

LEGAL ALERT

ANGOLA

BIDDING ROUNDS FOR PETROLEUM CONCESSIONS

A licensing round was officially announced by the National Agency for Petroleum, Gas and Biofuels (*Agência Nacional do Petróleo, Gás e Biocombustíveis/ANPG*). This bidding round was launched within the context of the General Strategy for the Awarding of Oil Concessions for the years 2019-2025 (enacted by Presidential Decree 52/19, of 18 February) and pursuant to articles 6 and 7 of Presidential Decree 86/18, of 2 April (Public Tender Rules and Procedures for Oil & Gas Operations).

ANPG, as the National Concessionaire, is offering 10 new blocks: 11, 12, 13, 27, 28, 29, 41, 42, 43 (Namibe) and 10 (Benguela). The tender period is officially open, and all bids (which must be drafted and submitted in Portuguese language) must be placed with ANPG until 12 November 2019 (17h30 GMT+1). The opening ceremony is scheduled for 13 November 2019.

The contractual model chosen by ANPG to award the petroleum concession is the production sharing agreement (“PSA”) (available at www.anpg.co.ao). The PSA model will be adopted notwithstanding, as indicated in the announcement, “*items subject to negotiation*” .

The announcement made available by ANPG includes information on the following:

- Rules of the public tender;
- Prerequisites to be an associate of the National Concessionaire as non-operator;
- Prerequisites to be an associate of the National Concessionaire as operator;
- Requirements on Quality, Health, Safety and Environment;
- Terms of Reference for each block; and

- The applicable forms and proposal templates.

The Terms of Reference establish (a) the bidding terms (such as the signing bonus, contribution required for social works, and minimum work program); (b) the fixed terms (such as the maximum limits available for cost recovery, investment premiums, and the share of the profit oil); (c) the variable terms such as the duration of the exploration stage (applicable to the initial and subsequent exploration phases); (d) the required financial guarantees; and (e) the percentage of carried interests granted to *Sonangol Pesquisa & Produção*.

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