAILS AND FINANCIAL INFORMATION

Completed applications should be sent to:
PetroSeychelles
1st Floor, Seypec Building, New Port,
P.O. Box 230, Victoria,
Mahe, Seychelles

APPLICATION FORM FOR PETROLEUM AGREEMENT

PETROLEUM MINING ACT, CHAPTER 167 (AS AMENDED)

PART 1: NAME(S) OF APPLICANT(S) AND PROPOSED OPERATOR

1. Where there is more than one Applicant(s), please list the names according to the size of the proposed percentage, starting with the largest percentage interest.

Names of Applicants (as in Certificate of Incorporation, if a body corporate)	Individual or Body Corporate	Proposed Percentage Interests
1.		
2.		
3.		
4.		
5.		
6.		

Note: that for multiple applicants, a Joint Operating Agreement between the parties based on internationally recognised standards shall be required to be provided to PetroSeychelles before the commencement of petroleum operations, if an award is made.

2. State the name of the proposed operator company and the name of the contact person, within the proposed operator company, with whom contact may be made with regard to this application. The proposed operator company should be one of the applicant parties. An individual may not be operator.

Operator Definition	Names and Contact Details
Name of Proposed Operator Company	
Name of Operator Contact Person	
Street Address of Operator Contact	
Mailing Address of Operator Contact	
Post Code (if available)	
Telephone	
Facsimile (if installed)	
Email Address	

3. State the name of the applicant parties.

3.1. If any of the applicant parties are individuals, please state their details as follows completing one table for each and every individual applicant:

Individual Applicant – No.	< > enter number
Definition	Details
Name of individual applicant	
Permanent Address	
Address in Seychelles	
Nationality (if more than one state all)	
Occupation	
Qualifications	
Curriculum Vitae (attached, Y/N)	
Statement of Net Worth (attached Y/N)	

(Complete only as necessary)

3.2. If the applicant parties are body corporates, please state their details as follows, completing one table for each and every body corporate applicant:

Body Corporate Applicant - No.	< > enter number	
Definition	Details	
Name of Body Corporate		
Law of Incorporation		
Country of Registration		
Registration Number		
Copy of Registration (attached Y/N)		
Status (Public, Private or State-owned)		
If Public, State Exchange Listings		
Principle Place of Business		
Address of Registered Office		
Address for Service of Notices (if not at Registered Office)		
Contact Person and Designation		
Telephone contact (incl. country code)		
Email Contact		
Authorised Agent in Seychelles (if any)		
Nature of Business of Body Corporate		
Names, Passport Number, Date of Birth & Nationality of Directors*	Name	Nationality
<i>Director 1</i>		
<i>Director 2</i>		
<i>Director 3</i>		
<i>Director 4</i>		
<i>Director 5</i>		
<i>Director 6</i>		

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State Principle Owners (>5% or more)* (if individuals state, passport number and date of birth)	Name	Nationality
<i>Owner 1</i>		
<i>Owner 2</i>		
<i>Owner 3</i>		
<i>Owner 4</i>		
Is Body Corporate, an Affiliate of another, if so State Name of Affiliate		
State Relationship to Affiliate		
Law of Incorporation of Affiliate		
Country of Registration of Affiliate		
Registration Number of Affiliate		
Copy of Affiliate Registration (att. Y/N)		
Status of Affiliate (Public, Private, etc.)		
Business of Affiliate		
If Public, State Exchange Listings of Affiliate		
Has Body Corporate Registered as a Foreign Company in Seychelles? (Y/N)		
If so, provide Registration Number		
Copy of Seychelles Registration (attached Y/N)		
Body Corporate Address in Seychelles		

Provide any other relevant corporate disclosures that will aid the identification of the applicant body corporate	
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** Add additional information as necessary on blank paper*

4. Provide the situation of the area or areas for which application is being made, giving graticular block reference numbers of the five minute by five minute blocks comprising the area of and pertaining to the application in accordance with the maps supplied. The example below indicates what is required.

50°00'					51° 00'										51° 30''				
10 9	11 0	11 1	11 2	11 3	11 4	11 5	11 6	11 7	11 8	11 9	12 0	10 9	11 0	11 1	11 2	11 3	114	8°00'	
12 1	12 2	12 3	12 4	12 5	B78		12 8	12 9	13 0	13 1	13 2	12 1	12 2	12 3	12 4	12 5	B79		
13 3	13 4	13 5	13 6	13 7	13 8	13 9	14 0	14 1	14 2	14 3	14 4	13 3	13 4	13 5	13 6	13 7	138		
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6		
13	14	15	16	17	18	19	20	21	22	23	24	13	14	15	16	17	18		
25	26	27	28	29	30	31	32	33	34	35	36	25	26	27	28	29	30		
37	38	39	40	41	42	43	44	45	46	47	48	37	38	39	40	41	42		
49	50	51	52	53	54	55	56	57	58	59	60	49	50	51	52	53	54		
61	62	63	64	65	66	67	68	69	70	71	72	61	62	63	64	65	66		
73	74	75	76	77	B95		80	81	82	83	84	73	74	75	76	77	B96		
85	86	87	88	89	90	91	92	93	94	95	96	85	86	87	88	89	90		
97	98	99	10	10	10	10	10	10	10	Application Area			98	99	10	10	102		
10	11	11	11	11	11	11	11	11	11	11	12	10	11	11	11	11	114		
9	0	1	2	3	4	5	6	7	8	9	0	9	0	1	2	3	114		
12	12	12	12	12	12	12	12	12	12	13	13	13	12	12	12	12	126		
1	2	3	4	5	6	7	8	9	0	1	2	1	2	3	4	5	126		
13	13	13	13	13	13	13	14	14	14	14	14	13	13	13	13	13	138		
3	4	5	6	7	8	9	0	1	2	3	4	3	4	5	6	7	138		
1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6		
13	14	15	16	17	18	19	20	21	22	23	24	13	14	15	16	17	18		
25	26	27	28	29	30	31	32	33	34	35	36	25	26	27	28	29	30		
37	38	39	40	41	42	43	44	45	46	47	48	37	38	39	40	41	42		
49	50	51	52	53	B112		56	57	58	59	60	49	50	51	52	53	B113		
																	3		

Example depiction of latitude-longitude quadrangles and graticular blocks

Each integer latitude-longitude quadrangle is divided into 144 graticular blocks of five minutes latitude by five minutes longitude (approximately an area of 81 square kilometres each), and given a unique identifier such as B120 sequentially allocated across the Seychelles EEZ. In the above illustration, the application area straddles four quadrangles: designated B95, B96, B112 and B113, and comprises an area defined by 6 blocks longitude by 12 blocks latitude (or 30 minutes by 60 minutes) by a total of 72 graticular blocks (approximately 5,832 square kilometres). Note that PetroSeychelles uses the WGS 1984 geodetic datum.

5. State the skills and experience of each applicant in the petroleum industry (including that of any parent company or other affiliate companies). Provide details of current environments of operation; survey and wells operated in the last ten years, current fields operated, and levels of oil and gas production for each applicant.

Applicant Name:		< > enter applicant name							
Environment	Licences Held Now	Seismic Surveys		Number of Operated Wells (last 10 years)			Production		
		2-D	3-D	Exp	App	Prod	Fields	BOPD	MSCFD
<i>Onshore</i>									
<i>Transitional</i>									
<i>Shallow Water</i>									
<i>Deep Water</i>									
<i>Ultra-Deep Water</i>									
Totals									

A written statement experience may be added here describing the applicants skills and experience in general terms and how that skill and experience may be of benefit to the Republic of the Seychelles.

Statement of Skills and Experience by Applicant (250 words)

6. Provide details on the Financial Standing of each applicant (including any parent affiliate company).

Applicant Name:		< > enter name of applicant	
Class of Share Capital	Amount of Authorised Share Capital	Amount of Issued Share Capital	Voting Right of Each Class of Shares

Particularly, each applicant should provide the following documentary evidence in support of their application (documents may be attached and the table appropriately marked "attached").

Applicant Name:	< > enter name of applicant
Audited consolidated financial statements for the applicant company with notes of the last five (5) years, including: <ol style="list-style-type: none"> i. Balance Sheet ii. Income Statement iii. Cash Flow Statement iv. Nature of capitalisation 	
Applicant company's present credit rating (S & P and/or Moody's ratings) or lines of credit, credit agreements and any other bank references. <p style="text-align: right;">B</p>	
Form and type of bank guarantees proposed to support petroleum operations	
Applicants are required to demonstrate the means, details and levels of Insurance and Self Insurance that they hold in respect of Upstream, Midstream and Downstream petroleum operations.	

- 7. The fee for making an application for a Petroleum Agreement pursuant to the Petroleum Mining Act, as amended, is US\$ 10,000 payable on lodgement of the application. It is a non-refundable fee. Please note that the application is not valid until PetroSeychelles has received the full value of the funds into its accounts and has issued a receipt for such. All charges for funds transfer and clearance are to the account of the applicant.**

8. All information contained within the application and its attachments shall be approved by a duly appointed office of the applicant companies, including the operator designate, and in the case of an individual applicant, the person making the application.

We do solemnly declare that the information contained within this application document and attached and annexed to this application is true and accurate to the best of our knowledge.

Signature	Name (Block Letters)	Capacity in which Signing	Authorised to Sign on Behalf of (enter Corporate Name with Corporate Seal on Top)



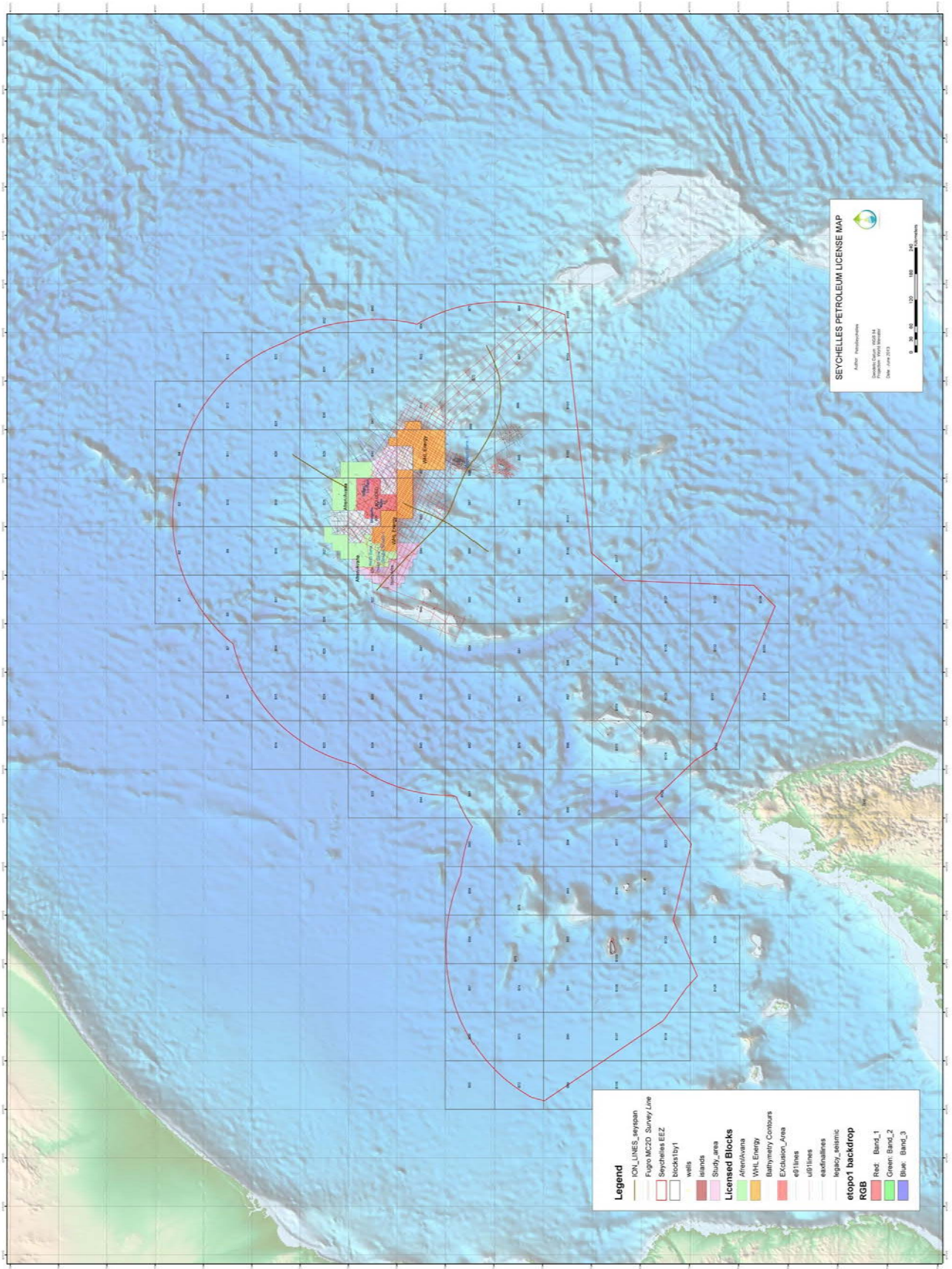
Government of Seychelles

REPUBLIC OF SEYCHELLES LICENSING INITIATIVE

ANNEX B: TECHNICAL SUMMARY

Completed applications should be sent to:
PetroSeychelles Ltd.
1st floor, Seypec Building, New Port,
P.O. Box 230, Victoria,
Mahe, Seychelles

BLOCK MAP OF THE REPUBLIC OF SEYCHELLES



Geodetic Grid Numbers <i>1 deg x 1 deg (max. 9)</i>		Stratigraphic Column
No. of Graticular Blocks		
Geographic Area		
Geological Area		
Hydrocarbons System		
Source Rock Age		
Reservoir Age		
Reservoir Formation		
Trapping Mechanism		
Resource Estimation		
Mapped Horizon (TWT, Velocity or Depth Map)		
Mapped Horizon Geological Cross Section		

Map of Location of Leads in Application Area



Map of Location of Prospects in Application Area



Interpreted Reflection Seismic Profile showing Leads and/or Prospects

Summary of Applicant Geotechnical Database

Summary of Geotechnical Studies Undertaken

Proposed Work Programme			
Exploration Period Phase 1 - 3 Years	Environmental Studies	Title	
		Expected Cost (US\$)	
	Geotechnical Studies	Title	
		Title	
		Title	
		Title	
		Expected Cost (US\$)	
	2-D Seismic Acquisition	Amount (line-kilometres)	
		Expected Cost (US\$)	
	3-D Seismic Acquisition	Amount (square kilometres)	
		Expected Cost (US\$)	
	Exploration Wells	Number	
		Depth (metres subsea)	
		Stratigraphic target	
Expected Cost Well (US\$)			
		TOTAL COSTS PHASE 1	
Exploration Period Phase 2 - 3 Years	Environmental Studies	Title	
		Expected Cost (US\$)	
	Geotechnical Studies	Title	
		Title	
		Expected Cost (US\$)	
	2-D Seismic Acquisition	Amount (line-kilometres)	
		Expected Cost (US\$)	
	3-D Seismic Acquisition	Amount (square kilometres)	
		Expected Cost (US\$)	
	Exploration Wells	Number	
		Depth (metres subsea)	
		Stratigraphic target	
		Expected Cost Well (US\$)	
			TOTAL COSTS PHASE 2
Exploration Period Phase 3 - 3 Years	Environmental Studies	Title	
		Expected Cost (US\$)	
	Geotechnical Studies	Title	
		Title	
		Expected Cost (US\$)	
	2-D Seismic Acquisition	Amount (line-kilometres)	
		Expected Cost (US\$)	
	3-D Seismic Acquisition	Amount (square kilometres)	
		Expected Cost (US\$)	
	Exploration Wells	Number	
		Depth (metres subsea)	
		Stratigraphic target	
		Expected Cost Well (US\$)	

		TOTAL COSTS PHASE 3	
		TOTAL EXPLORATION PERIOD COSTS	



Government of Seychelles

REPUBLIC OF SEYCHELLES LICENSING INITIATIVE

ANNEX C: BIDDABLE ITEMS

Completed applications should be sent to:
PetroSeychelles Ltd.
1st floor, Seypec Building, New Port,
P.O. Box 230, Victoria,
Mahe, Seychelles

Most administrative, commercial and fiscal aspects of the application are either fixed by the PMA or the MPA, but some items remain discretionary and biddable at the time of application. Applicants are invited to specify these as follows:

Biddable Item	Bid by Applicant
<p>Agreement Area per Annex A, Section 4 (specify square kilometres only)</p>	
<p>Petroleum Additional Profits Tax: Second Tier: a) Additional Profits Trigger Rate b) Rate of Second Tier APT proposed</p>	
<p>Exploration Work Programme (with reference to Annex B Technical Summaate a) Wells b) Total US dollars (wells and other)</p>	
<p>Proposed Environmental, Abandonment and Decommissioning Procedures (attach proposed arrangements). <i>Note this provides an opportunity for the applicants to demonstrate that they have good environmental understanding.</i></p>	
<p>Other Information (attached)</p>	

ANNEX D: Data Package content

A listing of the data package contents is as follows:

1. Kingdom Project containing open file 2D seismic data
2. LAS Well logs
3. Well logs images (Scanned)
4. Well reports (Scanned pdf)
5. Technical reports
 - a. Acquisition Reports
 - b. Processing Reports
 - c. Interpretation Reports
6. Aeromag Data
7. Sniffer Survey Data
8. Seepfinder data and Report

The Data Catalogue available on the PetroSeychelles web site contains detailed descriptions of the data sets.