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PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN
MINISTRY OF ENERGY
(Petroleum Division)

NOTIFICATION

Islamabad, the 12th February, 2024

S. R. O. 147(I)/2024.— In exercise of the powers conferred under Clause 1(i) of Entry 29 to Schedule-II of the Rules of Business, 1973 and pursuant to the approval of the Council of Common Interests *vide* case No. CCI.1/1/2024 dated 29th January 2024, the Federal Government is pleased to direct that the following amendments shall be made in the Pakistan Petroleum (Exploration and Production) Policy, 2012 notified *vide* S.R.O. No. 1078(I)/2012 dated 30th August 2012, and as subsequently amended *vide* S.R.O. No. 813(I)/2013 dated 23rd September 2013, S.R.O. No. 916(I)/2015 dated 8th September 2015, S.R.O. No. 1290(I)/2017 dated 27th December 2017, S.R.O. No. 47(I)/2020 dated 27th January 2020 and S.R.O. No. 850(I)/2020 dated 29th June 2021 namely:-

(363)

Price: Rs. 6.00

[7069(2024)/Ex. Gaz.]

- (1) In Section-II (“Exploration and Production Regimes”), the first paragraph of paragraph 4 is substituted with the following words:

“The economic package for onshore licensing Zones I(F), I, II, and III, is detailed below and will be included in a model PCA to be released in line with this Policy, along with a supplemental agreement for applicability of Zone I(F) on eligible blocks under this Policy *w.e.f.* 29th January 2024 (see map of licensing Zones in Section I above).”

- (2) In Section-II (“Exploration and Production Regimes”), in paragraph (4.1.10), the sub-paragraph (1) shall be substituted with the following words:

“For grant of petroleum rights after the expiry of lease period, DGPC can renew the lease term till commercial viability of the field in case the existing lease holder agrees to pay an amount equivalent to 15% of the wellhead value to the Government, which shall be equally divided between the Federal Government and the Provincial Government concerned, otherwise DGPC will invite bids using the call for bids one year before the end of the lease period from E&P companies seeking to have a petroleum right over the lease area, in relation to any producing field till its commercial viability. The bids will be evaluated on the basis of Signature Bonus, which would be spent for social welfare of the area in which the field is located. A procedure for transfer of funds generated through signature bonus would be the same as being applicable for transfer of royalty.”

- (3) In Section-VI (“Conversion to 2012 Policy), the table in paragraph (13.3) shall be substituted with the following table:

EXPLORATORY EFFORTS	APPLICABLE PRICE
For all the exploratory efforts made between 27-11-2007 and 19-03-2009	Price as provided in Petroleum Policy 2007 for conversion regime
For all the exploratory efforts made between 20-03-2009 and 29-08-2012	Price as provided in Petroleum Policy 2009 for conversion regime
For all the exploratory efforts made after 30-08-2012	Price as provided in this Petroleum (Exploration and Production) Policy 2012
Pursuant to paragraph 13.8, for all the exploratory efforts made after 29-01-2024	Price as provided in this Petroleum (Exploration and Production) Policy 2012

- (4) In Section-VI (“Conversion to 2012 Policy), the table in paragraph (13.3B) shall be substituted with the following table:

EXPLORATORY EFFORTS	APPLICABLE WIND FALL LEVY ON OIL/CONDENSATE
For all the exploratory efforts made between 27-11-2007 and 19-03-2009	As per Petroleum Policy 2007 formula
For all the exploratory efforts made between 20-03-2009 and 29-08-2012	As per Petroleum Policy 2009 formula
For all the exploratory efforts made after 30-08-2012	As per Petroleum Policy 2012 formula
Pursuant to paragraph 13.8, for all the exploratory efforts made after 29-01-2024	As per Petroleum Policy 2012 formula

- (5) In Section-VI ("Conversion to 2012 Policy), the citation at the end of paragraph (13.7) is substituted with following words:

"Explanation:

The "Conversion Package" shall include (i) price of Natural Gas for New Exploration Efforts (ii) Windfall levy on Natural Gas (iii) EWT gas production, pricing, and obligations (iv) Wind Fall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies, (v) financial obligations relating to production bonus, social welfare, and training and (vi) applicability of Zone I (F) on eligible blocks."

- (6) In Section-VI ("Conversion to 2012 Policy), a new paragraph (13.8) shall be inserted as provided below:

"As of 29th January 2024, paragraph (6) has been waived allowing the companies another chance to convert to this Policy. The conversion under this Policy will be opted as a package and the companies desirous of opting for conversion to this Policy shall be required to submit their written request to DGPC within 90 days from 29th January 2024 failing which they will not remain eligible for the conversion. The option once exercised shall be final. The package shall be applicable for all the exploratory efforts made after 29th January 2024."

- (7) In Section-I ("Licensing Process"), in paragraph 3.1, the wording in column (3) ("Term") of the table for serial No. (2) ("Development and Production Lease") is substituted with the following words:

"Up to 25 years with a possibility of a renewal till commercial viability of the field."

[No. Expl-7(3)(Petroleum Policy 2012)/2023-Vol XII.]

KASHIF ALI,
Director General (Petroleum Concessions).