



REPUBLIC OF MOZAMBIQUE
MINISTRY OF MINERAL RESOURCES AND ENERGY

PRE-QUALIFICATION GUIDELINES
MOZAMBIQUE SIXTH LICENSING ROUND

Pre-qualification closes 28th February 2022

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1. Introduction

As preparation for the upcoming Hydrocarbon Exploration Licensing Round, the National Petroleum Institute (INP) is organizing a pre-qualification process for oil companies planning to take part in the Licensing Round. The purpose thereof shall be to formally approve such companies to participate in the Licensing round that may be awarded an Exploration and Production Concession Contract (EPCC), pursuant to Article 21 and 28 of the Petroleum Law (Law 21/2014).

In order to be pre-qualified to undertake Petroleum Operations, companies should be technically competent and have sufficient technical capacity, financial capacity as well prove that appropriate Health Safety and Environmental Management systems in place.

The pre-qualification process will allow the selection of companies under any bidding process to run more smoothly ensuring that the bidding process will only allow companies already pre-qualified.

2. Conditions for Pre-qualification

- 1- The application for pre-qualification must be submitted by each Applicant individually.
- 2- Each company whose objective is to carry out Petroleum Operations as defined in the applicable legislation have to participate in the pre-qualification process.
- 3 - There are criteria that apply to companies seeking pre-qualification as Operators, as well as criteria that apply to companies seeking pre-qualification as non-Operators, in accordance with the provisions relating to Concessionaires and Operators contained in the Law No. 21/2014. The Concessionaires may be a group of companies and each of them must prove that it is able to meet the pre-qualification eligibility criteria set forth.

An Applicant that is part of a group of Affiliated Companies must further establish that (i) it is the Ultimate Parent Company in such group, or (ii) it is a company that, either directly and/or through its Controlled Affiliated companies, is able to meet the pre-qualification eligibility criteria.

3. Submission of Applications

- 1- Applications for pre-qualification shall be submitted to the National Petroleum Institute by an authorized representative (whether an individual or a legal entity) of the Applicant in accordance with the Pre-qualification Application form (Appendix A and D of the Licensing round).

2- The pre-qualification documentation and the documents attached thereto set forth in Appendix A and D must be submitted in one sealed package. A copy in electronic form of the information and documents required pursuant to Appendix A and D must also be submitted to the National Petroleum Institute at the Address 6th.concurso@inp.gov.mz. This address can also be used to any queries in connection with the pre-qualification process.

The information and documents provided by the Applicant must all be in English.

4. Pre-qualification Criteria

The pre-qualification criteria are defined on the basis of legal, financial, technical and QHSE requirements, which will be provided by filling appropriate form for verification purpose in accordance with the following Appendixes:

APPENDIX A

- I. **Legal criteria,**
- II. **Financial criteria**
- III. **Technical criteria**

APPENDIX D

Quality, Health, Safety and Environment (QHSE)

5. Pre-qualification and Results

- 1- The National Petroleum Institute shall review and evaluate the Pre-qualification Applications and ensure that the information and documentation provided by the Applicants are in accordance with the criteria set forth in the Appendixes A and D.
- 2- The National Petroleum Institute may eliminate any Pre-qualification Application that is lacking information, that is incomplete or that is missing any required documentation.
- 3- The National Petroleum Institute shall decide upon the Pre-qualification Applications within 90 days of the deadline for submission of Pre-qualification information, which starts on the 25th of November. The National Petroleum Institute may decide to extend such period by an additional 15 days or more additional time should there be a need for further clarifications.
- 4- Following the issuance of its decision regarding the applications, the National Petroleum Institute shall communicate its recommendation regarding the list of pre-qualified companies as well as the list of the non-prequalifying companies.

- 5- The Applicant acknowledges that the National Petroleum Institute may seek further information from the Applicant, and that any decision to pre-qualify any company remains the sole prerogative of the National Petroleum Institute, in accordance with applicable law. The Applicant also acknowledges that the authorities may withdraw any pre-qualification following the granting thereof or annul the entire process of pre-qualification at any time without incurring any liability towards any Applicant or other person.

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1. APPENDIX A

I. LEGAL CRITERIA

The Applicant (whether applying to become a *Operator* and/or a *Non-Operator* (each as defined in Law 21/2014 (the Petroleum Law”), according the art. 26, PL and al; a,b,c,d,e,g, h, art. 9, Decree 34/2015 (Petroleum Regulations) should submit the following documents:

1 - Evidence of incorporation/registration (whether in the form of an extract of a commercial register, a copy of a resolution of the board of directors, or a legal opinion by a reputable attorney practicing in the jurisdiction of incorporation of the Applicant)

2 - An official copy of the constituent documents of the Applicant (i.e., depending on the jurisdiction of incorporation of the Applicant, the Certificate of Incorporation, Memorandum of Association, Articles of Incorporation, *statutes* and/or By-Laws).

3 - An extract of the commercial registry relating to the Applicant, showing its full name, main business address, and capital stock. Where such information is not available from the commercial registry, a notarized, signed statement from the Company Representative, a document from a governmental or official entity showing that the Applicant is not being liquidated and is not in insolvency proceedings, including a corporate organization chart showing the chain of ownership from the parent to the Applicant company including the affiliates.

5 - A notarized, signed statement from the general counsel or similar officer that there are no pending litigation, arbitration, legal proceedings or other circumstances which may lead to the insolvency or bankruptcy of the Applicant or that could reasonably be expected to prevent Applicant from fulfilling its obligations under the Exploration and Production Agreement.

6 - Legal representative

II. FINANCIAL CRITERIA

An Applicant may seek pre-qualification as *Operator* and/or as *Non-Operator* by satisfying the criteria and presenting the documents and disclosures set forth below.

An Applicant is eligible for such pre-qualification if it is able to demonstrate, to the reasonable satisfaction of the National Petroleum Institute, that the Applicant had, as of the end of its most recent financial year:

(i) In the case of Applicants seeking pre-qualification as *Operator*

- A minimum of total assets equivalent to US\$ 1 Billion or equivalent Market Capitalization if the Applicant will undertake operations in water depths of less than 500 meters, and more than US\$ 2 Billion in water depths of more than 500 meters.
- Estimate of the total capital expenditure in Petroleum operations in each of the last three (3) years.

(ii) In the case of Applicants seeking pre-qualification as *Non-Operator*

- A minimum of total assets of US\$ 250 Million or equivalent Market Capitalization for companies applying to undertake activities as non-operators.
- Estimate of the total capital expenditure in activities falling within the definition of Petroleum operations in each of the last three (3) years.

Financial Information

- 1- The audited consolidated financial statements for the Applicant for the last three (3) years, including the balance sheet, income statement, value of equity capital, current asset, value of current liabilities, statement of changes in shareholders' equity as well the shareholding structure, cash flow statement, notes to the accounts and, where required under local law or applicable accounting principles, the Directors' report and a reference from a reputable bank endorsing their financial capability.
- 2- The auditor's report(s) referencing the abovementioned financial statements of the Applicant, signed by an independent public accountant and prepared in accordance with applicable auditing standards.
- 3- A description of the Applicant's material lines of credit, credit agreements, publicly traded debt securities, off-balance sheet liabilities and guarantees of third-party obligations.

- 4- Details of any medium-term plans and/or material contingent liabilities, if these could reasonably be expected materially and adversely to impact the financial status of the Applicant.
- 5- Any additional information supporting the financial capacity of the Applicant.

III. TECHNICAL CRITERIA

An Applicant may seek pre-qualification as an *Operator* and/or as a *Non-Operator* by satisfying the criteria and presenting the documents and disclosures set forth below. Also is eligible for such pre-qualification if it is able to demonstrate, to the reasonable satisfaction:

For Applicants seeking pre-qualification as an *Operator*

- (i) Exploration and Production wells drilled and number of discoveries in the last 10 years. (for exploration wells: specify well names, onshore/offshore, water depth, TD, and results).
- (ii) Operatorship of at least one exploration / development program in deep water (> 500 m water depth) including seismic and drilling in the last 5 years.

For Applicants seeking pre-qualification as a *Non-Operator*

Estimate of the total capital expenditure each year in of "Petroleum Operations" in each of the last five years

2. APPENDIX D

2.1. QHSE CRITERIA

An Applicant may seek pre-qualification as *an Operator* and/or a *Non-Operator* by satisfying the criteria and presenting the documents and disclosures set forth below.

The Applicant applying to become a pre-qualified *Operator* should submit evidence of proper operational procedures and sensitivity related to issues surrounding Quality, Health, Safety and the Environment. An Applicant is eligible for such pre-qualification if it is able to demonstrate, to the reasonable satisfaction of the INP, its ability to observe all applicable international standards in such areas.

- 1- QHSE policy statement(s)
- 2 - Evidence of established and implemented QHSE Management System(s)
- 3 - QHSE certification(s) according to best international industry practice (e.g., ISO certification 9001, ISO 14001 and/or OHSAS 18001), with copies of certificates approved by the awarding official entities.
- 4 - A copy of the Quality, Health, Safety and Environment Management System(s) (QHSEMS), or equivalent.
- 5 - A copy of Corporate Social Responsibility reports or initiatives for the past three (3) years.
- 6 - Experience as operator in environmentally sensitive areas.

In addition, those companies that wish to apply for pre-qualification as an *non-Operator* must also submit:

- 1 - QHSE policy statement(s)
- 2 - Evidence of established and implemented QHSE Management System(s)
- 3 -QHSE certification(s) according to best international industry practice (e.g., ISO certification 9001, ISO 14001 and/or OHSAS 18001), with copies of certificates approved by the awarding official entities.