



Bidding Process

Carolina García
Licensing Coordinator

London, 2 April 2008

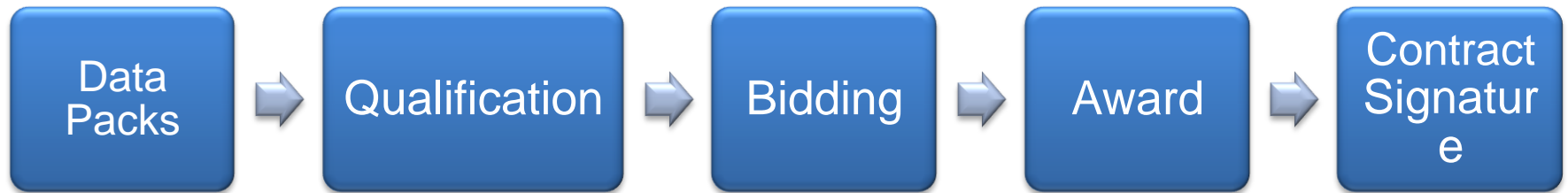
Two-Stage Process

1. Operational, legal and financial qualification
2. Economic terms and work program

Timetable

ACTIVITY	2008
Publication of the first draft ToR	March 14
Road Show	March 14 – April 8
Data packs	From April 15
Workshop	May 8
Final TOR	June 6
Pre-qualification	June 28
Publication of pre-qualified companies' preliminary list	July 25
Reply to queries	August 11
Publication of pre-qualified companies' list	August 11
Bidding conference	September 5
Contract signature	October

Bidding Process



Data Pack (DP)

- Cost USD100,000 plus VAT
- Option to purchase the DP individually by basin:
 - USD 50,000 plus VAT for Llanos Orientales, and
 - USD 30,000 plus VAT for each one of the other basins
- Gives the right to participate in the process
- Available from April 15, 2008 to June 28, 2008

Pre-Qualification

On June 28, 2008 companies must present their documents and information to obtain:

- Legal Qualification
- Operational Qualification
- Financial Qualification

Legal Qualification (All participants)



- Constituent documents (by laws, articles of incorporation, etc.)
- Designation of properly empowered Legal Representative
- Affidavits to non-existence of any material legal judgment, commitment to transparency
- Documents must be officially translated and formalized

Operational Qualification

AREA	NET RESERVES (MMBls)	OPERATED PRODUCTION (boe/d)
SINU-SAN JACINTO	2	2,000
CESAR RANCHERIA – GUAJIRA	2	2,000
CORDILLERA ORIENTAL	2	2,000
LLANOS ORIENTALES OESTE	5	5,000

- Operational capacity requirements waived for Top 100 companies in *Petroleum Intelligence Weekly*

Financial qualification - for operators



AREA	SHAREHOLDERS EQUITY
SINU-SAN JACINTO	US\$20MM
CESAR RANCHERIA	US\$20MM
CORDILLERA	US\$20MM
LLANOS ORIENTALES (West)	US\$50MM

Submission of financial information is waived for companies that:



- Have outstanding securities ranked as “investment-grade” by credit rating agencies: Moody’s (Baa), Standard & Poors (BBB) or Fitch (BBB); or
- Are cited as “top 100”oil companies in the most recent edition of *Petroleum Intelligence Weekly*

Financial qualification - for operators (II)

- The ANH will establish investment capacity limits for companies or consortia on the basis of the point assessment of financial ratios, as established in section 22 of Resolution 008 of 2004.
- For companies or consortia that present best offers for a number of blocks, the ANH reserves the right to allocate blocks that would jointly not exceed such financial capacity
- The criterion for the selection of these blocks will be the maximization of benefit to the Nation in terms of overall production participation (x%) of the finally allocated blocks.

On the bidding date, qualified companies must present their bids in a closed and secure envelop containing:

- X% (Production Participation for ANH)
- Additional Exploration Program (in multiples of US\$100,000)
- Letter of intent to establish a consortium or temporary partnership, if applicable
- Bid Guarantee in the amount of US\$200,000

Primary:

X% participation in production

Secondary (tie breaker):

Additional Work Program proposed over minimum work program established by the ANH (in multiples of US\$ 100,000)

Contract Signature



- Standard E&P contract as published in the final ToR
- To be signed within 30 days after ANH's board approval

Thank you!

www.anh.gov.co

gaa@anh.gov.co