



JONES DAY  
**COMMENTARY**

## SECOND PETROLEUM BID ROUND IN MYANMAR

On January 17, 2013, the Government of the Republic of the Union of Myanmar (“Myanmar”), through its Ministry of Energy, invited bids for 18 onshore oil and gas blocks in what is Myanmar’s second international petroleum licensing round (the “2013 Bid Round”). Fifteen of the blocks are to be awarded through Production Sharing Contracts and three through Improved Petroleum Recovery Contracts. Expressions of interest in the 2013 Bid Round are required not later than two months after the date of the invitation.

The 2013 Bid Round follows much publicized measures to improve Myanmar as a foreign investment destination, including the promulgation of Myanmar’s new Foreign Investment Law, signed into law on November 3, 2012, and the easing of economic sanctions by the United States,<sup>1</sup> the European Union, and other nations. The 2013 Bid Round should also be considered against the backdrop of previous Production Sharing Contract awards in Myanmar, including those arising from an

international petroleum licensing round held in 2011 (the “2011 Bid Round”).

The process for the 2013 Bid Round can be summarized as follows:

1. Bidders must submit a Letter of Expression of Interest, together with certain supporting documentation.
2. A pre-qualification and selection process will be conducted.
3. Pre-qualified bidders will be provided with a general overview of each block, consisting of representative data and information.
4. The Energy Planning Department will provide bidders with, and explain, the Standard Terms and Conditions.
5. Bidders will be able to submit separate proposals for up to three blocks, along with their proposed Terms and Conditions.
6. Bidders’ proposed Terms and Conditions will be assessed, and the “best offered” Terms and Conditions will be selected.

<sup>1</sup> See Jones Day *Commentary*, *Eased Sanctions Widen Doorway to Myanmar Oil and Gas Sector* (August 2012).

One provision of interest in the 2013 Bid Round invitation is that foreign bidders must cooperate with at least one “Myanmar national owned company” registered at the Energy Planning Department. Prospective bidders for the 2013 Bid Round may contact the Energy Planning Department for a list of Myanmar national owned companies. This was not a requirement of the 2011 Bid Round invitation, although cooperation with local companies was ultimately a feature of that process.

Also of note is that the second bid round was initially expected to commence early in 2012 and include both onshore and offshore blocks. However, the bid round was delayed following transparency concerns by oil majors. Of interest, therefore, are the timing, extent and terms of future bid rounds for offshore blocks.

*Jones Day does not practice Myanmar law, and the contents of this Commentary do not constitute an opinion on or advice on Myanmar law.*

## LAWYER CONTACTS

For further information, please contact your principal Firm representative or one of the lawyers listed below. General email messages may be sent using our “Contact Us” form, which can be found at [www.jonesday.com](http://www.jonesday.com).

### **Michael E. Arruda**

Hong Kong  
+852.3189.7376  
[marruda@jonesday.com](mailto:marruda@jonesday.com)

### **Benjamin P. McQuhae**

Hong Kong  
+852.3189.7242  
[bmcquhae@jonesday.com](mailto:bmcquhae@jonesday.com)

### **Darren Murphy**

Singapore  
+65.6538.3939  
[dmurphy@jonesday.com](mailto:dmurphy@jonesday.com)

### **Steven Potter**

Singapore  
+65.6233.5505  
[swpotter@jonesday.com](mailto:swpotter@jonesday.com)

Jones Day publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information purposes only and may not be quoted or referred to in any other publication or proceeding without the prior written consent of the Firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our “Contact Us” form, which can be found on our web site at [www.jonesday.com](http://www.jonesday.com). The mailing of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship. The views set forth herein are the personal views of the authors and do not necessarily reflect those of the Firm.