

Bangladesh launches fresh bidding round for 3 offshore gas blocks

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Bangladesh has launched a fresh bidding round offering three offshore gas blocks to international oil companies, Petrobangla Chairman Istiaque Ahmad told S&P Global Platts Tuesday.

State-run Bangladesh Oil, Gas & Mineral Corporation or Petrobangla has invited expressions of interest for the exploration and development of deepwater blocks DS-10 and DS-11 and shallow water block SS-10, he said.

"Petrobangla avoided the usual norms of finalizing a model production sharing contract before launching this bid round," Ahmad said.

Instead, the contract terms will be fixed on the basis of the bids received, following negotiation, he said.

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"We changed the bid criteria to lure IOCs," he added.

The two deepwater blocks were awarded to the US' ConocoPhillips following a 2008 bidding round, which inked production sharing agreements for both blocks in June 16, 2011, as DS-08-10 and DS-08-11.

It later walked away from both blocks in December 2014 after investing around \$20 million on 2D seismic surveys, saying they were unviable. It had earlier sought an upward revision of the fiscal terms, which Bangladesh said it was not in a position to change.

Shallow water block SS-10 was offered in 2012 and 2013 bidding rounds and failed to attract a bidder.

The submission deadline in the latest round is October 19.

Bangladesh is trying to promote exploration in the Bay of Bengal to help meet its mounting energy demands. The country is currently dependent on onshore fields for gas output, with production hovering around 2.7 Bcf/d against demand at more than 3.2 Bcf/d.

The shortfall has resulted in the rationing of supply to industries, power plants and fertilizer factories and the suspension of new piped gas connections to commercial and household consumers.

Bangladesh in July awarded a final contract to build the country's first LNG import terminal, a FSRU, to the US' Excelerate, with a view to starting LNG imports by December 2017.

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