

CHANDLER MHM

Newsletter

MINISTRY OF ENERGY ANNOUNCES 23RD BIDDING ROUND FOR PETROLEUM CONCESSIONS

On 16 June 2021, the Ministry of Energy (“**MOE**”) announced a new bidding round for petroleum concessions (the “**23rd Bid Round**”). This is the first round of competitive bids initiated by the MOE since 2018, when two brownfield petroleum blocks in the Gulf of Thailand were awarded.

The 23rd Bid Round consists of a single onshore area, identified as Block L1/64. The block straddles the border of the provinces of Sukhothai and Kamphaeng Phet and is a total of 78.90 square kilometers. The block is divided into two areas: Area A, which is a greenfield section on the north side of the block consisting of 67.66 square kilometers, and Area B, which is a brownfield development on the southern tip of the block totaling 11.24 square kilometers.

Bidding Process

The timeline for interested parties to evaluate the block and submit their bids is relatively tight. The Department of Mineral Fuels, Ministry of Energy (“**DMF**”) has opened a physical data room on site at the DMF’s office, which is open from 24 June 2021 to 23 July 2021. Interested parties are required to notify the DMF in advance of their interest in visiting the data room and are required to comply with strict protocols when examining the data, including signing of a confidentiality agreement. The data consists of 2D and 3D seismic, EIA reports, existing wells and other relevant data.

Bidding will only be open for three days, from 29 July 2021 to 2 August 2021.

Eligibility

Applicants must generally meet the requirements under section 24 of the Petroleum Act, i.e. they must be companies which command sufficient machinery, equipment, tools, specialists and other resources necessary for the exploration and production of petroleum. If an applicant does not satisfy the necessary requirements, it may be required to submit a guarantee from an affiliated entity with a relationship in capital and/or management which satisfies the mandatory requirements.

Applicants must have had no less than THB 150 million of registered share capital for at least two of the past three years. Further, applicants must have commanded the necessary resources to engage in petroleum exploration and production for at least five years. Foreign companies are eligible, but they must have the relevant documents notarized by a foreign notary public, or authenticated by a foreign embassy or consulate in Thailand or a Thai embassy or consulate abroad. Given the relatively short time period to prepare the application package, the ability to have foreign documents notarized rather than authenticated at an embassy or consulate should streamline the process for applicants.

Basis for Evaluation

The MOE and DMF will evaluate applicants on two criteria: (a) the physical work and expenditure obligations (80%); and (b) special advantages and payments (20%).

Key Contacts



Nuanporn Wechsuwanarux
TEL+66-2-009-5161
nuanporn.w@mhm-global.com



E.T. Hunt Talmage, III
TEL+66-2-009-5134
talmage@mhm-global.com



David Beckstead
TEL+66-2-009-5106
david.b@mhm-global.com



Tachatorn Vedchapun
TEL+66-2-009-5146
tachatorn.v@mhm-global.com

CHANDLER MHM

Chandler MHM Limited
17th & 36th Floors
Sathorn Square Office Tower
98 North Sathorn Road
Silom, Bangrak, Bangkok 10500
Thailand
www.chandlermhm.com

Contract Form

As Block L1/64 is located onshore, it will be subject to a petroleum concession, which will comply substantially with the Ministerial Regulation Re: Form of Petroleum Concession B.E. 2555 (2012). This is in contrast to the 22nd Bidding Round in 2018, where two blocks located in the Gulf of Thailand were offered under the new production sharing contract model.

For more information and queries on the bidding submission, please contact the key contact person(s).



This publication is intended to highlight an overview of key issues for ease of understanding, and not for the provision of legal advice. If you have any questions about this publication, please contact your regular contact persons at Mori Hamada & Matsumoto or Chandler MHM Limited. If you should have any inquiries about the publications, or would like more information about Chandler MHM Limited, please contact bd@mhm-global.com.