

Upstream Petroleum Activities in the Philippines

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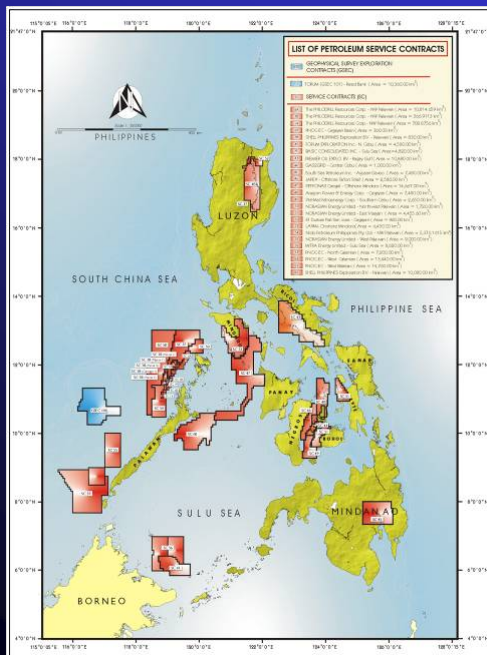
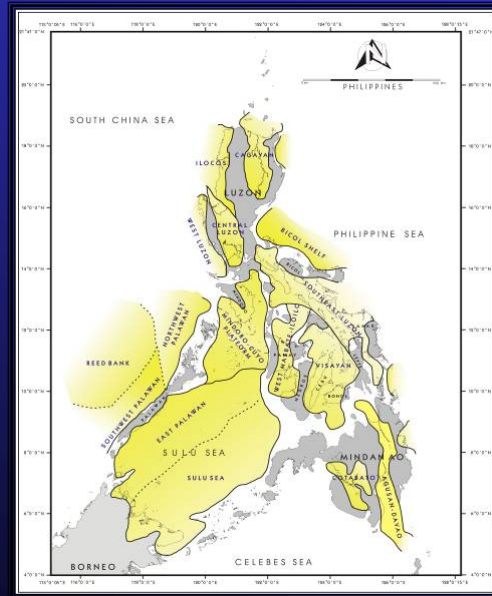
*5th PPM Workshop Sulu Sea-East Palawan Basin Case Study
14-18 March 2006 Cebu City, Philippines*



Location



Sedimentary Basins of the Philippines



PETROLEUM SERVICE CONTRACTS

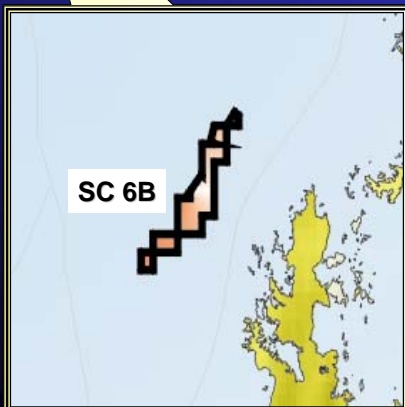
- 1 Geophysical Survey & Exploration Contract
- 25 Service Contracts
- 6 Applications for Service Contracts





SC 6A - PHILODRILL NW Palawan (897 km²)

- Three main prospects that were mapped are :
 - Malajon Oil Prospect : 725 MMBO
 - Malajon Gas Prospect : 1.1 TCF
 - Barselisa Prospect : 1,240 MMBO



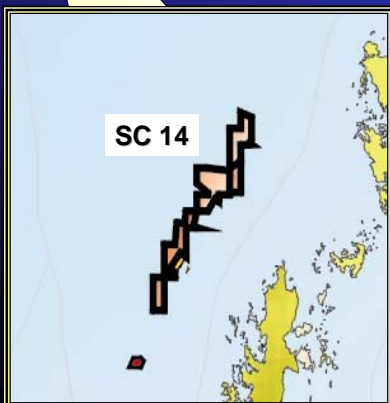
SC 6B – PHILODRILL NW Palawan (567 km²)

- Finalizing proposal to reactivate Cadlao oilfield for production
- Cadlao produced about 11 MMBO between 1981 and 1991





SC 14 - PHILODRILL NW Palawan (709 km²)



- Preparations for reactivation of Galoc & West Linapacan fields
- As of end 2005,
 - Nido produced 18 MMBO
 - Matinloc 12 MMBO
 - West Linapacan 9 MMBO
 - North Matinloc 2 MMBO
 - Total produced 41 MMBO
- Matinloc production rate is 241 bopd
- Nido production rate is 331 bopd

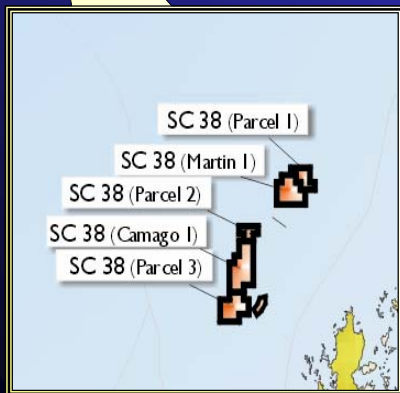


SC 37 – PNOC-EC Cagayan Basin (360 km²)



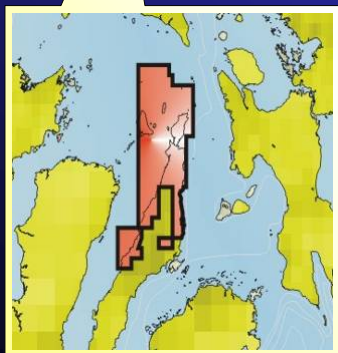
- Total recoverable reserves of 4 BCF
- Current production rate - 1 mmcfcpd
- Power plant resumed operations in September 2005
- Total production in 2005 was 93 MMSCFG
- Total production to date is 2.8 BCF





SC 38 – SPEX B.V. NW Palawan (830 km²)

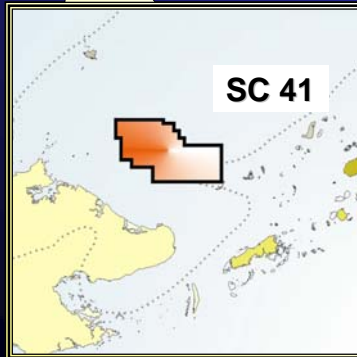
- Malampaya field has produced 248.7 BCFG & 12.9 MMBC since inception in Oct. 2001
- Current production rate:
 - 297 MMCFGPD
 - 14 MBCPD
- Used mainly to fuel the Sta. Rita, San Lorenzo & Ilijan Power Plants with a total output of 2,700 MW
- Condensate is exported



SC 40 – Forum North Cebu (4,580 km²)

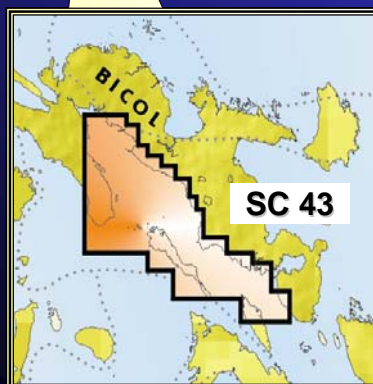
- Conducted feasibility study on the development of Libertad gas & presently working on the economic and marketing aspects of the project
- Declaration of Commerciality signed in December 2005
- Gas recoverable reserve is 0.7 (P90), 0.9 (P50), 1 (P10)
- Acquired 312 In-km of seismic survey and interpretation is ongoing





SC 41- Basic Consolidated (Sulu Sea – 8,324 km²)

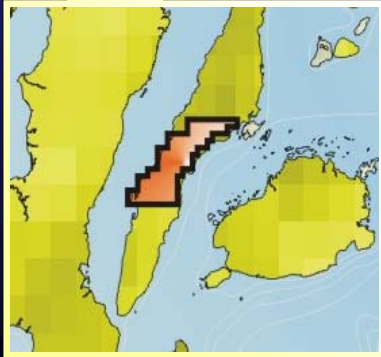
- Deed of Assignment from Unocal to Basic Consolidated on 10 April 2005
- Currently conducting Geological & Geophysical studies
- Drilled 4 exploration wells
- Acquired 1,897 sq-km of 3D seismic data



SC 43, Premiere Oil Ragay Gulf (10,880 km²)

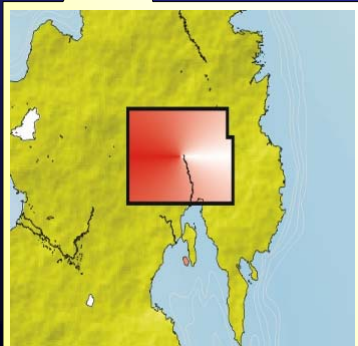
- Work Plan
 - Contract Year 1 & 2
 - Geological & Geophysical studies
 - Seismic reprocessing
 - Acquire 250 In-km seismic data
 - Contract Year 3
 - Drill 1 well
 - Contract Year 4 to 7
 - Drill 3 wells
- Acquired 160 In-km of seismic data
- Reprocessing & interpretation on-going





SC 44, GAS to GRID Central Cebu (1,000 km²)

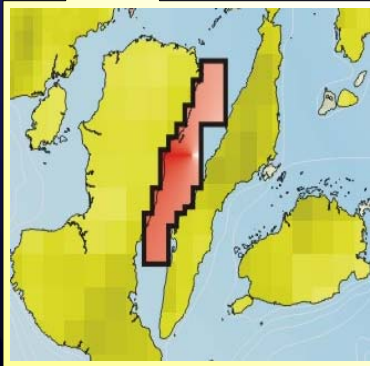
- 1st phase, Geological & Geophysical Studies; drill 1 well
- 2nd phase, drill 2 exploration wells and acquire 100 In-km of seismic data
- 3rd phase, drill another 2 wells & acquire 100 line-km of seismic
- Drilled Nuevo Malolos-1 with oil & gas shows; Well was temporarily plugged



SC 45 – South Sea Petroleum Holdings Ltd. Agusan-Davao Basin (7,480 km²)

- SC signed on 15 December 2004
- Submitted Technical Evaluation Report in September 2005
- Presented 2006 Work Program and proposed aeromagnetic survey instead of seismic

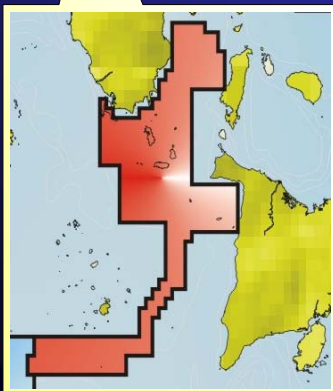




SC 46 – JAPEX

Tañon Strait (2,580 km²)

- Converted GSEC 102 to SC 46, contract signed on 21 Dec 05
- Acquired 752 In-km seismic data over the contract area
- Interpretation of data completed
- Preparation to conduct drilling is ongoing
- Expected to drill a total of four wells

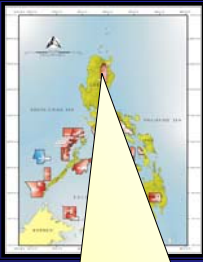


SC 47 –Petronas/PNOC-EC

Offshore Mindoro (14,667 km²)

- Converted GSEC 100 into Service Contract 47 on 10 January 2005
- Conducting data maturation, and Geophysical & Geological Studies before drilling in the 2nd Quarter of 2006 subject to the availability of a rig





SC 48 – Aragorn Power & Energy Corporation Cagayan Basin (7,480 km²)

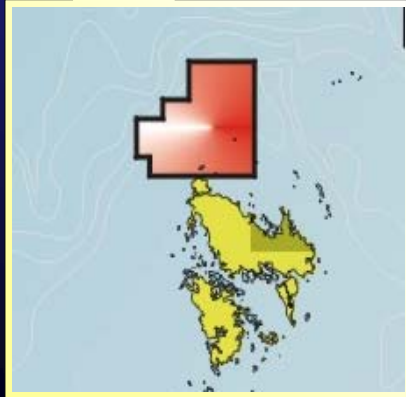
- SC signed on 22 Feb. 2005
- Conduct geological & geophysical studies & drill 1 well for the 1st Sub-phase
- Currently coordinating with a contractor to conduct re-evaluation of the area
- Preparing prospectus for inviting investors / farminees to the project



SC 49 – Phil-Mal PetroEnergy South Cebu (2,650 km²)

- SC signed on 1 March 2005
- Conduct Geological and Geophysical Studies for the 1st phase
- Drill 1 exploration well for the 2nd phase
- Currently processing transfer of assignment to Ranhill Sdn. Bhd. (90%) of Malaysia with Phil-Mal retaining 10%





SC 50 – Norasian Energy NW Palawan (1,720 km²)

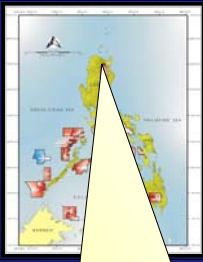
- Contract signed on 11 March 2005
- Evaluation of the Calait-1B well completed
- Drill 1 Horizontal Well for the 2nd Sub-Phase
- Currently negotiating for a drilling rig to be used for the Calait-1B re-entry
- Site survey to be carried out by the 2nd Qtr of 2006



SC 51 – Norasian Energy East Visayan Basin (4,440 km²)

- SC signed on 08 July 2005
- Conducted Information Education Campaign (IEC) in preparation for seismic survey (July – Sep 2006)
- Acquire a minimum of 250 In-km of 2D seismic data
- Perform an engineering study on Villaba-1 well





SC 52 – EF Durkee & Assos. Piat San Jose, Cagayan (960 km²)

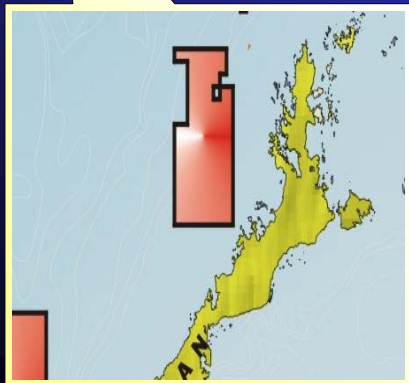
- SC signed on 08 July 2005
- Completed 1st part of geochemical survey
- Plan to acquire a minimum of 25,000 linear meters of geochemical survey (2nd part) over an area of at least 2,050 hectares
- Acquire a minimum of 200 surface geochemical auger samples
- Conduct Geophysical Studies



SC 53 – Laxmi Organic Industries Onshore Mindoro (6,600 km²)

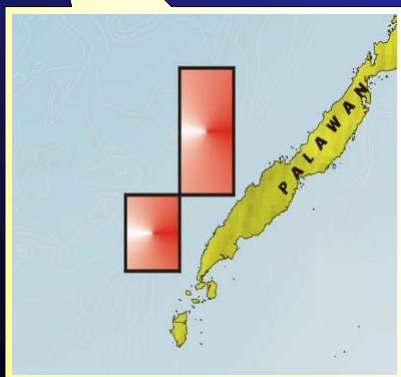
- SC signed on 08 July 2005
- Work Plan (1st Sub-phase)
 - Conduct Geophysical & Geological Studies, and
 - Drill 1 exploration well





SC 54 – Nido Petroleum NW Palawan (5,376 km²)

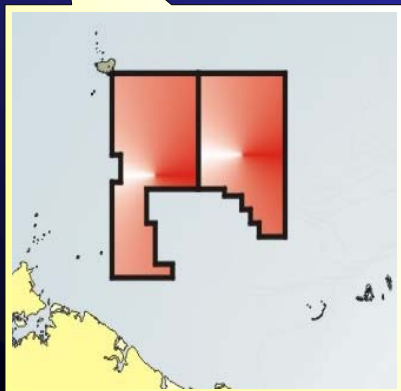
- SC signed on 5 August 2005
- Completed Geological and Geophysical Studies
- Awaiting decision to drill a well or acquire seismic data (group shoot) due to rig availability



SC 55 – Norasian Energy West Palawan (9,000 km²)

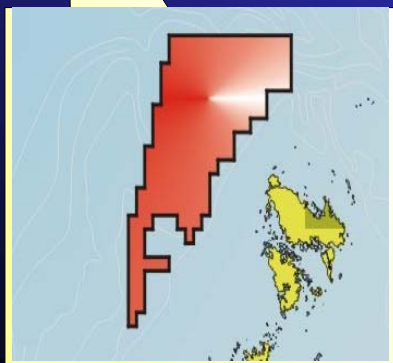
- SC signed 5 August 2005
- Acquisition of at least 400 In-km of 2D seismic data
- Process & interpret 358 In-km of existing 2D seismic data acquired in 2002
- Reprocess & interpret 200 In-km of 2D seismic, gravity & magnetic data of BGR
- Ongoing tape copying of old BGR lines for reprocessing & interpretation





SC 56 – BHP Billiton Petroleum Sulu Sea (8,620 km²)

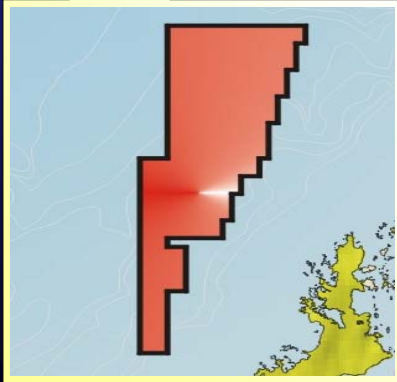
- SC signed on 5 August 2005
- Deed of Assignment from BHP Billiton to Mitra Energy Ltd. under evaluation
- Acquire, process and interpret 2,200 In-km of 2D seismic data for the 1st phase



SC 57 – PNOC-EC North Calamian (7,200 km²)

- SC signed on 15 September 2005
- Conduct seismic interpretation / basin evaluation of available data in preparation for the acquisition of 1,000 In-km of offshore 2D seismic data
- Reprocess 1,000 In-km of vintage seismic data

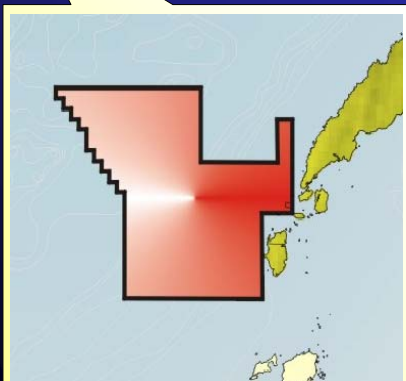




SC 58– PNOC-EC

West Calamian (13,440 km²)

- SC signed on 12 January 2006
- Conduct seismic interpretation / basin evaluation of available data in preparation for the acquisition of 1,000 In-km of offshore 2D seismic data
- Reprocess 1,000 In-km of existing seismic data



SC 59 – PNOC-EC

West Balabac (14,760 km²)

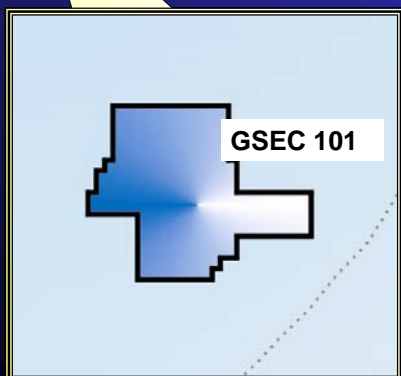
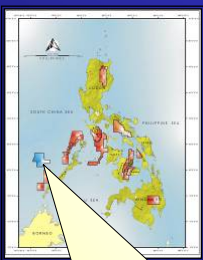
- SC signed on 13 January 2006
- Conduct seismic interpretation / basin evaluation of available data in preparation for seismic reprocessing and / or regional seismic acquisition of about 1,000 In-km





SC 60 – SPEX B.V. NE Palawan (10,080 km²)

- SC signed on 27 January 2006
- Preparation for acquiring and processing of 450 sq km of 3D seismic data
- Undertake geological / basin evaluation of the area



GSEC 101 – Forum Reed Bank (10,360 km²)

- Deed of Assignment transferred from Sterling to Forum
- Feasibility Study on GTL option for the gas completed
- Acquired 250 sq km of 3D seismic data
- Processing of data is ongoing



SC Applications

Applicant	Location	Area	Status
PNOC-EC	NW Palawan	3,253 hectares	Proposed SC under review
Ranhill/Burgundy	Agusan-Davao Basin	528,000 hectares	Final stage of evaluation
Ranhill/Burgundy	Sulu Sea Basin	748,000 hectares	Final stage of evaluation
Miocene Mining & Energy Corp.	Northern Cagayan	732,000 hectares	Final stage of evaluation
Burgundy Global Asset Mgt Ltd.	Cotabato Basin	668,000 hectares	Final stage of evaluation
Ed Kooper Intl. Holdings Corp.	Central Luzon	744,000 hectares	Additional requirements needed



CONCLUSION

- The future of the petroleum industry in the Philippines is **bright** due to the ff:
 1. Shift to Petroleum Contracting Rounds
 2. Adjustments to the Fiscal Terms
 3. Thorough studies carried out with the help of CCOP member countries
 4. Formulation of a new and comprehensive Petroleum Policy and Management Strategies as a result of this project



THANK YOU!
DAGHAN SALAMAT!

