



امارت اسلامی افغانستان
وزارت معادن و پترو لیم

Islamic Emirate of Afghanistan
Ministry of Mines & Petroleum

د افغانستان اسلامی امارت
د کانونو او پترو لیم وزارت



Islamic Emirate of Afghanistan Ministry of Mines & Petroleum

د هایدروکاربنونو د تنظیم عمومی ریاست
General Directorate of Hydrocarbons Management

Request for Expressions of Interest Hydrocarbons Exploration & Production Sharing Tenders of the Kushka Zone-1,2 & Tirpul of the Kushka Tirpul Basin

October 10, 2023

Request for Expressions of Interest
Hydrocarbons Exploration & Production Sharing Tender of Kushka Tirpul Basin

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1 Introduction

The Islamic Emirate of Afghanistan, through the Ministry of Mines & Petroleum (the “Ministry”), is seeking Expressions of Interest to participate in an open, transparent and competitive tenders of each bidding area for the right to explore for, develop, and produce hydrocarbons in the Kushka Zone-1,2 & Tirpul of the Kushka Tirpul Basin of north west Afghanistan (the “Tender”). The Tenders will be conducted in accordance with the Hydrocarbon Law of Afghanistan (the “Law”) and is expected to result in the award of an Exploration and Production Sharing Contracts (“EPSC”) by the **first quarter of 2024**, with the preferred bidder to be announced in **March 2, 2024**.

Companies and consortia that are interested in participating in the Tenders (each, an “Applicant”) must submit separately for each bidding area to the Ministry an Expression of Interest letter, an executed Power of Attorney in the form attached as Annex C, and information concerning the Applicant’s legal, financial and technical qualifications to conduct hydrocarbons operations in the Kushka Tirpul Basin. Section 3 (Information Required for Qualification) describes the specific legal, technical and financial information requested.

Upon receipt of Expressions of Interest, the Ministry will assess and qualify Applicants for participation in the Tender. To be considered for participation in the Tender, Applicants should submit an Expression of Interest no later than **November 15, 2023 at 1200 hrs** Kabul time.

All documentation must be submitted in English. Expressions of Interest can be accompanied by an Executive Summary of maximum five pages in one of the official languages (Pushto or Dari) of Afghanistan, at the discretion of the interested company. Expressions of Interest may be submitted in hard copy but must be submitted electronically to qaisbilal@momp.gov.af, mtk034@yahoo.com. **Applicants are advised to check the Tender website regularly at www.momp.gov.af.**

2 Contract Area

The Kushka and Tirpul blocks cover an area of approximately 23,395 square kilometres, mainly associated with Kushka zone and Tirpul basin which shares international borders with Turkmenistan and Iran to the Northwest and West, respectively. The Kushka zone of folds is an anticlinal zone in southernmost Amu Darya Basin that lies on the western plunge of the Parapamiz-Bande-Turkistan range (Ulmishek, 2004; VNIGNI, 2005b). The Tirpul Basin is transpressional basin located in western Afghanistan, extending from near Herat in the east, to the Iranian border in the west. The basin is generally bounded on the north by the Safed-Koh Anticline and on the south by the Herat/Hari Rud Fault Zone (USGS – Assessment of Undiscovered Petroleum Resources of Southern and Western Afghanistan, 2009). Exploratory wells, gravity and magnetic assessments has shown a good reserve of hydrocarbons, which needs further investigations.

The Bidding area is divided into 3 different sections i.e., Kushka Zone-1, comprise of 3 blocks (Kushka 1,2 & 4), Kushka Zone-2, comprise of 4 blocks (Kushka 3,5,6 & 7) and Tirpul, comprise of 4 blocks (Tirpul 1,2, 3 & 4) respectively.

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The blocks of the Bidding area are shown in the map attached as Annex A. Coordinates, known wells and prospective hydrocarbons structures in the Kushka Zone-1, 2 & Tirpul are presented in the map attached as Annex B.

3 Tender Process Timeline

The Ministry expects to conduct the Tender process according to the following timeline:

Date	Event
October 10, 2023	Announcement of Tender and Request for Expressions of Interest
November 15, 2023	Deadline for submission of Expressions of Interest
December 15, 2023	Notification of qualification
Jan 1, 2024	Tender materials made available to qualified Applicants
Feb 1, 2024	Bids due / public opening of Bids
Mar 2, 2024	Announcement of Preferred Bidder
Mar 25, 2024	Contract Award

The timeline above is indicative only and is subject to change at the discretion of the Ministry.

4 Information for Qualification

The Law requires each contractor that enters into an EPSC with the Ministry to have a good reputation, be in good legal and financial standing, and demonstrate a proven ability to contribute the necessary capital, machinery, equipment, tools, and technical expertise to perform its obligations. Furthermore, the Law provides that the evaluation committee, acting through the Ministry, may require prospective contractors to submit documents that establish their expertise in conducting hydrocarbon operations. In accordance with these provisions, the Ministry hereby requests all Applicants seeking to qualify for the Tenders to submit the following information separately for each bidding area:

4.1 Legal Information

- 4.1.1 The full legal name of the Applicant, its contact person, postal address, telephone/fax numbers, and e-mail address. If the Applicant is a consortium, such information must be provided in respect of each member of the consortium.
- 4.1.2 The ownership structure of the Applicant, established as follows:

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- a. In the case of an Applicant organized as a corporation, limited partnership, limited liability company, trust or other entity with separate legal status (hereinafter “Company”): its full legal name, its place of registration, organization or incorporation, its principal place of business, the names, addresses and nationalities of its directors, principal officers, general partners, managing members, trustees and authorized signatories (as applicable), and its capital structure;
- b. In the case of an Applicant organized as a partnership or other entity without separate legal status (hereinafter “Partnership”):
 - i. such information on each Company that is a member of the Partnership as is requested above;
 - ii. for each individual who is a member of the Partnership, the individual’s name, address, and nationality; and
 - iii. the capital structure of the Partnership;
- c. In the case of an Applicant organized as a consortium:
 - i. such information on each Company or Partnership that is a member of the consortium as is requested above;
 - ii. the participating interest of each consortium member; and
 - iii. a designation signed by an authorized signatory of each member of the consortium as to which member is to be designated the operator; and
- d. For any Applicant listed under this paragraph 4.1.2 that is owned more than 50%, directly or indirectly, by another entity, such information on that parent entity as is requested above, whether that parent entity is a Company or a Partnership.

4.2 Financial Capability

- 4.2.1 The financial capability of the Applicant to finance exploration, development and production operations in the Kushka Tirpul Basin, established as follows:
 - a. In the case of an Applicant organized as a Company or Partnership: three years of annual reports, audited balance sheets and profit and loss statements, and any other reports of relevance to financial capability to conduct hydrocarbon operations (or satisfy its financial commitments as a member of a consortium conducting hydrocarbon operations) filed with governmental authorities responsible for securities regulation;
 - b. In the case of a consortium: such information on each Company or Partnership that is a member of the consortium as is requested above; and

- c. For any entity listed under this paragraph 4.2.1 that is owned more than 50%, directly or indirectly, by another entity, such information on that parent entity as is requested under paragraph 4.2.1.a above, whether that parent entity is a Company or a Partnership.
- 4.2.2 Additional information or reports of relevance to an Applicant's financial capability may include, without limitation, one or more of the following:
 - a. Applicant's current and past categorization by Standard & Poor's Rating Services, Moody's Investor Services, Dunn and Bradstreet or any other reputable financial evaluation services providers;
 - b. Financial information on each parent entity referred to in paragraph 4.2.1.c above;
 - c. Detailed financial projections of future cash flows from existing, proven hydrocarbon reserves owned by the Applicant and which are currently in production or where production is imminent;
 - d. Details regarding loans or credit lines available from banks or other financial institutions; or
 - e. Details regarding an offering of additional share capital that is set to occur within the next seven months, including evidence that (i) the funds are available and have been irrevocably committed by the prospective investor(s) or (ii) the offering has been guaranteed or underwritten by a recognized investment bank or other financial institution.
- 4.2.3 A description of how the Applicant intends to finance exploration, development and production operations in the Kushka Tirpul Basin, including the amount and sources of financing.

4.3 Technical Capability

- 4.3.1 The technical capability of the Applicant to perform exploration, development and production operations in the Kushka Tirpul Basin, established as follows:
 - a. In the case of an Applicant organized as a Company or Partnership:
 - i. evidence from reports filed with governmental authorities responsible for securities regulation that the Applicant produces globally more than 5,000 barrels of oil equivalent ("BOE") per day or having potential of; or

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- ii. evidence equivalent to the above criteria establishing that the Applicant is technically capable of exploring, developing, and producing hydrocarbons; and
 - iii. evidence establishing the Applicant is capable of drilling wells with depths greater than 4,000 meters or having potential of; and
 - iv. details regarding the Applicant's health, safety, and environmental ("HSE") capabilities and its HSE record for all operations involving drilling, producing, and processing of gas fields, particularly with respect to its performance with H₂S laden gas during the past 10 years; and
 - v. details regarding the Applicant's compliance with its obligations under previous or current hydrocarbon production sharing contracts, licenses, concessions or permits during the past 5 years, including but not limited to details regarding regulatory actions or investigations and any material noncompliance with obligations as to work programs, minimum production requirements, or payment of fees or royalties.
 - b. In the case of a consortium, such information on the member of the consortium designated to be the operator; and
 - c. For any entity listed under this paragraph 4.3.1 that is owned more than 50%, directly or indirectly, by another entity, the entity may, at its discretion, submit information on its parent entity instead of itself in order to demonstrate technical capability.
- 4.3.2 Description of the Applicant's previous experience and technical expertise in hydrocarbons operations, specifically including Applicant's experience conducting seismic acquisition, drilling and production operations. Applicants should highlight any experience or other expertise with subsalt or other deep gas exploration.
- 4.3.3 Description of the Applicant's previous experience and technical expertise in hydrocarbons operations performed in similar physical conditions to those in the Kushka Tirpul Basin.
- 4.3.4 Description of the Applicant's internal capabilities to explore for, develop and produce hydrocarbons from the Kushka Tirpul Basin, including capabilities in the areas of:
- a. Exploration geology and geophysics;
 - b. Reservoir geology and engineering;
 - c. Subsurface field development technology;
 - d. Exploration well design, drilling and completion;

- e. Production development and engineering; and
 - f. Human resources, HSE and facilities management.
- 4.3.5 If the Applicant intends to supplement its internal capabilities by engaging external contractors and other experts to perform hydrocarbons operations in the Kushka Tirpul Basin, a description of these external contractors and experts should be provided. Applicants should also indicate how they intend to manage these external resources.
- 4.3.6 Description of the Applicant's capabilities with respect to sourcing of equipment, machinery, tools and personnel for hydrocarbons operations in the Kushka Tirpul Basin. Applicants should specify the source of any key resources required to commence exploration operations.
- 4.3.7 Description of the Applicant's risk management systems and the policies and procedures it will follow to secure the health, safety and welfare of persons involved in or affected by the hydrocarbons operations.
- 4.3.8 Description of the Applicant's record of environmental protection and compliance, including a description of any formal investigations, judgments or citations by governmental authorities in the last 5 years.
- 4.3.9 Description of the policies and procedures the Applicant will follow to protect the environment, prevent, minimize and remedy pollution and other harm from hydrocarbons operations. Applicants should highlight their policies and procedures concerning the disposal of water and associated gas.
- 4.3.10 Description of the Applicant's experience engaging with local communities in areas affected by hydrocarbons operations and the policies and practices it would apply to communities in the Kushka Tirpul Basin. Applicants should highlight any community engagement efforts they have conducted in developing countries.

In addition to the information specified in paragraphs 4.1 to 4.3 above, Applicants are permitted to submit any information they wish the Ministry to consider concerning their financial and technical capabilities. Applicants are permitted to organize the requested information in a logical fashion that differs from the order set forth in paragraphs 4.1 to 4.3 above. However, for ease of review, Applicants should specifically reference the relevant subparagraph in response to which information is being submitted (*e.g.*, para. 4.3.2). The Ministry reserves the right to seek further information or verification from third parties to assist with an evaluation of the Applicant's legal, financial, and technical qualifications.

5 Submission

All documents, including voluminous corporate reporting information (annual reports, security regulatory filing, etc.) must be submitted in English.

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It is recognized that some consortia, including consortia formed for the purpose of participation in this Tender, will not have consolidated financial reports and operating history. Those Applicants must provide sufficient information for the Ministry to evaluate the qualifications of the consortium, and each consortium must have a designated operator.

Upon qualification, Applicants will be informed as to the procedures by which qualified Applicants that did not seek qualification as a consortium may associate with other qualified Applicants in the form of a consortium or joint venture.

Qualified Applicants must continue to satisfy qualification criteria throughout the award of the EPSC. Any material changes to information relating to an Applicant's qualifications previously submitted must be amended, even if the Applicant has already received notice that it is qualified.

The Expression of Interest must be submitted electronically **no later than November 15th, 2023 at 1200 hrs Kabul time** to qaisbilal@momp.gov.af & mtk034@yahoo.com and, if desired, a hard copy may be delivered to the following address:

Attention: Qaisullah Bilal
Afghanistan Ministry of Mines & Petroleum
Near Mokroyyan Square, Kabul, Afghanistan
Cell Phone: +93 783422471
E-mail: qaisbilal@momp.gov.af & mtk034@yahoo.com

6 Bidding Fee

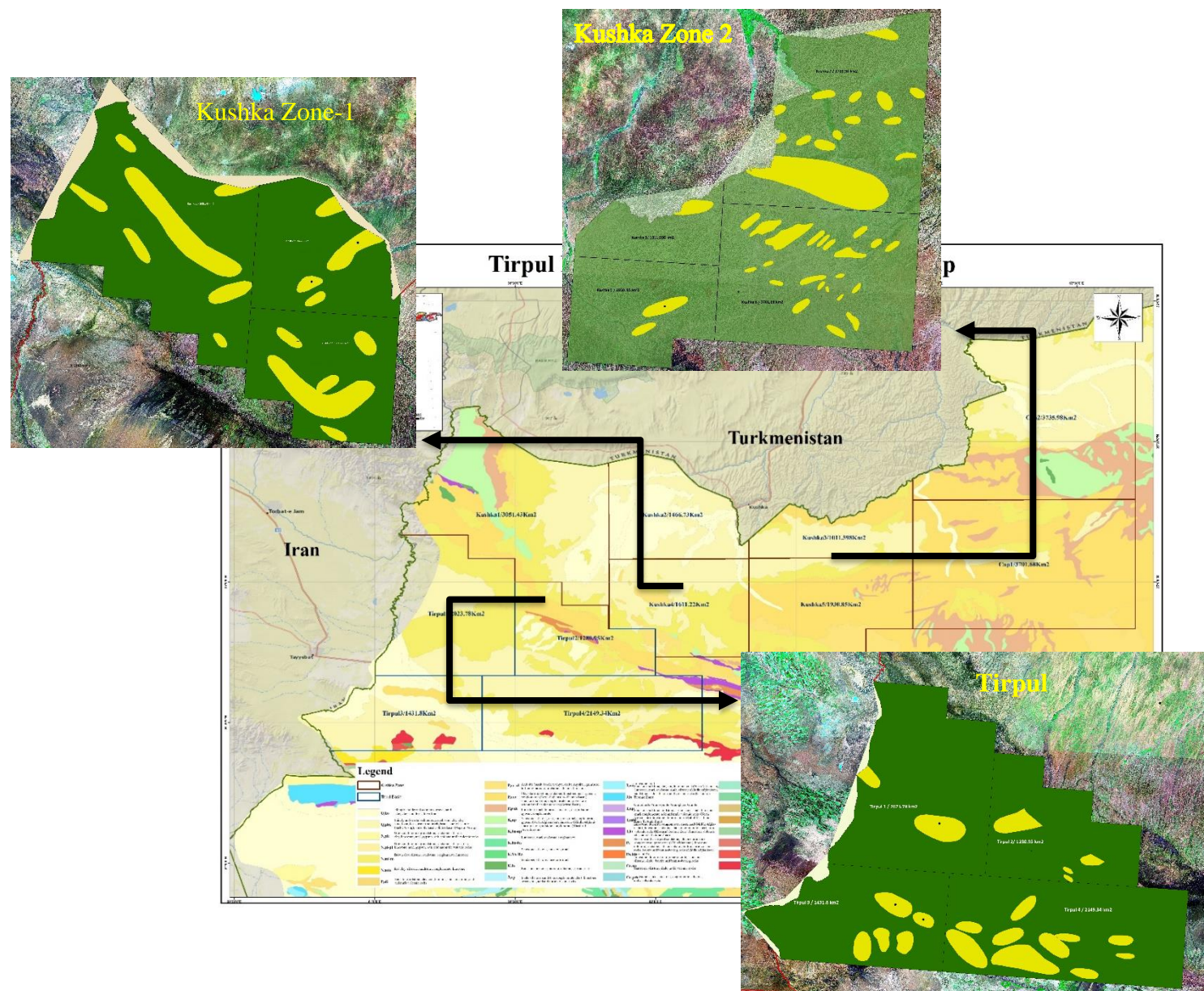
There is no fee for submission of an Expression of Interest. Upon notification of qualification, the qualified Applicant must pay a non-refundable Bidding Fee of US\$ 50,000 within 15 days. Payment of the Bidding Fee and signing of a nondisclosure agreement will entitle the Applicant to access the tender materials, which are expected to be available on or about **January 1, 2024**. Instructions for payment of the Bidding Fee will be given at the time of notification of qualification.

7 Requests for Clarification

Requests for clarification of this Request for Expression of Interest must be submitted to the Ministry by e-mail to qaisbilal@momp.gov.af and mtk034@yahoo.com by no later than **November 15, 2023**. Responses will be communicated in writing to all Applicants via the Tender website. Applicants are advised to check the Tender website regularly at www.momp.gov.af

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Annex A: Blocks of the Bidding Area



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Annex B: Prospective Structures in the Kushka Tirpul Basin with Proposed Seismic Lines

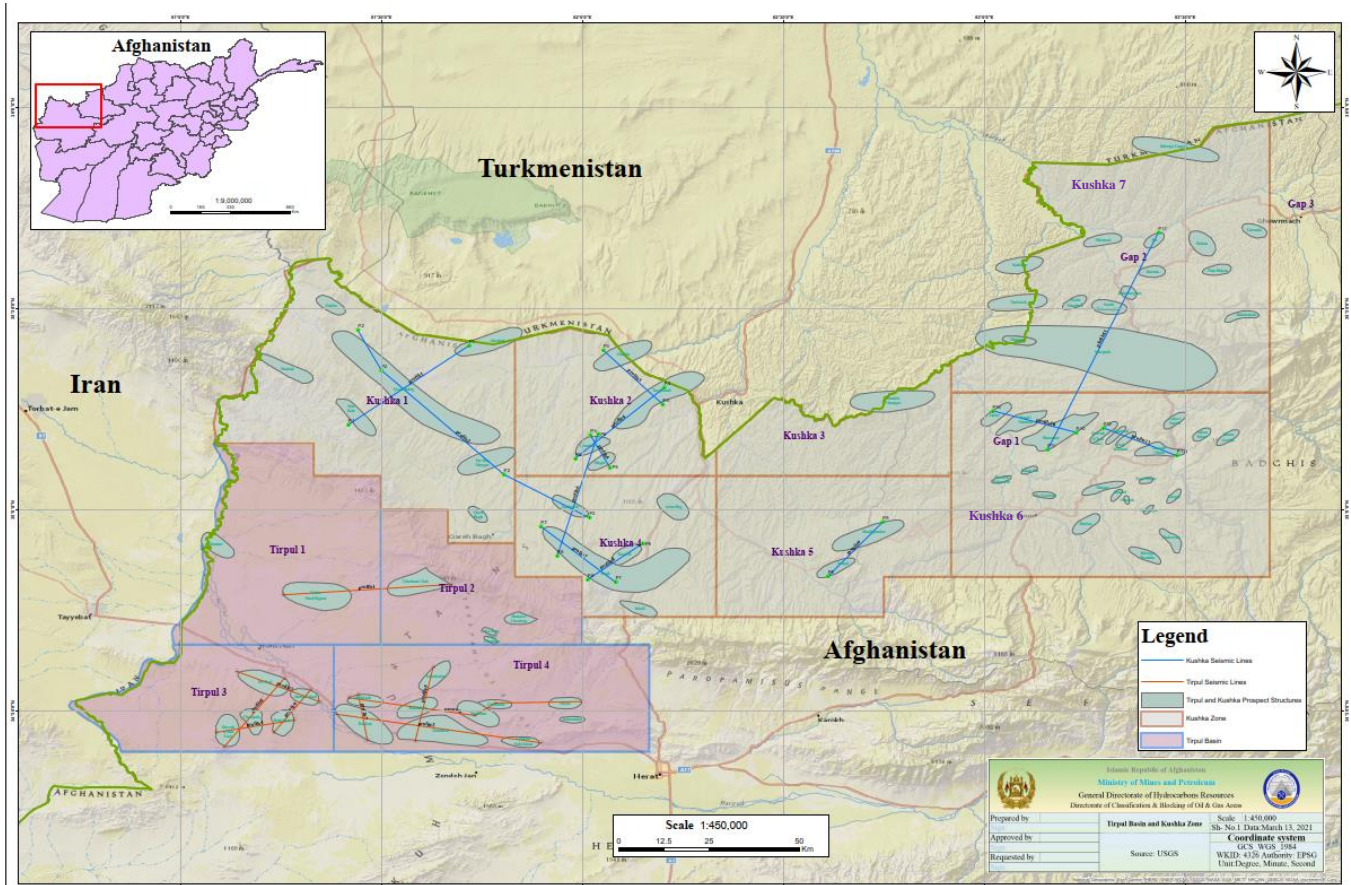


Table showing area of the bidding blocks

Blocks	Bidding Areas	Area
Kushka-1	Kushka Zone-1	3051.43 km ²
Kushka-2		1466.73 km ²
Kushka-4		1611.22 km ²
Kushka-3		1011.598 km ²
Kushka-5	Kushka Zone-2	1930.95 km ²
Kushka-6		3701.68 km ²
Kushka-7		3735.98 km ²
Tirpul-1	Tirpul	2023.78 km ²
Tirpul-2		1280.95 km ²
Tirpul-3		1431.8 km ²
Tirpul-4		2149.34 km ²

Annex C: Form of Power of Attorney

HYDROCARBONS EXPLORATION AND PRODUCTION TENDER

OF THE KUSHKA Zone- 1,2 & TIRPUL of KUSHKA TIRPUL BASIN

[POWER OF ATTORNEY TO BE SUBMITTED BY EACH INDIVIDUAL APPLICANT AND, IN THE CASE OF A CONSORTIUM, BY EACH MEMBER OF THE CONSORTIUM]

This Power of Attorney is made on *[insert date]* by *[insert name and organization / registration number of company as applicable]*, constituted pursuant to the laws of *[insert company's country of origin]* whose registered headquarters is located in *[insert address of company headquarters]*. [IN THE CASE OF A CONSORTIUM, THIS INFORMATION SHOULD BE PROVIDED FOR EACH MEMBER] ([collectively,] the “*Applicant*”).

This Power of Attorney is made in connection with the Applicant's participation in the Hydrocarbons Exploration and Production Tender for the Zone-1 of Kushka Tirlpul Basin (the “*Tender Process*”) and the Applicant hereby nominates *[insert full name and full address of Authorized Representative]*, as its true and lawful Authorized Representative empowered to represent the Applicant in any and all matters pertaining to the Tender Process, including, but not limited to, representing the Applicant before the Ministry of Mines & Petroleum of the Government of the Islamic Emirate of Afghanistan, posing queries and requests for further information, receiving, submitting, and signing any documents directly and indirectly pertaining to the Tender Process, paying fees or taxes, negotiating and submitting bids for the Applicant, as well as undertaking any other acts necessary for the faithful compliance of the Authorized Representative's mandate of representing the Applicant in said Tender Process.

The Applicant hereby declares that anything that shall be done on its behalf by the Attorney in relation to or in connection with this Power of Attorney shall be as good, valid and effective as if it had been done by the Applicant.

IN WITNESS HEREOF, this Power of Attorney has been executed on and as of *[insert date]* and is signed by the Applicant's duly authorized legal representative:

[COMPANY]

By _____

[Title]

The undersigned hereby certifies that the person whose signature appears immediately above is the duly authorized legal representative of [COMPANY] and that the signature set forth above is that of such person.

By _____

[Title]