

Procedures for awarding oil contracts

According to the provisions of article 5 of decree no. 2000/465 of 30th June 2000 setting conditions for implementing law no. 99/013 of 22nd December 1999 on the Petroleum Code, there are two methods of awarding a free block for the signing of a Petroleum Contract:

The **procedure for awarding a block by call for tenders**, which is limited in time and follows several steps.

- publication of Terms of Reference (TOR) of the blocks on promotion in specialized magazines as well as the website of SNH;
- organisation of sessions to review technical data on the prospectivity of the blocks (data rooms) at the SNH head office in Yaoundé as well as in the major petroleum capitals of Houston (USA) and London (UK);
- submission of bids;
- opening of bids at the SNH head office by the Permanent Commission for Checking and Evaluation of Bids, in the presence of bidders or their representatives;
- analysis of bids by the above-mentioned Permanent Commission, who see to it that the bidding companies have the technical and financial capacities to conduct hydrocarbons prospecting and production activities in Cameroon;
- publication of results and notice to the bidders;
- negotiation of an oil contract between the preferred bidder and the Permanent Commission for the Negotiations of Oil and Gas Contracts, comprising a team of representatives of SNH and the Ministries in charge of Mines, Energy, Finance, Economy, Trade and Environment.

The **procedure by mutual agreement**, which is valid throughout the year and almost similar to the one by call for tenders, except for the following items :

- publication of TORs of the blocks on offer is labelled “Consultation by mutual agreement” instead of “Open International Call for Tenders”;
- each bid received is immediately opened and evaluated by the Permanent Commission for Checking and Evaluation of Bids for the award of mining titles, and the results are made known to the bidder.

Note: Bids are received from oil companies (as defined by article 2p of law no. 99/013 of 22nd December 1999 on the Petroleum Code). Nevertheless, several companies, of which at least one must be an oil company as defined by the Petroleum Code, may come together within the framework of a consortium and bid for a given block. The consortium shall name one of the companies as operator, i.e. an oil company which is given the responsibility to lead and conduct oil operations.

The operator is bound to have proven experience in the conduct of petroleum operations, notably in zones and conditions similar to the solicited block and regarding environmental protection.