



HELLENIC REPUBLIC
**MINISTRY OF ENVIRONMENT,
ENERGY & CLIMATE CHANGE**



GENERAL SECRETARIAT FOR ENERGY & CLIMATE CHANGE
GENERAL DIRECTORATE OF ENERGY
DIRECTORATE OF PETROLEUM POLICY
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OPEN DOOR INVITATION

for granting and using authorizations for the exploration and exploitation of hydrocarbons.

AREAS

- **Gulf of Patraikos (West) (offshore)**
- **Katakolo (offshore)**
- **Ioannina (onshore)**

Introduction

1. The Hellenic Republic, acting through its Competent Authority, Ministry of Environment, Energy and Climate Change (hereinafter MINISTRY), invites qualified natural or legal persons or any group of such persons (hereinafter APPLICANT) to apply for granting and using authorizations for exploration and exploitation of hydrocarbon in respect of certain acreage in Western Greece.
2. The invitation refers to three areas available in accordance to section 2, §17(c) of Law 2289/1995, as amended by section 156, §10 of Law 4001/2011; the onshore area known as “Ioannina” and the offshore areas “Gulf of Patraikos (west)” and “Katakolon”.

Applicants may tender for concession in more than one area.

3. This invitation is subject to the provisions of Law 2289/1995 (Government Gazette Issue 27/A/8.02.1995), titled “Prospecting, Exploration and Exploitation of Hydrocarbons and other provisions”, as amended by Law 4001/2011 (Government Gazette Issue 179/A/22.08.2011), titled “Operation of Electricity and Gas Energy Markets, for Exploration, Production and transmission networks of Hydrocarbons and other provisions”.
4. All applications/offers will be judged in accordance with the terms of the above legislation and against a background of the continuing need for expeditious, thorough, efficient and safe exploration to identify the Greece’s oil and gas resources with due regard to environmental considerations.

Main Selection Criteria

5. Offers will be considered on the basis of the following criteria:
 - (a) *financial viability of the applicant to carry out exploration for and, as appropriate, production of hydrocarbons from the areas in question,*
 - (b) *proven technical expertise to operate, not only in the exploratory stage, but also in the development and production (exploitation) stages,*
 - (c) *the biddable technical and fiscal parameters,*
 - (d) *the quality of the work programme and the timeframe submitted for evaluating the full potential of the area applied for,*
 - (e) *the applicant’s geological understanding of the geographical area in question, and how the licensee(s) propose to perform efficient and safe exploration for hydrocarbons,*

(f) deep drilling experience of geologically challenging environments (e.g. drilling through high-pressure zones and diapirs, conducting operations in presence of hydrogen sulphide),

(g) experience of operating in environmentally sensitive areas and in areas where tourism is an important earner,

(h) importance will be attached to any lack of efficiency and responsibility or non-performance displayed by the applicant on obligations under licences previously granted,

(i) where applicants apply as part of a group, the composition of the group, the operator recommended, and the collective competence of the group will be taken into account.

Licenses

6. The MINISTRY, according to the Greek Petroleum Law 2289/1995 as amended, will enter into agreement with the Contractor on the base of Royalty/Tax arrangements (Lease Agreements).

Evaluation Procedure

7. Each person that wishes to be considered for the acreage offering as applicant by itself must be 'bid-qualified', especially by fulfilling the financial and technical criteria. Bid qualification will be evaluated on the demonstrated capacity of the applicant.

In case of a group of persons, the person recommended as operator should fulfil both technical and financial criteria, while the rest the financial ones.

8. Following bid qualification each bid-qualified person will be invited by the MINISTRY to negotiate competitively for the acreage offered. The competitive negotiations are a continuation of the tendering process.
9. Negotiations will be conducted on the basis of the Draft Model Agreement and the biddable items and all other issues of concern to the MINISTRY and the bid-qualified persons, except for items already specifically enacted in Greek law.
10. The MINISTRY reserves the right, at any time, in its sole discretion, to declare any offer or the entire procedure void or to disqualify any applicant-qualified.

Fiscal Terms – Tax Regime

11. Royalties are linked to the ratio R/C where R is gross cumulative revenue and C is cumulative costs. As a guideline, MINISTRY is considering the following arrangements, subject to negotiation. It is intended that royalty will be linked to R/C by a sliding scale of various tranches of the ratio of Revenues to Costs. Royalties will range from a lower limit of 2% of the quantity of hydrocarbons produced, in cash or in kind, up to a maximum of 20%. Royalty is deductible for the purposes of assessing income tax.
12. According to section 8, §1 of Law 2289/1995, as amended by section 161, §1 of Law 4001/2011, the Contractor shall be subject to a special income tax, at a rate of twenty percent (20%) and to a regional tax, at a rate of five percent (5%), without any additional ordinary or extraordinary contribution, duty or other encumbrance of any kind, in favor of the State or any other third party.

Submission of Offers

13. Full details and all relevant documents, including maps of the areas on offer accompanied by a list of coordinates, existing data packages, guidance about granting and using authorizations, the terms of Draft Model Agreement, the necessary data that must accompany the offer, the amount of fee payable for the participation in the tender, fee for training the related to the field human resources of public administration, as well as any other necessary detail for the conduction of the tender and the selection of the Contractor, will be available on the following web address, at the date of publication of the Invitation in the Official Journal of the European Union:
<http://www.ypeka.gr/Default.aspx?tabid=765&language=en-US>).
14. Offers shall be submitted, in Greek or English, in **sealed envelope**, in **three copies**, to the:
MINISTRY OF ENVIRONMENT, ENERGY AND CLIMATE CHANGE,
GENERAL SECRETARIAT OF ENERGY AND CLIMATE CHANGE,
GENERAL DIRECTORATE OF ENERGY,
DIRECTORATE OF PETROLEUM POLICY,
119, Mesogion Avenue,
10192 ATHENS – GREECE,
15. In the context of the open door procedure, offers are submitted until the last working day of the first and second semester of each calendar year. Offers under the current tendering procedure may be submitted in the period up to **the 2nd of July 2012 at 15:00 pm**. Envelopes reaching the MINISTRY after this date can not be considered under the current tendering procedure.

16. For any additional information, interested parties can contact:

a) **Mr Athanasios Zacharopoulos**, Deputy Head of the Directorate of Petroleum Policy, tel.: +30-210-6969312, fax: +30-210-6969034, email: ZacharopoulosA@eka.ypeka.gr *and*

b) **Mr Charalampos Pippos**, Head of the Directorate of Public Relations & International Affairs, tel.: +30-210-6969166, fax: +30-210-6969569, email: ChPippos@eka.ypeka.gr

17. Clarifications may be also given in writing by the MINISTRY, at its own initiative or after the query of an applicant and will be communicated to all applicants.

AREAS UNDER CONCESSION IN WESTERN GREECE

