

THAI PETROLEUM CONCESSIONS
20th Round of Bidding
23 May 2007 – 22 May 2008

The Minister of Energy issued a notification dated 23 May 2007 inviting applications for petroleum concessions. Applications could be filed during a period of one year, and be considered monthly after the 15th day of each month. An application for a block subject to a previous application would not be accepted until consideration of the earlier application is completed.

The invitation prescribed the usual conditions applicable to recent rounds. There was no condition that applicants must register a limited company under Thai law, which must have paid up capital of at least Baht 100 million. That condition was first dropped in the 19th round.

Each application would be graded according to the following system:

1. Petroleum exploration program and amount of expenditure, obligations and physical work obligations: 80 points
2. Special advantages, e.g. scholarships, training, contributions to support petroleum development in Thailand, state participation after discovery, etc.: 20 points

Special advantages must include:

- Upon approval of a "production area", an interest of not less than 5% must be offered to a majority Thai-owned company, subject to reimbursement of its share of past expenditure and bearing its share of future expenditure.
- To make use of petroleum service contractors and equipment available in Thailand.

Applications and supporting documents were submitted to the Department of Mineral Fuels. If an applicant did not have adequate equipment, personnel and financial resources to perform the exploration program, a guarantee from an entity which has those resources must also be submitted. Applicants could also propose to provide a bank guarantee.

Applications could be filed for 65 exploration blocks located onshore and in the Gulf of Thailand.

Detailed descriptions of the exploration blocks, and the geological constant factors and special reductions of each block were set forth in the announcement.

Outcome of 20th round

37 applications were filed for a total of 52 exploration blocks (44 onshore and 8 offshore).

The Cabinet granted approval of 22 petroleum concessions in respect of 27 exploration blocks.

For more information, the text of the Announcement and chart of existing petroleum concessions, see www.dmf.go.th.