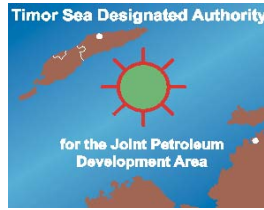


---

## PUBLIC NOTICE – TIMOR SEA TREATY



12 October 2006

### **Sub-Section 20.2(a) – Petroleum Mining Code – Brief Reasons for grant of a Production Sharing Contract subsequent to invitation**

Following an evaluation of all bids received for Joint Petroleum Development Area (JPDA) Contract Areas 06-102, 06-103 and 06-104, the Timor Sea Designated Authority (“TSDA”) recommended to the Joint Commission that the application by the following companies be awarded the respective PSCs:

- Petronas Carigali Overseas Sdn. Bhd (Petronas), Korea Gas Corporation (KOGAS), Samsung Corporation (Samsung), and LG International Corporation (LG) (collectively the “**Petronas Consortium**”) – **PSC 06-102**;
- Oilex NL (Oilex), Bharat Petroleum Corporation Ltd (Bharat), Videocon Industries Ltd (Videocon), and Gujarat State Petroleum Corporation Ltd (Gujarat) (collectively the “**Oilex Consortium**”) – **PSC 06-103**; and
- Zetex N.V. – PSC 06-104.

On 16 August 2006, the Joint Commission approved the above recommendations. Subsequently, the TSDA awarded these PSCs to the respective companies.

Guidelines for Applications for Production Sharing Contracts and Criteria for Assessment of Applications (“Guidelines”) issued under Section 5 of the *Petroleum Mining Code* set forth the manner in which bids were to be lodged and assessed.

Technical review of the bids presented was undertaken following the Criteria set out in Article 2 of Guideline 2, that being identification of the exploration Work Programme bid which best and most expeditiously evaluates the petroleum potential of each of the Contract Areas.

The Work Programme commitment and associated expenditure for each bid was assessed, taking into consideration, drilling, data evaluation and geophysical surveying activities. The ability of each Work Programme to assess existing leads and evaluate new exploration prospects in under-explored parts of each block was also an important aspect of the assessment of each bid.

More specifically, below are the brief reasons for grant of PSCs to the successful companies.

#### **PSC 06-102**

The Petronas Consortium presented a comprehensive and positive assessment of the prospectivity of JPDA 06-102. This was based on a comprehensive study of multiple objective horizons down to and including the prospectivity of Permian reservoirs. Their exploration Work Programme detailed acquisition of 3D seismic over already defined exploration leads followed by the drilling of 3 wells in the first 3 years of the PSC.

The continued program through contract years 4-7 of the PSC with further 3D seismic acquisition and the drilling of 2 further exploration wells was indicative of attractive exploration prospects in this Contract Area.

**PSC 06-103**

The Oilex Consortium bid a robust exploration Work Programme including acquisition of over 1000Km of both 2D and 3D seismic data in the first year of the PSC followed by the drilling of 4 exploration wells in the following 2 years.

With additional 3D seismic acquisition and the drilling of 2 further exploration wells in the latter years of the PSC the bid supports the significant exploration potential of this Contract Area.

**PSC 06-104**

Zetex bid an extensive 2D seismic acquisition program ahead of a 3 well drilling program in the initial period of the PSC with the commitment for further seismic and drilling thereafter. This exploration program was considered to be aggressive and exciting with the technical zest to attack the exploration of this PSC area.

Although Zetex was awarded the PSC for this area, on 29 August it withdrew its bid.

Niny Borges  
Acting Executive Director