

**NOTICE  
GIVEN UNDER  
THE PETROLEUM ACTIVITIES ACT 2023  
GUYANA COMPETITIVE TENDER**

**WHEREAS** by Order dated 1<sup>st</sup> September 2023, the Petroleum Activities Act No. 17 of 2023 came into operation on the 1<sup>st</sup> September 2023;

**AND WHEREAS** Notice of the Guyana Competitive Bidding Round, published in the Gazette and dated 9th December 2022, was given under the Petroleum (Exploration and Production) Act Cap 65:04 (repealed);

**AND WHEREAS** pursuant to section 98 of the Petroleum Activities Act No. 17 of 2023 (the “Act”), the said Notice of the Guyana Competitive Bidding Round, dated 9th December 2022 continues as if made under the Act;

**AND WHEREAS** pursuant to section 98 of the Act, the Regulations made under the Petroleum (Exploration and Production) Act Cap 65:04 (repealed) continue as if made under the Act (the “Regulations”);

**AND WHEREAS** pursuant to section 7(2) of the Petroleum Activities Act the Minister may, by notice in the Gazette, invite applications for the grant of petroleum exploration licences in respect of the area specified in the notice;

**AND WHEREAS** pursuant to section 8 of the Act the Minister shall by Notice published in the Gazette prescribe the qualification criteria for the purposes of a competitive tender;

**NOW THEREFORE**, further and in addition to the Notice of the Guyana Competitive Bidding Round, dated 9th December 2022, **I do hereby give Notice that —**

**Section 1 – Blocks for Tender and Participation Fee**

- 1.1. The area specified in the Notice of the Guyana Competitive Bidding Round dated 9<sup>th</sup> of December 2023, by way of the coordinates of the blocks for tender and the reference map showing the said blocks, and the participation fee of twenty thousand United States dollars (20,000USD) are incorporated by reference herein.

**Section 2 – Licensing Round Schedule**

- 2.1. The final schedule for the 2022 Guyana Competitive Bidding Round is specified in the table below

Event	Date
Publication of indicative terms and guidelines	9 December 2022
Publication of Notice with blocks for tender and participation	9 December 2022

Event	Date
fee on Official Gazette	
Opening of data room	12 December 2022
Start of process for expression of interest and payment of participation fee	12 December 2022
Consultation period on indicative terms and guidelines	12 December 2022 – 31 January 2023
Release of draft model contract	14 March 2023
Consultation period on model contract	14 March – 28 Mar 2023
Publication of final terms of reference and model contract	August 2023
Submission of bids	12 September 2023
Evaluation of bids	18 September – 6 October 2023
Negotiation	10 October – 27 October 2023
Award of contracts	1 November 2023

### Section 3 – Bidding Process

#### 3.1. Participation Rules

- 3.1.1. The licensing round is open to all domestic and foreign legal entities that meet the technical, financial and health, safety and environmental record criteria established under Section 5 of these Notice.
- 3.1.2. Pursuant to section 10(2) of the Act, and in keeping with the requirements of Regulation 13, a licence may be granted to two or more companies associated together in any form of joint arrangement if each individual company meets the requirements to qualify for the granting of a licence and the special terms included in this Notice.
- 3.1.3. While there is no limitation on the number of blocks for tender that a company or companies in a joint arrangement (a “consortium”) may bid on, in order to ensure diversity and increase the number of companies active in the petroleum sector, the Government of Guyana may limit the number of blocks for tender to be awarded to a company or consortium to no more than three.
- 3.1.4. Each company wishing to participate must pay the participation fee for each of the blocks for tender that they are seeking to submit. Payment of the participation fee is mandatory for each company intending to participate, even those intending to participate as a consortium.

Bids shall not be accepted unless the related participation fee has been paid.

### **3.2. Operatorship and Participation in Consortium**

#### **3.2.1. Sole Bidders**

- 3.2.1.1. Companies participating as sole bidders must qualify as Operator for either
- (a) Deepwater blocks for tender (D1-D3), or
  - (b) Shallow water blocks for tender (S1-S11)

#### **3.2.2. Consortia**

- 3.2.2.1. Companies submitting a bid jointly with other qualified bidders that seek to perform the role of the Operator must also meet the following criteria:
- (a) Hold at least a thirty five percent (35%) interest in the consortium; and
  - (b) Meet the technical financial and health, safety and environment record qualification criteria for either deepwater blocks for tender, or shallow water blocks for tender respectively.
- 3.2.2.2. Companies submitting a bid jointly with other qualified bidders that seek to qualify as non-operators must —
- (a) Hold at least a five percent (5) interest in the consortium
  - (b) Meet the specific non-operator minimum qualification criteria; and
  - (c) Sign a commitment to form a consortium.
- 3.2.2.3. Failure of one of the parties within a consortium to meet the minimum qualification criteria will result in disqualification of the entire consortium.

### **3.3. Virtual Data Room**

#### **3.3.1. GoG-CGG Virtual Data Room**

Companies that have expressed an interest with the Ministry of Natural Resources of Guyana and paid the participation fee in respect of a block for tender under the Guyana 2022 Licensing Round must sign the Confidentiality Agreement available on the 2022 Guyana Licensing Round MNR website page before access to the Virtual Data Room (VDR) is organized by CGG. The VDR will consist of a short presentation of the blocks for tender, the seismic data available, the regional geological context and potential plays over the blocks for tender in the 2022 Guyana Licensing Round. Following this, the existing Multiclient (MC) seismic/geological/well data will be available to review in a bespoke Kingdom project to showcase petroleum play concepts. The VDR will be conducted through remote meeting platform such as Teams or Zoom and the reservation can be arranged by the following email: [GuyanaVDR@cgg.com](mailto:GuyanaVDR@cgg.com) and [licensinground2022@petroleum.gov.gy](mailto:licensinground2022@petroleum.gov.gy).



### 3.3.2. GoG-PGS Virtual Data Room

Companies that have expressed an interest with the Ministry of Natural Resources of Guyana and paid the participation fee in respect of a block for tender under the Guyana 2022 Licensing Round must sign the Confidentiality Agreement available on the 2022 Guyana Licensing Round MNR website before access to the Virtual Data Room (VDR) is organized by PGS. The VDR provides a regional understanding of the prolific Guyana basin, together with examples from a prospectivity study showing some of the opportunities on offer. It will also be possible to review selected 2D seismic lines over blocks for tender D1, D2 and D3 offered under the 2022 Guyana Licensing Round. The VDR will be conducted through remote meeting platform such as Teams or Zoom. To request access to the VDR, please contact Sharon Walker: [Sharon.Walker@pgs.com](mailto:Sharon.Walker@pgs.com) and [licensinground2022@petroleum.gov.gy](mailto:licensinground2022@petroleum.gov.gy).

## **Section 4 – Documents to be submitted with the tender**

- 4.1. Applicants must comply with provisions of the Petroleum Activities Act, 2023 and the Regulations.
- 4.2. Where the applicant is a company that is not registered in the Cooperative Republic of Guyana at the time of the tender, the information to be submitted with the tender shall be that of the Parent Company, accompanied by a parent company guarantee.

### **4.3. Additional Information**

4.3.1. The application shall also provide the following particulars:

- (a) declaration of relevant legal or judicial claims or proceedings against the bidder and/or the parent company that may affect the bidder's legal and financial capacity; and
- (b) Tax ID and Certificate of Good Standing.

### **4.4. Blocks for Tender**

The application shall indicate each block for tender applied for and indicate a preference between blocks for tender where more than one block for tender is applied for.

### **4.5. Qualification documents**

Each application shall be accompanied by a statement and supporting documents containing particulars of the applicant's financial status, technical competence and experience including the safety and environmental record of petroleum exploration and production in Guyana and elsewhere

### **4.6. Geological rationale**

Each application shall give or be accompanied by a statement containing the geological rationale in the form of a geological report outlining the regional setting, stratigraphy, structure and play concepts based on available data or published information.

### **4.7. Work programme and minimum expenditure**

Each application shall provide information related to the minimum work programme and associated expenditure as outlined in Section 7 of this Notice.

#### **4.8. Other bid requirements**

Each application shall contain plans related to employment and training of citizens of Guyana in compliance with Local Content Act, as well as commitment to train personnel of the Government of Guyana, signature bonus, additional bonus in case of a tie (tie-breaker).

### **Section 5 – Qualification criteria**

#### **5.1. Qualification Criteria for Deepwater Blocks for Tender**

##### **5.1.1. Technical competence**

5.1.1.1. In order to qualify as operator for deepwater blocks the applicant must have at least

- (a) 10-year experience as operator in deepwater and ultradeep water areas;
- (b) 200,000 barrels of oil equivalent per day of production;
- (c) 200 million barrels of oil equivalent in proven reserves; and
- (d) Technical expertise in high pressure high temperature (HPHT) reservoirs, preferably.

5.1.1.2. In order to qualify as non-operator for deepwater blocks the applicant must have at least

- (a) 30,000 barrels of oil equivalent per day of production
- (b) 20 million barrels of oil equivalent in proven reserves;

##### **5.1.2. Financial capacity**

5.1.2.1. In order to qualify as operator for deepwater blocks the applicant must provide audited financial statements for 2017-2021 period meeting the following minimum criteria

- (a) Current Ratio  $\geq 1.00$  (Current Ratio = Current Assets / Current Liabilities)
- (b) Debt to Equity  $\leq 50\%$
- (c) Interest Cover (Operating Profit / [Interest Paid – Interest Received])  $\geq 2.00$
- (d) Investments in deepwater over last 3 years  $\geq$  USD 300 million

5.1.2.2. In order to qualify as non-operator for deepwater blocks the applicant must provide audited financial statements for 2017-2021 period meeting the following minimum criteria

- (a) Current Ratio  $\geq 1.00$  (Current Ratio = Current Assets / Current Liabilities)
- (b) Debt to Equity  $\leq 50\%$

(c) Interest Cover (Operating Profit / [Interest Paid – Interest Received])  $\geq 2.00$

(d) Investments over last 3 years  $\geq$  USD 50 million

5.1.2.3. Notwithstanding the requirement of sections 5.1.2.1 and 5.1.2.2 to provide financial statements for 2017-2021 period, the financial results of 2020 will be considered as outliers due to pandemic and will not negatively affect the financial qualification should the company meet the minimum requirement for the other four years.

#### 5.1.3. Health safety and environmental record

Applicants for deepwater blocks shall submit health safety and environment (HSE) policy statements, evidence of HSE management system, ISO certificates or other internationally recognized certificates, and HSE records from last 3-5 years.

### 5.2. Qualification Criteria for Shallow Water Blocks for Tender

#### 5.2.1. Technical competence

5.2.1.1. In order to qualify as operator for deepwater blocks the applicant must have at least

- (a) 5-year experience as operator in offshore blocks;
- (b) 10,000 barrels of oil equivalent per day of production offshore; and
- (c) 50 million barrels of oil equivalent in proven reserves.

5.2.1.2. No technical requirements apply for non-operator qualification.

#### 5.2.2. Financial capacity

5.2.2.1. In order to qualify as operator for shallow water blocks the applicant must provide audited financial statements for 2017-2021 period meeting the following minimum criteria—

- (e) Current Ratio  $\geq 1.00$  (Current Ratio = Current Assets / Current Liabilities)
- (f) Debt to Equity  $\leq 50\%$
- (g) Interest Cover (Operating Profit / [Interest Paid – Interest Received])  $\geq 2.00$
- (h) Investments in offshore blocks over the last 5 years  $\geq$  USD 30 million

5.2.2.2. In order to qualify as non-operator for shallow water blocks the applicant must provide audited financial statements for 2017-2021 period meeting the following minimum criteria—

- (e) Current Ratio  $\geq 1.00$  (Current Ratio = Current Assets / Current Liabilities)
- (f) Debt to Equity  $\leq 50\%$



(g) Interest Cover (Operating Profit / [Interest Paid – Interest Received])  $\geq 2.00$

(h) Investments over last 5 years  $\geq$  USD 10 million

5.2.2.3. Notwithstanding the requirement of sections 5.2.2.1 and 5.2.2.2 to provide financial statements for 2017-2021 period, the financial results of 2020 will be considered as outliers due to pandemic and will not negatively affect the financial qualification should the company meet the minimum requirement for the other four years.

#### 5.2.3. Health safety and environmental record

Applicants for shallow water blocks shall submit health safety and environment (HSE) policy statements, evidence of HSE management system, ISO certificates or other internationally recognized certificates, and HSE records from last 3-5 years.

### Section 6 – Contractual and Fiscal Terms

#### 6.1. Licence Duration

6.1.1. The exploration period for the shallow water blocks shall be for a maximum of five years and shall consist of an initial period of 3 years followed by a 2-year renewal period which is conditional upon the licensee having completed the proposed work programme in the preceding period, and payment of the bank guarantee associated with the work programme for the renewal period. The details for such terms are prescribed in the draft model production sharing agreement released on August 24, 2023.

6.1.2. The exploration period for the deepwater blocks shall be for a maximum of 10 years and shall consist of an initial period of 3 years followed by a 3-year first renewal period, a 2-year second renewal period and a 2-year third renewal period. The grant of renewals to the exploration period beyond the initial period is conditional upon the licensee having completed the proposed work programme in the preceding period, and payment of the bank guarantee associated with the work programme for the subsequent renewal period. The details for such terms are prescribed in the draft model production sharing agreement released on August 24, 2023.

6.1.3. The provisions of Section 37 of Petroleum Activities Act govern the duration of the term of the Production licence.

#### 6.2. Relinquishment of Areas

6.2.1. The area subject to an exploration licence shall be subject to relinquishment obligations as prescribed in the following table and detailed in the draft model production sharing agreement released on August 24, 2023.

## Relinquishment Obligation

Exploration Period				
End of initial period		End of 1 <sup>st</sup> renewal	End of 2 <sup>nd</sup> renewal	End of Exploration Period
Shallow water (Blocks S1-S11)	50%	Same as end of exploration period		100% excluding development block
Deepwater (Blocks D1-D3)	50%	50%	50%	100% excluding development block

6.2.2. The first relinquishment relates to the original contract area. The subsequent relinquishments are expressed as a percentage of the remaining contract area at the time the relinquishment occurs.

## 6.3. Fiscal Terms

The investments related to production sharing agreement to be entered into by applicant under the 2022 Guyana Competitive Tender (Bidding Round) shall be subject to the following fiscal terms:

Type of Levy	Amount Rate	Comment
Signature Bonus	Biddable	<ul style="list-style-type: none"> <li>Min US\$20 MM for deepwater blocks for tender</li> <li>Min US\$10 MM for shallow water blocks for tender</li> </ul>
Training Fee	USD 1 MM	Payable annually.
Rental	USD 1 MM per year	Payable annually during the exploration phase
Royalty	10%	Same for deepwater and shallow water blocks for tender



Type of Levy	Amount Rate	/	Comment
<b>Cost Recovery</b>	65%		65% of gross production after royalty is allocated for cost recovery.
<b>Profit Sharing</b>	50%		Production remaining after royalty is paid to the State and cost recovery.
<b>Property Tax</b>	Exempt		Subject to application of Section 55 of the Petroleum Activities Act 2023
<b>Income Tax</b>	10%		Subject to Section 55(1) of the Petroleum Activities Act 2023

## Section 7 – Work Commitments

7.1. Applicants for deepwater exploration licences must commit to the following minimum work and expenditure obligation—

7.1.1. Initial Period: Carry out a work programme consisting of at least 2,500 sq km of 3D seismic and a minimum expenditure obligation of Thirty Million United States Dollars (US \$30,000,000.00).

7.1.2. First renewal period: Carry out a work programme consisting of at least the shooting of additional seismic and the drilling of one well and a minimum expenditure obligation of One Hundred Million United States Dollars (US \$100,000,000.00)

7.1.3. Second renewal period: Carry out a work programme consisting of at least the drilling of one well and a minimum expenditure obligation of Eighty Million United States Dollars (US \$80,000,000.00)

7.1.4. Third renewal period: Carry out a work programme consisting of at least the drilling of one well and a minimum expenditure obligation of Eighty Million United States Dollars (US \$80,000,000.00)

7.2. Applicants for shallow water exploration licences must commit to the following minimum work and expenditure obligation—

7.2.1. Initial Period: Carry out a work programme consisting of at least 1,500 sq km of 3D seismic or 2D equivalent, geological and geophysical studies and a minimum expenditure obligation of Twenty-five Million United States Dollars (US \$25,000,000.00).

7.2.2. Renewal period: Carry out a work programme consisting of at least the shooting of additional

seismic and the drilling of one well and a minimum expenditure obligation of Forty Million United States Dollars (US \$40,000,000.00)

- 7.3. The minimum expenditure obligations prescribed under sections 7.1 and 7.2 apply only in case the contractor does not carry out their work programme. The expenditure obligation is a form of performance guarantee that gets reduced as the contractor performs against the guarantee. A performance guarantee for 20% of the value of the expenditure commitment is payable upon execution of the contract and upon entry into the respective renewal exploration periods.

## **Section 8 – Bid Components**

- 8.1. Applications for exploration licences in deepwater and shallow water areas will be evaluated on the basis of bonus bids and work and expenditure obligations prescribed under section 7. The two bid components are weighted equally with the signature bonus accounting for fifty percent (50%) of the score and the work and expenditure obligation accounting for fifty percent (50%) of the score.

### **8.2. Signature bonus**

8.2.1. Applicants for deepwater blocks for tender must offer a signature bonus of at least Twenty Million United States Dollars (US\$ 20 million).

8.2.2. Applicants for shallow water blocks for tender must offer a signature bonus of at least Ten Million United States Dollars (US\$ 10 million).

### **8.3. Tie breaker**

In the event two or more bids for the same block receive the same score the applicants must specify the amount of tie breaker bonus that will be applied only in case of tied bids.

## **Section 9 – Bid Submission**

The Competitive Tender process is subject to competitive procurement using Request for Bids (RFB) under the procurement guidelines of Guyana.

The Ministry of Natural Resources (MNR) as the procuring entity, invites eligible Bidders to submit their bids for the respective Blocks. Bidders are not restricted to how many Blocks they can submit a Bid for; however, each successful Bidder may be limited to a maximum award of three Blocks.

Bids must be submitted in keeping with Instructions to Bidders as specified in the request for Bids.

### **Key Round Dates:**

Expression of Interest and Payment of the Participation Fee commences **12<sup>th</sup> December 2022**

The Submission of Bids Deadline is **12<sup>th</sup> September 2023**

The Submission Address is:

**The Chairman  
National Procurement and Tender Administration Board  
Main and Urquhart Street**

**Georgetown Guyana**

Bids must be received in the Tender Box of the National Procurement and Tender Administration Board not later than the time and date given. The Bid shall be submitted as follows: one (1) original and two (2) electronic copies in USB data storage device format.

The submission shall be sealed in an outer envelope addressed as follows:

**The Chairman**

**National Procurement and Tender Administration Board**

**Main and Urquhart Street**

**Georgetown Guyana**

**Below the above address the following must be written in bold letters:**


**“Bids for 2022 Guyana Licensing Round Oil Blocks for Tender – Continental Shelf and Deepwater”**

**“DO NOT OPEN PRIOR TO 9:00 A.M. on Tuesday, 12<sup>th</sup> of September 2023”**

Interested Bidders may obtain further information by email at [jmckenzie@nre.gov.gy](mailto:jmckenzie@nre.gov.gy), [licensinground2022@petroleum.gov.gy](mailto:licensinground2022@petroleum.gov.gy) or during office hours 8:30 hours to 16:30 hours at the address given below:

Permanent Secretary  
Ministry of Natural Resources  
96 Duke Street, Kingston,  
Georgetown, Guyana

Made this 11<sup>th</sup> day of September 2023

  
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**Hon. Vickram Bharrat, M.P.**  
**Minister of Natural Resources**  
**Minister with Responsibility for Petroleum**

