

COLOMBIA ROUND 2021

2021

10 Previous rounds since 2007



Caribbean Round 2007

Blocks Offered **13** Signed Contracts **9**



Mini Round 2007

Blocks Offered **38** Signed Contracts **11**



Heavy Oil

Blocks Offered **8** Signed Contracts **8**



Mini Round 2008

Blocks Offered **102** Signed Contracts **41**



Colombia Round 2008

Blocks Offered **43** Signed Contracts **22**



Open Round Colombia 2010

Blocks Offered **229** Signed Contracts **68**



Colombia Round 2012

Blocks Offered **115** Signed Contracts **50**



Colombia Round 2014

Blocks Offered **115** Signed Contracts **50**



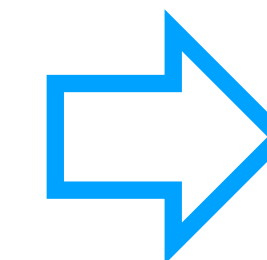
Permanent Process for Allocation of Areas 2019

Blocks Offered **70** Signed Contracts **26**



Permanent Process for Allocation of Areas 2020

Blocks Offered **4** Signed Contracts **4**



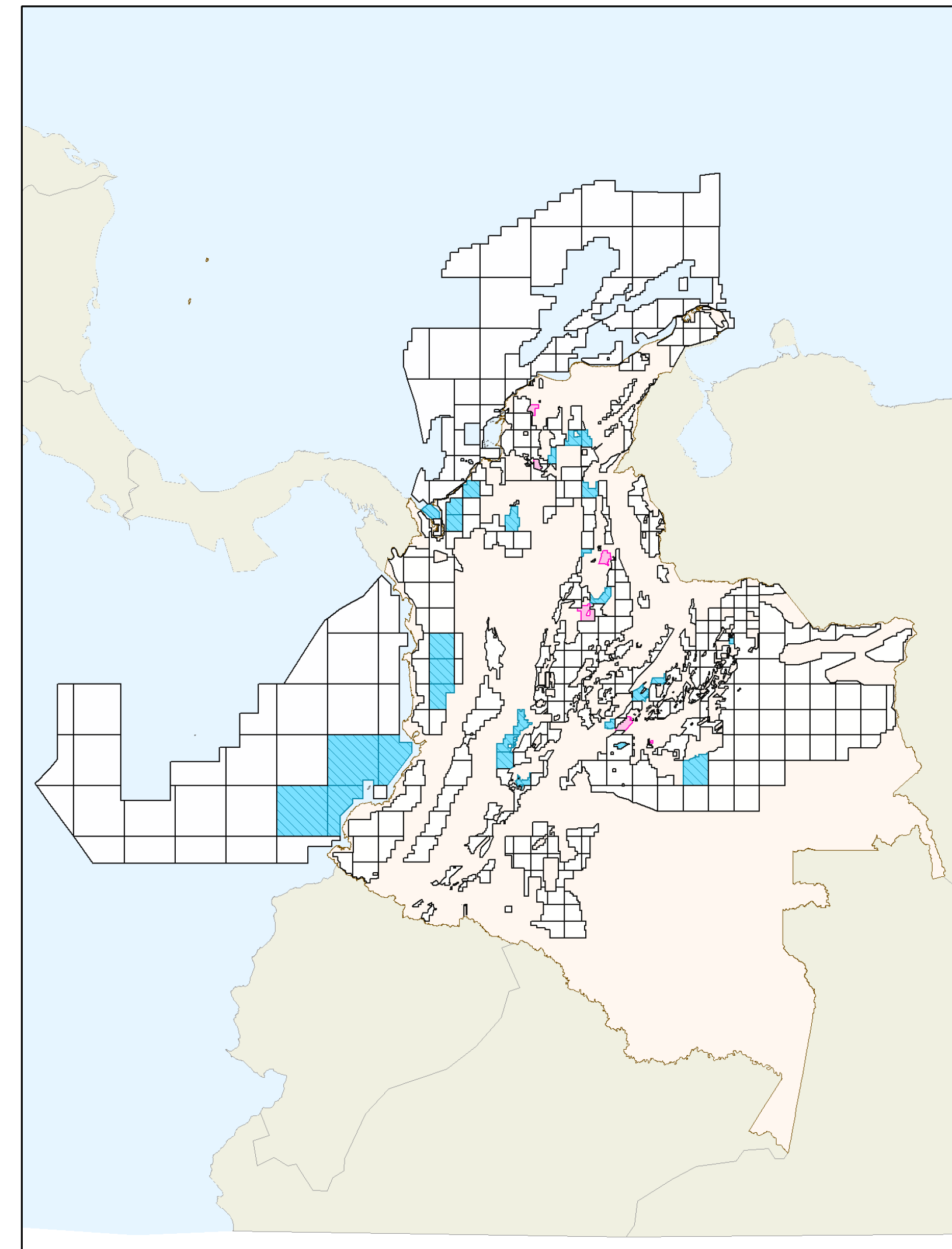
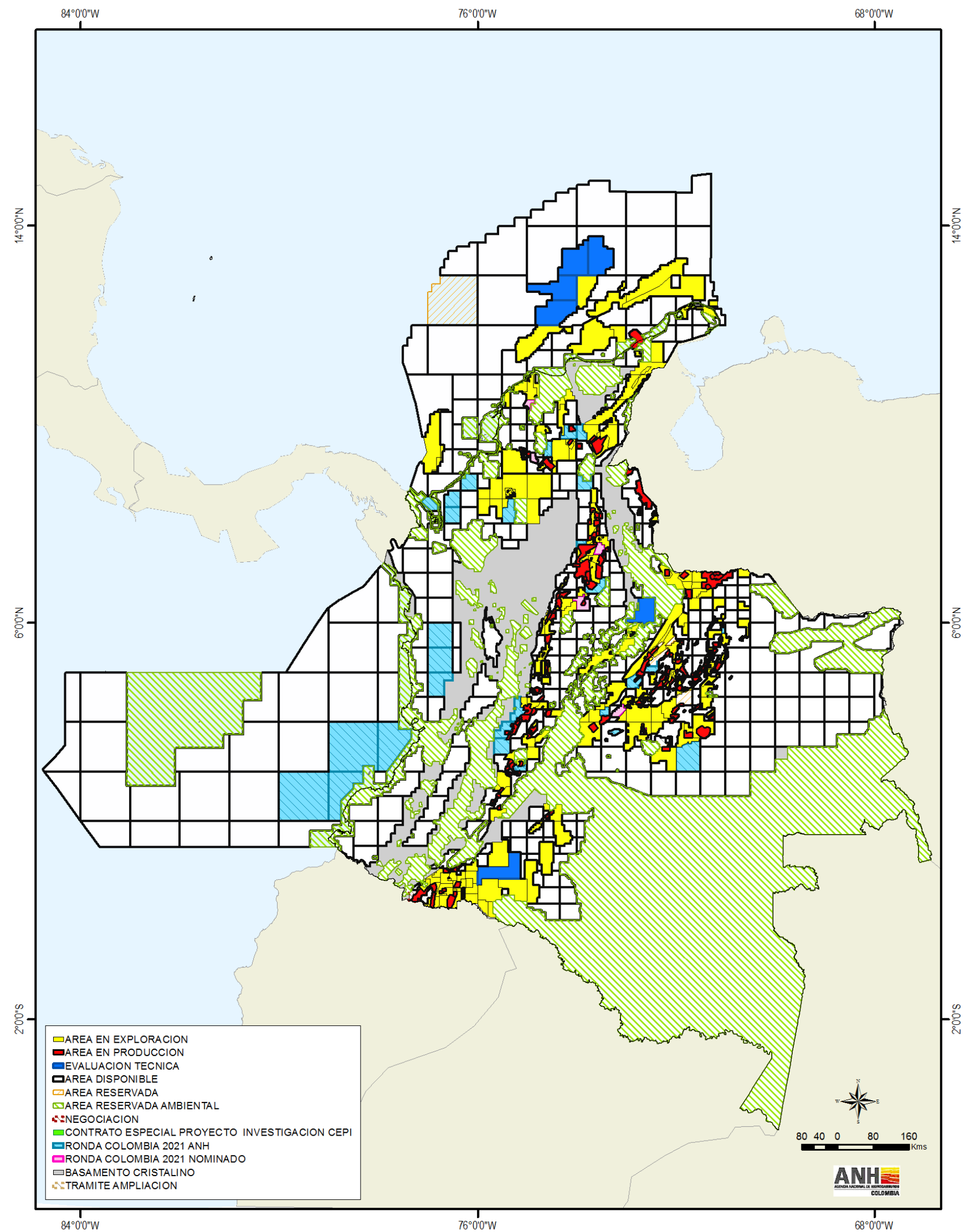
Colombia Round 2021

Blocks offered By the ANH **28**
Free areas open for the nomination of blocks **6**

~600 contracts signed since 2004 and ~400 areas still available

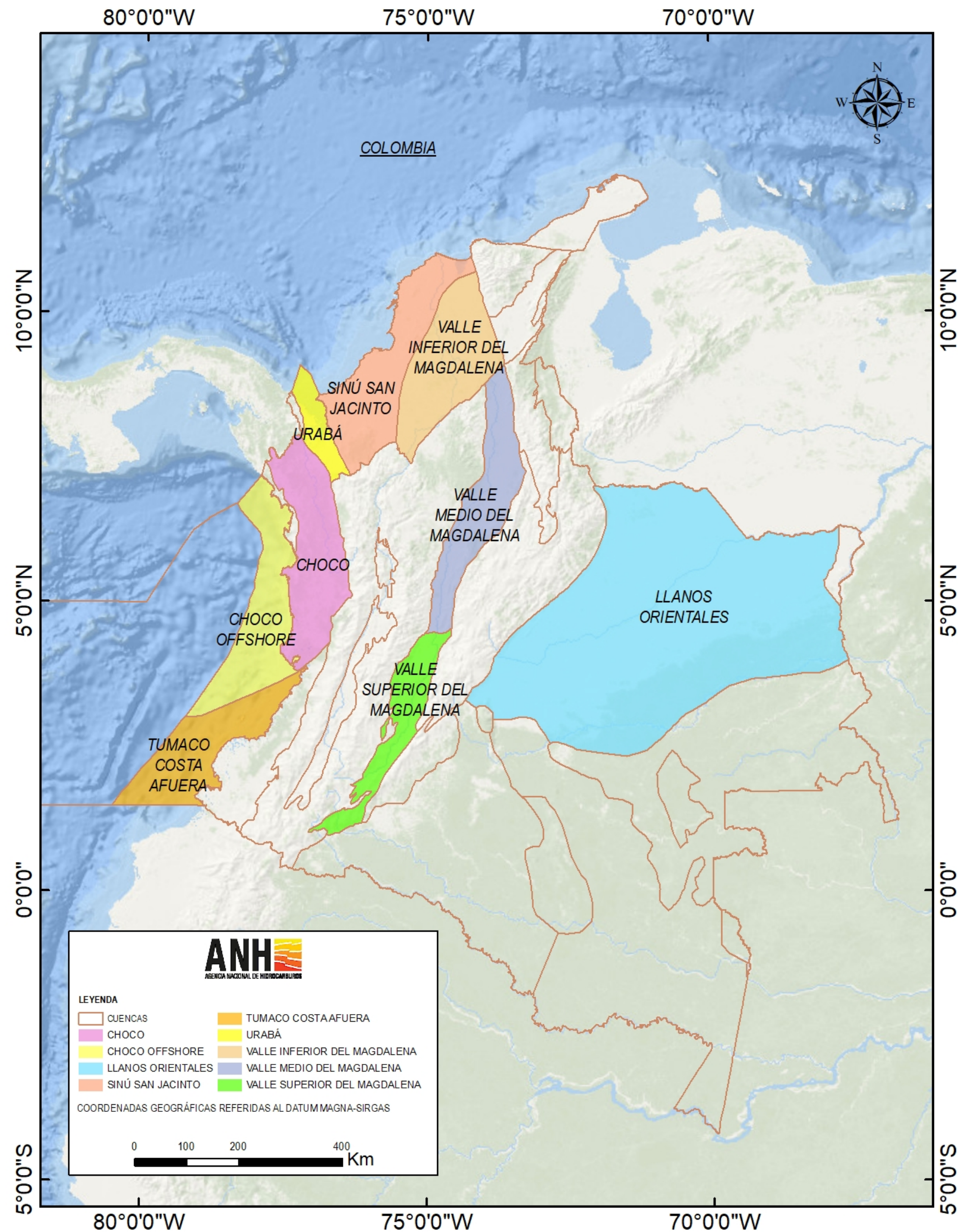
Land Map with Grid Lines

Land Map with Available Areas 2021



Areas offered directly by the ANH

ANH focus on nine basins...



9

Basins

4

Frontier

Urabá
Chocó Onshore
Chocó Offshore
Tumaco Offshore

2

Emergent

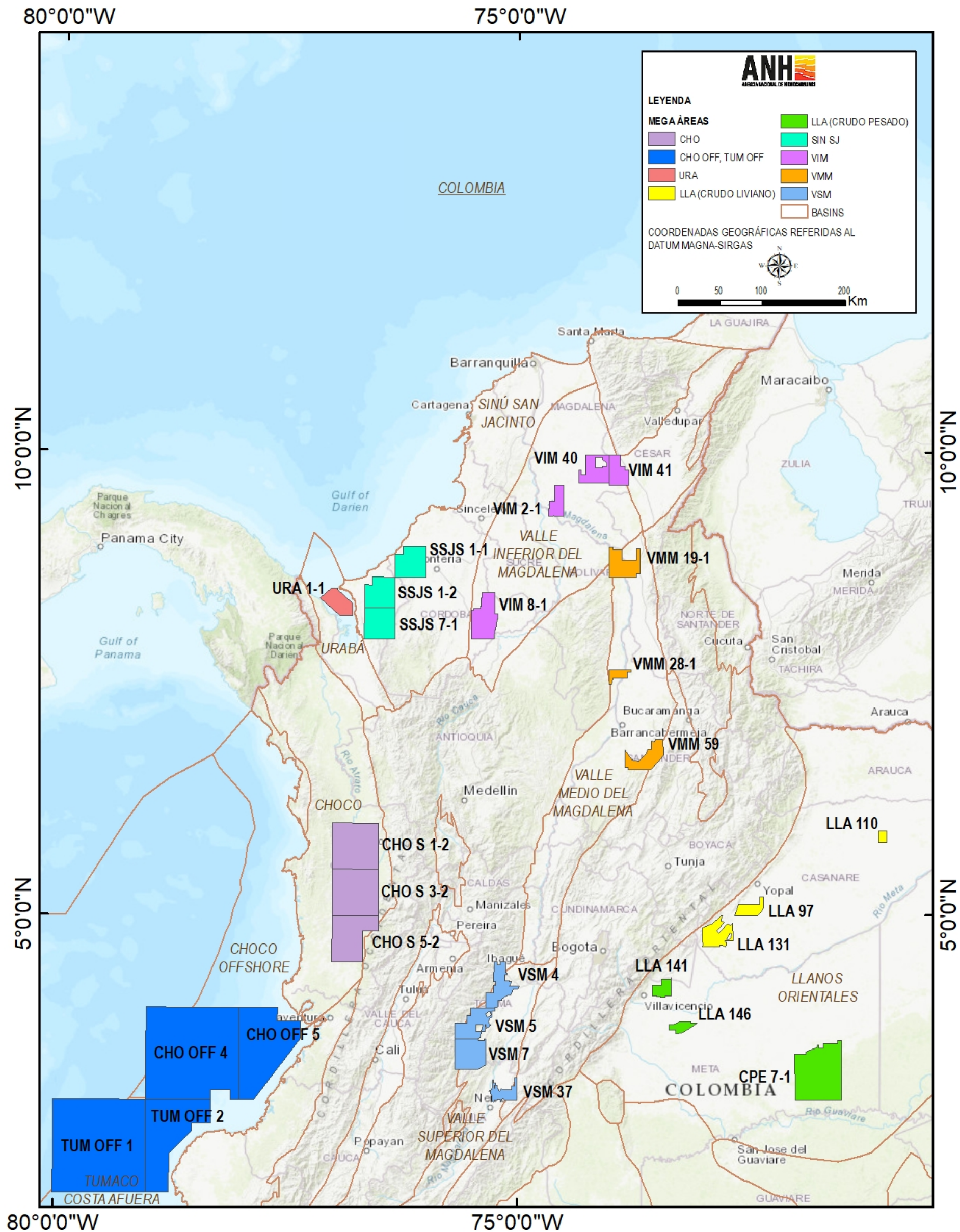
Sinú – San Jacinto
Lower Magdalena Valley

3

Mature

Middle Magdalena Valley
Upper Magdalena Valley
Eastern Llanos

...and nine groups of areas on offer...

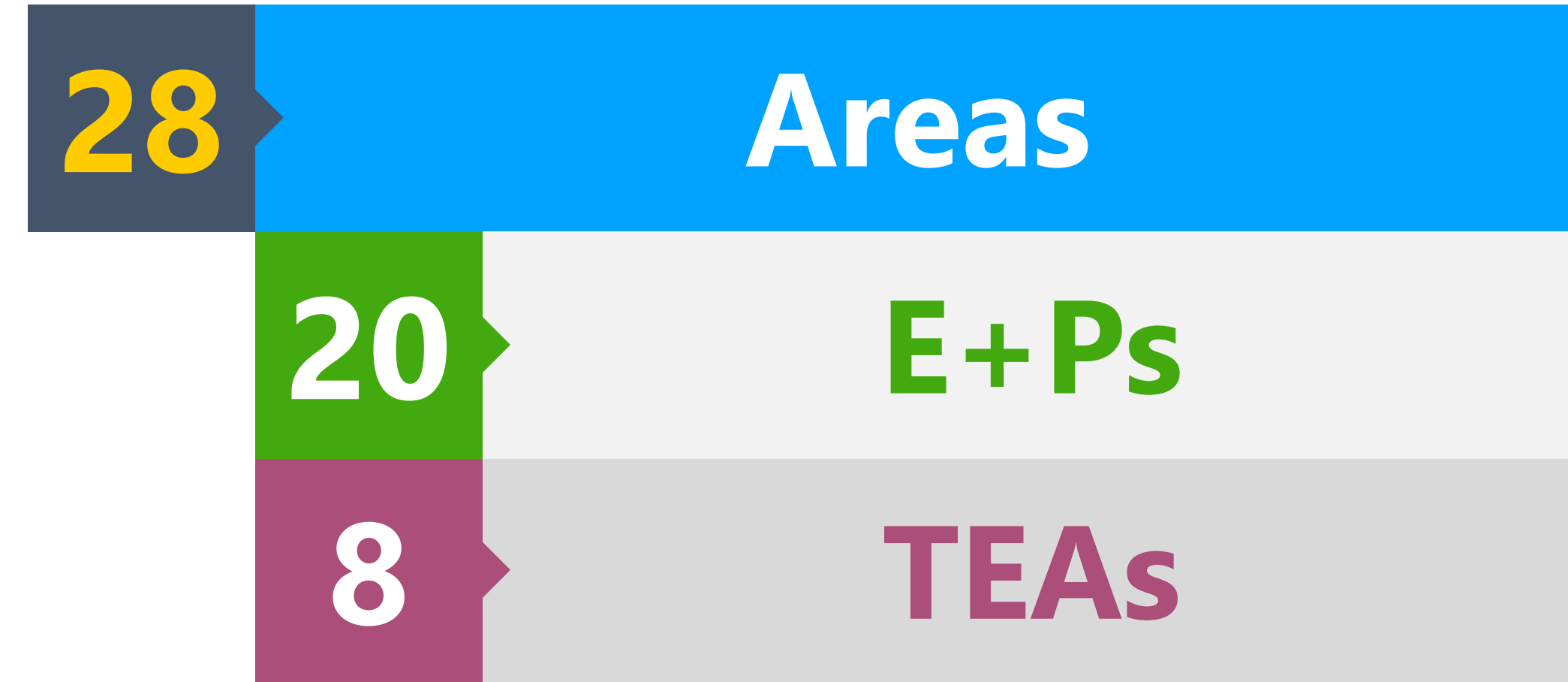
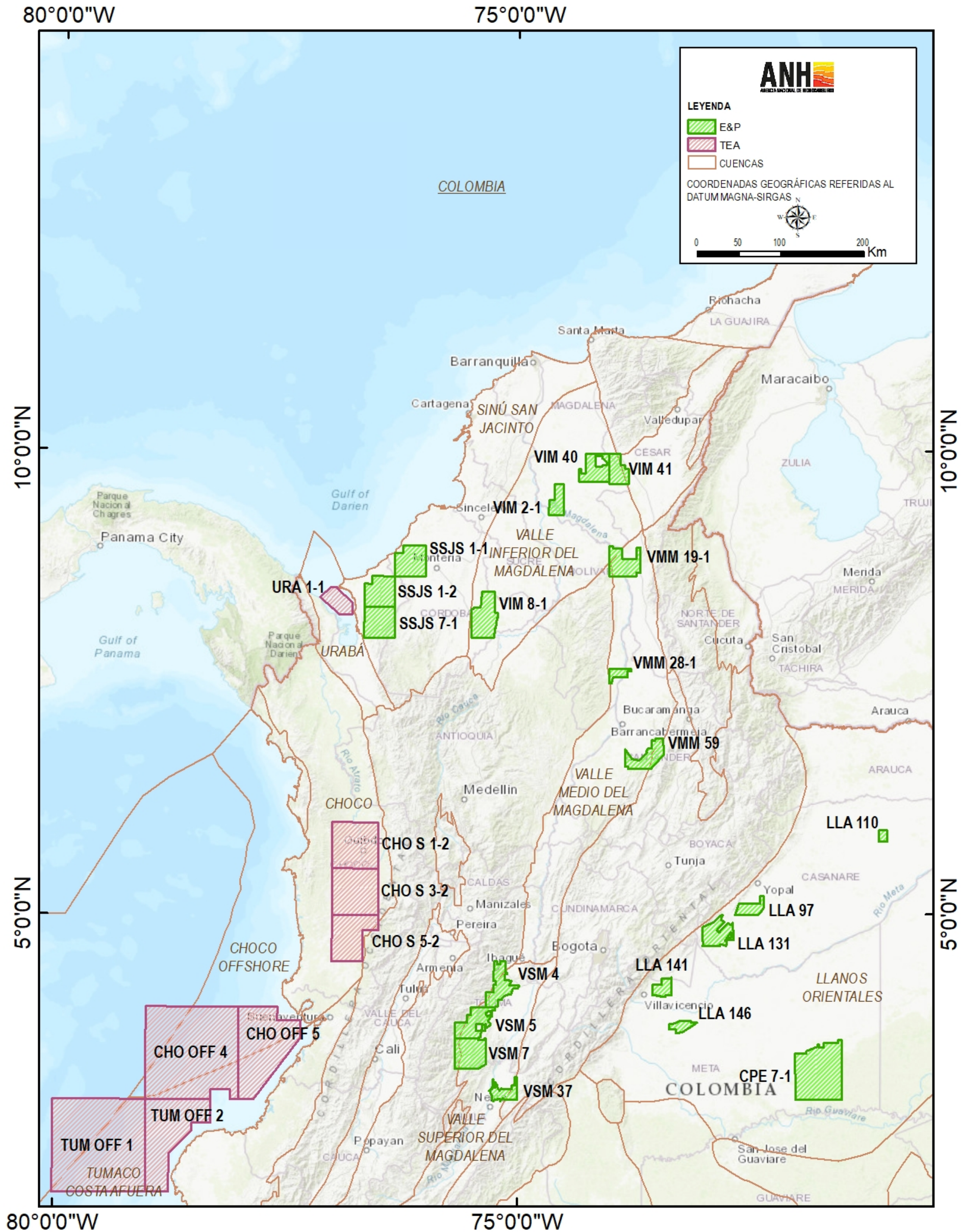


9

Macro Areas

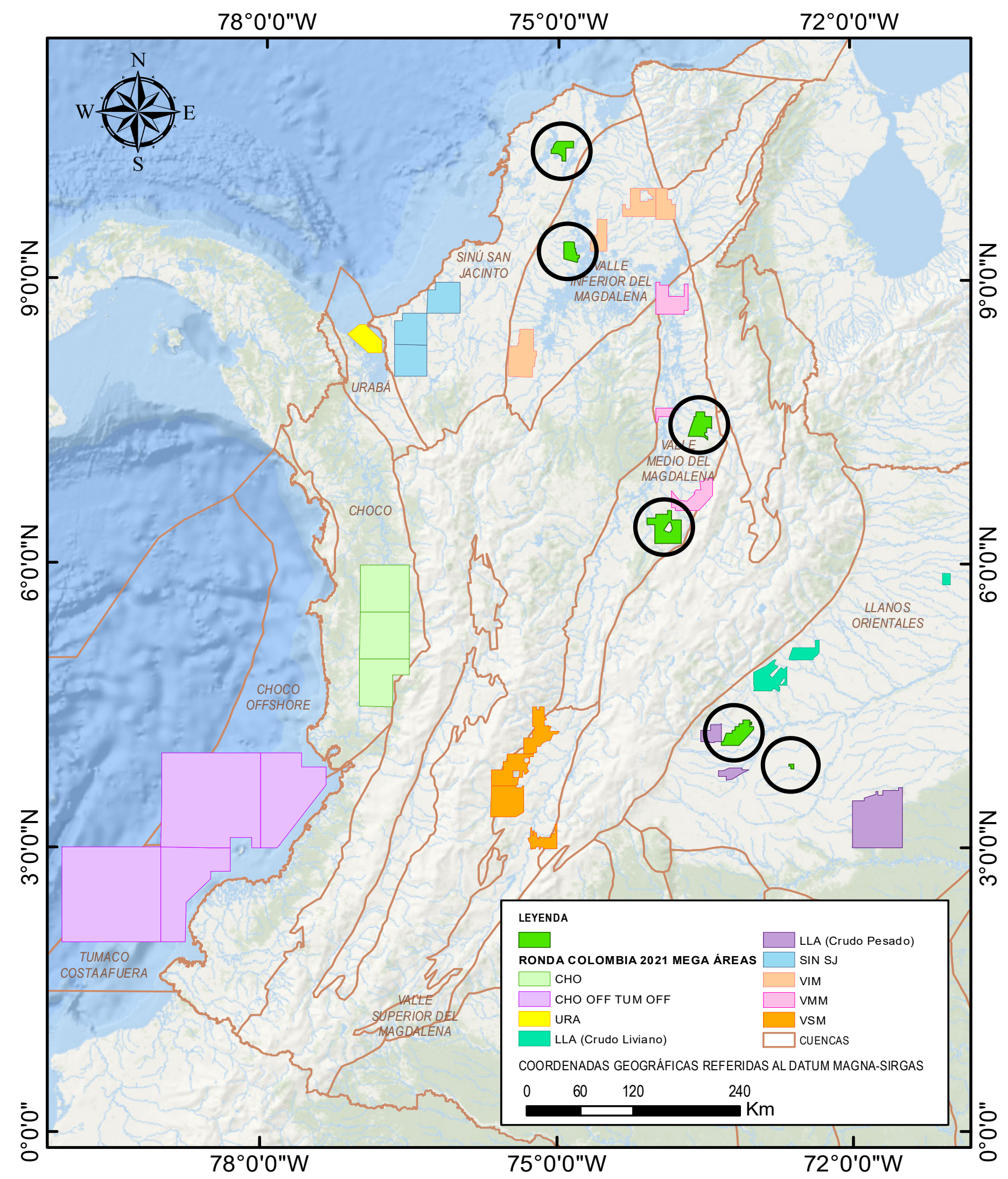
- 1 ▶ Urabá
- 3 ▶ Sinú - San Jacinto
- 4 ▶ Lower Magdalena Valley
- 3 ▶ Middle Magdalena Valley
- 4 ▶ Upper Magdalena Valley
- 3 ▶ Llanos Heavy oil
- 3 ▶ Llanos Light oil
- 3 ▶ Chocó Onshore
- 4 ▶ Chocó - Tumaco Offshore

...with 28 areas on offer directly by the ANH



Nominated areas

...plus six areas nominated by qualifies operators - available for counter-offers



34 Areas so far

28 Proposed Areas by ANH

6

Nominated areas

1

Lower Magdalena

1

Sinú – San Jacinto

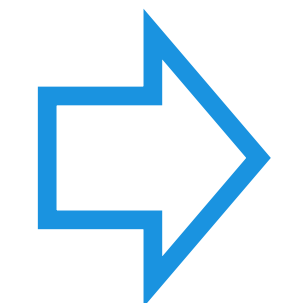
2

Middle Magdalena

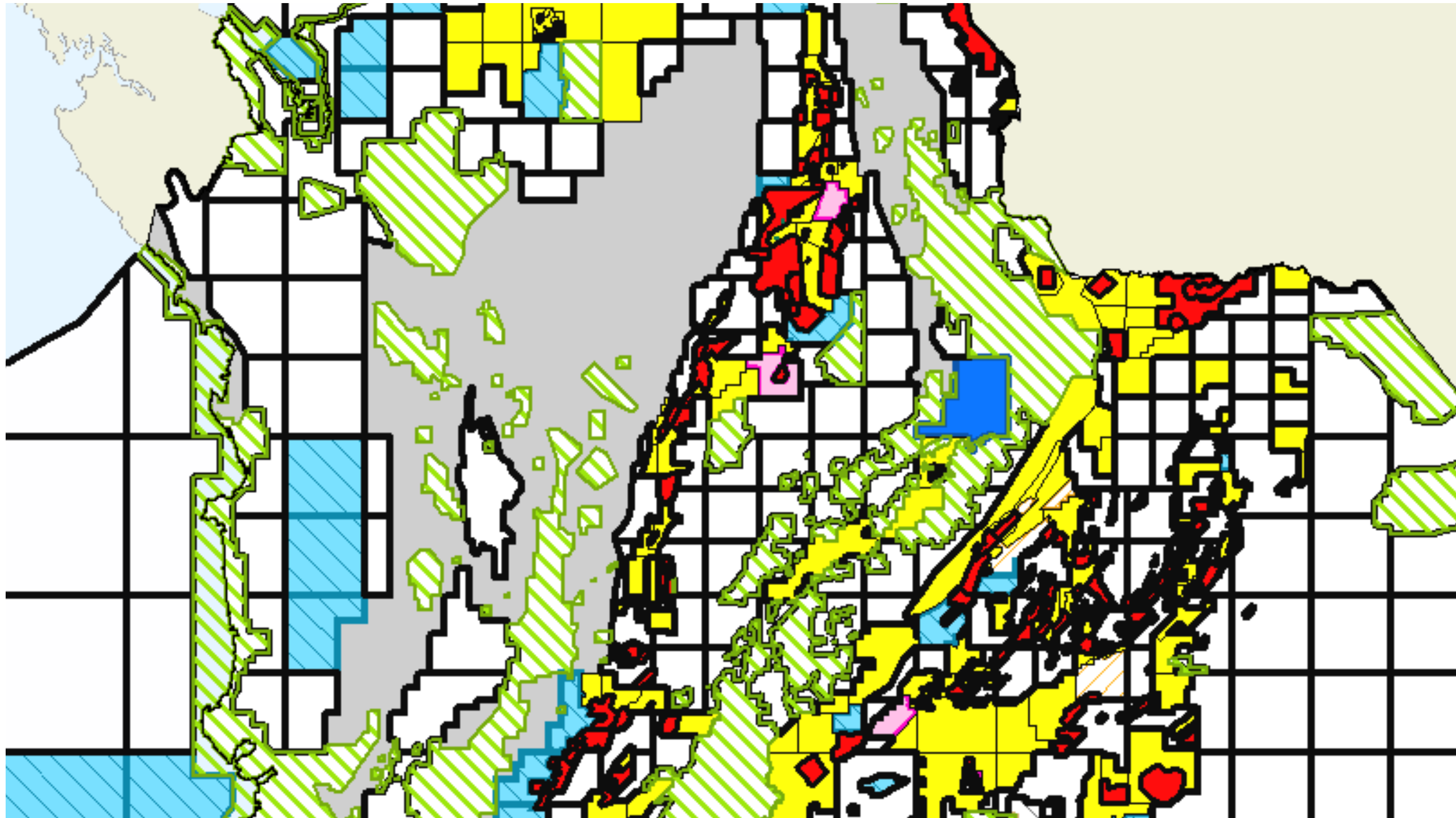
2

Llanos

New incorporations accepted
until 09/30/2021



Available areas pre-delimited by the ANH



Pre-named by the ANH:

Abbreviated name of sedimentary basin

Consecutive numbering within the basin
(e.g., LLA 106)

The surface area of each polygon expressed
in hectares and identified with the flat
coordinates of the vertices.

Features of Colombia Round 2021

Fourth cycle of the Permanent Process of Area Nominations - PPAA

28 areas offered by the ANH

Open areas available for nomination (6 to date)

Available areas defined by the ANH

New model contract

Possible transfer of investments from signed contracts

Preliminary phase or phase 0

New contract

Award based on the best offer of Economic Value of the Exclusivity - VEE - to explore

- In terms of equivalent wells to be drilled (1,2,3,...)
(value per well according to reference table)
- Payment deferred until end of exploration period (netted by incentives)
- Payment guaranteed by bank letter of credit

Built-in incentive to drill: value of each well drilled is discounted from VEE guarantee

Secondary bidding parameter (tie – breaker): % participation of production offer

Right to produce after discoveries once all obligations of the exploration period are met

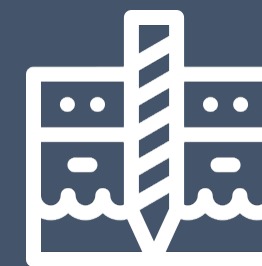
New Exploration & Production contract



To be awarded on best Economic Value of Exclusivity -VEE- offer (in terms of number of wells to be drilled)



VEE deferred until end of exploration period – guaranteed by letter of credit



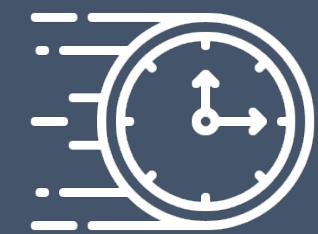
Built-in incentive for Drilling of A3 and A2 wells



% participation in production as secondary (tie-break) criterion



Free and flexible exploration program (6 years - extendable)



Production period of 24 years, extendable



Based on private contract law

Structure and Qualification Requirements

1

Objective

Awarding of areas to carry out exploration and production

2

Types of contracts

Technical Evaluation Agreements, and
Exploration & Production Contracts

3

Type of process

Open and competitive closing of a continuous process,
now in its 4th cycle

4

Types of areas

Both continental and offshore with potential for oil and gas

Process guidelines: Auction by stages

Three stages or opportunities to compete for an area:

First opportunity

Selection of best offers
for nominated areas

Publication
of the best
initial proposal

Second opportunity

Counter-offers for
nominated areas

Third opportunity

First rights of refusal by
nominators
for counter-offers

Qualification is given to parent / controlling companies

Capacity	Investor	Operator (30%)
Legal	Required	Required
Economic and financial*	Required	Required
Technical and operational**		Required
Environmental		Required
Corporate Social Responsibility		Required

Companies qualified in 2020 need not update documents

* **2019 financial information accepted**

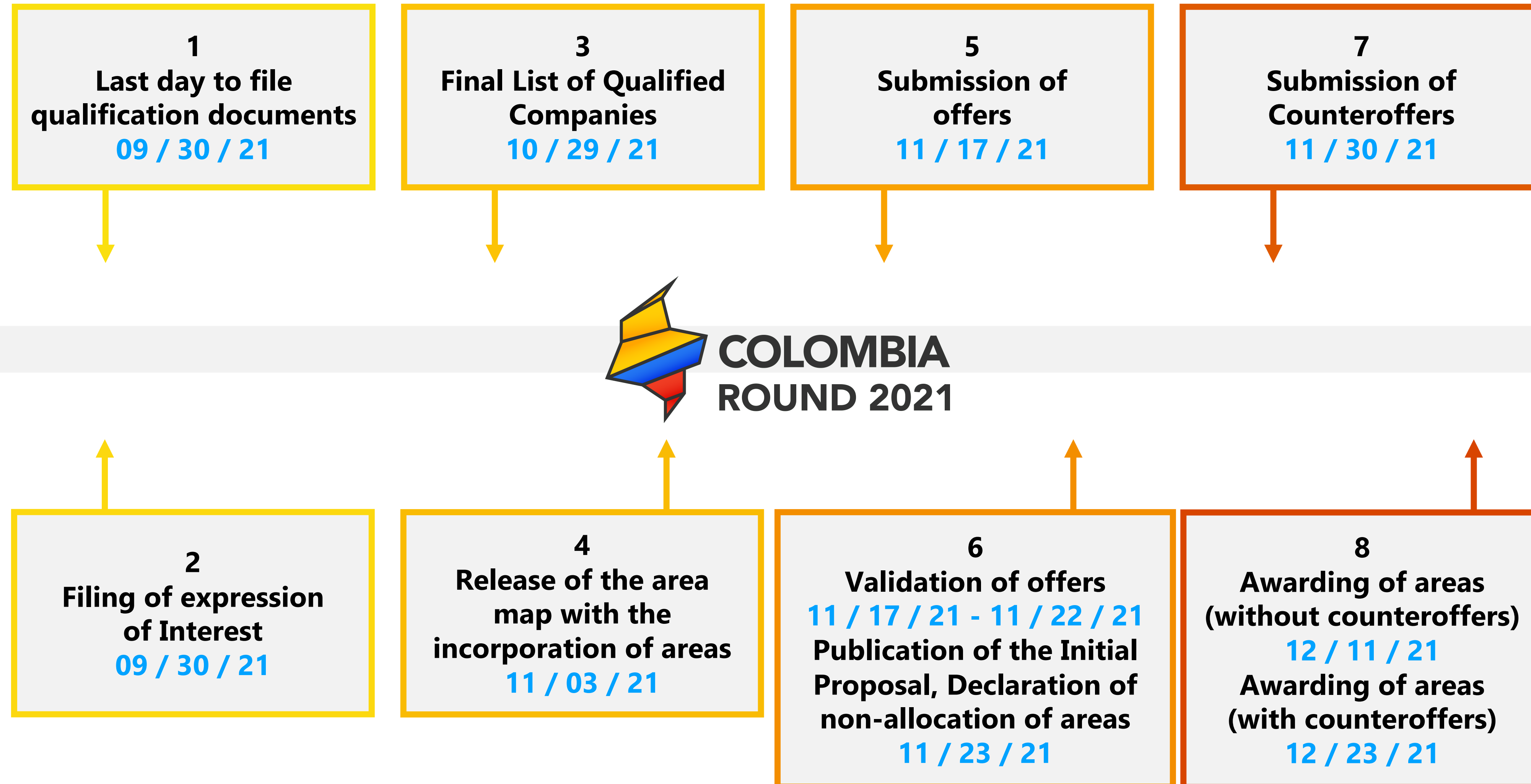
** **2019 operational information accepted**

Communities' Coordination and Concurrence Process

Progress to date

Entities	Meeting pending	Completed	Progress
167	160	147	91,88%

Calendar milestones



Blockchain option to submit bids

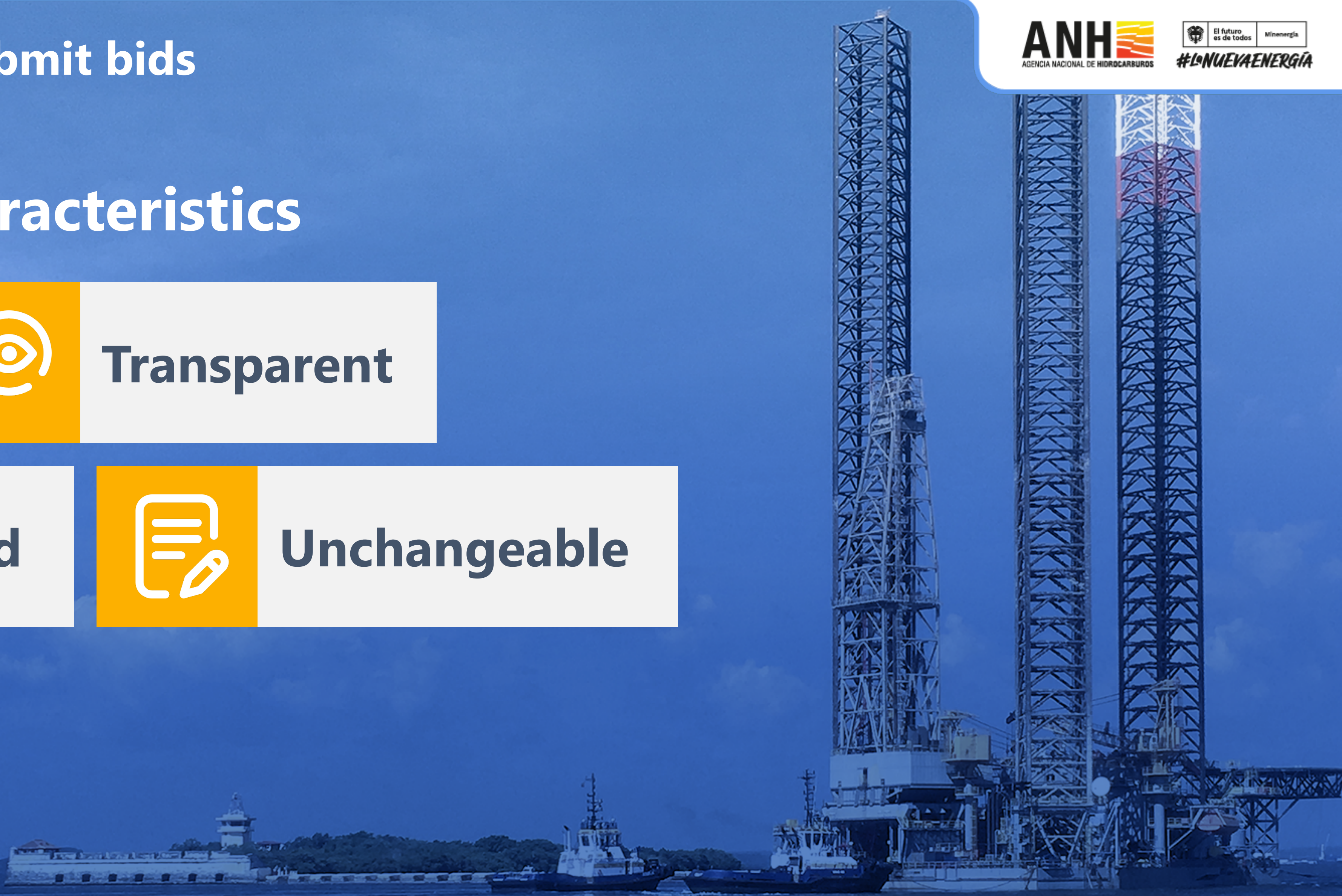
Main Characteristics

	Safe		Transparent
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	Distributed		Unchangeable
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	Shared
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The National Hydrocarbons Agency will implement Blockchain technology to guarantee a transparent and secure process that can be used in the different stages of the Round



THANKS
THANKS

www.anh.gov.co