



REPUBLIC OF MOZAMBIQUE
MINISTRY OF MINERAL RESOURCES AND ENERGY

MOZAMBIQUE SIXTH LICENSING ROUND

APPLICATION GUIDELINES

Round closes, 31st August 2022

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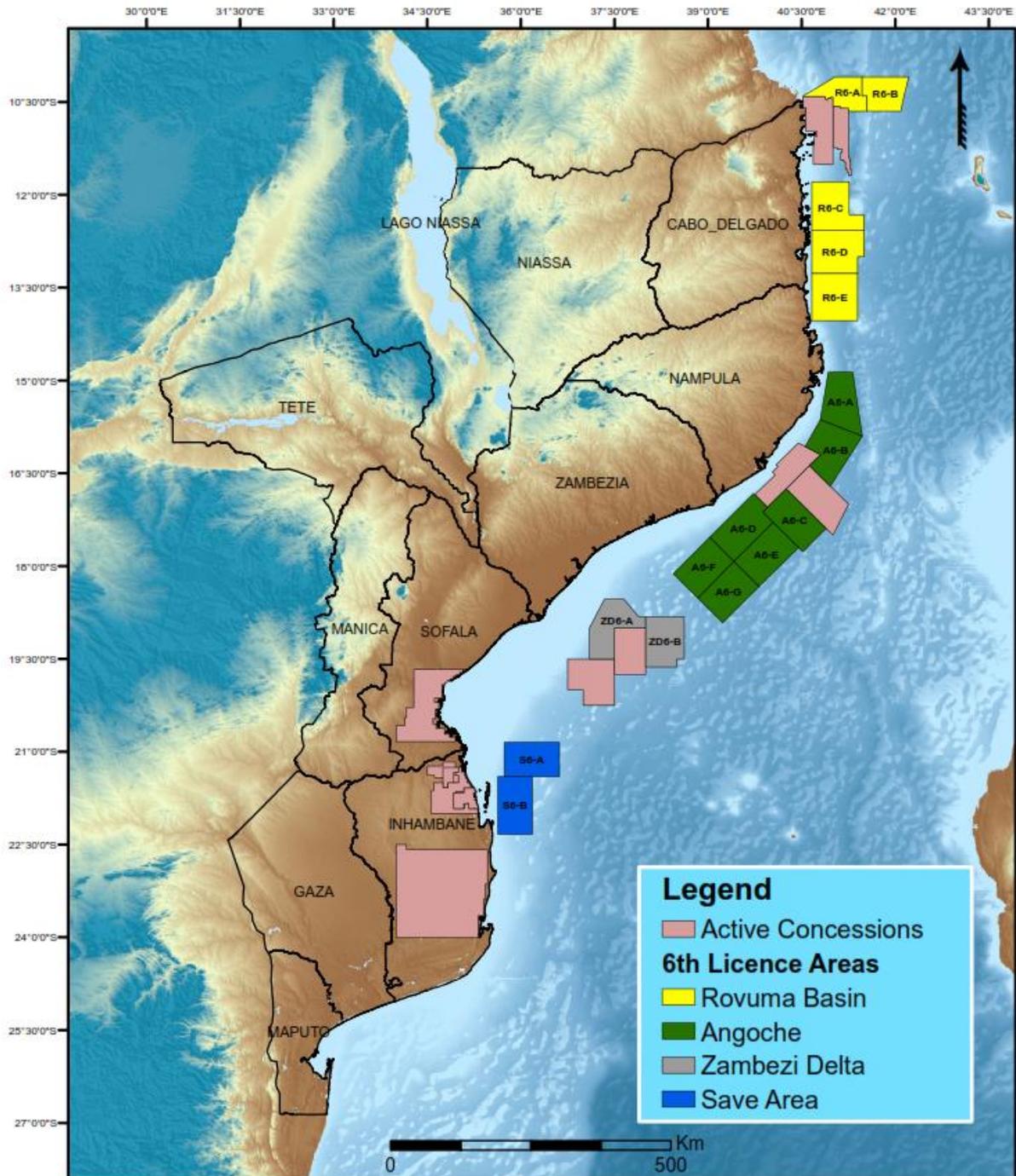
1 INTRODUCTION

The Government of the Republic of Mozambique, through the Ministry of Mineral Resources and Energy and the Institute of National Petroleum (INP) invites Oil & Gas Companies for the offshore competitive licensing round to explore for hydrocarbons in the North, Central and South of Mozambique, in Rovuma and Mozambique Basins.

This document is intended as guidance for applicants in the Mozambique Sixth Licensing Round on how to complete and support an application. Our website (<http://www.inp.mz.com>) carries pointers to other useful information, including general information about the Licensing system and the availability of technical data.

The Licensing Round is launched on the 25th November 2021 and the closing date for submission of applications is 12:00 noon in Maputo on Wednesday, 31st August 2022. The Areas of application for the bidding round are shown on the map below:

MOZAMBIQUE SIXTH LICENSING ROUND MAP



2 LEGAL & FISCAL DOCUMENTS

2.1 Schedule 1 - Petroleum Law

The Mozambique Petroleum sector is currently regulated by the Petroleum Law No. 21/2014 of 18th of August. The law establishes the regime for the granting of rights for the conduct of Petroleum Operations in the Republic of Mozambique. The scope of the law excludes the refining of Petroleum, its industrial utilization as well as the distribution and sale of Petroleum Products.

Ownership of Petroleum Resources

All petroleum resources in situ as natural resources in the soil and the subsoil onshore, in the interior waters, in the territorial sea and on the continental shelf are the property of the State.

Participation of the State

The State reserves itself the right to participate in Petroleum Operations in which any legal entity is involved. The participation of the State may occur during any phase of Petroleum Operations or during the construction and operation of a petroleum pipeline in accordance with the terms and conditions to be established in a Concession Contract.

2.2 Schedule 2 - Petroleum Operation Regulations

The Decree No. 34/2015 of 31st of December further outlines the conditions for the conduct of Petroleum Operations in Mozambique. Hydrocarbon Exploration may only be conducted in accordance with:

Exploration and Production Concession Contract

An Exploration and Production Concession Contract gives an exclusive right to conduct Petroleum Exploration and Production activities as well as the non-exclusive right to operate petroleum pipelines.

2.3 Schedule 3 - Model EPCC

The Exploration and Production Concession Contract is the current contract model in force in Mozambique. It was approved under the Resolution No. 25/2016, of 3rd of October. Applicants should take due notice that the EPCC is based on an administrative law based on governmental decision in which a specific number of fiscal elements have been agreed based on negotiation prior to the final award.

It is provided in Microsoft Word format for companies to complete.

2.4 Schedule 4 - Fiscal Regime

Law 14/2017 of 28th of December which updates the specific fiscal Regime, approved by law 27/2014 of 23rd of September

2.5 Schedule 5 - Areas Available

This license round focuses on the Mozambique offshore areas available for the EPCC license applications. For ease of references these have been grouped by INP in four (4) Regions, which comprise the sixteen (16) Areas as mentioned in the introduction distributed as follows:

1. Rovuma Basin Areas

- R6-A 4113.00 Sqkm
- R6-B 4353.25 Sqkm
- R6-C 6376.53 Sqkm
- R6-D 6702.24 Sqkm
- R6-E 6695.99 Sqkm

2. Angoche Areas

- A6-A 5658.99 Sqkm
- A6-B 6052.60 Sqkm
- A6-C 5654.51 Sqkm
- A6-D 6173.51 Sqkm
- A6-E 6014.84 Sqkm
- A6-F 5365.36 Sqkm
- A6-G 5500.98 Sqkm

3. Zambeze Delta Areas

- ZD6-A 5797.87 Sqkm
- ZD6-B 5676.73 Sqkm

4. Save Areas

- Save6-A 5595.68 Sqkm
- Save6-B 5883.67 Sqkm

3 APPLICATION DOCUMENTS

Applications must be made on the approved “Application Forms” shown in Appendixes B and C.

Note that these form a crucial part of the application – *see evaluation criteria*.

Applicants may also provide material that they consider best to support their application, but it is also in their interest to make the material as concise as possible.

INP prefer all material to be at A4 size for ease of handling. Three copies of the application must be provided. We also request that applicants provide an additional copy on electronic media because we may wish to print documents for internal use.

Separate applications must be presented for each Area applied for. If the applicant submits proposals for more than one Area, the applicant's priority given to each Area should be clearly indicated.

3.1 Appendix A - Applicant Details and Financial Information (Form)

Appendix A contains financial information about the applicant and is required to support applications for an Exploration and Production Concession Contract. Where there are two or more companies or an application, an Appendix A from each company shall be completed separately.

3.2 Appendix B - Technical Application Summary (Form)

Appendix B demonstrates the applicant's plans to work and evaluate the acreage.

3.3 Appendix C - Financial Proposal (Form)

The proposal of the applicant for minimum work commitment and expenditure in respect of the exploration area (s) specified in the application must be stated. Definitive proposal with respect to all negotiable items as contained in the Model Exploration and Production Concession Contract must be stated, including, training, institutional support and social support that may be applicable.

3.4 Appendix D - Health Safety Environment (Form)

This applies across the entire scope of application of the Regulation. An applicant should submit details of the Health, Safety (Safety culture) and Environmental protection system, including applicant's policy not known to Mozambican authorities and corporations' wide records for the last 3 years. Harm or danger of harm to people, the environment or to installations, pipelines and equipment must be prevented or limited. A high standard of operational regularity and safety is in the interest of all petroleum industry stakeholders. To reach the level of acceptable conduct, systematic procedures and assessments must be made and documented in all phases of petroleum activities.

The applicant must thus demonstrate its HSE Systems and their implementation with regard to risk reduction through the applicant's choice and implementation of technical, operational or organizational solution. The Solution must demonstrate that individual as well as an overall evaluation attain appropriate HSE standards and also reduces future potential harm and that future use offer the best results.

Note:

INP objective is to ensure the success of the systematic effort needed to prevent faults and dangerous situations or undesired conditions arising or developing, and to limit pollution and injury to persons and damage to equipment, a favourable health, environment and safety culture must pervade all levels of individual activity/establishment.

INP also recognize that a favourable health, environment and safety culture is also needed to ensure continual development and improvement of health, environment and safety.

4 SUBMITTING AN APPLICATION

- Applications must be consistent with the provisions of the Petroleum Law 21/2014 of 18th August and the Regulation of Petroleum Operations.
- Applications on behalf of more than one company are to be accompanied by a fully executed agreement between those companies. Such cooperation – or bid agreement shall be submitted no later than the application and its terms may not deviate from the requirements stipulated in Mozambican Law or the model documents.
- A non-refundable fee equivalent of 2,000,000 MT must accompany the application for each area. Notwithstanding the fee can be paid in United States Dollars according to the exchange rate of the day as issued by the Bank of Mozambique (www.bancomoc.mz).

Bank Details:	National Petroleum Institute:
Account Name:	Standard Bank, Maputo - Mozambique
Account Number:	1081819781013
SWIFT:	BSTMMZMA

Applications should be made in triplicate, in sealed envelopes clearly marked on the top “APPLICATION FOR HYDROCARBON EXPLORATION OF THE MOZAMBIQUE OFFSHORE BASINS – MOZAMBIQUE (SIXTH LICENSING ROUND)” must be sent by registered mail until 12:00 hrs local time by Thursday 30th June 2022 or hand delivered to:

NATIONAL PETROLEUM INSTITUTE
Rua dos Desportistas, Parcela no 259

MAPUTO - MOZAMBIQUE

No application sent in by e-mail will be accepted. A receipt will be issued on receipt of each application.

- All bids will remain valid for at least 6 months from the date of closure of the licensing round.

- INP reserve the right to have full flexibility when defining the outline and size of the areas to be awarded if for instance the proposed work programme is considered to be sufficient only in parts of the area applied for.

5 BID EVALUATION CRITERIA

The Ministry of Minerals Resources and Energy and the National Petroleum Institute will take the following aspects into consideration:

- Proven expertise of the technical competence, capacity and financial strength of the applicant to be able to carry out exploration and production of hydrocarbons according to legal requirements and industry standards.
- The technical database used in making the application.
- The technical evaluation and minimum work program. Preference will be given to bids which demonstrate an active and cost-effective exploration approach, with satisfying progress.
- The relinquishment of areas is established by the ROP, article 21
- Economic terms offered by the Company.
- Level of institutional support and training
- Strength of the proposed safety, health and environmental protection.

Important Note:

INP encourages companies to present a technical proposal that will maximize the knowledge of the petroleum potential of the Areas on offer.

5.1 Example Bid Evaluation Score Card

EPCC

Appendix A (Company Expertise)	13 Marks
Appendix B (Technical Work Program)	50 Marks
Appendix C (Economic Proposal)	37 Marks
Appendix D (HSE)	

TOTAL 100 Marks

5.2 Minimum Technical Work Program

INP have defined the minimum work program for each Area as follows:

Minimum technical work program for EPCC:

- Digital Database
- GIS Project & geo-reference of historical data (well & seismic)
- Potential Field Data Analysis
- Acquire new 2D and 3D Seismic Data
- Acquire new Grav/Mag data
- Acquire Electromagnetic and or Resistivity data (where applicable)
- Field studies (geo-chemical), sampling, thin sections, palaeontology
- Reprocessing of existing seismic data (where available)
- Well data analysis (new well composites)
- Seismic Interpretation / Technical Studies
- Shallow coring / Sampling (up to 100m)
- Basin Modelling
- Environmental Baseline Assessment - detailed

6 TECHNICAL DATA

INP have prepared a comprehensive technical database, using all the available data, these data are recommended for licensing by companies applying in the Mozambique Sixth License Round. The available data is described in detail in a document titled “INP GEOTECHNICAL DATA MOZAMBIQUE BASINS” and can be downloaded from www.inp.gov.mz.

The data compiled by INP demonstrate the Exploration History, Petroleum Potential and Prospectivity of the Mozambique and Rovuma Basins both onshore & offshore.

The technical database has been consolidated in World Geodetic System of 1984 (WGS84), Zone 36 and 37. Applicants are asked to use these same geodetic parameters.

6.1 INP TECHNICAL DATA

The INP technical database which is available for companies to license includes:

- Technical Reports - Digital pdf
- Well Data - Digital Well Folders
- Seismic Data - Digital SEG Y, Scan pdf
- Gravity & Magnetic - Digital
- GIS & Satellite Data - Digital ArcView project

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Well Data

There are 37 released wells in the vicinity of the 6th round blocks. INP have created a digital well data base of what is available for each well, this is summarized in a spreadsheet which can be downloaded from www.inp.gov.mz (the well data spreadsheet has been updated to include recent information that has been retrieved from INP archives).

Seismic Data

The released seismic data in both the onshore and offshore is available by survey or by individual seismic line (complete line only). The data is provided in both SEG Y and where possible scanned pdf format. The seismic data is described in detail within the “Geotechnical Data, Mozambique” document that can be downloaded from www.inp.gov.mz .

Data License Agreement

All INP data is licensed subject to an INP data license agreement. The standard agreement can be downloaded from www.inp.gov.mz . The cost of licensing the technical data can be offset against the exploration expenditure obligations of the EPCC. The technical database (an applicant company has) forms a key part of the evaluation criteria.

Workstation Project

Once the data has been licensed by INP, a SMT Workstation project can be provided preloaded with a client’s individual data entitlement (at additional cost).

6.2 DATA ROOMS

Data rooms are available in Mozambique (INP) office, both physical and virtual data rooms. The data available in each location are identical and contain:

- PETREL/IHS Kingdom Project
 - INP seismic data
 - INP well data
 - Selected brokered and speculative seismic data
- INP Digital Library
 - Scanned Technical Reports
 - Scanned Well Folders
- Hardcopy of Key Technical Reports (supplied as pdf in data packages)
- Hardcopy of Key Well Composites

Entry to the data room will require signature of the “data room rules” (available on www.inp.gov.mz).

Companies may take away only limited information (usually within a PowerPoint Presentation), restricted to internal use within their company (refer to Data Room regulations for the information that can be taken), to enable them to review the opportunity at their office.

Once the data package has been purchased the data license agreement governs the use and copying of the data.

MOZAMBIQUE DATA ROOM

INP Maputo Mozambique (9.00 a.m. and 5.00 p.m.) Monday to Friday.
Coordinator of Mozambique Data Room—**Calisto Nhatugues** and José Branquinho
Appointments must be made via email to **Calisto.Nhatugues@inp.mz** and **José.Branquinho@inp.gov.mz**

7 FURTHER INFORMATION

For further information about the Mozambique 6th Licensing Round please contact

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