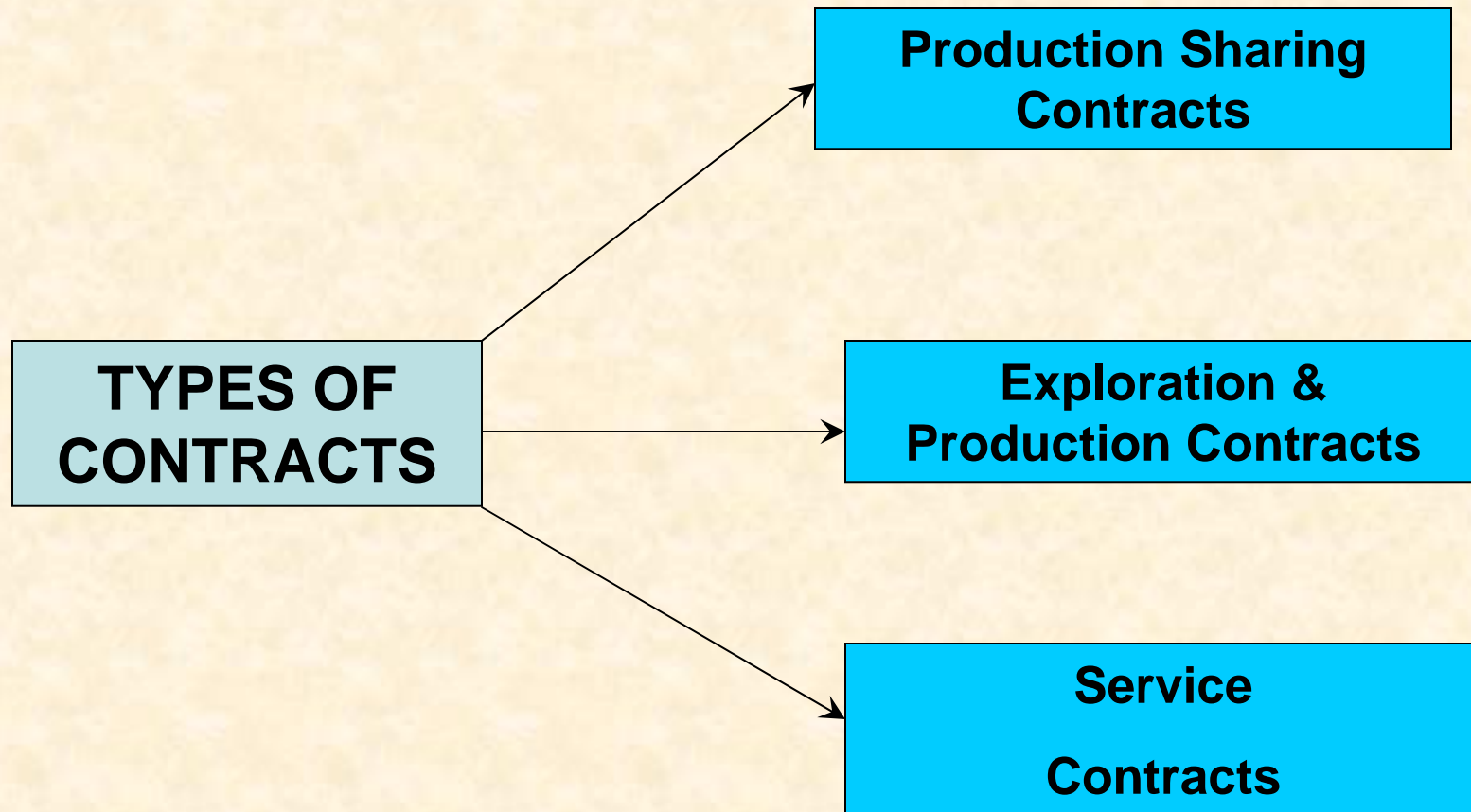


# Overview of the Petroleum Sector of Belize

# How is the Exploration and Production of Petroleum carried out?

- Under Contracts issued to Petroleum Companies:- Company take on 100% Risk and spends own Money

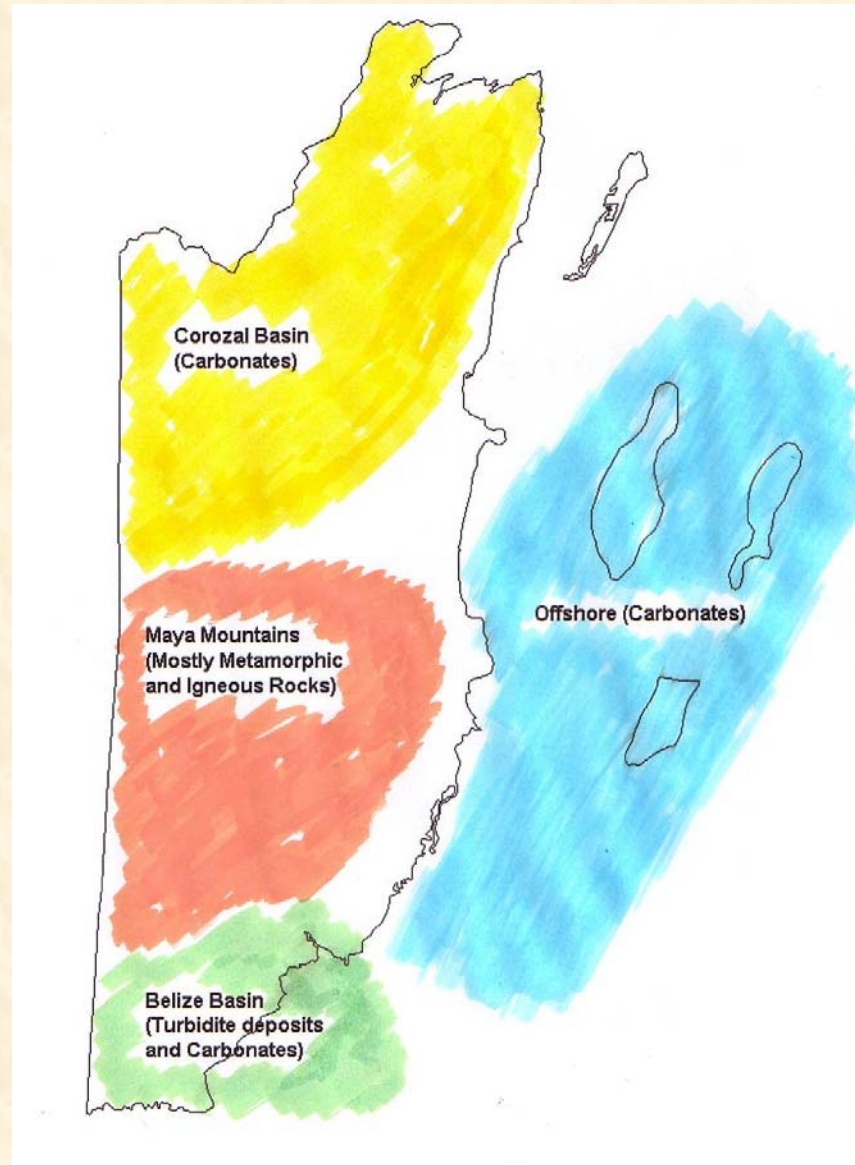
# WORLD WIDE PETROLEUM CONTRACTS



# Phases of Operations

- Exploration
- Production Testing
- Appraisal
- Development and Production

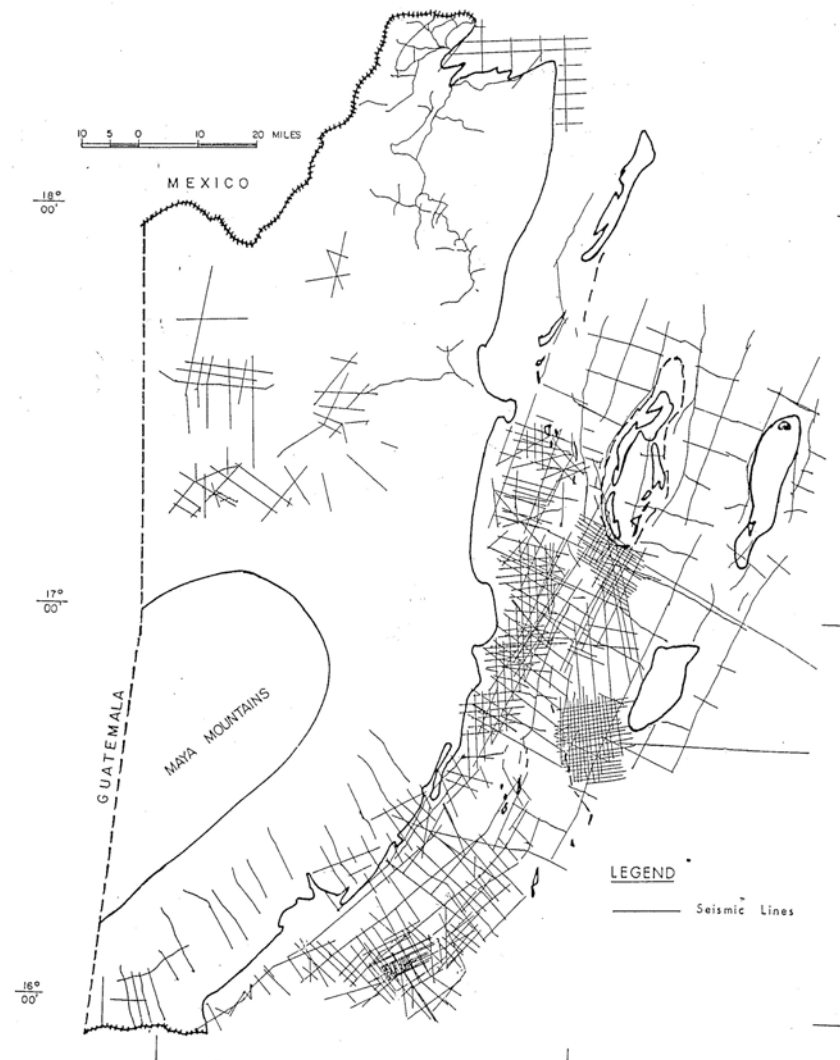
# Sedimentary Basins of Belize



# Exploration Work carried out before 2004

- Seismic Surveys
- Drilling

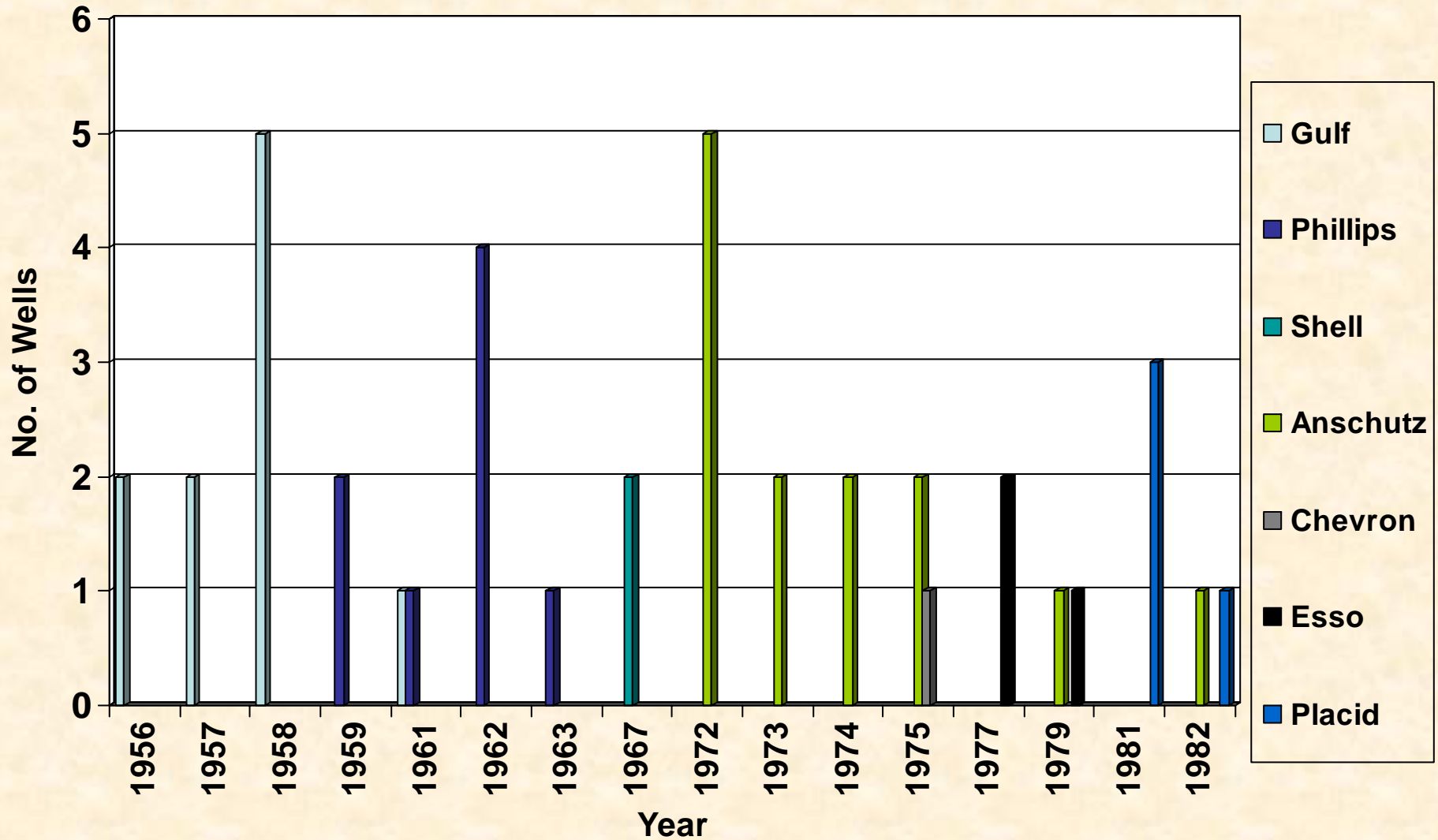
# Seismic Surveys



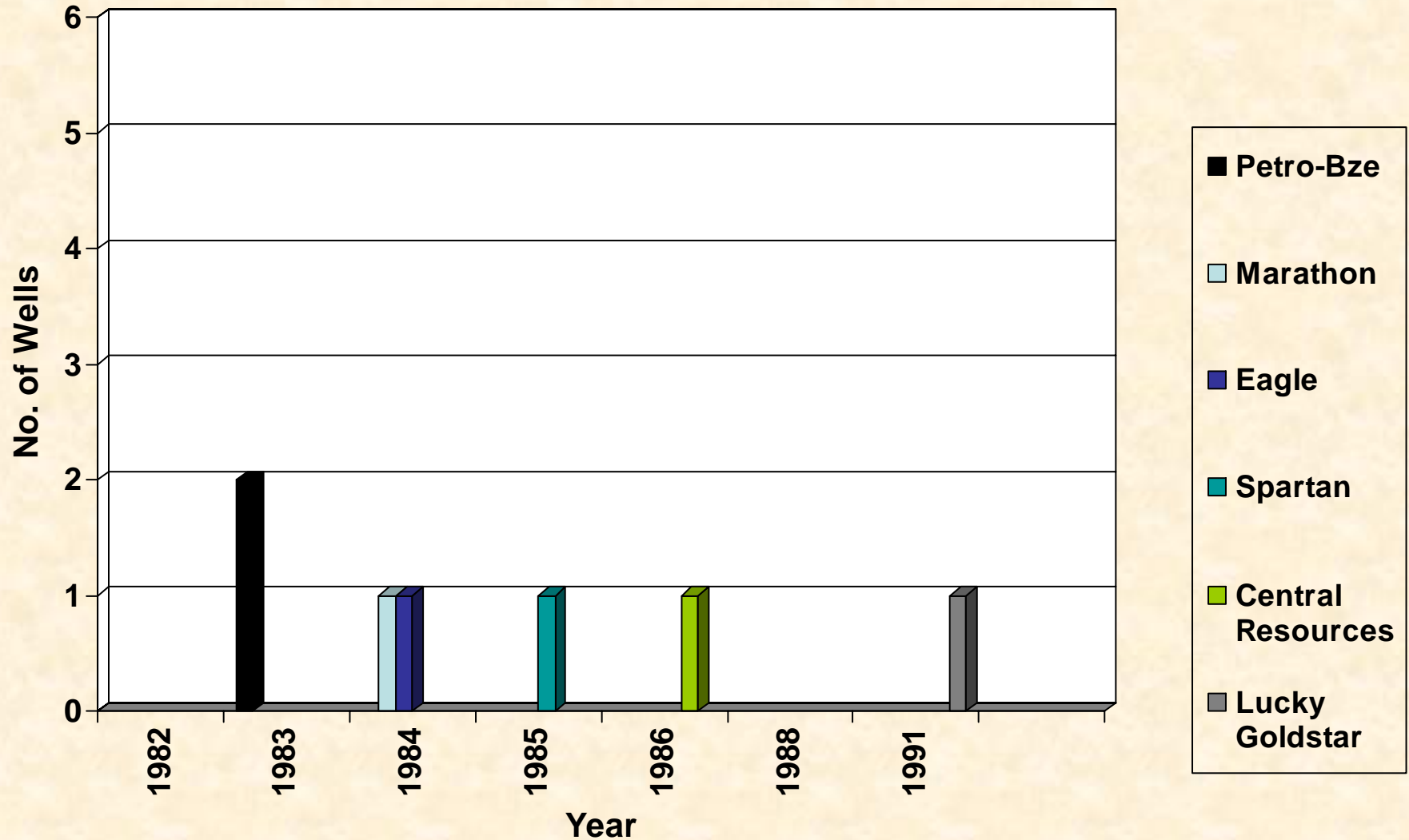
# Exploration Wells drilled in Belize



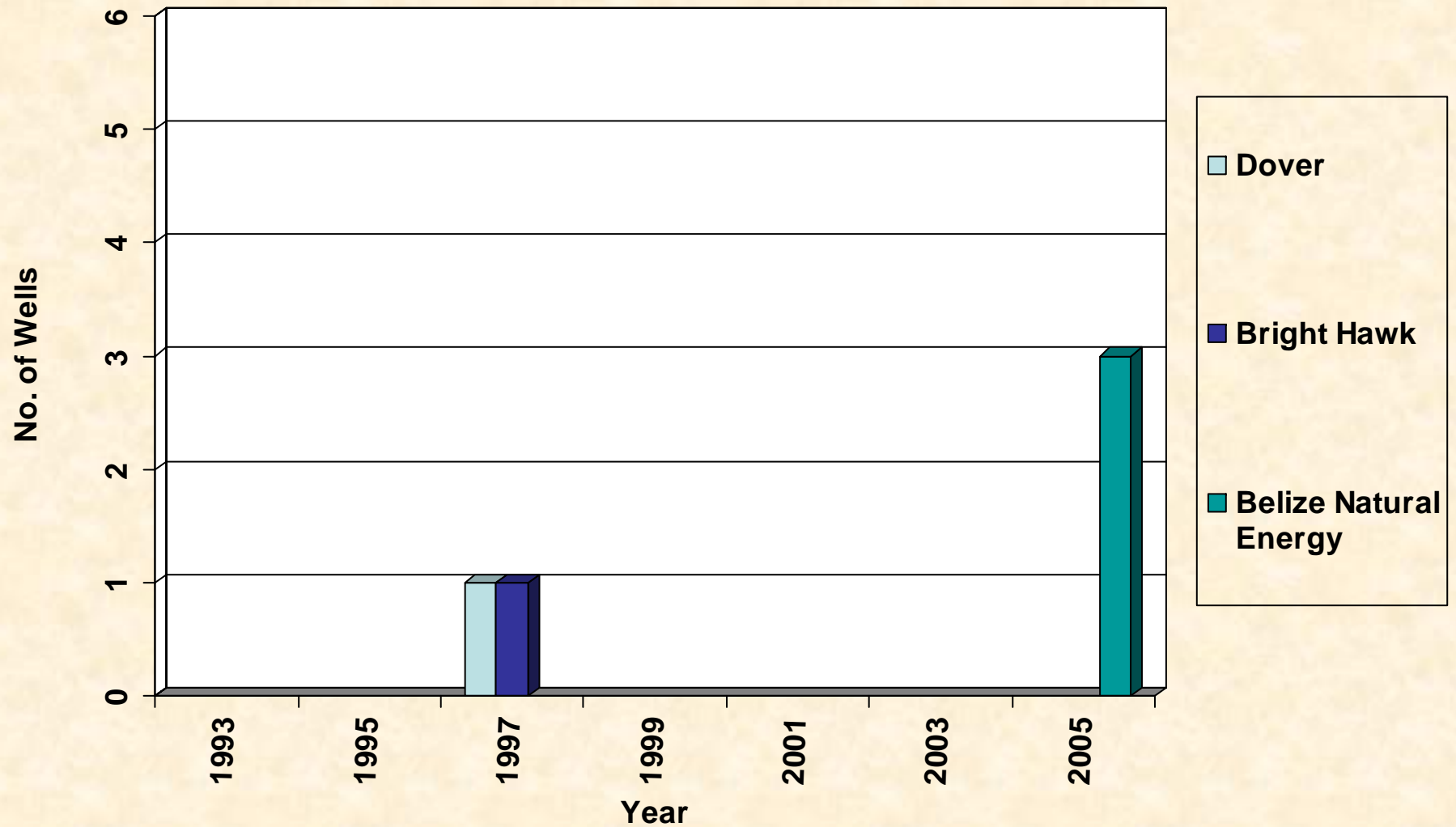
# OIL COMPANIES IN BELIZE 1956- 1982 (MAJORS)



# OIL COMPANIES IN BELIZE 1983- 1992 (INTERMEDIATES)

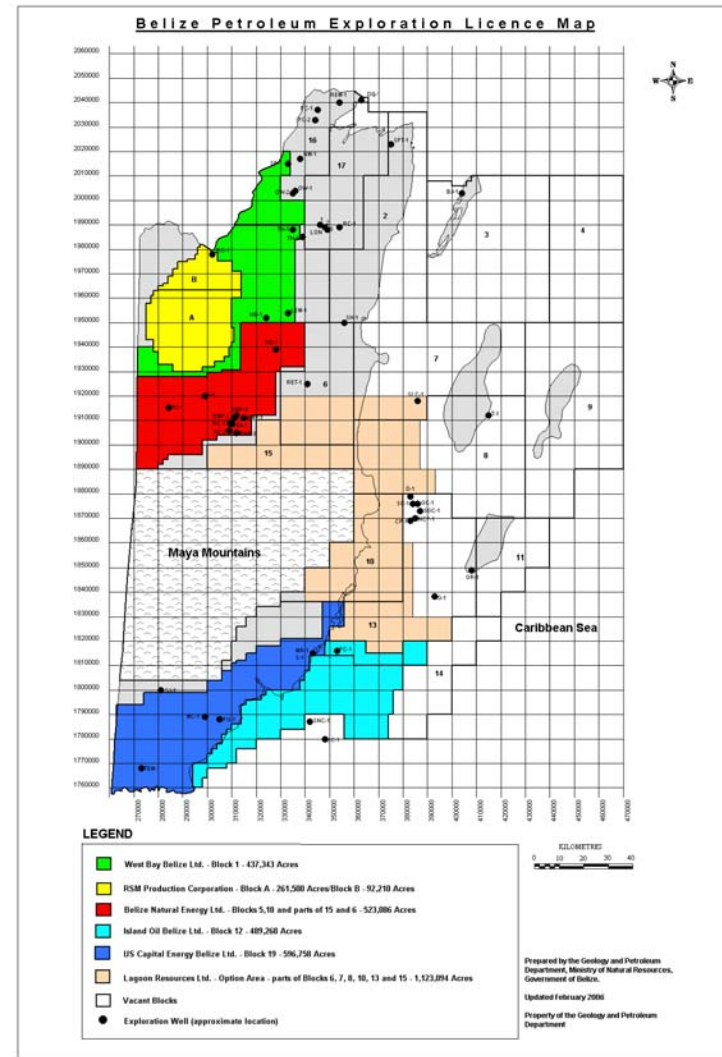


# OIL COMPANIES IN BELIZE 1993- 2005 (INDEPENDENTS)



# Exploration License Map

## Current Operating Companies



# Status of Companies

- **West Bay** – shot 200Km of Seismic in 2004/2005 and is preparing to shoot additional Seismic
- **RSM Production Corporation** – currently conducting Geochemical Survey and preparing to conduct Seismic Survey
- **Island Oil** – preparing to drill 2 Offshore Wells
- **US Capital Energy** – preparing to conduct Seismic Survey
- **Lagoon Resources (Seismic Option)** – acquiring old Seismic Data for Reprocessing and Interpretation

- **Belize Natural Energy Ltd.** – completed Production Tests, conducting Appraisal and preparing to submit Work Program and Budget for Development and Production; preparing to conduct 3 Dimensional Seismic Survey

# Why was Belize Natural Energy successful in finding Oil?

- The company shot good quality Seismic
- Determination – the partners in the company have always believed in the potential of Belize

# Other Prospects

- West Bay – has found structures from Seismic
- Island Oil – Has reprocessed old Seismic Data and has identified two drillable structures
- US Capital Energy – has reprocessed old Seismic Data and has identified a number of drillable structures

## TERMS OF PSA

- **Exploration Period – 8 Years:** 4 periods of two years each.
- **Production Period:** 25 years (for each field).
- **Financial Obligations:** payable to the Government.

# Government Revenues

- License Fees
- Royalty
- Production Share
- Government Participation
- Tax
- Training/Scholarships

# Royalty

- Paid on gross production
- Crude Oil: not less than 7 ½%
- Natural Gas: not less than 5%

# Production Sharing – paid on Net Petroleum

- **Net Petroleum:**

[Value of Petroleum Produced] – [Royalty] – [Petroleum Expenditures (capital and operational expenditures)]

- **Production Sharing Example:**

<u>Barrels/Day</u>	<u>GOB Prod. Share %</u>	<u>Company Share%</u>
0 – 50,000	5%	95%
50,001 – 100,000	10%	90%
100,001 – 150,000	15%	85%
> 150,000	20%	80%

# Government Participation

Section 10 of the Petroleum Act allows State Participation:

- Prior approval of Cabinet needed.
- Option - 10 % working interest for GOB or it's designee in a field.
- GOB/ designee to re-imburse 10% of cost of all exploration expenses prior to declaration of commerciality.
- GOB may require the Contractor to lend x % of the cost to purchase it's participation interest.

# ADMIN. FEES & SURFACE RENTALS

SCHEDULE (Regs. 29 & 30)

US \$

- Application Fee 100.00
- Annual Admin. Fee 10,000.00
- Annual Surface Rental/ acre
  - Year 1 & 2 0.10
  - Year 3 & 4 0.15
  - Year 5 & 6 0.20
  - Year 7 & 8 0.40
- Annual Surface Rental for Oil Field/ acre 5.00

# OTHER FEES

- Training & Employment
- Scholarships (for higher studies including Administrative, Technical & Executive Management positions)

# Where are all the old Data and new Data?

In the Geology and Petroleum Department

- all Data pre-2004 are Paper Copies
- all Data post-2004 are Paper Copies and Electronic

# Geology and Petroleum Department

## Mission Statement

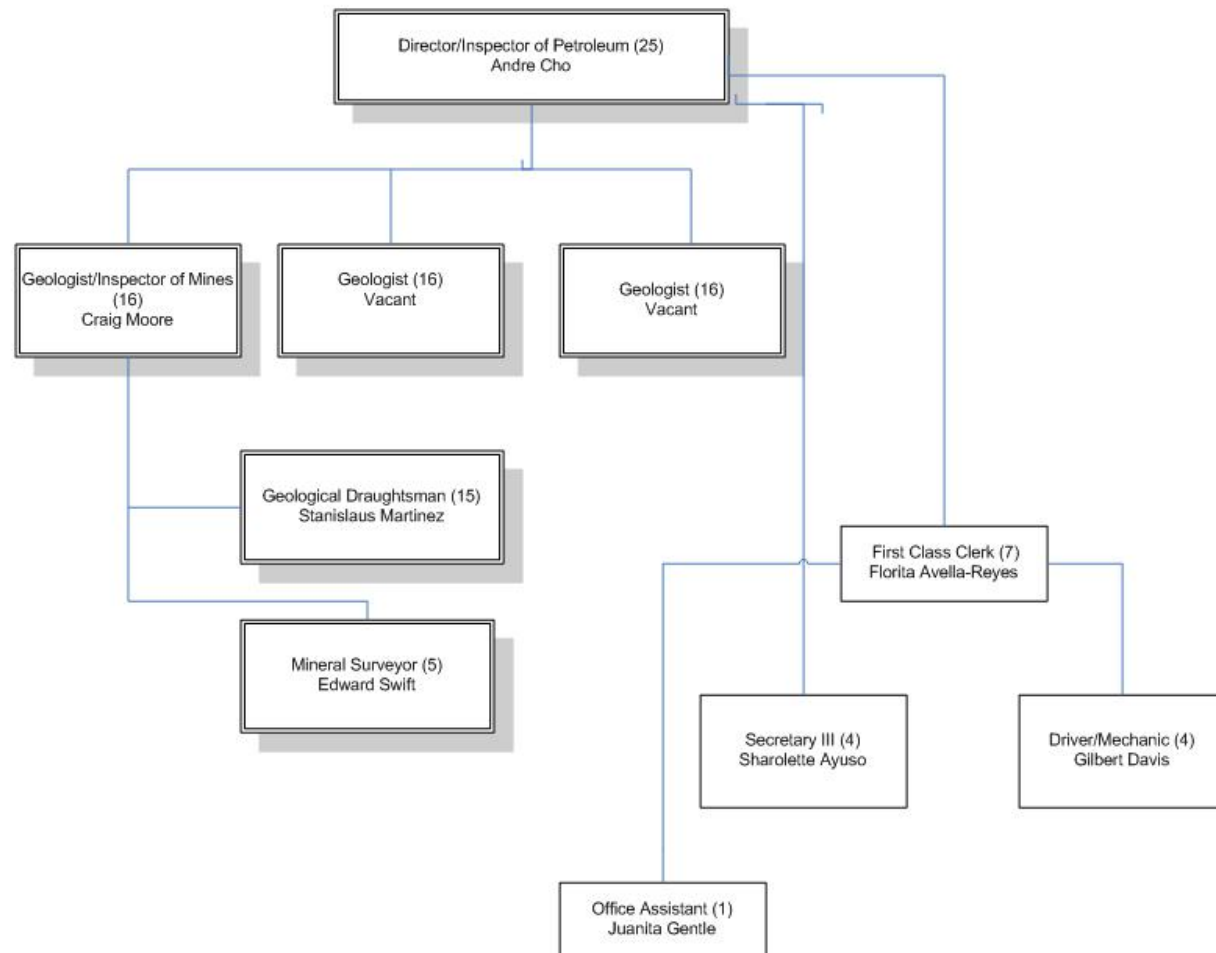
To accelerate the Development of Belize's Non-renewable Resources through the creation of vibrant Mineral and Petroleum Sectors, with the assistance of both private National and International Investors, cognizant of Environmental Costs, thereby improving the welfare of Belizeans into the 21<sup>st</sup> Century

# Mandate

- Administer all Petroleum Operations in the Country under the Petroleum Act and Regulation
- Administer all Mining Operations in the Country under the Mines and Minerals Act and Regulations

# Organizational Chart

Organizational Chart  
Geology and Petroleum Department



**THANK YOU**