

MOZAMBIQUE

Global Vision, Local Experience.

OCTOBER 2015

5TH LICENSING ROUND OF OIL BLOCKS

The results of the 5th licensing round for the concession of various new areas for prospection, exploration and production of hydrocarbons were announced on 28 October 2015 by the National Petroleum Institute (NPI). The NPI is the regulatory body responsible for administration and promotion of oil operations in Mozambique.

The 5th licensing round covers a very large and widespread set of regions for hydrocarbon prospection and exploration. From the beginning, this licensing round has attracted a great deal of interest from a range of companies in the oil sector and from international observers. In geographical terms, the 15 areas offered in the licensing round include onshore and offshore areas located in, Angoche, Zambezi Delta, Pande/Temane and Palmeira, in the North, centre and south of the country respectively.

This licensing round was launched on 23 October 2014 and bidders had nine months to evaluate the underlying oil production potential. By the bid deadline of 30 July 2015, around 23 proposals had been presented and these were distributed between 11 of the 15 areas offered in the licensing round.

From a legal point of view, it is important to note that the licensing round and the various contracts to be signed will be governed by the new Oil Law (i.e. Law 21/2014 of 18 August)

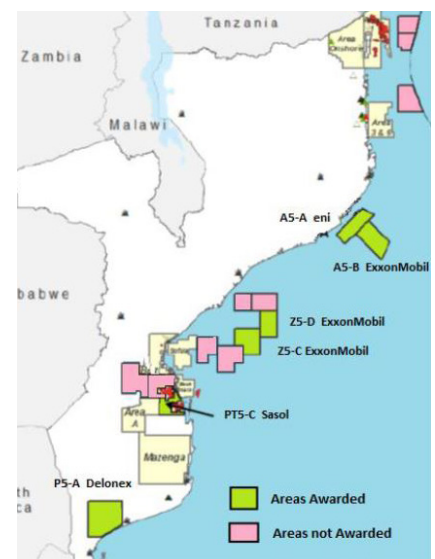
and by the new Specific Rules on Taxation and Tax Benefits of Oil Activity (i.e. Law 27/2014 of 23 September), at a time when we are still waiting for the approval and entry into force of the new Oil Law Regulation.

On this matter in particular, it should be remembered that the Mozambican State, through the state-owned oil company ENH – Empresa Nacional de Hidrocarbonetos de Moçambique, E.P., has the right to a stake in oil operations, as well as the right to keep at least 10% of the participating interests in any of the geographical areas for which concessions are now being granted. In addition to this, investors must bear in mind that carrying out oil operations in Mozambique implies that a share of at least 25% of the hydrocarbons produced must be channelled to supplying the domestic market.

According to the National Petroleum Institute, the programmes for exploration that have been awarded will allow investment of close to USD 700 million, and should involve the opening of at least 10 wells, 8 of which will be deep-water wells.

Despite the fall in the price of oil in the international market, there is good reason to believe that Mozambique will continue to take clear steps towards intensifying the

exploitation of its natural resources and to attracting foreign investment. However, this will not prejudice the necessary rigour, transparency and control in the process to achieve these ends with rapid development that is intended to be sustainable.



WINNING CONSORTIUMS (OPERATORS)		
BASIN	AREA	OPERATOR
ANGOCHE	Area A5-A	Eni Mozambico S.p.A.
ANGOCHE	Area A5-B	ExxonMobil E&P Mozambique Offshore Ltd.
ZAMBEZE	Area A5-C	ExxonMobil E&P Mozambique Offshore Ltd.
ZAMBEZE	Area A5-D	ExxonMobil E&P Mozambique Offshore Ltd.
PANDE / TEMANE	Area PT5-C	Sasol Petroleum Mozambique Exploration Ltd.
PALMEIRA	Area P5-A	Delonex Energy Ltd.

Offshore Blocks Awards

Angoche	%	Area A5-A (5,145 Sq km)
Operator	34.0	Eni m Mozambico S.p.A
Partner	25.5	Sasol Petroleum Mozambique Exploration Ltd.
Partner	25.5	Statoil Holding Netherlands B.V.
ENH Carried Interest	15.0	ENH
First Period Duration		4 years
First Period Financial Commitment		115 M\$
First Period Work Commitment		3 wells 4,400 sq km of 3D seismic

Angoche	%	Area A5-B (6,080 Sq km)
Operator	60.0	Exxon Mobil E&P Mozambique Offshore Ltd.
Partner	20.0	RN-Exploration LLC (Rosneft)
ENH Carried Interest	20.0	ENH
First Period Duration		4 years
First Period Financial Commitment		257 M\$
First Period Work Commitment		2 wells 8,000 sq km of 3D seismic

Delta do Zambezi	%	Area Z5-C (5,821 Sq km)
Operator	60.0	Exxon Mobil E&P Mozambique Offshore Ltd.
Partner	20.0	RN-Exploration LLC (Rosneft)
ENH Carried Interest	20.0	ENH
First Period Duration		4 years
First Period Financial Commitment		128 M\$
First Period Work Commitment		1 well 1,500 km of 2D and 2,500 sq km of 3D

Delta do Zambezi		%	Area Z5-D (4,384 Sq km)
Operator		60.0	Exxon Mobil E&P Mozambique Offshore Ltd.
Partner		20.0	RN-Exploration LLC (Rosneft)
ENH Carried Interest		20.0	ENH
First Period Duration	4 years		
First Period Financial Commitment	142 M\$		
First Period Work Commitment	2 wells		
	3,500 sq km of 3D seismic		

Onshore Blocks Awards

Pande Temane		%	Area PT5-C (3,012 Sq km)
Operator		70.0	Sasol Petroleum Mozambique Exploration Ltd.
Partner		30.0	ENH
First Period Duration	4 years		
First Period Financial Commitment	49 M\$		
First Period Work Commitment	2 wells		
	1,600 sq km of 2D		

Palmeira		%	Area PT5-C (3,012 Sq km)
Operator		70.0	Sasol Petroleum Mozambique Exploration Ltd.
Partner		20.0	ENH
ENH Carried Interest		10.0	Indian Oil Corporation Ltd.
First Period Duration	3 years		
First Period Financial Commitment	20 M\$		
First Period Work Commitment	1,000 km of 2D		
	Gravity (FTG): 10,000 sq km plus Magnetics		

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