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## **THAI PETROLEUM CONCESSIONS**

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### **Industry and Legislative History**

Prior to 1954, the right to explore for petroleum was reserved exclusively for government agencies, and exploration by the Defense Energy Department led to discovery of the Fang basin in Chiang Mai Province. Between 1954 and 1960, exploration permits were awarded under the mining laws to two private Thai companies, who were not successful.

In the early 1960's, agreements were signed with Union Oil and Raphael Pumpelly for areas in northeastern Thailand, under the general provisions of the mining law. In 1964, the offshore areas in the Gulf of Thailand also attracted the attention of major international oil companies.

In 1967, the government introduced a concession system, under a document entitled "Consideration Bases in Applying for Petroleum Exploration and/or Production." The Ministry of National Development then invited applications to explore, and the Council of Ministers approved the award of rights to six major oil companies. Agreements in an abbreviated form were signed with these companies in 1968. Under these agreements the Ministry agreed to issue concession agreements when a new petroleum law came into effect.

In 1971, Thailand promulgated the Petroleum Act (PA) and the Petroleum Income Tax Act (PITA). The PA established a concession system based on the Consideration Bases, and nine Ministerial Regulations were issued in 1971 dealing with major subjects under that act. The PITA established an income tax system applicable only to concessionaires, with tax rates between 50% and 60%. A tax rate of 50% was prescribed by a Royal Decree. Three Ministerial Regulations were issued in 1971 under the PA.

The Petroleum Act (No. 2) was enacted in 1973. It relaxed area limitations, restrictions on transfer of obligations, mandatory relinquishment requirements and royalty rates for offshore blocks with water depths over 200 meters (deep water blocks). The Petroleum Income Tax Act (No. 2) was also promulgated in 1973. It provided for increased discounts on posted prices for tax purposes of petroleum produced from deep water blocks. Exploration in deep water blocks of the Andaman Sea has, so far, proven unsuccessful.

In 1973, Union Oil Company made the first natural gas discovery, in the Erawan Field in the Gulf of Thailand. The company was concerned about the creditability of Thai taxes under U.S. law, as the PITA prohibited the deduction of "interest" in the calculation of taxable income. After negotiations between the Thai government and the US Internal Revenue Service, the Petroleum Income Tax Act (No. 3) was enacted in 1979. Its provisions applied only to Union Oil. Thereunder, "interest" is recognized as a deductible expense, provided the concessionaire has withheld tax at the rate of 50% on payments of interest income. Income tax rates for concessionaires falling within that Act are fixed at 35% to 48% (presently 35%) on profits and 23.08% on dividends or other after-tax remittances. The effective rate thus remains 50%, as prescribed for all other concessionaires.

In 1980, the government announced a one-year ban on the export of petroleum in the context of negotiations with concessionaires for the purchase of condensate and to prevent the diversion of oil supplies under long-term contracts. This ban was renewed annually through 1990, but it has not been imposed since then. In 1981, Shell discovered crude oil onshore in the Sirikit Field, in Kamphaeng Phet Province.

In 1982, new terms were prescribed as “conditions of bidding” for onshore blocks, in a period of rising oil prices. Additional concessions were awarded, but following the drop in oil prices and the discovery of small and marginal fields, those terms deterred further onshore activity.

The fall of oil prices in 1986, and other circumstances led the government to review its concession terms. Another factor was the difficulty of some companies to obtain permission to produce marginal or isolated wells, due to the need to demonstrate commerciality according to certain economic criteria. For crude oil, for example, each well had to demonstrate a recovery of costs within 12 years. In July 1987, Ministerial Regulation No. 13 under the PA was announced. It allowed wells in the same structure to be consolidated for purposes of applying the economic test. The definition of “production area” was also broadened, to include geological, seismic and other information, in addition to drilling data.

In 1989, the Petroleum Act (No. 4) and the Petroleum Income Tax Act (No. 4) were enacted and substantially amended the PA and the PITA. These changes were reflected in the terms of the 13th bid round invitation for concession applications, issued in July 1990.

After adoption of Thailand III terms for new petroleum concessions in 1989, there were no major amendments to the Petroleum Act until 2007. [Petroleum Act (No. 5) B.E. 2534 (1991) dealt only with a consequential amendment to Section 70 (import free of duty) arising from introduction of VAT and deletion of business tax under the Revenue Code.] However, significant new terms were introduced by way of conditions of bidding.

In 2007 the Petroleum Act (No. 6) and the Petroleum Income Tax Act (No. 6) were enacted and amended the PA and the PITA. However, the fiscal terms, as modified for the 20<sup>th</sup> bidding round, remain largely unchanged, and are set forth in Annex 2.

Purposes of amendments in PA (No. 6) include:

- Revisions which are more suitable to small fields and complex geology, marginal fields and fields having declining production.
- Provisions to clarify environmental management.
- Provisions to reduce and streamline steps for approvals.
- Provisions to better compete with other countries for investors.

Currently, four draft Ministerial Regulations are under review by the Council of State, and are expected to be announced in the near future.

- New MR (consolidating 3 & 16): rules, procedures and conditions for applying for petroleum concessions
- New MR (consolidating 4 & 17): form of petroleum concession
- New MR (consolidating 5 & 12): reporting requirements; standards of operations
- New MR (consolidating 6 & 11): safety zones

### **Administration**

Until 2002, the Petroleum Act was administrated by the Ministry of Industry through the Oil Fuels Division of the Department of Mineral Resources. On 1 October 2002, responsibility for administrative of the Petroleum Act was transferred to a new ministry, the Ministry of Energy. [See Dr. Twarath Sutabutr, “Establishing of Thailand’s New Energy Ministry”, PTIT Special Annual Issue 2002.]

The Petroleum Income Tax Act is administered by the Ministry of Finance through the Revenue Department. Section 7 of the Investigation Division, Revenue Department, is responsible for concessionaires under the PITA.

Most decisions under the PA are made by the Petroleum Committee, an inter-ministerial committee established under Section 15 of the Act with the specific powers listed in Section 16.

There are presently nine Sub-Committees of the Petroleum Committee:

- (1) Sub-Committee on consideration of draft petroleum concessions and legal issues.
- (2) Sub-Committee to consider matters under Sections 69 (immigration) and 70 (import of goods exempt from custom duty and VAT) of the Petroleum Act.
- (3) Sub-Committee to consider applications for petroleum concessions.
- (4) Sub-Committee to consider natural gas pricing.
- (5) Sub-Committee on consideration and planning of resource management in overlapping continental shelves.
- (6) Sub-Committee on administration of subsidies for purposes of petroleum development in Thailand.
- (7) Sub-Committee to consider usage of natural gas.
- (8) Sub-Committee on amendments to petroleum legislation.
- (9) Sub-Committee on negotiation of natural gas price.

### **Concessions**

Although not expressly required by law, the Thai practice is to award concessions only following the publication of an international invitation, usually on at least 45-days notice. Applications were evaluated on a points system by the Petroleum Committee, which forwards its recommendations to the Cabinet for approval.

Most concession terms and conditions are prescribed in the PA and its regulations. The standard concession form was initially set out in 1972 in Regulation No. 4. It includes only 18 sections. In 1989, a new concession form was prescribed in Regulation No. 17. In practice, concession applicants are rarely permitted to negotiate changes to the standard terms. A revised concession form is currently under review by the Council of State.

### **New Procedures in 18<sup>th</sup> Bid Round**

On 19 July 2000, the Department of Mineral Resources issued a letter enclosing an announcement of the Ministry of Industry dated 11 July 2000 inviting applications for petroleum concessions. However, unlike all previous rounds, applications could be filed during a period of three years, and would be considered monthly after the 15<sup>th</sup> day of each month. The last day for the first submission was 15 August 2000. An application for a block subject to a previous application would not be accepted until consideration of the earlier application was completed.

The invitation prescribed the usual conditions applicable to recent rounds. Successful applicants were required to register a limited company under Thai law, with paid up capital of at least Baht 100 million.

Each application would be graded according to the following system:

1. Petroleum exploration program and expenditure and work obligations: 70 points.
2. Special advantages, e.g. scholarships, training or contributions to support petroleum development in Thailand: 30 points.

Applications and supporting documents were submitted to the Department of Mineral Resources. If an applicant did not have adequate equipment, personnel and financial resources to perform the exploration program, a guarantee from an entity which did have those resources had to be submitted.

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

By allowing the filing of applications at monthly intervals, the new procedure avoided the long delays inherent in the classical system. Ten applications for 13 blocks were filed during the 18<sup>th</sup> bid round, which concluded in July 2003. Nine blocks were awarded.

### **New Procedures in 19<sup>th</sup> Bid Round**

The Minister of Energy issued an announcement dated 1 July 2005 inviting applications for petroleum concessions. Applications could be filed during a period of one year, and would 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 was completed.

The invitation prescribed the usual conditions applicable to recent rounds. However, the condition that applicants must register a limited company under Thai law with paid up capital of at least Baht 100 million was omitted.

Each application was graded according to the following system:

1. Petroleum exploration program and expenditure and 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

Applications and supporting documents must be 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 had those resources must also be submitted. Applicants could also propose to provide a bank guarantee.

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

### **New Procedures in 20<sup>th</sup> Bid Round**

The Minister of Energy issued an announcement dated 28 May 2007 inviting applications for petroleum concessions. Applications may be filed during a period of one year, and will be considered monthly after the 15th day of each month.

The invitation prescribed the usual conditions applicable to recent rounds, with the following changes:

- Qualified foreign companies may be awarded concessions, not just Thai limited companies as in recent rounds.
- Bank guarantees may be proposed as performance security.

Each application will be graded according to the following system:

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

As of June 2009, 22 petroleum concessions for 27 blocks have been approved, of which 18 petroleum concessions for 21 blocks have been signed.

### **Gas Supply Industry Reform**

Currently, PTT Public Company Limited (formerly, the Petroleum Authority of Thailand), with few exceptions, acts as the sole purchaser, transporter and distributor of natural gas in Thailand, through a 3,371 km pipeline system.

PTT was corporatized (converted from a state enterprise to a public limited company) in October 2001.

### **Disputed Area (Thailand/Cambodia)**

Since 1972, a significant area in the Gulf of Thailand has been off-limits to the petroleum exploration industry due to a dispute over maritime boundaries between Thailand and Cambodia. The area is believed to include commercial fields similar to the Thailand sector of the Gulf of Thailand. Unofficial talks between the governments to find a solution are continuing.

### **Conclusion**

The Thai petroleum concession has proven to provide a very stable foundation for investment in the oil and gas industry and downstream projects. No steps are under consideration to change the current legal regime, for example, by adopting a production sharing regime which is common in other countries in the region.

### **Attachments:**

- Annex 1: Outline of Thailand I terms
- Annex 2: Outline of Thailand III terms
- Annex 3: List of Petroleum Legislation

Websites for current information concerning the energy sector:

Bank of Thailand (BoT)	<a href="http://www.bot.or.th">www.bot.or.th</a>
Board of Investment (BOI)	<a href="http://www.boi.go.th">www.boi.go.th</a>
Department of Mineral Fuels (DMF)	<a href="http://www.dmf.go.th">www.dmf.go.th</a>
Electricity Generating Authority of Thailand (EGAT)	<a href="http://www.egat.or.th">www.egat.or.th</a>
Energy Policy and Planning Office (EPPO)	<a href="http://www.eppo.go.th">www.eppo.go.th</a>
Energy Regulatory Commission (ERC)	<a href="http://www.erc.or.th">www.erc.or.th</a>
Ministry of Energy (MoE)	<a href="http://www.energy.go.th">www.energy.go.th</a>
Ministry of Finance (MoF)	<a href="http://www.mof.go.th">www.mof.go.th</a>
Office of the Council of State	<a href="http://www.krisdika.go.th">www.krisdika.go.th</a>
Petroleum Institute of Thailand (PTIT)	<a href="http://www.ptit.org">www.ptit.org</a>
PTT pcl	<a href="http://www.pttplc.com">www.pttplc.com</a>
Revenue Department	<a href="http://www.rd.go.th">www.rd.go.th</a>
Securities & Exchange Commission (SEC)	<a href="http://www.sec.or.th">www.sec.or.th</a>
Stock Exchange of Thailand (SET)	<a href="http://www.set.or.th">www.set.or.th</a>

## Annex 1

## Outline of Thailand I Terms

Below is a summary of standard terms of a Thailand I petroleum concession:

<b>Nature of right:</b>	Concession agreement signed with Ministry of Industry (formerly Ministry of National Development).
<b>Management responsibility:</b>	Company, subject to plans approved by Department of Mineral Resources.
<b>Area of blocks, onshore:</b>	Ceilings on number and areas of blocks were deleted by PA (No. 6)
<b>Duration:</b>	
Exploration Period	8 years + 4-year renewal period.
Production Period	30 years + 10 from end of exploration period.
<b>Relinquishment:</b>	50% after 5 years (35% in deep water)
	25% after 8 years (40% in deep water)
<b>Financial and fiscal obligations:</b>	
1. Work expenditure	<ul style="list-style-type: none"> <li>• Work and financial obligations are fixed for first 3 years, and second 5 years.</li> </ul>
2. Operating costs	<ul style="list-style-type: none"> <li>• Company's responsibility.</li> </ul>
3. Bonuses	<ul style="list-style-type: none"> <li>• According to application for concession, referred to as "special benefits".</li> </ul>
4. Royalties	<ul style="list-style-type: none"> <li>• Royalty 1/8 or 12.5% in cash (8.75% in deep water), and 1/7 in kind.</li> </ul>
5. Income tax	<ul style="list-style-type: none"> <li>• Income tax on profits 50% to 60% (presently 50%); or 35% on profits plus 23.08% remittance tax under 1979 Royal Decree.</li> </ul>
<b>Capital cost recovery:</b>	Amortized over 5 to 10 years.
<b>Operating cost recovery:</b>	Expensed.
<b>Pricing:</b>	
Crude Oil	<ul style="list-style-type: none"> <li>• No restrictions in law, but royalties and income taxes on exported oil geared to "posted prices", with discounts.</li> </ul>
Natural gas	<ul style="list-style-type: none"> <li>• Negotiable (§ 58).</li> </ul>
<b>Disposition of petroleum:</b>	
1. Local market supply	<ul style="list-style-type: none"> <li>• Government may require supply to local market; Special pricing if crude exported exceeds 10 x domestic demand.</li> </ul>
2. Exports	<ul style="list-style-type: none"> <li>• Subject to ban or restriction under § 61.</li> </ul>
<b>Additional cost factors:</b>	<ul style="list-style-type: none"> <li>• Office in Thailand.</li> </ul>
	<ul style="list-style-type: none"> <li>• "Special benefits" agreed in concession, e.g. scholarships, grants to universities, libraries and lab equipment, etc.</li> </ul>
	<ul style="list-style-type: none"> <li>• Employment and training of Thai</li> </ul>
	<ul style="list-style-type: none"> <li>• Approval of employment of aliens.</li> <li>• Equipment becomes property of Thai government.</li> </ul>
<b>Arbitration:</b>	Zurich, Switzerland, if not otherwise agreed. Rules of International Court of Justice of 6 May 1946.

## Annex 2

**Outline of Thailand III Terms**  
**(20<sup>th</sup> bid round, after amendment to Petroleum Act (No. 6) published on 17 October 2007.**

<b>Nature of rights</b>	Concession agreement signed with Ministry of Energy since 1 October 2002 (formerly Ministry of Industry).
<b>Management responsibility</b>	Company, subject to plans approved by Department of Mineral Fuels (formerly DMR).
<b>Eligibility</b>	Concessionaire must be a foreign or Thai limited company.
<b>Area of blocks</b>	Ceilings on number and area of blocks were deleted by PA (No. 6). Special concessions not exceeding 200 sq. km., with relaxed royalty rates, may be issued for high-cost onshore fields.
<b>Duration</b>	
Exploration period	6 years + 3-year renewal.
Production period	20 years from end of exploration period + 10-year renewal.  Commercial field test.  Production plans and reports and government approval of amendments to plans required. Obligation to produce within 4 years, with possible deferrals of 2 years each.  Government sole risk option: Exercisable after a 12-month negotiation period. If government does not proceed within 2 years, concessionaire may request return of the area.  If government proceeds and realizes profits, concessionaire will be reimbursed its costs. Concessionaire may elect to co-venture with government for a period of 3 years.
<b>Relinquishments</b>	50% after 4 years (35% in deep water block). 25% after 6 years (40% in deep water block).
<b>Reserved exploration area</b>	12.5% of initial area, up to 5 years after end of exploration period.
<b>Economic obligations</b>	-
1. Work expenditure	Fixed for each of first 3 years, and, later, for each of second 3 years. Excess may be carried forward. Modification possible with consent of Minister. A bank guarantee may be required.
2. "Special benefits"	As proposed in concession application (e.g. bonuses, scholarships, grants to educational institutions, study tours, etc.).

<p>3. “Special remuneratory benefit”</p>	<p>SRB is “windfall profits” tax, payable only in years concessionaire has “petroleum profit”. In calculating such petroleum profit for the year, there may be deducted capital expenditure, operating costs, a special reduction (an expense “uplift”) for the year, and petroleum loss carried forward from prior years. SRB is calculated by exploration block at following rates, subject to a ceiling of 75% of petroleum profit:</p> <p style="text-align: center;"><u>Income per meter of well</u>                      <u>SRB</u></p> <p>Up to Baht 4,800 .....zero          Baht 4,800 to 14,400.....1% per each Baht 240 increment          Baht 14,400 to 33,600 Baht.....1% per each Baht 960 increment          Over 33,600 Baht .....1% per each Baht 3,840 increment</p> <p>To determine “income per meter of well”, first calculate annual petroleum profit and adjust for inflation and exchange rates; then calculate accumulated total meters of all wells drilled during concession period. Income per meter of well equals adjusted annual petroleum profit divided by total depth of all wells + GSF. “GSF” means “geological stability factor”, which is fixed for each geological region and is at least 150,000 meters, higher in difficult drilling areas.</p>
<p>4. Royalty</p>	<p>Imposed at progressive rates:</p> <p style="padding-left: 40px;">Up to 60,000 barrels per day ..... 5.0%          60,000 – 150,000 barrels per day ..... 6.25%          150,000 – 300,000 barrels per day ..... 10.0%          300,000 – 600,000 barrels per day ..... 12.5%          over 600,000 barrels per day ..... 15.0%</p> <p>In deep water blocks, royalty is 70% of the above rates. Government has authority to fix lower rates in special situations.</p> <p>Royalty in cash based on posted, realized or market price. Royalty in kind is volume equivalent in value to royalty paid in cash. Payable monthly. Royalty disputes to be settled by court, not international arbitration.</p>
<p>5. Income tax</p>	<p>50% on profits (or 35% on profits plus 23.08% remittance tax, under Royal Decree). Payable semi-annually.</p> <p>Revenues, deductions and taxes for all “Thailand III” blocks of the same concessionaire may be consolidated. Other blocks of the same concessionaire must be consolidated separately.</p> <p>Capital costs are generally amortized over 5 to 10 years (accelerated depreciation permitted).</p> <p>Operating costs, royalties and SRB are expensed.</p>

	<p>Revenues on crude oil sales based on realized price or, for exports, on the higher of realized or “tax reference” price, the latter being the posted price with a discount.</p> <p>Ten-year loss carryforward, no loss carryback.</p>
<b>Pricing</b>	
Crude oil	Export sales on f.o.b. posted price fixed by concessionaire and agreed by government. Domestic sales, in absence of regular exports, on price not exceeding that of imported crude oil; otherwise, on average realized price of exports by all concessionaires.
Natural gas	Negotiable
<b>Disposition of crude oil</b>	
Local market supply	<p>Government may require supply to local market at domestic sales prices.</p> <p>First priority must be given to government at a domestic oil refinery.</p>
Exports	May be subject to ban or restriction under PA Section 61. (Currently none.)
<b>Disposition of natural gas</b>	In practice, must be sold to PTT at negotiated price, as it has a <u>de facto</u> monopoly on the internal transportation of natural gas.
<b>Additional factors</b>	<p>Office in Thailand.</p> <p>Employment and training of Thai nationals.</p> <p>Preference to local goods and services, including ships.</p> <p>Approval of employment of foreign nationals.</p> <p>Equipment becomes property of Thai government at end of production period.</p> <p>Exemption from customs duty and VAT on imports required for petroleum operations.</p> <p>No surface rentals, except for reserved exploration areas. No mandatory government participation.</p>
<b>Disputes</b>	Bangkok, unless otherwise agreed. Rules of International Court of Justice of 6 May 1946, as amended. Royalty disputes to be settled by Thai court. (An amendment of the dispute settlement clause in the form of petroleum concession is under final review)
<b>Transfers</b>	Qualifications of affiliated company transferees now to be scrutinized.
<b>Confidentiality</b>	Confidentiality period for reports submitted by concessionaire ends 1 year after date of receipt.
<b>Application to prior concessions</b>	Upon application and consent if concessionaire not yet in production.

## Annex 3

**List of Petroleum Legislation****A. PETROLEUM ACT**

1. Petroleum Act, B.E. 2514 (1971), 26 March 1971.
2. Petroleum Act (No. 2), 20 November B.E. 2516 (1973) (re PA sections 28, 33, 36, 50 and 84).
3. Petroleum Act (No. 3), 30 April B.E. 2522 (1979) (re PA sections 25, 26, 31, 32, 34 and 76).
4. Petroleum Act (No. 4), 4 August B.E. 2532 (1989) (re PA sections 4, 15, 16, 22, 25, 26, 28, 30, 36, 39, 40, 42 bis, 45, 48, 51, 52 bis, 59, 71, 76, 82, 84, 85, 87, 88, 89, 90, 94, 99 bis and ter, 100, 100 bis- 100 octo, 104 bis, 109 bis and 110 and schedule of fees).  
[Thailand III terms]
5. Petroleum Act (No. 5), 21 November B.E. 2534 (1991) (re PA section 70).
6. Petroleum Act (No. 6), 17 October B.E. 2550 (2007) (re PA sections 15, 16, 16/1, 17, 18, 22, 22/1, 27, 28, 33, 42, 42bis, 50, 51, 75, 76, 77, 80/1, 80/2, 99bis, 99ter, 104).

**Related Legislation and Announcements**

1. Announcement of the Office of the Prime Minister re straight baseline and internal waters of Thailand, 11 June 1970.
2. NEC 331, re benefits, rights and duties of co-investors with Defence Energy Department, 13 December 1972.
3. Proclamation on demarcation of the continental shelf of Thailand in the Gulf of Thailand, 18 May 1973.
4. Announcement of the Ministry of Industry on concessions for onshore blocks, 14 February 1979.
5. Announcement of the Prime Minister re exclusive economic zone of the Kingdom of Thailand, 23 February 1981.
6. Act on Criminal Offenses on Offshore Platforms, 31 October 1987.
7. Announcement of the Office of the Prime Minister re straight baselines and internal waters of Thailand, Area 4, 17 August 1992.
8. Announcement of the Office of the Prime Minister (No. 2) re straight baselines and internal waters of Thailand, 2 February 1993.
9. Announcement of the Ministry of Energy to submit applications for commissions (19<sup>th</sup> bid round), 1 July 2005.

**Ministerial Regulations**

1. Identification cards, 13 September 1971.
2. (Repealed by No. 14).
3. Concession applications, 13 September 1971.
4. Form of concession and supplementary concession, 13 September 1971. [Thailand I terms] (Annexed concession forms DMR/P2 and DMR/P3 were replaced in 1989 by those annexed to No. 17).
5. Rules re operations, 13 September 1971 (amended by No. 12).
6. Safety areas, 13 September 1971 (amended by No. 11).
7. Safety measures, 13 September 1971.
8. (Repealed by No. 13).
9. Reserved exploration areas, 13 September 1971.
10. (Repealed by No. 13).
11. Safety areas, 17 April 1981.
12. Offshore production procedures and platforms, 22 September 1981.
13. Commerciality criteria and production areas, 30 July 1987.
14. Application and surface reservation fees, 8 December 1989.
15. Special allowances for SRB calculation, 8 December 1989.
16. Expenditure and work obligations in concession applications, 8 December 1989.
17. Amendment of forms DMR/P2 and DMR/P3 appended to Regulation No. 4, 8 December 1989. [Thailand III terms].
18. Production plans and forecasts, 6 December 1991.
19. Adjustment of petroleum income for SRB calculation, 6 December 1991.
20. Calculation of petroleum income, capital expenses, regular expenses and those related to several blocks, 21 April 1993.

**DMF Notifications and Announcements**

1. Rules and procedures on relinquishment of offshore exploration block areas having a water depth not exceeding 200 metres, 20 March 1975.
2. Exploration areas in the Gulf of Thailand, 15 December 1978.
3. Rules and procedures on relinquishment of offshore exploration block areas having a water depth exceeding 200 metres, 4 April 1979.

4. Demarcation of exploration blocks in the Gulf of Thailand and Andaman Sea, 16 May 1980.
5. Place, form and supporting documents for payment of royalty, 4 May 1983.
6. Exploration blocks in Andaman Sea, 2 June 1983.
7. Rules and procedures for the relinquishment of onshore exploration block areas, 1 March 1984.
8. Rules and procedures in the submission of statements of expenditures in conducting operations, 30 April 1992.
9. Forms and filing periods for calculating SRB, 19 March 1993.
10. Rules for using the petroleum data, 23 June 1997.
11. Rules for submission of reports on petroleum operations 4 March 2004.
12. Onshore Petroleum Exploration Blocks, Offshore Petroleum Exploration Blocks in the Gulf of Thailand and the Andaman Sea, 29 June 2000.
13. Onshore Petroleum Exploration Blocks, Offshore Petroleum Exploration Blocks in the Gulf of Thailand and the Andaman Sea, 31 March 2005.

**Other Materials**

1. DMR brochure “Petroleum Exploration Opportunities in Thailand”, which includes an SRB calculation, circa 1990.

**B. PETROLEUM INCOME TAX ACT**

1. Petroleum Income Tax Act, B.E. 2514 (1971), 26 March 1971.
2. Petroleum Income Tax Act (No. 2) re tax reference prices for deep water exploration blocks, 20 November 1973.
3. Petroleum Income Tax Act (No. 3) re alternative provisions to qualify for U.S. foreign tax credit, 30 December 1979.
4. Petroleum Income Tax Act (No. 4) re income tax and tax returns, 4 August 1989.
5. Petroleum Income Tax Act (No. 5) re specific provisions governing joint development zone, 9 October 1998.

**Related Legislation**

1. Revenue Code Amendment Act (No. 29) B.E. 2534 re provisions to qualify for U.S. foreign tax credit, 6 November 1991.
2. NEC Announcement No. 95 re amortization of capital expenses, 29 February 1972. (Amended by Royal Decrees of 28 November 1973 and 22 April 1979)

**Royal Decrees**

1. Prescribing 50% petroleum income tax rate, 3 September 1971.
2. Prescribing the categories, rates and conditions for deduction of capital allowances, 28 November 1973.
3. Prescribing the categories, rates and conditions for deduction of capital allowances (No. 2), 22 April 1979.
4. Prescribing 35% petroleum income tax rate for certain concessionaires (No. 2), 30 December 1979.
5. Prescribing companies subject to Chapter 7 bis of the Petroleum Income Tax Act, 13 July 1991.

**Ministerial Regulations**

1. Repealed.
2. Entertainment expenses, 27 December 1971.
3. Assessments and fines, 27 December 1971.
4. Price discounts for deep water blocks, 5 March 1974.
5. Transfers of petroleum business, 14 March 1984.
6. Allocation of income and expenses among blocks, 25 October 1993.

**Ministerial Notifications**

1. Public charities, clinics and educational institutions, 8 September 1971.
2. Appointment of officers and place for filing of income tax returns, 8 October 2524 (1981). (No English translation)
3. Amendment of notification dated 8 October 1981, 5 August 2534 (1992). (No English translation)
4. Order of Revenue Department No. Thor. Por. 4/2528, 26 September 1985 re Ordering Payers of Assessable Income under Section 40 of the Revenue Code to Deduct Tax at Source.

**N.B.** The above list does not include all legislation applicable to concessionaires and petroleum service companies. See, for example, the Foreign Business Operation Act, Civil Aviation Act, Construction Professions Act, Customs Act, Explosives Act, Forestry Legislation, Immigration Act, Working of Aliens Law, Vessels Act, etc.

**References of historical interest:**

- Notification of the Ministry of Industry prohibiting the export of petroleum, except liquified natural gas, for 1990, 28 December 1989. (It and similar notifications for the years 1980 through 1989 have expired.)
- Announcement of the Ministry of Industry to submit applications for concessions (13<sup>th</sup> bid round), 27 July 1990. (1<sup>st</sup> bid round under Thailand III terms.)
- Announcement of the Ministry of Industry to submit applications for concessions (14<sup>th</sup> bid round), 12 October 1995.
- Announcement of the Ministry of Industry to submit applications for concessions (15<sup>th</sup> bid round), 23 February 1996.
- Announcement of the Ministry of Industry to submit applications for concessions (16<sup>th</sup> bid round), 16 June 1997.
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