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Expression of Interest

Timor-Leste Exclusive Area PSC Model Review

Autoridade Nacional do Petróleo (ANP) is a public institution of the Timor-Leste government established under the Decree Law no. 20/2008 of the Democratic Republic of Timor-Leste. ANP is also the “Designated Authority (DA) under the Timor Sea Treaty signed between Timor-Leste and Australia. In all, ANP is responsible for regulating and administering petroleum activities in the Timor Leste Exclusive Areas (TLEA) and in the Joint Petroleum Development Area (JPDA) in the Timor-Sea.

The main objective of this PSC model review is for ANP Timor-Leste to have a better understanding on the applicability and relevancy of the current TLEA PSC Model to the petroleum industry in the region and global, whilst also ensuring the aspirations of the resource owners are well considered.

It has been four years since the application of the current PSC model in the TLEA. With the experience from the implementation of the PSCs so far, there have been challenges documented throughout time, and records indicated that the majority of the challenges have been predominantly related to legal matters. With this in mind, ANP believes that a thorough review of the current PSC model is vital in order to establish clarity, consistency, and to ensure our contract model is competitive comparing to other petroleum contracts in the region. The increase of petroleum activities and the complexity of the governing regulations of jurisdiction require the TLEA PSC model to be fiscally competitive and legally clear, consistent and simple. Further the provisions representing the interest of the nation states, such provisions of employment and training, tender notification, auditing, operations should be reviewed further for clarity and consistency.

The administration of petroleum exploration and production in the TLEA is undertaken based on the Timor-Leste Petroleum Act. On that, throughout the reviews reference should be made to the Petroleum Act and the Interim Direction. Further, reviews should also be extended to assess petroleum contract models from other countries in order to ensure the balance between the competitiveness and attractiveness to industry whilst also encapsulating interest of the resource owners.

On the ground of the issues and concerns as stated above, and in consultation with the ANP Board of Directors for the TLEA, the ANP seeks for a third party assistance to review the current PSC model for the TLEA. To this, ANP is seeking the assistance of a suitably qualified and experienced petroleum related consultant to:

1. Review and provide comments on the current PSC model provided together with a cross check of other relevant legislation in place for consistency and to what extent the overall articles are reasonable, understandable and applicable.
2. Conduct an analysis to the existing fiscal sharing; such as royalty rate, costs recovery rate, profit sharing and whether the current PSC is still competitive compare to others PSC in the region, to the extent that it is not, then provide comments or revisions that are considered not only acceptable and competitive but maximizing revenue also for the host country,
3. Review and comment on Annex C Accounting Procedure in order to be consistent with PSC model, particularly in relation to fiscal framework in place,
4. Review the current work programs and budget provision and its associated articles for efficiency
5. Assess and propose the inclusion of a local content provision in the PSC. This should include various components of local content deliberations such as, but not limited to, the provisions of employment and training of locals, and supplying goods and services.
6. Review the procurement process specifically on the provision of goods and services in the current PSC Model.
7. Review the audit and insurance provisions in the current PSC model.
8. Assess the need for entrenching “Ring Fencing Principle” in the PSC Model
9. Review the decommissioning and abandonment plans provisions, with assessment to the feasibility of creating a trust account for decommissioning fund.

10. Assess and propose additional provision on assignment of interest.
11. Report all findings and submit a report to the ANP together with a completely revised draft TLEA PSC model

The ANP envisages the above mentioned scope will require two months for completion. ANP will ensure that necessary documents will be made available during the process of review. The Consultant will be expected to maintain close contact with the Commercial Director and Acting Director of PSC and Legal Compliance. Travel to Timor Leste is required under this service.

Selection Criteria:

Interested Consultants are requested to provide following information in their proposal:

1. A statement confirming the capacity to perform the task on the review of PSC.
2. Statement of skills and qualifications of personnel conducting the review.
3. Proposed Methodology
4. Statement of any potential conflicts of interest
5. Work program and timelines
6. Quotation for performing the task

Lodgement:

1. An expression of interest should be marked 'Confidential' and for the Attention of:
Mr. Angelino Belo, Senior Officer – Corporate Resource Management, courier or deliver to:
Autoridade Nacional do Petróleo(ANP) Timor-Leste
Ground Floor, East Wing of Palacio do Governo
Dili, Timor – Leste
Or submit through ANP email at anp.bid@anp-tl.org
2. The company should provide clear information enclosed to the bidding envelop as follows: Company name, Address, Contact Person and Project/Services Title

Closing Date:

On 25 of April 2011 at 5 p.m. Timor- Leste time. Late application will not be considered.

Further information

Questions or requests for further information should be made by email to the ANP.

Mr. Angelo Lay/Mr. Amado Hei
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Other general information can also be obtained from ANP official website at www.anp-tl.org