

**CCOP-EPPM Project 3 (P3) Metadata on Natural Resources in the
CCOP Region
Davao, Philippines
7-9 October 2009**

**PHILIPPINE ANNUAL REPORT
OF OIL AND GAS ACTIVITIES
FOR 2008**

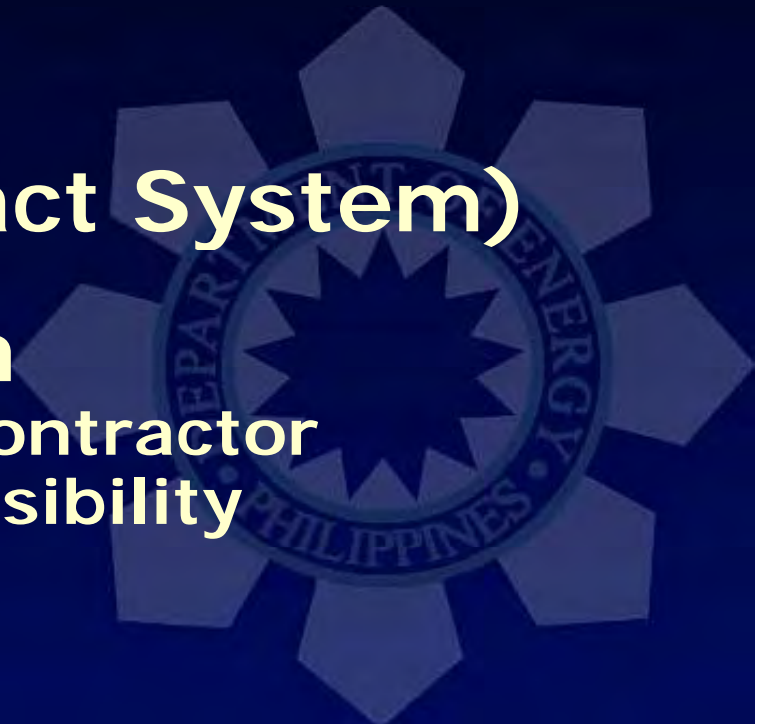


Department of Energy
Novelwin A. Santos
Shelly Grace A. Santiago



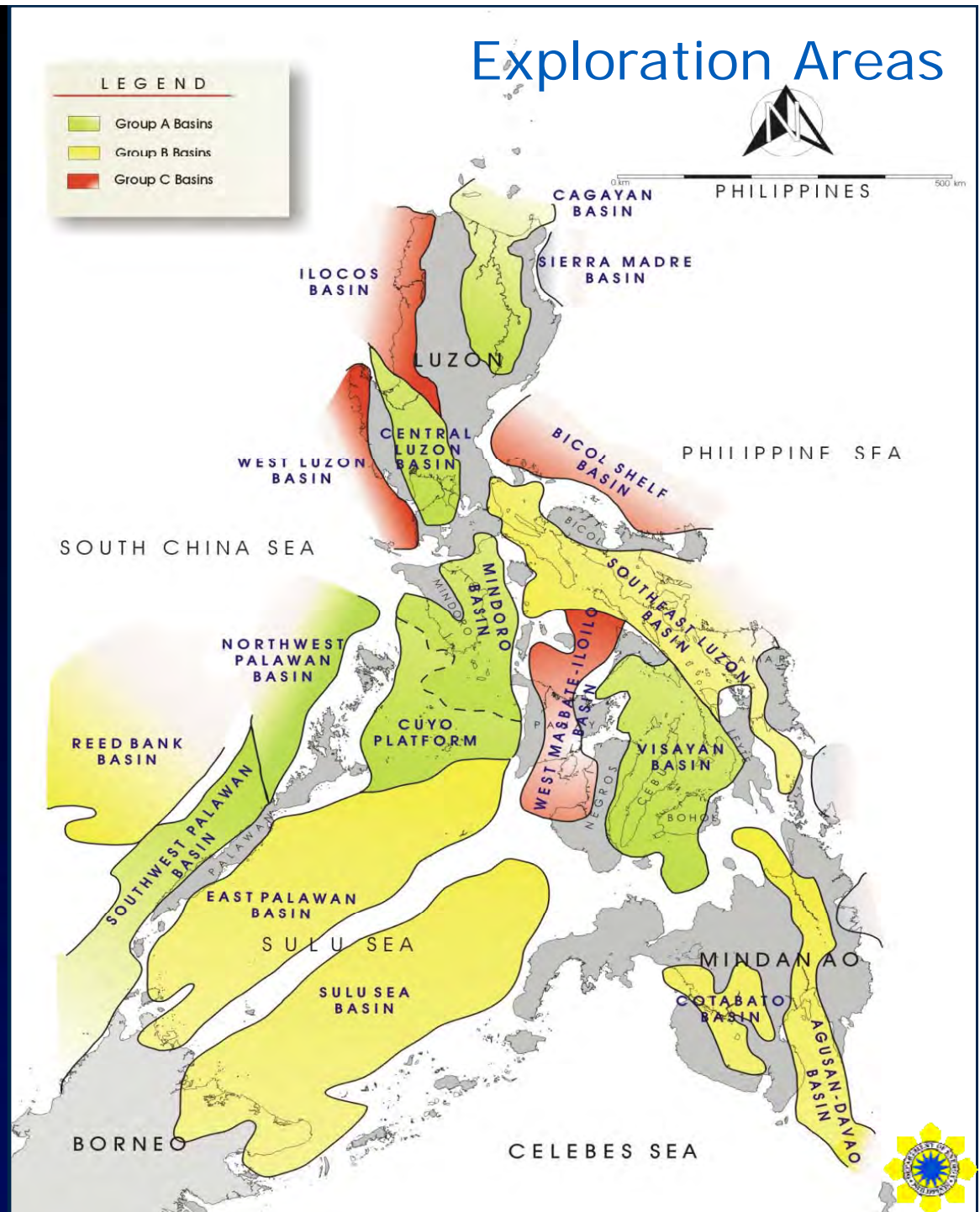
Outline

- **Oil and Gas Exploration Activities**
 - Exploration Areas
 - Production, Development, and Transportation
- **Production Data**
- **Exploration Data**
- **Fiscal Regime (Contract System)**
- **Investment Campaign**
 - Privileges of the Service Contractor
 - Data availability and accessibility
 - Areas for offer



Sedimentary Basins of the Philippines

1. Cagayan Valley
2. Ilocos
3. West Luzon
4. Central Luzon Valley
5. Bicol Shelf
6. Southeast Luzon
7. Mindoro-Cuyo Platform
8. East Palawan
9. Northwest Palawan
10. Southwest Palawan
11. Reed Bank
12. Sulu Sea
13. West Masbate-Iloilo
14. Visayan
15. Cotabato
16. Agusan-Davao

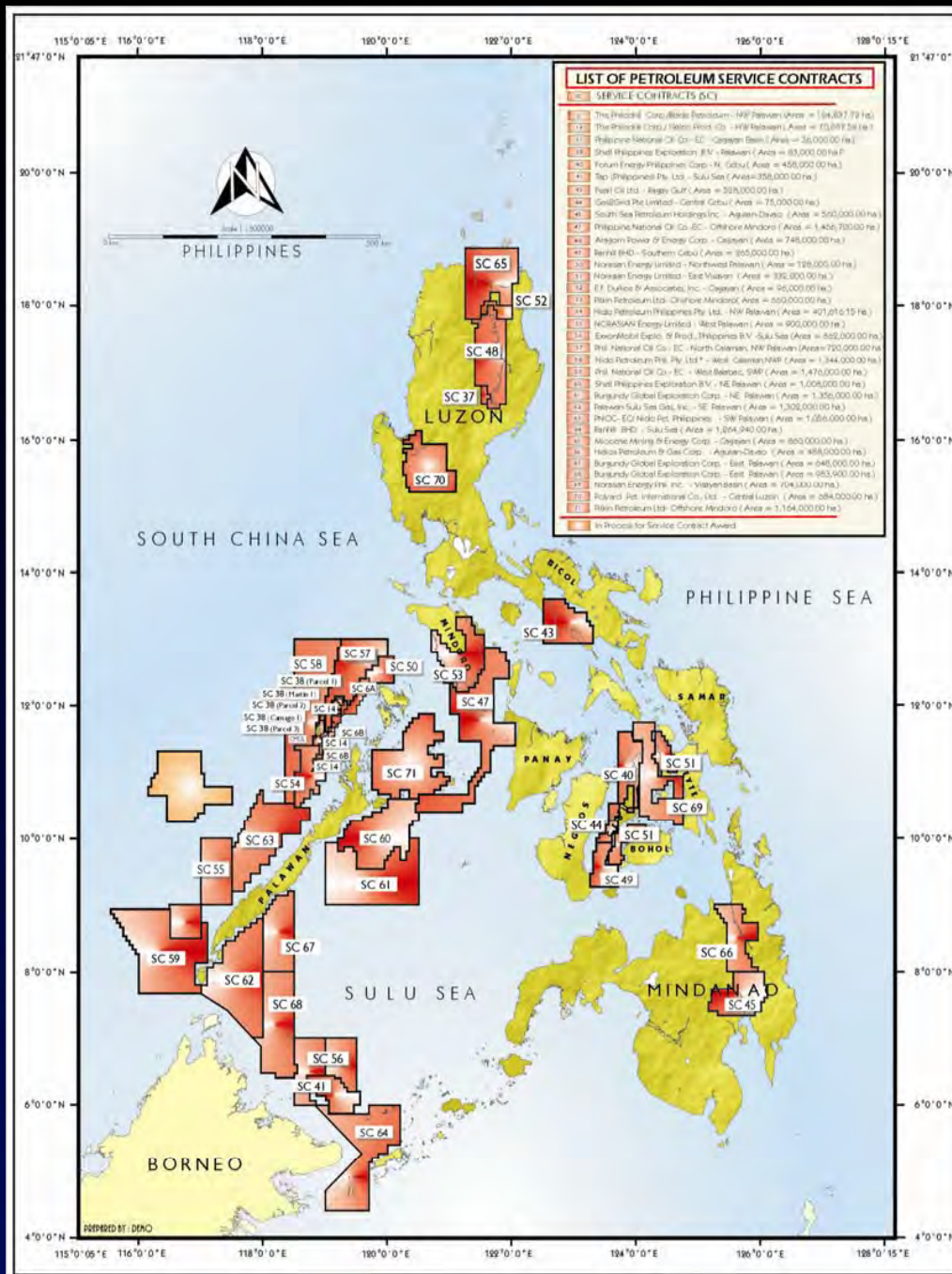


Exploration Areas

EXISTING PETROLEUM SERVICE CONTRACTS

- 34 Active Service Contracts

- 1 Active Geophysical Survey & Exploration Contract (GSEC) for conversion to SC



OFFSHORE NW PALAWAN PRODUCTION

Malampaya (2001-present)
817 BCFG
38 MMBC
1.9 MMBO (EPT) (2001-2002)

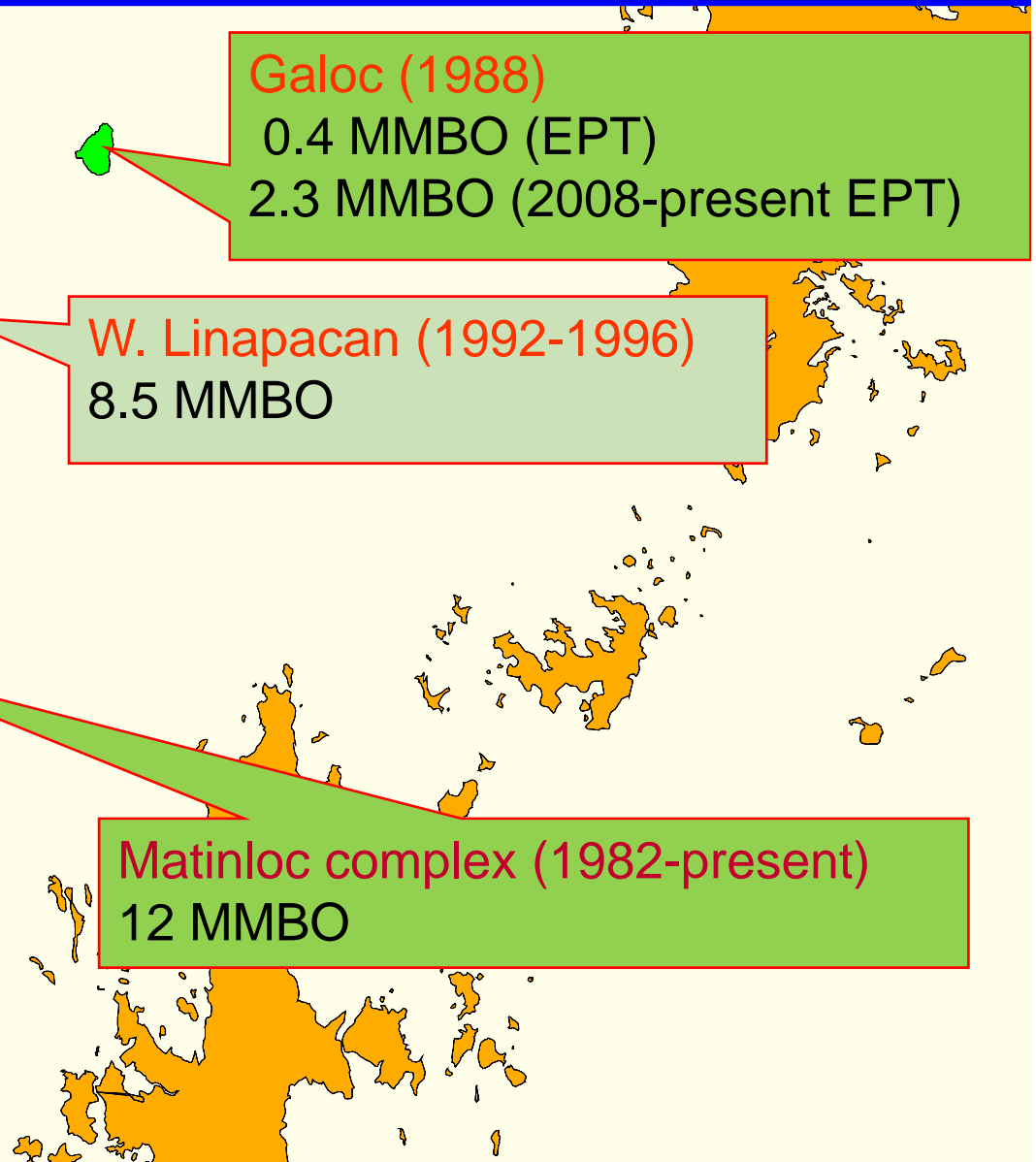
Galoc (1988)
0.4 MMBO (EPT)
2.3 MMBO (2008-present EPT)

W. Linapacan (1992-1996)
8.5 MMBO

Cadlao (1981-1991)
11.2 MMBO

Nido (1979-present)
18.7 MMBO

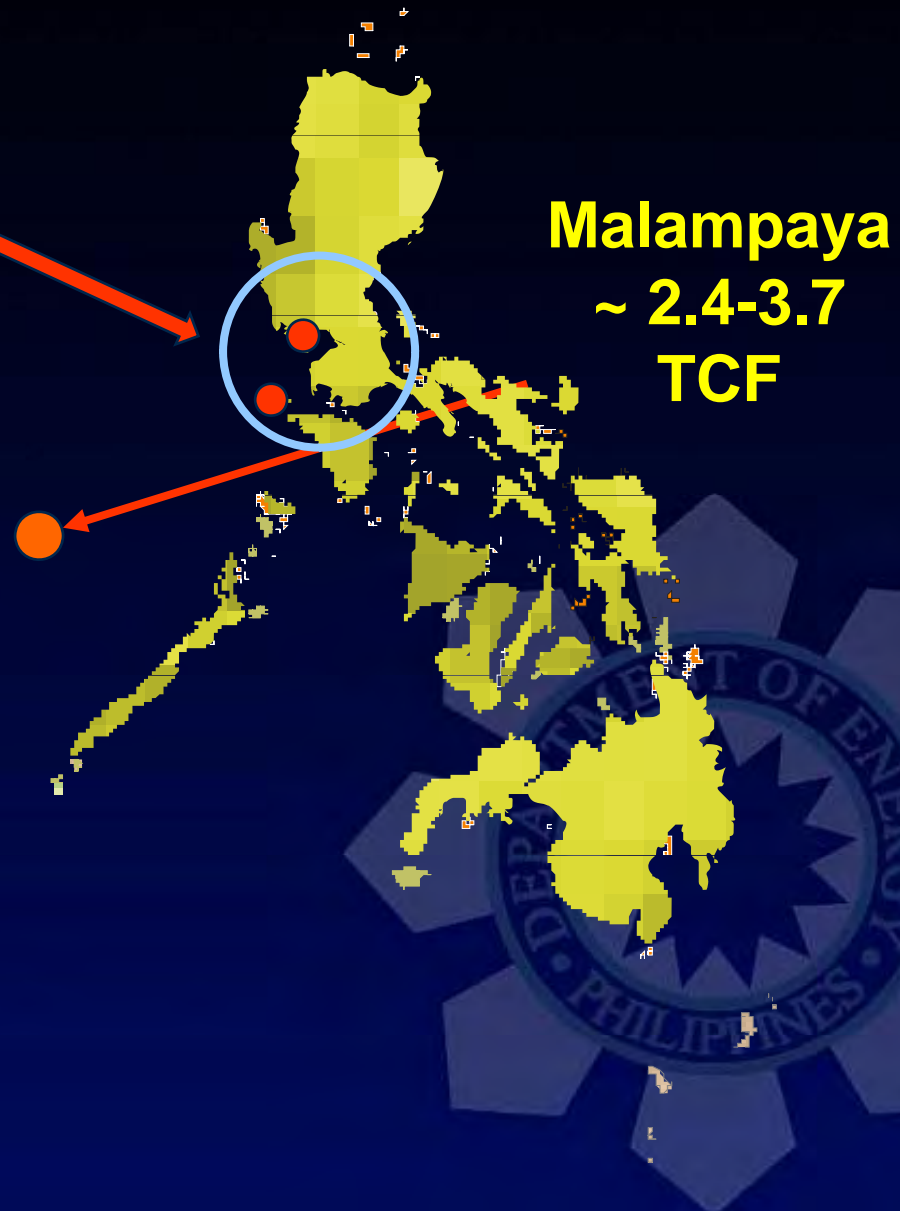
Matinloc complex (1982-present)
12 MMBO



Transportation Installation

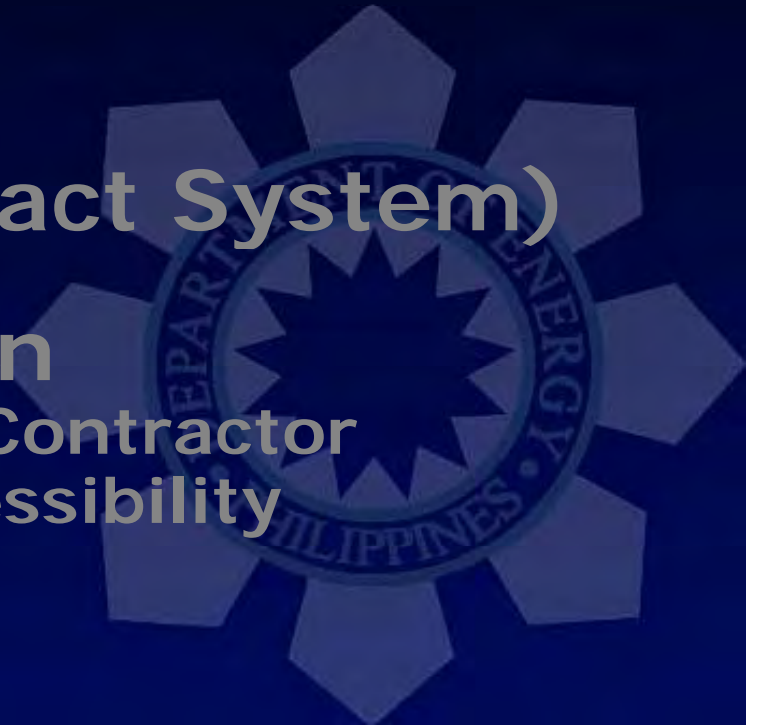
2 CNG stations

51 CNG Buses
34 operational

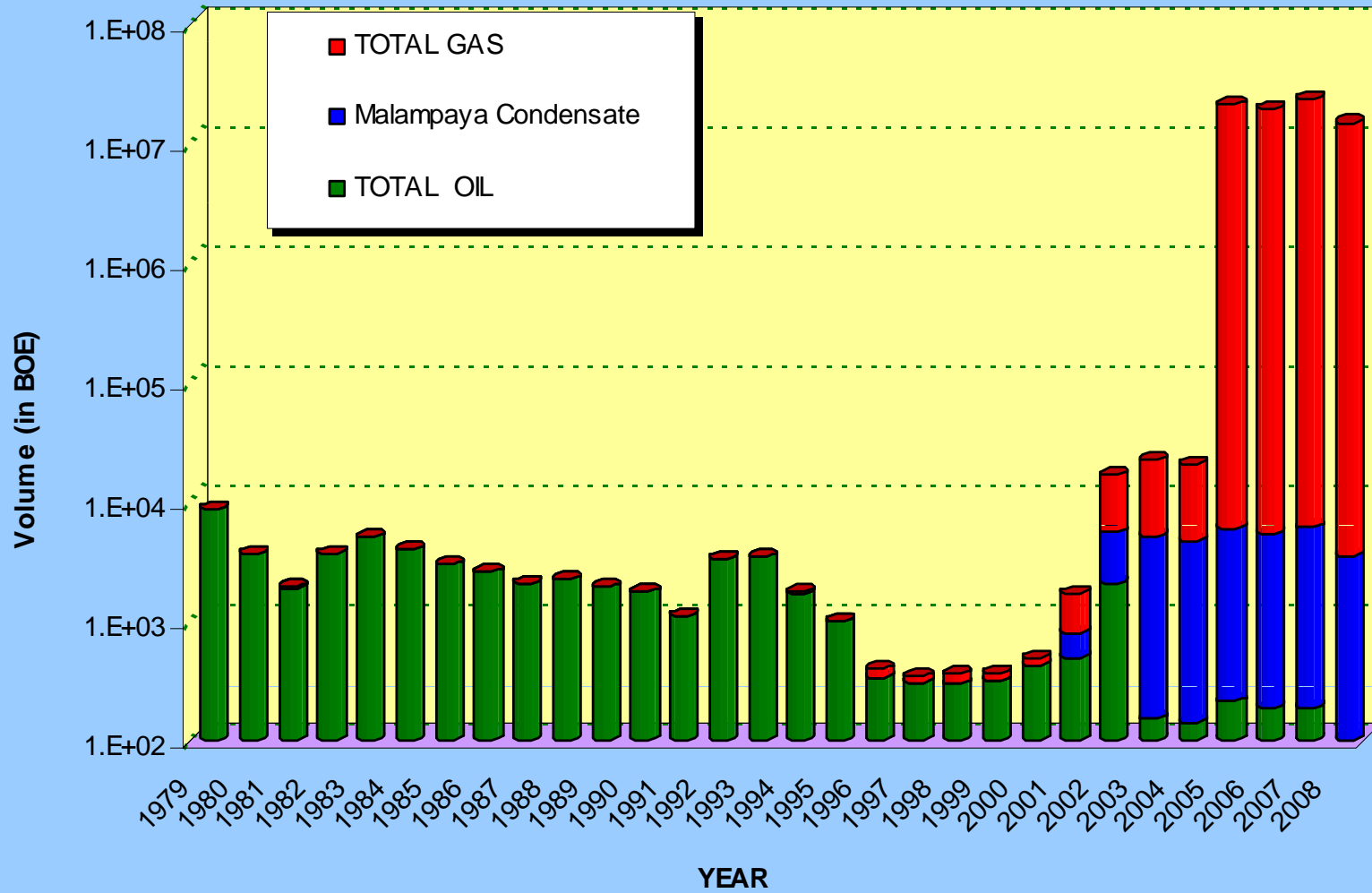


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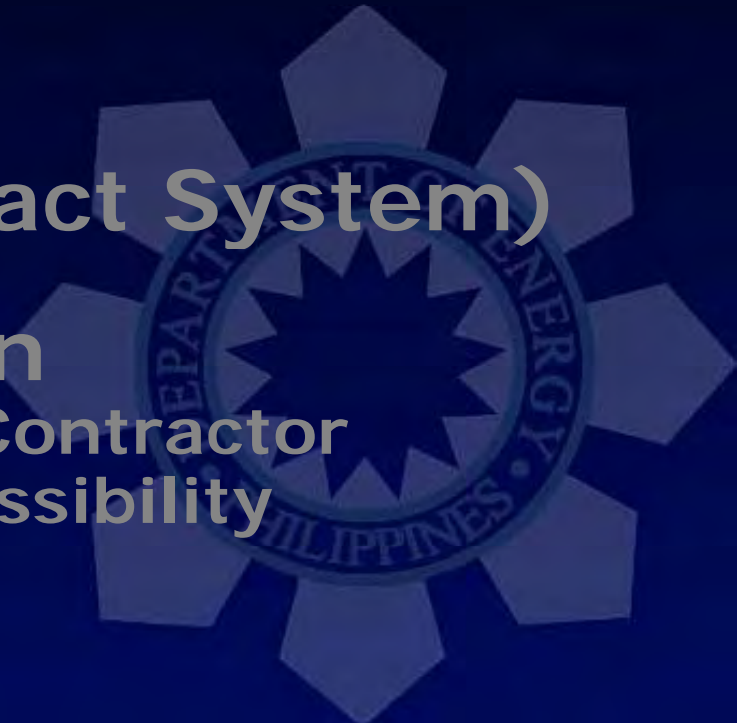


Philippine Petroleum Production




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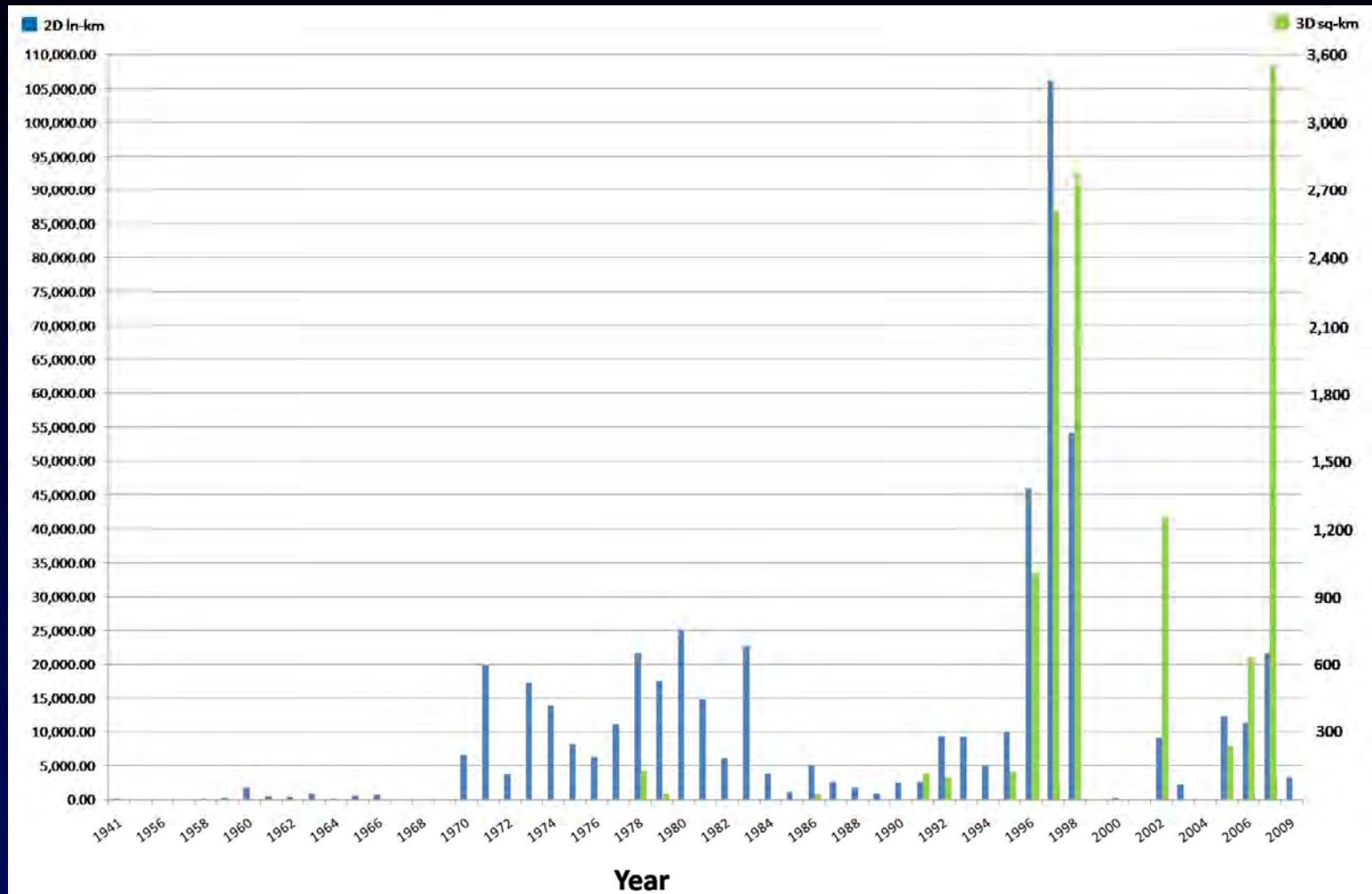


Petroleum Resources

	DISCOVERED	UNDISCOVERED	TOTAL (MBBLOE)
OIL (MBBL)	268	3,500	3,600
GAS (TCF)	3.8	24.7	28.5
CONDENSATE (MBBL)	109	56	165



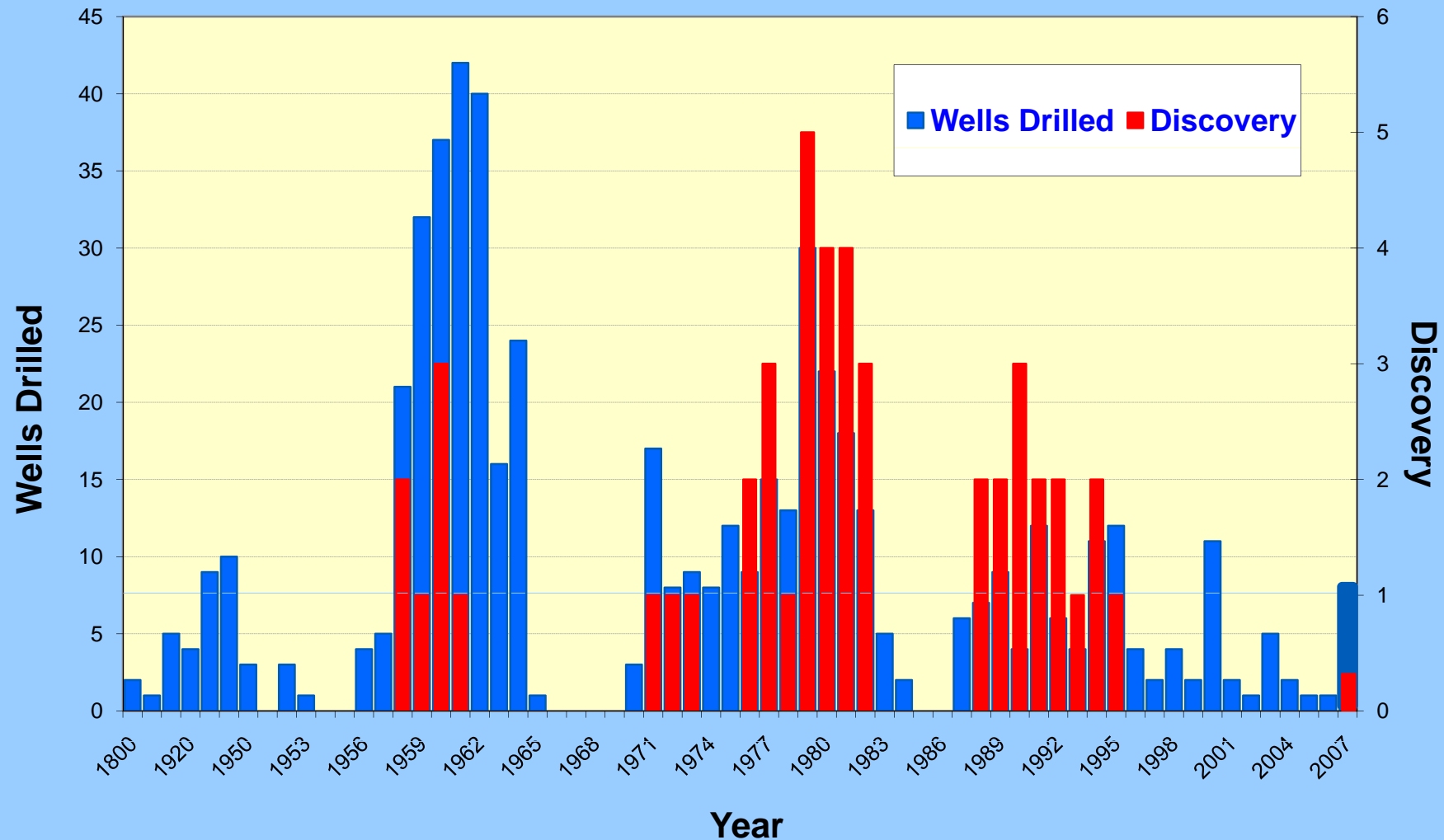
Historical Seismic Data Acquisition



Seismic Data

	2D (ln-km)	3D (sq. km)
TOTAL	463,500	8,247
2007	12,010	1,680
2009	3,300	

Historical Drilling Activity (1890 – 2008)



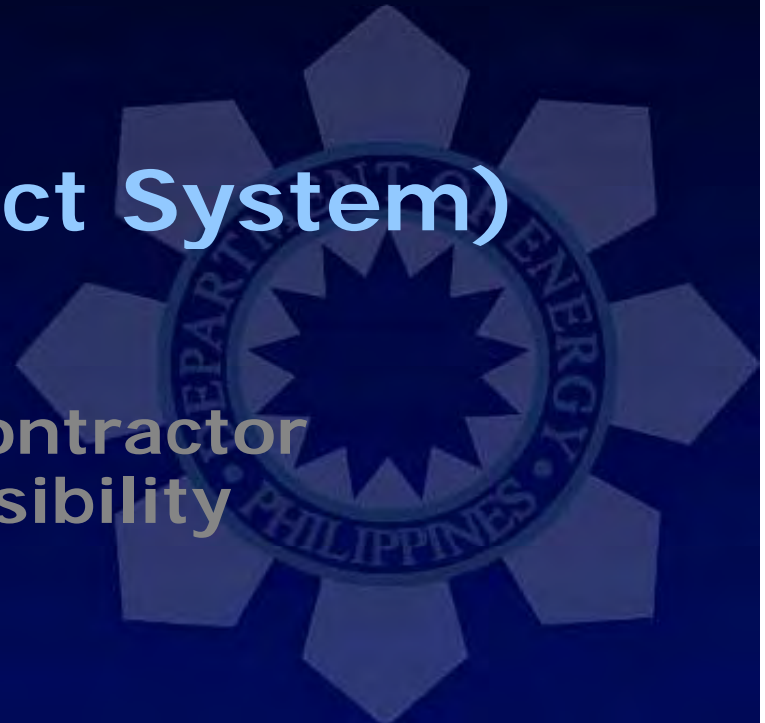
Well Data

	Wells Drilled	Discovery
2008	7	2
TOTAL	563	53



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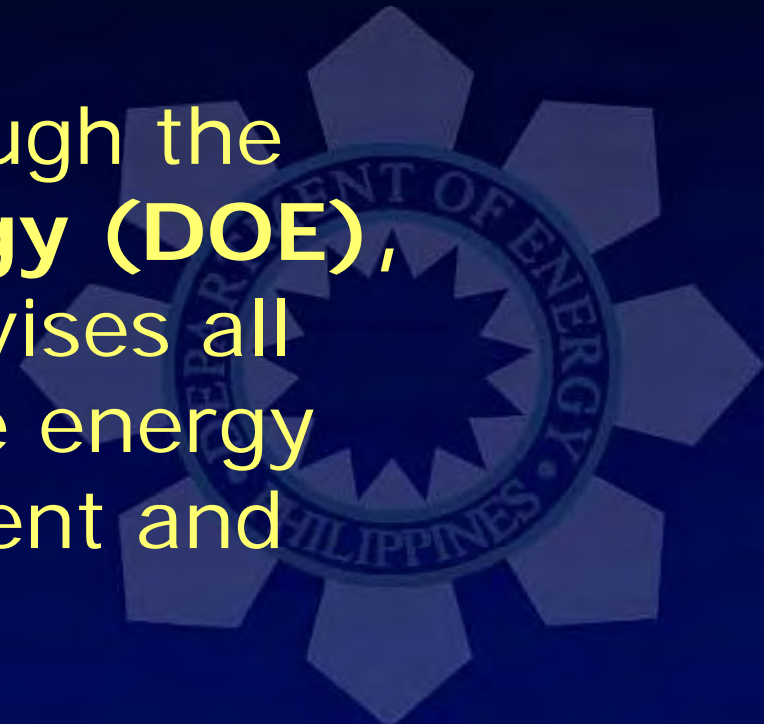


THE PETROLEUM SERVICE CONTRACT SYSTEM

- **Regalian Doctrine**

“All energy resources belong to the State”

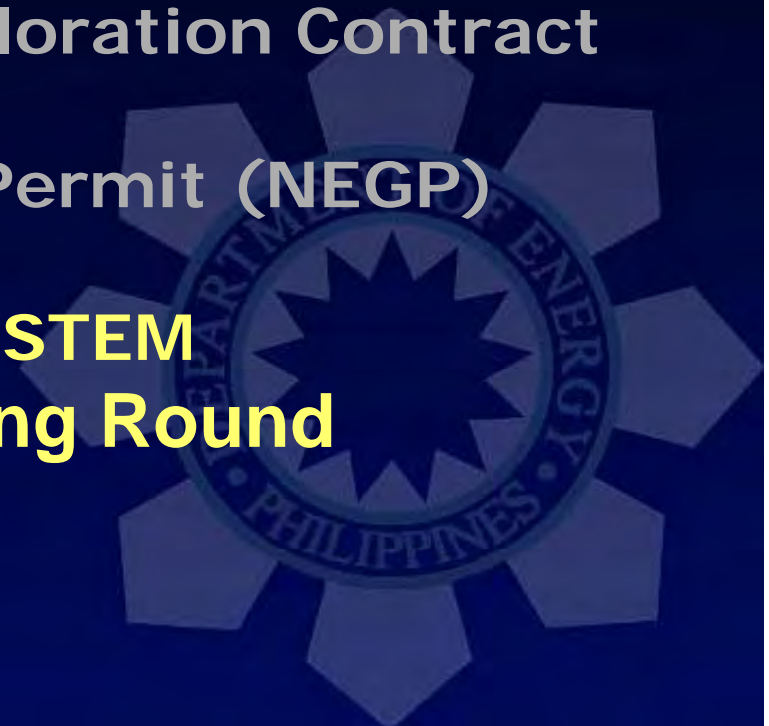
- The Government, through the **Department of Energy (DOE)**, coordinates and supervises all activities related to the energy exploration, development and production.



Petroleum Law

Presidential Decree No. 87: "The Oil Exploration and Development Act of 1972"

- Geophysical Survey and Exploration Contract (GSEC)
- Non-Exclusive Geophysical Permit (NEGP)
- **SERVICE CONTRACT (SC) SYSTEM**
- * **Philippine Energy Contracting Round**



Fiscal Terms

- **Royalty/ies** : **None**
- **Cost Oil** : **70% of gross income**
- **Depreciation** : **Double Declining Balance or Straight Line Method**
- **Income Tax** : **32% paid out of Gov't share**
- **Profit Oil** : **60 - 40 (Government – Contractor share)**
- **FPIA** : **7.5% maximum @ 30% participation (minimum of 15% participation)**
- **State Participation** : **Not required**

Fiscal Terms

- **Contract Area** : 800-15,000 km² (Offshore)
500-7,500 km² (Onshore)
- **Contract Term** : 7 yrs exploration + 3 yrs extension
25 yrs production + 15 yrs extension
- **Signature Bonus** : US\$50,000 – US\$250,000
- **Other Bonuses** : Negotiable (Discovery & Production)
- **Training Fund** : Negotiable

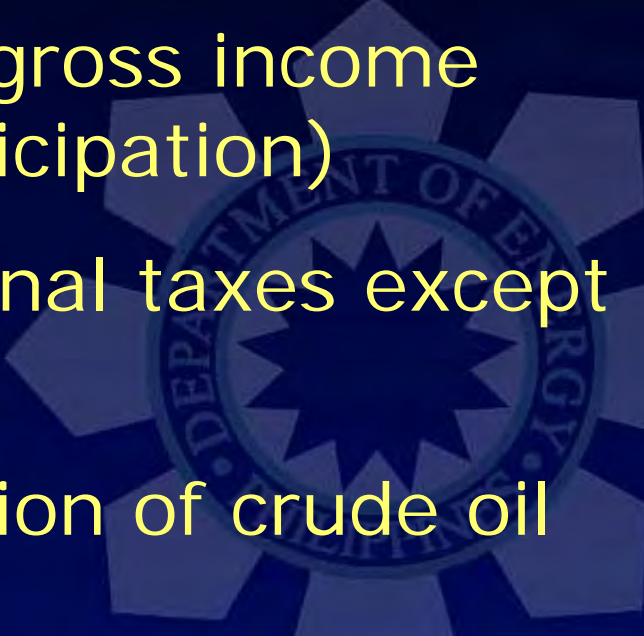


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Privileges of the Service Contractor

- Service Fee of up to 40% of net proceeds
 - Cost reimbursement of up to 70% of gross income
 - Filipino Participation Incentive Allowance (FPIA) of up to 7.5% of gross income (minimum of 15% participation)
 - Exemption from all national taxes except income taxes
 - Free market determination of crude oil and natural gas prices
- 
- A large, semi-transparent watermark of the Department of Energy logo is visible in the background on the right side of the slide. The logo features a central sunburst design surrounded by a circular border containing the text 'DEPARTMENT OF ENERGY' and 'PHILIPPINES'.

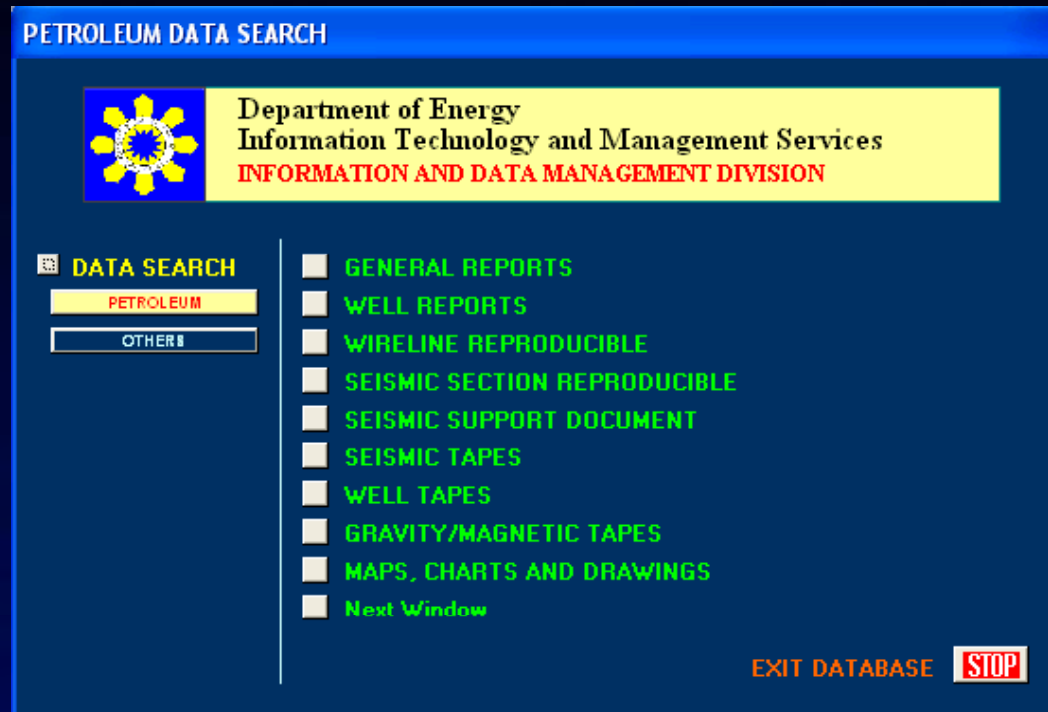
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Petroleum Data

- Energy Data Center of the Philippines
Department of Energy



- Web Mapping Software
<http://pdq.doe.gov.ph/pdq>

DOE Web Map

<http://pdq.doe.gov.ph/pdq>

PDQMap - Windows Internet Explorer
http://pdq.doe.gov.ph/pdq/

McAfee SiteAdvisor
PDQMap

Energy Data Center of the Philippines

Tools

Navigation

- Zoom/Pan

Search

- General Reports
- Select By Point
- Select By Polygon

Measure

- Measure Distance
- Measure Area

Map

Map data © 2009 Kingway, AND/MFG/IS/MapIT, Tele Atlas, ZENRIN, Europa Technologies - T

Legend

Layer

- Google Streets
- Google Hybrid
- OneGeology
- EEZ
- Sedimentary Basins
- Petroleum Service Contracts
- Maps/Charts/Documents
- Seismic Lines
- Wells

User Manual

Search

- General Reports
- General Reports**
- Maps/Charts/Documents
- OneGeology
- Petroleum Service Contracts
- Samples
- Sedimentary Basins
- Seismic Lines
- Well Reports
- Wells

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Maraming Salamat Po!

