



Secretaría de
Hidrocarburos
ECUADOR



ECUADOR SOUTHEASTERN ROUND

**Technical, legal, economic, and socio-
environmental aspects.**



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General Environment



Ministerio
de Recursos
Naturales No Renovables

GENERAL INFORMATION



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Ecuador is located in the northwestern region of South America, it is bounded by Colombia to the north, by Peru to the south and east, and by the Pacific Ocean to the west.

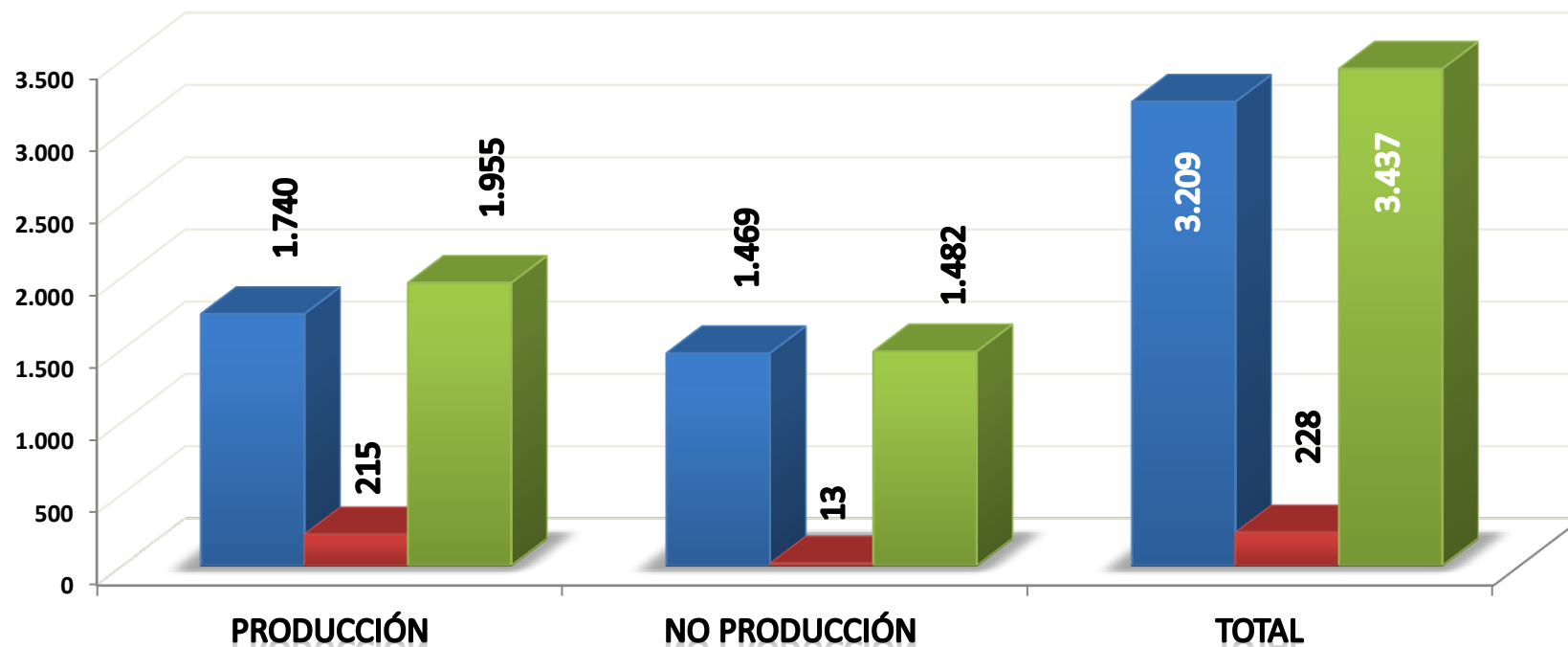
- **Extension:** 283.561 km²
- **Population:** 14'282.949
- **Language:** Spanish
- **Currency:** American Dollar
- **GDP (2011):** 126.928 Million Dollars
- **Capital:** Quito



IMPORTANCE OF CRUDE OIL IN THE ECONOMY

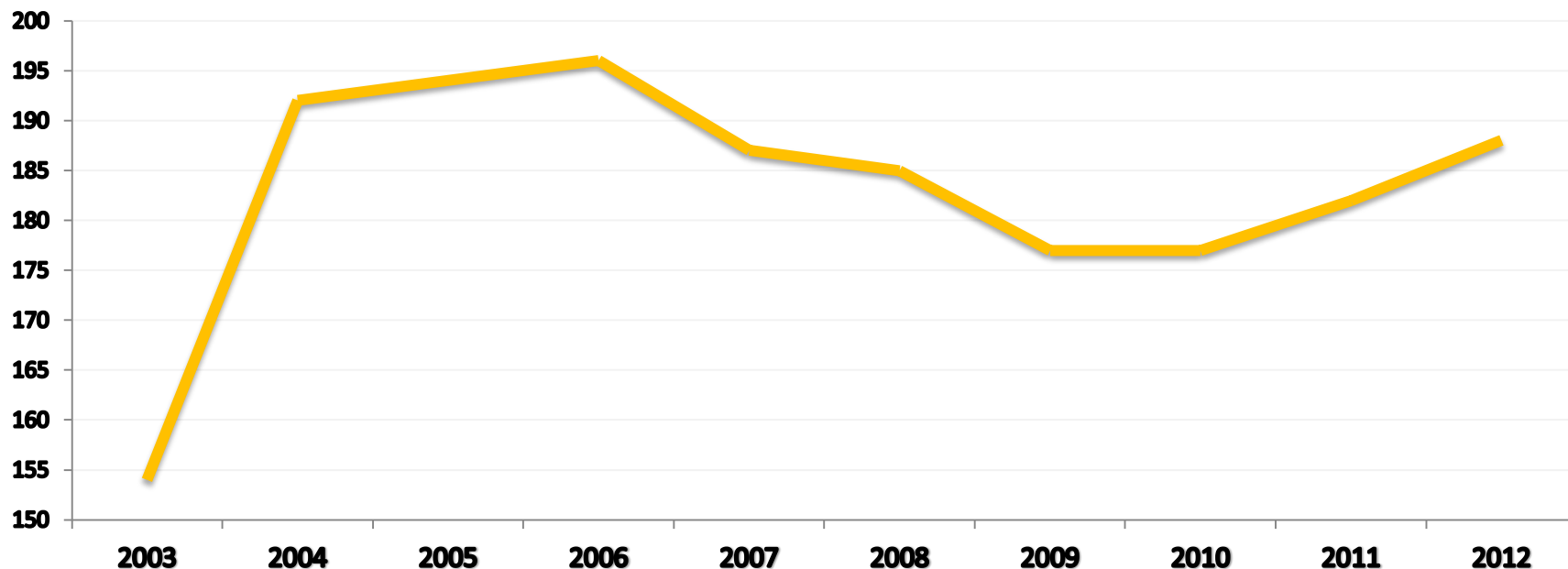
- For 2011, the aggregate value in the oil sector was in average 11,3% of GDP
- The crude oil contribution to the State General Budget was in average 38,7%
- Hydrocarbons exports were in average 58% from the total exports of the country.
- For the first semester 2012, the national crude oil exports reached \$ 6,670 million.
- For the first semester 2012, the derivative imports reached \$ 2,555 million.

TOTAL RESIDUAL RESERVES (MM BLS)



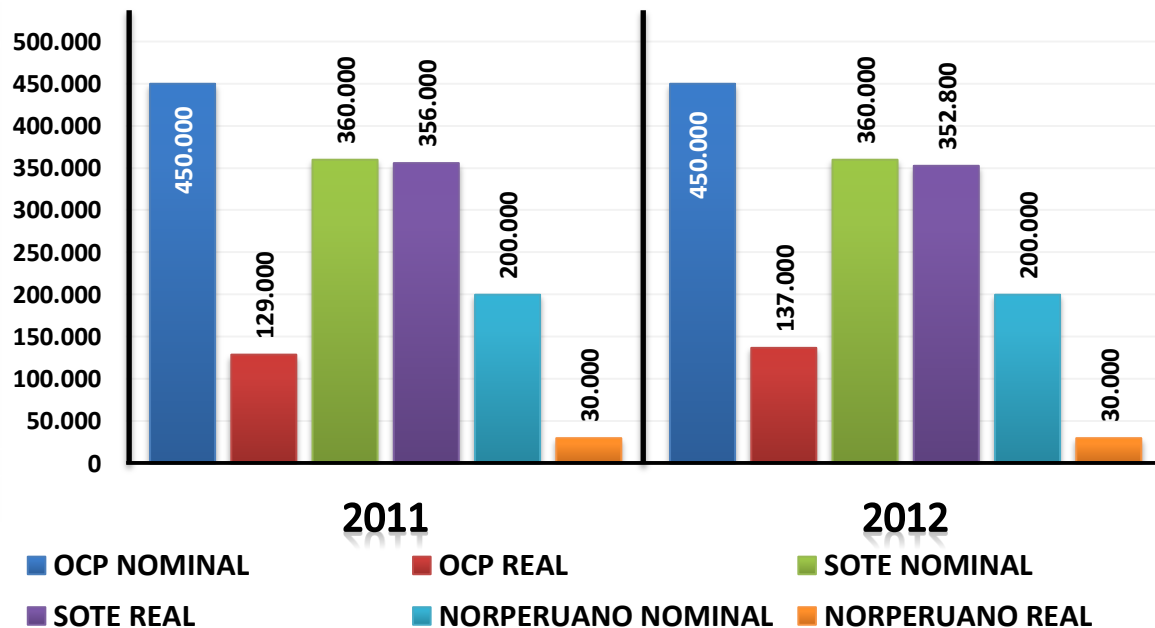
CONCEPT	PRODUCTION	NO PRODUCTION	TOTAL
 PUBLIC COMPANIES	1.740	1.469	3.209
 PRIVATE COMPANIES	215	13	228
 TOTAL	1955	1482	3.437

PRODUCTION (MM BLS / YEAR)



AÑO	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
TOTAL MM BLS	154	192	194	196	187	185	177	177	182	188

TRANSPORTATION - NOMINAL AND USED CAPACITY (BLS / DAY)



YEAR	2011	2012
OCP UTILIZATION	29%	29%
SOTE UTILIZATION	88%	90%

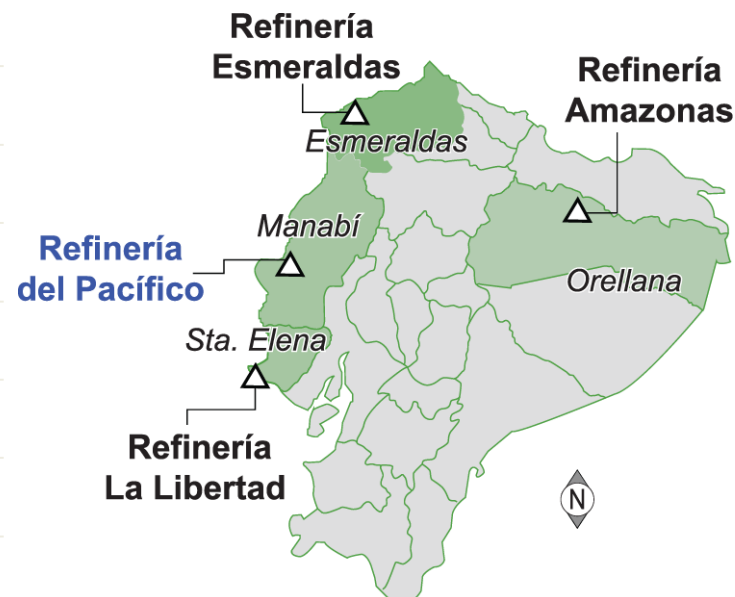
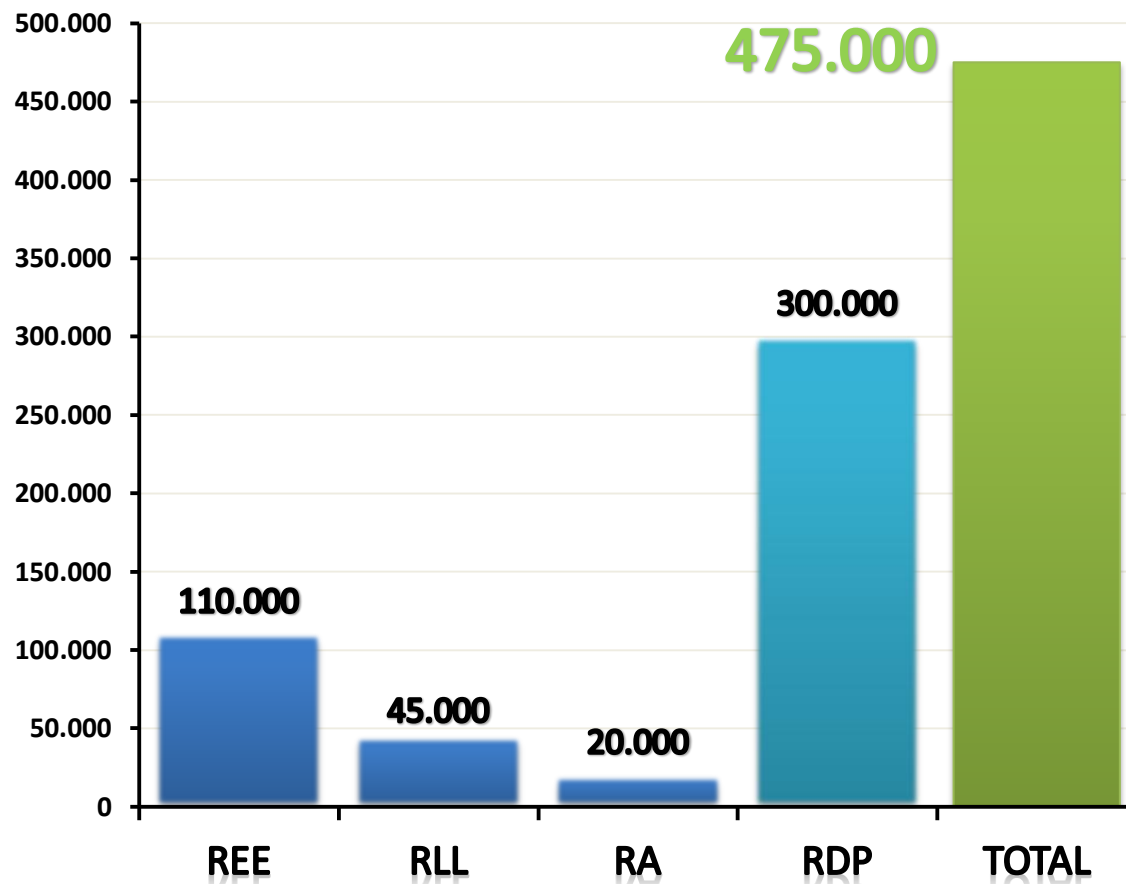
ECUADOR, OIL COUNTRY IN FIGURES



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REFINEMENT CAPACITY (BLS / DAY)



REE

Esmeraldas
Refinery

RLL

La libertad
Refinery

RA

Amazon
Refinery

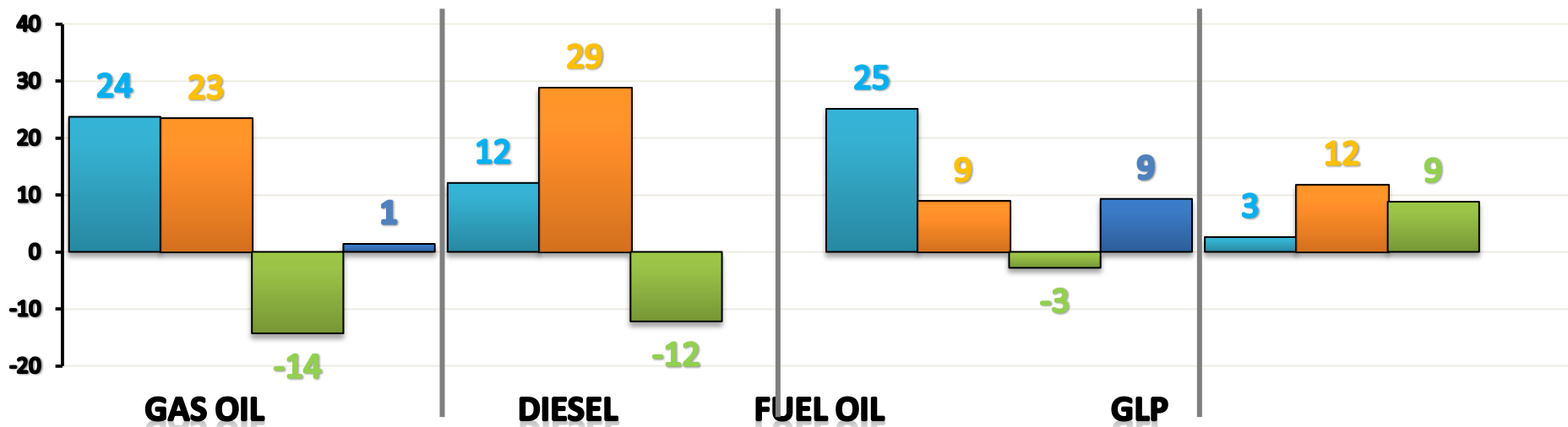
RDP*

Pacific
Refinery

* It will be ready by 2016

REFINEMENT, PRODUCTION, IMPORT,S CONSUMPTION AND EXPORTS OF HYDROCARBONS PRODUCTS

NATIONAL DERIVATIVES OFFER-DEMAND (MM Bls / Year 2012)



CONCEPT		GAS OIL *	DIESEL	FUEL OIL *	GLP
PRODUCTION AND MIXTURE		24	12	25	3
NATIONAL CONSUMPTION		23	29	9	12
IMPORTS		-14	-12	-3	9
EXPORTS		1		9	

AXES OF THE OIL POLICY

To consolidate the Ecuadorian State sovereignty over its natural resources through the activities that the State Owned Enterprise **PETROAMAZONAS** develops.

To be supported by foreign investment in the search of new hydrocarbons reserves, and for the reactivation of the production in mature fields, with clear and stable contractual rules.

To guarantee social and environmentally sustainable hydrocarbons exploitation of its nonrenewable natural resources through an strict mitigation of environmental risks, and the priority redistribution of oil income to communities located throughout the hydrocarbons exploration and production zones.

CHALLENGES

1.- Widen oil production and reserves in the short and mid run.

TOTAL RESIDUAL RESERVES	3.437 MMBls
ANNUAL PRODUCTION	192.5 MMBls
OIL HORIZON (Reserves / Production)	20 Años

2.- Consolidate the legal security with clear rules for foreign investment.

3.- Focus and decrease the amount of fuel subsidies (2011: 2.555 MM USD).

Finance the construction of the Pacific refinery.



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TECHNICAL ASPECTS OF THE ECUADOR SURORIENTE ROUND

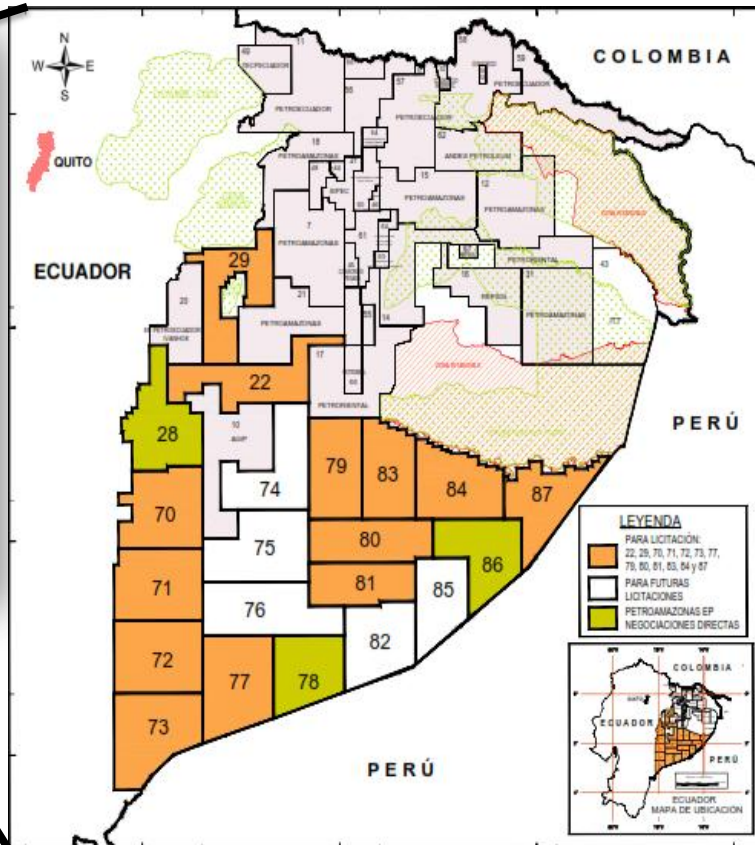


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LOCATION OF THE SURORIENTE BLOCKS



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The Ecuadorian southeastern region is located in the provinces of Pastaza and Morona Santiago which are bounded by the Republic of Peru to the South and Southeast.

According to the geological, stratigraphic, geophysical and geochemical information available at the present date, and based in the geological – structural characteristics of the region, the SHE designed 21 blocks of approximately 200,000 hectares each one, from which 13 were selected for this Round.



**LOCATION MAP OF THE STUDY AREA
, FUENTE: IGM 2012**

REGIONAL GEOLOGICAL FRAME



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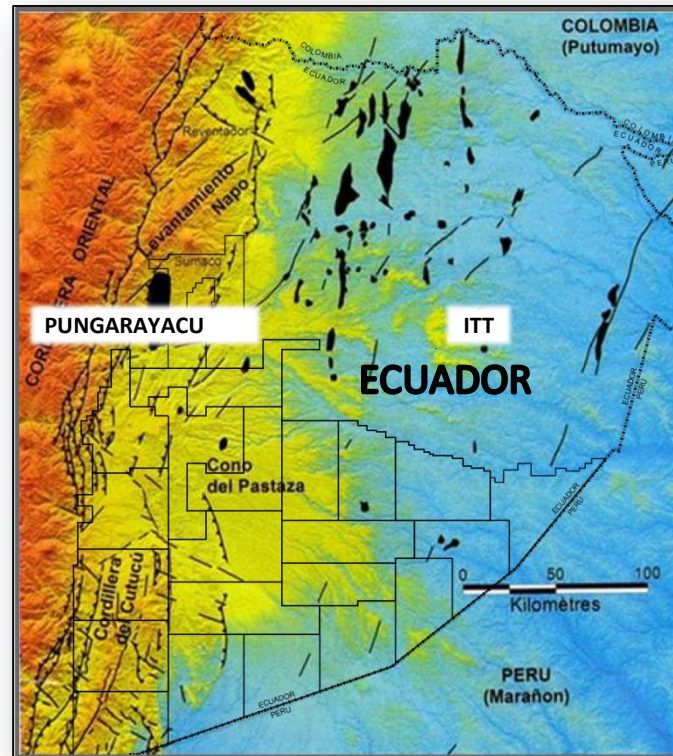


The Ecuadorian Amazon Basin is part of the Antepais Basin called POM (Putumayo in Colombia, Amazon in Ecuador, and Marañon in Peru) .

This Basin have been proven through time to be a generator and producer of hydrocarbons, because it gathers all the proper conditions of an oil system such as hydrocarbons generation, migration, and accumulation.

The studies carried out by BEICIP in 1985 determined that the region (which extends to the Peruvian territory) generated 75 billion crude oil barrels in situ of which BEICIP considers that between 5% and 15% have migrated from the mother rock to possible reservoirs.

The Napo and Hollin cretaceous formations present in the region constitute the primary hydrocarbon objective, non the less it is required to investigate the sedimentary package of the Pre-cretaceous that according to BEICP represents good prospectivity.



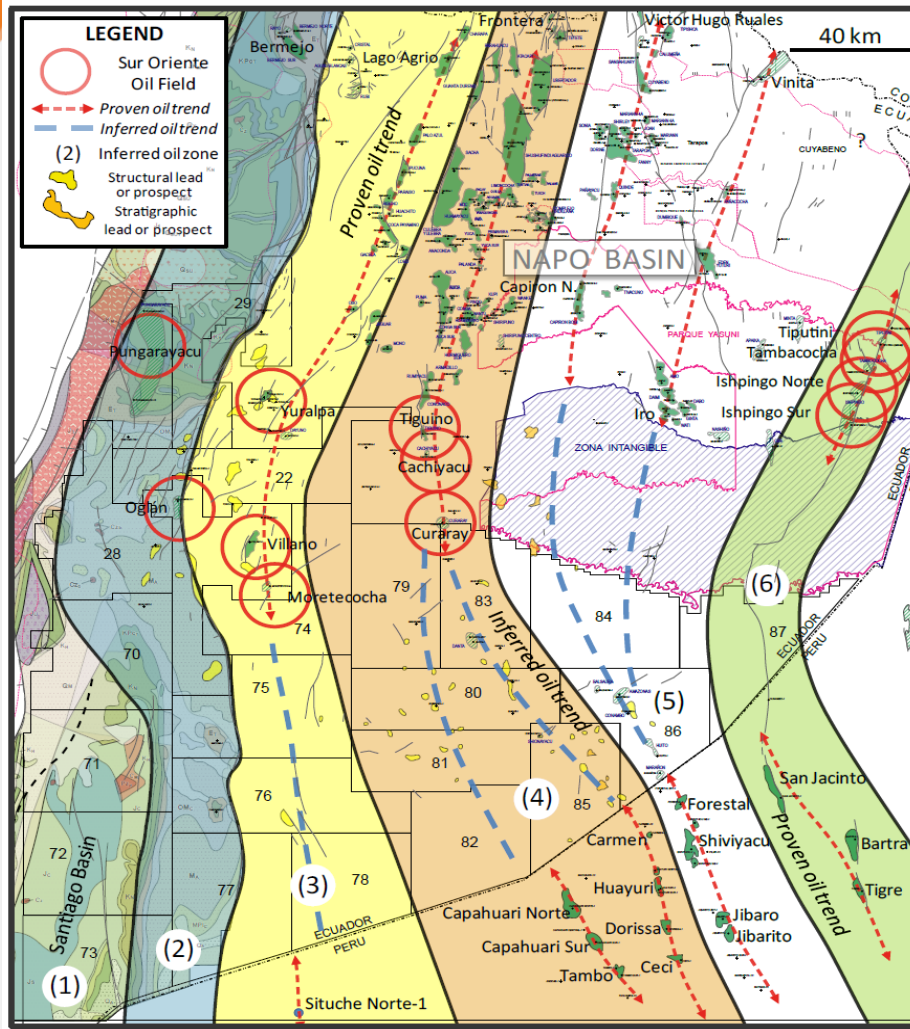
***Morph-structural map of
the Amazon Basin
(Agreement IRD-PPR;
2004;)***

The exploitation figures of the North Peruvian blocks, which limits the region, confirms the presence of important accumulation of hydrocarbon in the Vivian Cretaceous reservoir (main producer of crude oil in Peru) and its geological correspondence to the sandstone M-1 that has considerable hydrocarbon accumulation in Ecuador ITT Fields.

HYDROCARBONS PROSPECTIVITY TREND MAP



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Source: Beicip Franlab, 2012



As a result of the geological interpretations carried out by the BEICIP-SHE 2012, a hydrocarbons prospectivity trend map was obtained

- **Trend 1. Santiago Basin (Pre-K)**, Basin for research considered as hydrocarbon generator and producer.
- **Trend 2. Pungarayacu – Oglán**: The Hollin Formation is the main reservoir of this trend.
- **Trend 3. Lago Agrio - Moretecocha**: The main fields of this trend (Lago Agrio, Villano, Moretecocha) have important accumulations of hydrocarbons at the level of the Hollin and Napo formations which is also proven by the Southern fields of Peru, close to the Ecuadorian border where there are important discoveries in the Situche area.
- **Trend 4. Frontier - Curaray**: The main reservoirs are the Hollin, U and T sandstones, as secondary reservoir sandstone M-1, characterized by the presence of fields such as Sacha, Shushufindi, and towards Capahuari and Tambo fields in southern Peru.
- **Trend 5. VHR - Capirón North y Vinita - Iro**: The most important reservoir of these two trends is sandstone M-1 (Fm. Napo); to the South in Peru there are important fields as Jibarito and Forestal
- **Trend 6. Tiputini - Ishpingo**: To the north of this trend, an structural axe was discovered with important crude oil reserves in the Napo formation, in the M-1 reservoir (known in Peru as the Biblian formation).

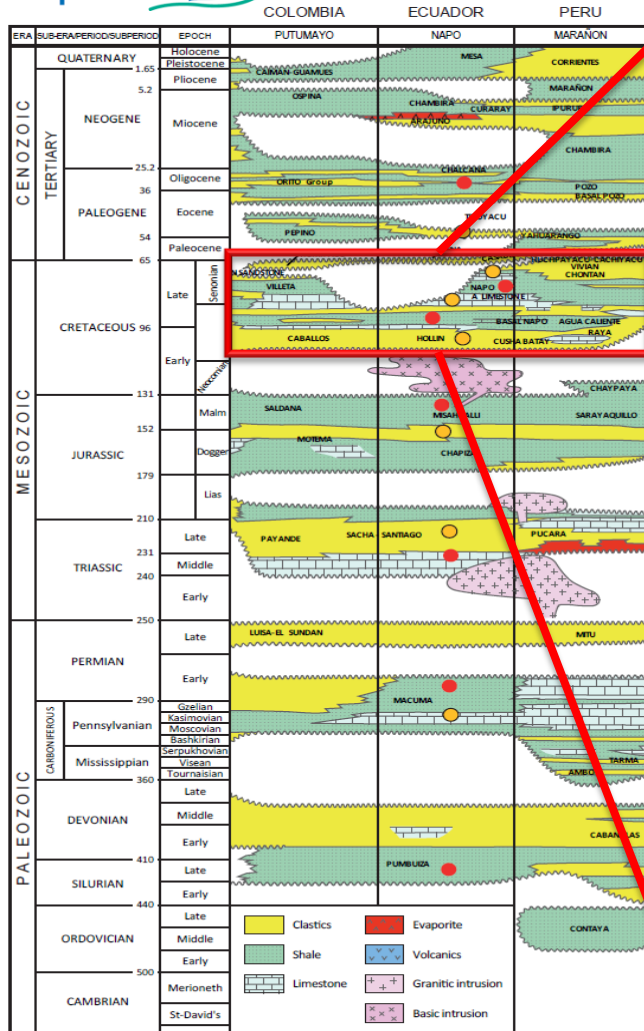
STRATIGRAPHICAL COLUMN GENERALIZED ORIENTE AND SURORIENTE BASIN



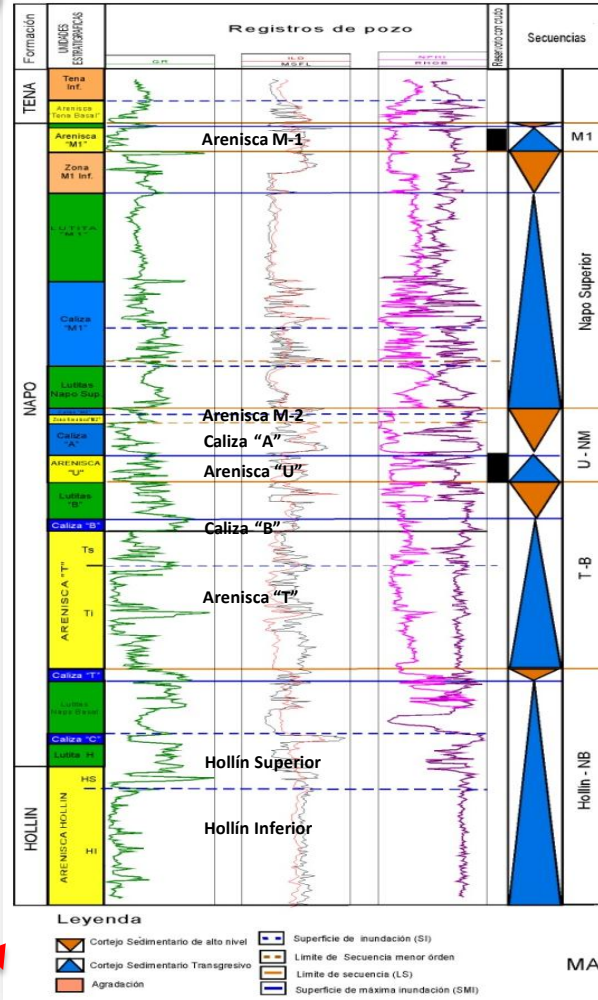
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BeicipFranlab



ESQUEMA ESTRATIGRAFICO
HOLLIN - NAPO
SURORIENTE



The cretaceous Napo formation constitutes the main hydrocarbon objective.

Shown in exploratory wells drilled in the area, the reservoirs Sandstone M-1, U and T gave positive results in the production tests.

Another important objective, constitutes the Hollin Formation with its reservoirs Hollin Superior and Inferior, that are being developed towards the Center and West of the basin.

EP Petroecuador, 2006

● Posible Roca madre

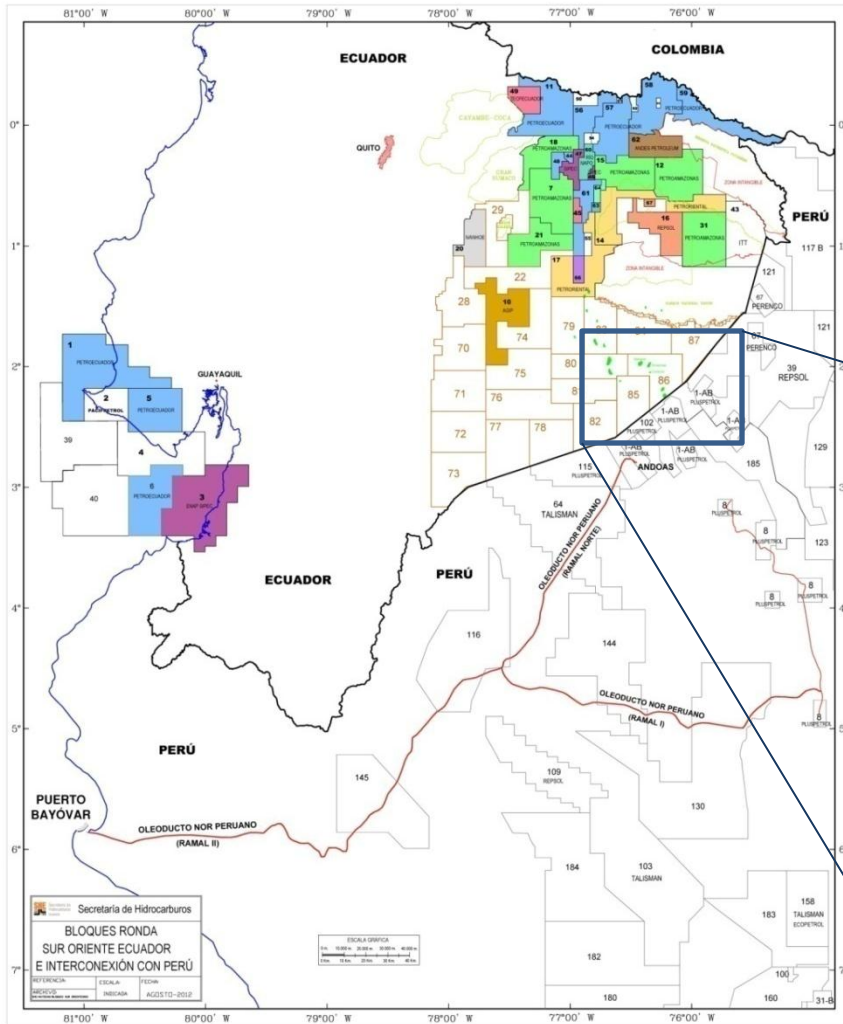
● Posible Reservoirio

AGREEMENT BETWEEN PETROPERÚ AND THE SHE

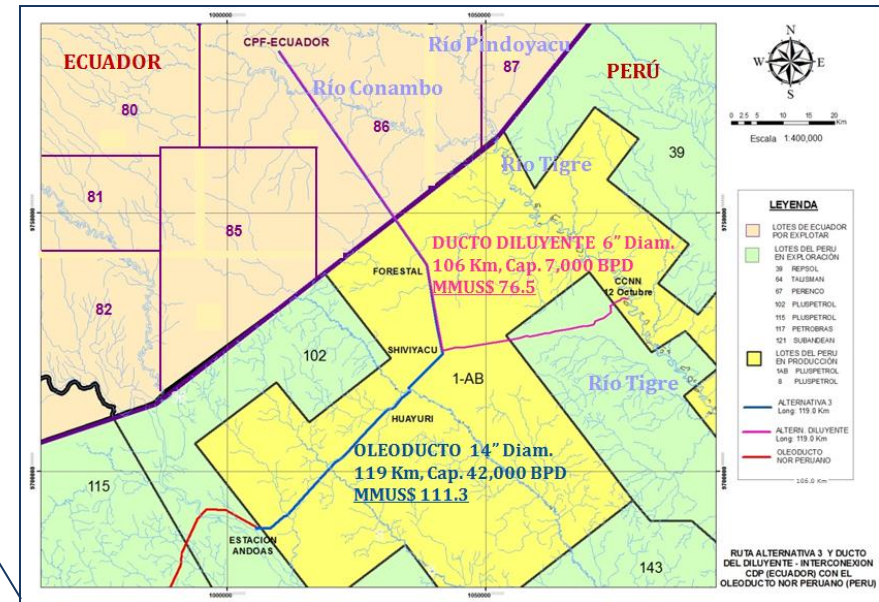
(08-08-2012)



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To promote and facilitate the crude oil transportation coming from the Ecuadorian Southeast by the **ONP – NORTH-PERUVIAN OIL PIPELINE**



HYDROCARBONS RESOURCE ESTIMATES



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PESSIMIST	MEDIUM	OPTIMIST
(MMBLS)	(MMBLS)	(MMBLS)
369	800	1.597

The data is compounded for the 21 blocks of the region; source SHE 2012.

- There is great potential of hydrocarbons resources in the Southeastern region, if the entrapment and reservoir conditions were favorable.
- There is a lack of seismic information. All the blocks are for exploration.

LEGAL ASPECTS

LEGAL FRAME

- Constitution of the Republic.
- Hydrocarbons Law.
- State Owned Companies Organic Law.
- Regulations for the application of the different laws related to the hydrocarbon sector.
- International Treaties.

ORGANIZATION CHART

Nonrenewable Natural Resources MINISTRY

Hydrocarbons
Secretary

Hydrocarbons Control and
Regulatory Agency

State Owned Companies

Private Companies

Petroamazonas

Upstream

Petroecuador

Downstream

CONTRACTUAL MODALITY PROVIDED IN ART. 16 OF THE HYDROCARBONS LAW



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- The **general clauses of the contract will be the same used by all the contracts previously signed**, with the inclusion of the exploratory period regulations.
- The **tariff system of each contract will be established in individual form, based on the results of the bid and in function of the amortization of the investments, the costs and expenses of the project, and a reasonable profit that is agreed as a function of risk.**
- **Under this contract, the State reserves 25% of the gross income as a sovereignty margin.** Over the residual income the State covers the transportation and sales costs, the payment of the corresponding tributes, and it generates an available income for the payment of the contractor's tariff.

CONTRACTUAL MODALITY PROVIDED IN ART. 16 OF THE HYDROCARBONS LAW



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- Starting from the legal reform of the Hydrocarbons Law of July 2010, a **new type of service provision contracts for hydrocarbons exploration and/or exploitation** was introduced. The contractual modality by which the legal entities, previously and duly qualified, national, and international are bound to carry out with their own economic resources, hydrocarbons exploration and/or exploitation services, in the assigned areas; investing capital and using the equipment, machinery, and the technology required for the compliance of the contracted services.
- The principal characteristic of the service provision for hydrocarbons exploration and exploitation contract is that the State assigns a block to a contractor to carry out activities of exploration and/or exploitation and **it will remunerate for its provided services through the payment of a fee system in function of the production level.**

CONTRACTUAL MODALITY PROVIDED IN ART. 16 OF THE HYDROCARBONS LAW



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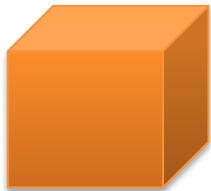
- Although, the total production belongs to the State, the payment of the services could be carried out in kind (oil).
- The Contractor's responsibility ends at the measure and delivery center, established in each contract.
- All the transportation activity and its investment is carried out by the State.

EXPLORATION PERIOD



- 4 years beginning after the registration of the contract in the Hydrocarbons Record.
- An additional 2 year extension can be granted

EXPLOITATION PERIOD



- 20 years beginning on approval of the first Field Development Plan.
- Indefinitely extendable at the State's convenience

TERMINATION AND CLOSURE





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HISTORICAL INTRODUCTION ABOUT CONTRACTUAL CHANGES IN ECUADOR



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- 60's and 70's decades: Concession and association contracts,
- 80's decade: Service Provision contracts with reimbursable costs.
- 90's decade: Production Participation Contracts
- Second decade of the XXI century: Service Provision Contract with a fee.

HISTORY CRUDE OIL ROUNDS



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ROUND	COMPANY	BLOCK	LOCATION PROVINCE	TYPE OF CONTRACT	YEAR
First	Occidental	15	Napo	Service Provision	ene-85
	Esso-Hispanoil	8	Pastaza-Napo	Service Provision	abr-85
	Belco	1 y 2	Guayas costa fuera	Service Provision	jun-85
Second	Texaco-Pecten	6	Manabí	Service Provision	Nov. 1985
	British Petroleum	7	Napo	Service Provision	Dic. 1985
	Conoco-Nameco- Diamond & Sharmrok Opic	16	Napo	Service Provision	1986
Third	Elf Aquitaine, Braspetro y Yacimientos Petrolíferos Fiscales (YPF)	14	Napo	Service Provision	abr-87
Fourth	Petrobrás, Elf Aquitaine y Britoil	17	Orellana	Service Provision	may-87
	Teneco-Diamond-Yukon-Maersk	12	Orellana	Service Provision	may-87
	Petrocanadá	9	Orellana	Service Provision	jun-87
Fifth	Arco	10	Orellana	Service Provision	1987
	Unocal	13	Orellana	Service Provision	1987
Sixth	Mobil	18	Orellana	Service Provision	1989
	Arco-Mobil	19	Orellana	Service Provision	1989
	Cons-Conoco	22	Orellana	Service Provision	1989
Seventh	Santa Fe	11	Orellana	Participation Contract	1997
	Amoco	18	Orellana	Participation Contract	1997
	Triton	19	Orellana	Participation Contract	1997
	Oryx	21	Orellana	Participation Contract	1997
	City Ramro	27	Orellana	Participation Contract	1997
	Tripetrol	28	Orellana	Participation Contract	1997
	Edc	3	Costa Fuera	Participation Contract	1997
Eighth	Cgc-San Jorge	23	Orellana	Participation Contract	oct-97
	Arco Oriente	24	Orellana	Participation Contract	nov-97
	Pérez Companac	31	Orellana	Participation Contract	dic-97
Ninth	It was declared desert			Participation Contract	2004.
Tenth	Consorcio Dgc	Singue	Sucumbíos	Service Provision	2012
	Consorcio Interpec	Ocano-Peña Blanca	Sucumbíos	Service Provision	2012
	Consorcio Marañon	Eno -Ron	Sucumbios / Orellana	Service Provision	2012

CURRENT CONTRACTS



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COMPANY	BLOCK/FIELD	AVERAGE PRODUCTION 2012 BPD	SERVICE CONTRACT TARIFF US\$/BL.
EXPLOITATION PERIOD			
AGIP OIL	Block 10	15.200	35,00
ANDES PETROLEUM ECUADOR LTD	Tarapoa	34.100	35,00
CONSORCIO PETROLERO BL.16	Block 16	39.520	35,95
CONSORCIO PETROLERO TIVACUNO	Tivacuno	4.200	27,25
CONSORCIO PETROLERO BL. 14	Block 14	5.600	41,00
CONSORCIO PETROLERO BL. 17	Block 17	8.000	41,00
SIPETROL	Mauro Dávalos Cordero	7.400	16,72
SIPETROL	Mauro Dávalos Cordero Incremental	4.500	18,28
SIPETROL	Paraíso, Biguno, Huachito, I.(PBHI)	2.100	20,77
CONSORCIO PETROLERO PALANDA YUCA	Palanda-Yuca Sur	2.000	31,90
CONSORCIO PETROSUD PETRORIVA	Pindo	5.600	28,50
TECPECUADOR	Bermejo-Rayó	3.600	24,00
PETROBELL	Tigüino	3.700	29,60
PACIFPETROL	Gustavo Galindo	1.200	58,00
CONSORCIO PEGASO	Puma	1.800	21,10
EXPLORATION PERIOD			
CONSORCIO DGC	Singue		33,50
CONSORCIO INTERPEC	Ocano-Peña Blanca		32,90
PECS IECONSA	Eno Ron		36,60
SIPETROL	Jambelí		To be determined

NOTES: The corresponding tariff are those determined in the subscribed contracts,



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ECONOMIC ASPECT



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The tariff system is designed in function of the risk of the exploratory activity, for that effect it was determined that the tariff system must be flexible in the following aspects:

1. Determination of the tariff system: the contractor determines and offers a tariff that it considers appropriate for the field operation during all of its lifetime, as long as it is within the range of profitability between 15% and 30%.
2. Size of the reserves: The companies calculate the expectation of reserves, according to this they will offer their tariffs and what they could obtain at each level of production.
3. Technical nature: The tariff system is designed in a way in which the higher the production level, the lesser the tariff will be, in the same manner when the field reaches its maturity and declines in production, the tariff starts increasing.

The tariff system pays the investor a profit non related to price risk which ensures fair profitability in relation to the risk of the business and the risk of the investment.

STATE

COMPANY

RISKS

Market (price variation)

- Investments
- Geological

BENEFITS

- State does not make any investment
- Obtains production returns
- Develops economy
- Generates development in the exploration blocks

- An estimated profitability related to the efficiency of its operations independent of the crude oil price volatility,
- The more reserves , the higher the profit

- It is considered that in the Ecuadorian Southeast there is a geological risk in which 1 of each 3 exploratory projects would be successful, thus per each discovered barrel three dollars would have been invested.
- With these considerations in the scenarios that are managed, the investment efforts would be the following:

SCENARIO	RESERVES (MMBP)	INVESTMENT (MM USD)
PESSIMISTIC	369	1.107
MEDIUM	800	2.400
OPTIMISTIC	1.597	4.791

- The firm investment commitments of the exploratory programs vary between \$16 MM (Seismic Option) and \$ 100 MM (Wells drilling)
- The commitment for social investment between \$5 MM and \$15 MM per block is at the signing of the contract.

The tariff of the contract will correspond to the weighted average of three amounts for three intervals of production. The intervals will be defined with two production limits (L1 and L2)

The tariff for each interval must be offered and defined at the moment of the bid, so that the resulting tariff per barrel (weighted amount) corresponds to an estimated range of profitability that is between **15%** and **30%** for the project.

In any given period, if the average daily production is:

- Less than **L1**, will pay the tariff of **T1** per each produced barrel.
- If the production exceeds **L1**, the additional barrels will only pay the tariff **T2**; and
- If the production exceeds **L2**, the additional barrels will only pay the tariff **T3**

If the annual average daily production is **Q**, the average tariff per each oil barrel produced that year will be:

$$TP = \frac{(T1 \cdot Q1 + T2 \cdot Q2 + T3 \cdot Q3)}{(Q1 + Q2 + Q3)}$$

Where:

Q1 is the part of **Q** lower than **L1**

Q2 is the part of **Q** that is between **L1** and **L2**

Q3 is the part of **Q** higher than **L2**

**MANDATORY
RESTRICTION
T1 > T2 > T3**

EXAMPLE DATA

L1 = 10,000 BOPD

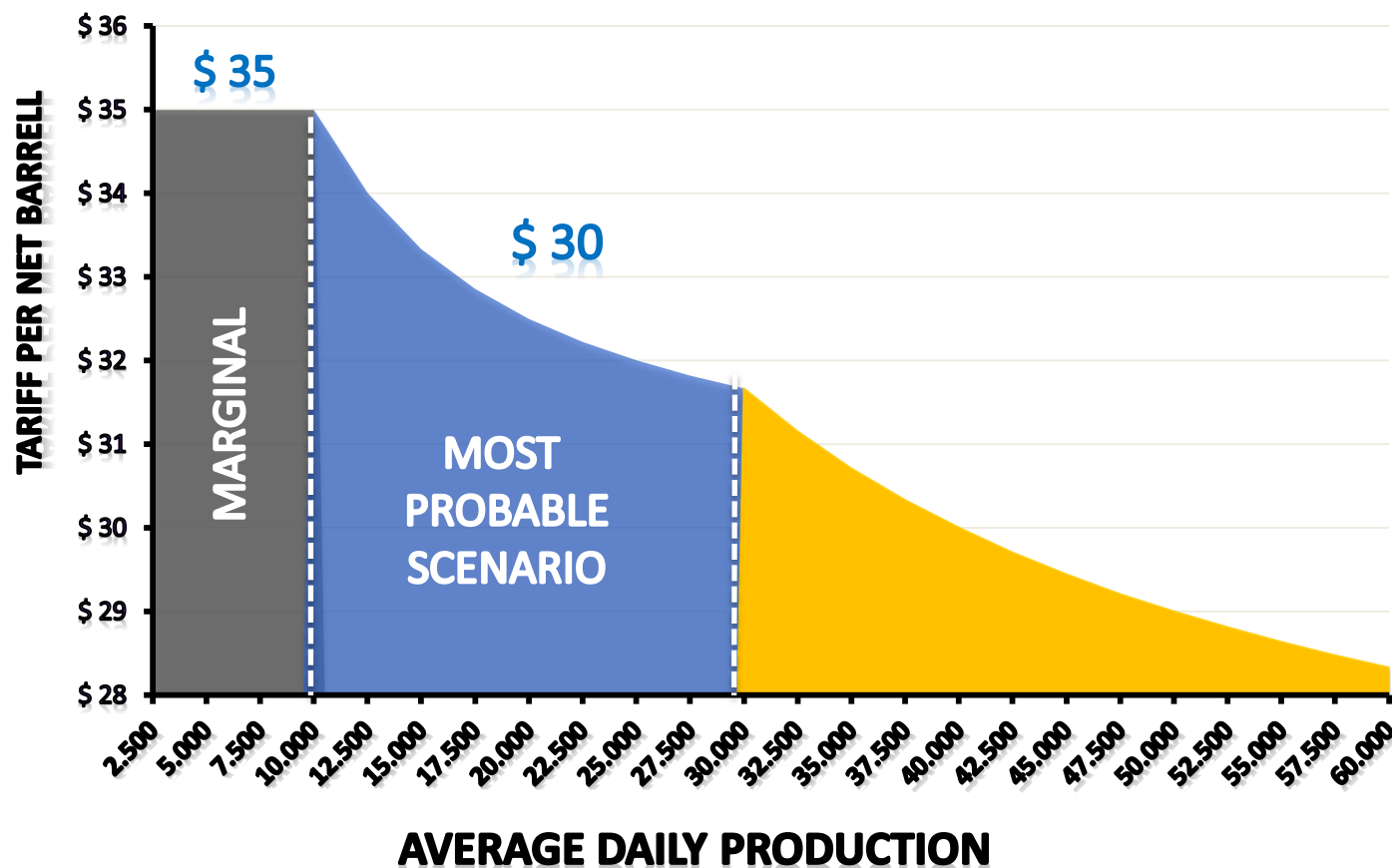
L2 = 30,000 BOPD

T1 = 35 USD/ BO

T2 = 30 USD/ BO

T3 = 25 USD/ BO

TARIFF CURVE



TARIFF CALCULATION EXAMPLE



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TOTAL PRODUCTION= 40.000 BOPD

T1 = 0 – 10.000 BOPD = 35 USD/ BO

T2 = 10.000 – 30.000 BOPD = 30 USD/ BO

T3 = more than 30.000 BOPD = 25 USD/ BO

$$TP = \frac{(10.000 \times 35 + 20.000 \times 30 + 10.000 \times 25)}{(40.000)} = 30 \text{ USD/BP}$$

30 USD/ BO represents the income that the contractor company would receive per each produced and delivered barrel.



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CONTRACTOR'S PAYMENT



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CONTRACTOR'S PAYMENT



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AVAILABLE INCOME

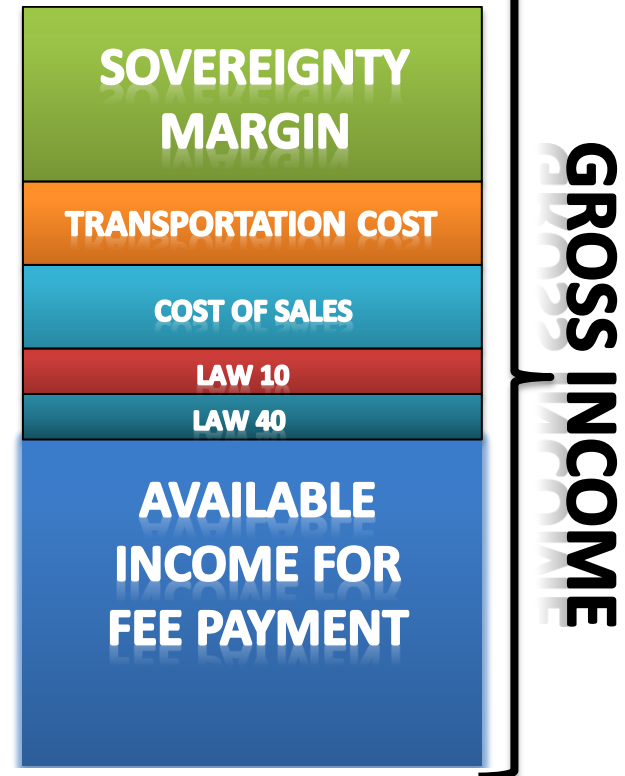
$$AI = (GI - SM) - (TC + CS + LAW10 + LAW40)$$

With the available income, the Secretary will pay the tariff per barrel. The Secretary will communicate to the Contractor the Available Income per each month, and if necessary, a detail of the amounts that will be accumulated according to the carry forward out ruling.

WHERE:

- **AI** = Available Income
- **GI** = Gross Income
- **SM** = Sovereignty Margin = $GI * 25\%$
- **TC** = Transportation Cost

- **CS** = Cost of Sales
 - **Law 10** = US\$ 1.00/BO
 - **Law 40*** = US\$ 0.05/BO
- * If applicable*



The Contractor's Payment per barrel produced and delivered will be ruled by the following concepts:

$$PC_t = (TP \times Q_t) \times FA_t$$

WHERE:

- **PC_t** = Contractor's payment in the period t.
- **WT** = \$ US XX,XX (XX Dollars with XX cents) / Barrel (Tariff per Barrel).
- **Q_t** = Delivered production in the period t.
- **AF_t** = Adjustment factor per inflation of the fixed and variable operating costs

The period t for the Contractor's payment has a monthly basis, however, for the AF_t, it will remain invariable, and it will be adjusted annually.

$$FA_t = FA_{t-1} \times [\Delta PPI_i \times X + \Delta CPI_i \times Y + Z]$$

WHERE:

- ΔPPI_i = Cost indicator variation PPI_t / PPI_{t-1} . (Code PCU213112213112 "support activities for oil and gas operations")
- $X = 0,175$. Variable operative costs factor over the tariff per barrel. (It does not include depreciation or amortization).
- ΔCPI_i = Costs indicator variation CPI_t / CPI_{t-1} . (Consumer Price Index).
- $Y = 0,325$. Variable operative costs factor over the tariff per barrel. (It does not include depreciation or amortization).
- $Z = 1 - X - Y$.

The calculation of the adjustment factor will be done annually and it will take into account the indexes published on January of each Fiscal Year, considering the indexes on December of the previous Fiscal Year. The adjustment factor for the first year will be equal to one (1). The adjustment factor for the second production year will be calculated taking into account the variation of the corresponding month at the date of the first volume of net crude oil production delivered and on December of the first production year. The adjustment factor for the third year of production and so on will be calculated taking into account the variation from December to December.

CARRY FORWARD

In case the Available Income is not enough to cover the payment, the missing balance will be accumulated during the pertinent month or Fiscal Year.

The carry forward will only apply during **the term** of the contract.

WARRANTY OF INVESTMENTS AND ACTIVITIES

- A Bank warranty for the exploratory period, equivalent to 20% of the total of the exploratory program.
- A Bank warranty for the exploitation period, equivalent to 20% of the investments considered for the first three years.



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BID SELECTION



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The best bid will be the one that reaches the highest score over 100 points considering:

- The technical quality of the operator and the financial capacity of the bidder. (Maximum 10 points).
- The exploratory and environmental investment effort. (Maximum 35 points)
- The lowest tariff system / lowest area under the tariff curve (Maximum 55 points).

CHART NO 1

ENVELOPE	SEISMIC OPTION(1)	SEISMIC + PERFORATION (2)
ENVELOPE No. 1	10	10
ENVELOPE No. 2		
EXPLORATION PROGRAM	35	35
LOWEST AREA UNDER THE TARIFF CURVE	55	55
TOTAL =	100	100

CHART NO. 2

	VERIFICATION	EVALUATION
1. Bid presentation and commitment letter.	X	
2. Identification and legal capacity documents of the bidder	X	
3. Consortium or Association Agreement	X	
4. Technical capacity of the operator (Company that will execute all the operations by account of the contractor)	X	X
5. Financial and economic information	X	X
6. Sworn statement	X	
7. Acceptance of the Contracting Bases and legal dispositions	X	
8. Social-Environmental management system	X	
9. Training program	X	
10. Bid inscription receipt	X	

CHART NO. 3

ECONOMIC SOLVENCY AND TECHNICAL CAPACITY EVALUATION

I. ECONOMIC SOLVENCY

SCORE

1. Total assets

1

2. Cash and banks

1

3. Profits

1

4. Equity / Total assets

2

SUBTOTAL (A)

5

TECHNICAL CAPACITY EVALUATION FOR HYDROCARBONS OPERATIONS

II. TECHNICAL CAPACITY: EXPLORATION AND/OR EXPLOITATION	SCORE
5. World production of crude oil and/or natural gas	1
6. Capital expenses in exploration	2
7. Total exploratory wells	1
8. Exploration and production areas	1
SUTOTAL (B)	5
TOTAL: SUM OF A + B	10

Note: Three or more zeros in fields 5 to 8, the offer will be disqualified.

PRECEDENCE OF BIDS



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Once the 3 tariffs are presented, the curves that represent the tariff system will be calculated in function of the production:



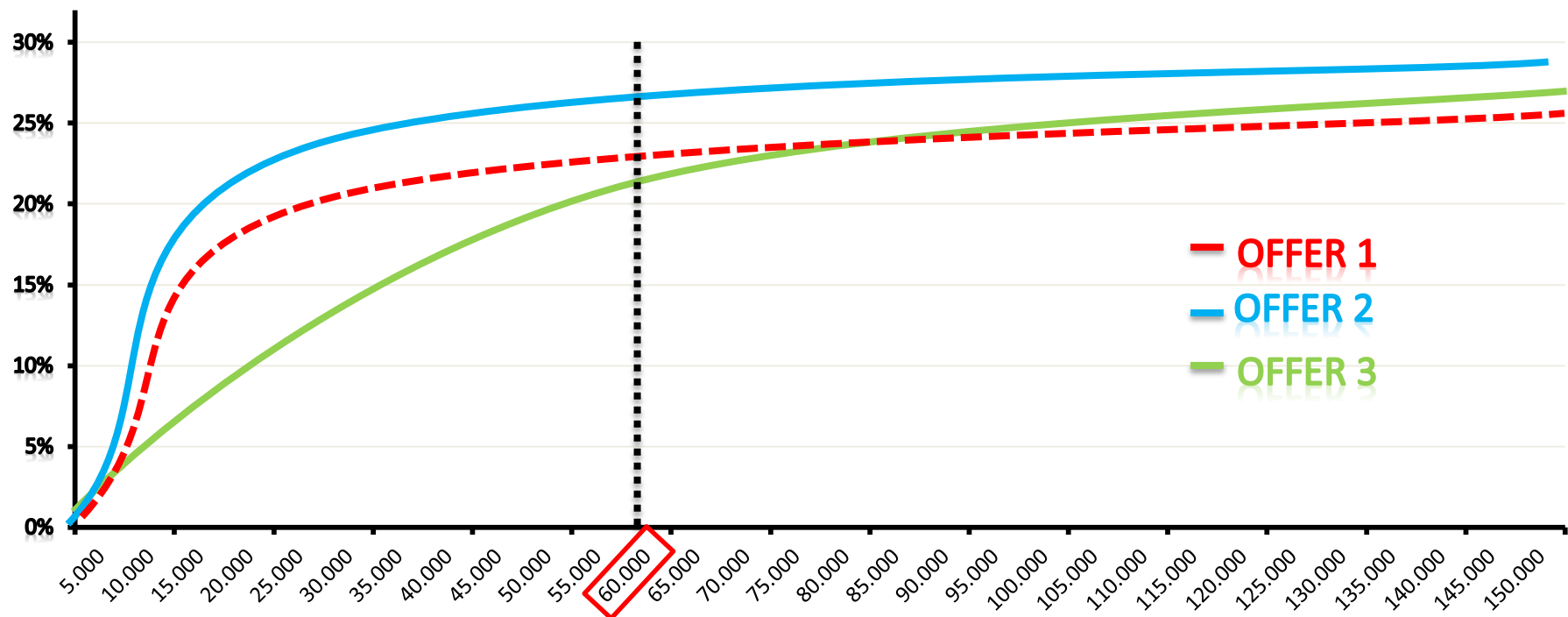
Based on a strong capex and opex database, the bid is verified and/or negotiated, to establish the convenience of the tariff system, estimating an IRR between 15% and 30% considering the geological risk of the block.

CHART NO. 4

LIST OF DOCUMENTS ON ENVELOPE NO 2

	VERIFICATION	EVALUATION
1. Bid security / bond	X	
2. Biden exploratory and investment program	X	X
3. Weighted tariff system	X	X

IRR% IN FUNCTION OF PRODUCTION





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SOCIAL-ENVIRONMENTAL ASPECTS

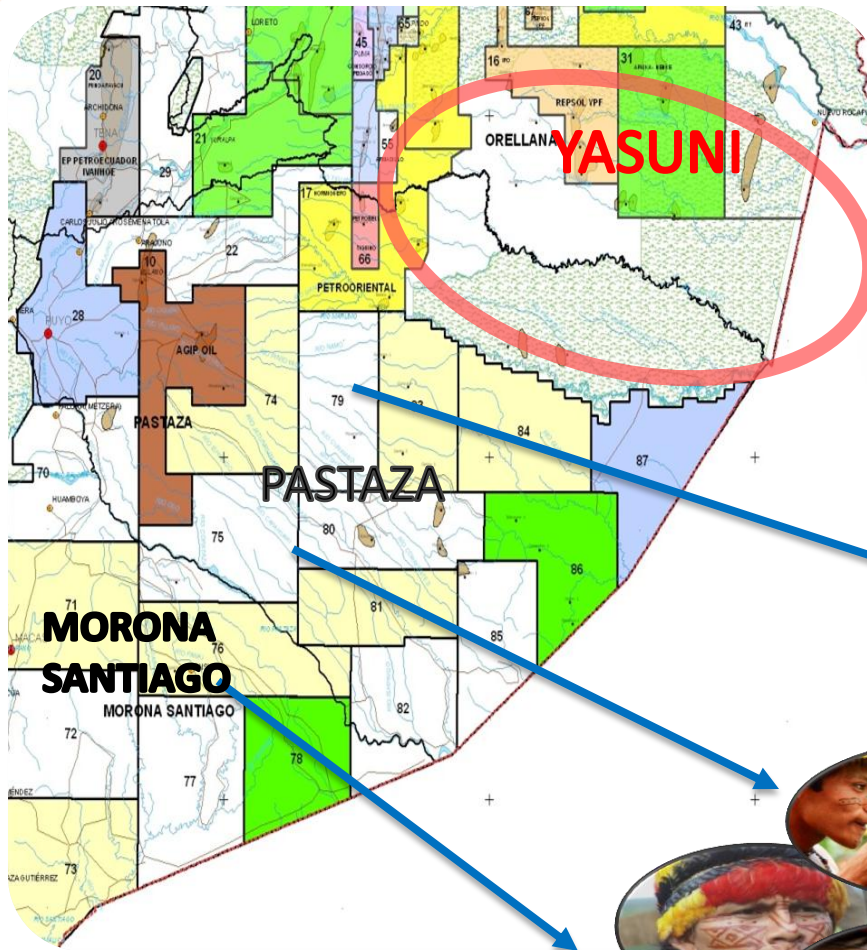


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SOCIAL-ENVIRONMENTAL ASPECTS



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BIODIVERSITY



Ecuador is a unitary, intercultural, and pluri-national State, the communities, people, and indigenous nationalities form part of the unique, and indivisible Ecuadorian State.



GATHERING INFORMATION: SOCIOECONOMIC, PHYSICAL, CULTURAL, ENVIRONMENTAL, AND POLITICAL

Designing of multimedia maps:

- Weather, Temperature, Precipitation, Humidity
- Environmental Noise and Sound
- Hydrology, Geology, Geo-morphology, Taxonomy, and Soil
- Risks, Vulnerabilities (flooding, eruption, landslide, seism)
- Protected Areas, Socio Bosque, Vegetation Coverage
- Touristic interest
- Population density, Ethnic-Nationalities
- Infrastructure, Land Use, Roads, Trails
- Economic Activities
- Political Administrative Division

POPULATION:

- **Morona Santiago:** 147.940 inhabitants, the Shuar and Achuar are the oldest inhabitants.
- **Pastaza:** 83.933 inhabitants that includes seven ancient indigenous nationalities: Achuar, Andoa, Shuar, Kichwa, Shiwiar, Waorani y Zápara.

WEATHER:

- The weather corresponds to a tropical jungle, with warm temperature and abundant rain all the year long.

BIOTIC RESOURCE:

- The study zone presents mixed vegetation coverage, with primary forest residues in recovery, and mostly the highly intervened zones.

ROAD INFRASTRUCTURE:

- The National Transportation System includes land, water and air transportation.

- In compliance to the constitutional principles, Laws, Resolutions, Agreements, and international standards, intercultural and plurinational space dialogues were generated, with participation of the communities and coordination with authorities legitimately recognized and representatives of the communities, peoples, and nationalities.
- Previous process to the eventual assignment of the hydrocarbons blocks, assures the citizens participation in the decisions taking, and access to the information over the hydrocarbons plans and programs.
- Door to door visits to those communities far away where the access is limited to air and river transportation.

PARTICIPATION MECHANISMS MECHANISMS / PARTICIPANTS (# PERSONS)

BLOCKS	PERMANENT OFFICES	ITINERANTS OFFICES	PUBLIC AUDIENCES	FEEDBACK GENERAL ASSEMBLIES
17	45 (1.035 people)	106 (3.697 people)	37 (2.517 people)	32 (2.220 people)

Previous meetings
with authorities
and institutions



Approximate 1,000
people assisted to
the information
centers located in
the main cities.



10,469 people have
participated in all the
mechanisms of
Previous, Free, and
Informed
Consultation

PREVIOUS CONSULTATION



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Within the exploratory program the contribution component for the social development of the Ecuadorian Amazon, consists of a Social Investment Fund for compensation of an amount between 5 to 15 million as direct benefits for the communities, people and indigenous nationalities in the area of influence.

BLOCKS	SOCIAL INVESTMENT FUND – MILLIONS USD	BENEFICIARIES
22	10 MILLON	Waurani, Kichwas, Parochial GADs
29	10 MILLON	Parochial GADs , Kichwas
70	5 MILLON	Shuar and Parochial GADs
71	5 MILLON	Shuar and Parochial GADs
72	5 MILLON	Shuar and Parochial GADs
73	5 MILLON	Shuar and Parochial GADs
77	10 MILLON	Shuar and Parochial GADs
79	10 MILLON	Kichwas and Saparas
80	10 MILLON	Kichwas, Andoas and Shiwiar
81	10 MILLON	Andoas and Shiwiar
83	15 MILLON	Kichwas and Saparas
84	10 MILLON	Kichwas and Saparas
87	10 MILLON	Kichwas and Saparas

SCHEDULE

BIDDING SCHEDULE



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CONCEPT	START	END	TRIM4. 2012		TRIM1. 2013			TRIM2. 2013			TRIM3. 2013			TRIM4. 2013	
			NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV
LAUNCH OF THE SOUTHEAST ROUND	28-nov-12	28-nov-12													
Bid preparation	03-dic-12	30-may-13													
Bidders questions	03-dic-12	10-may-13													
Answers	03-dic-12	20-may-13													
BID PRESENTATION		30-may-13							*						
EVALUATION ENVELOPE1	May	May													
RESOLUTION COLH (ENVELOPE 1)	June	June													
EVALUATION ENVELOPE 2	July	July													
RESOLUTION COLH (ENVELOPE 2)	August	August													
PRECEDENCE ORDER	August	August													
NEGOCIATION		September													
NEGOTIATION COMMISSION RECOMENDATION		September													
ASSIGNMENT		October													

ROAD SHOWS SCHEDULE



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EVENT	JANUARY	FEBRUARY	MARCH
BOGOTA			
HOUSTON			
PARIS			
SINGAPUR			
BEIJING			

A Data Room will be kept in the Hydrocarbons Secretariat (SHE).



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THANK YOU



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