



**THE REVOLUTIONARY GOVERNMENT OF
ZANZIBAR**

MINISTRY OF BLUE ECONOMY AND FISHERIES

**CALL FOR INTERNATIONAL COMPETITIVE BIDDING
FOR ZANZIBAR 1st LICENSING ROUND**

REQUEST FOR PROPOSAL

**FOR CONDUCTING OIL AND GAS EXPLORATION,
DEVELOPMENT AND PRODUCTION IN THE OFFSHORE
AREA IN ZANZIBAR**

SMZ/LR/2024/01

INVITATION DATE: 20TH MARCH 2024 10:00 AM (EAT)
CLOSING DATE: 16TH SEPTEMBER 2024 10:00 AM (EAT)

MARCH 2024

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LIST OF ABBREVIATION

MLA	Master Licensing Agreement
PBZ	People's Bank of Zanzibar
QHSE	Quality, Health, Safety and Environment.
POS	Probability of Success
PSA	Production Sharing Agreement
RFP	Request for Proposal
RGoZ	Revolutionary Government of Zanzibar
SEA	Strategic Environmental Assessment
SLB	Schlumberger
ToR	Terms of Reference
TPDC	Tanzania Petroleum Development Company
ZPDC	Zanzibar Petroleum Development Company
ZPRA	Zanzibar Petroleum Regulatory Authority
ZURA	Zanzibar Utilities Regulatory Authority



SECTION ONE INVITATION FOR THE REQUEST FOR PROPOSAL OF ZANZIBAR 1ST LICENSING ROUND

Date: 20th March 2024

Request for Proposal for conducting oil and gas exploration, development, and production for the first licensing round in the offshore area in Zanzibar.

1. The Revolutionary Government of Zanzibar, under the Ministry responsible for petroleum (Ministry of Blue Economy and Fisheries) through the Zanzibar Petroleum (Upstream) Regulatory Authority (ZPRA), invites International Oil Companies / International Energy Companies (IOCs/IECs) to submit Request for Proposal (RFP) for conducting oil and gas exploration, development and production for the first licensing round in the offshore area in Zanzibar.
2. The RFP includes the following sections:
 - Section 1: Invitation for the Zanzibar 1st Licensing Round.
 - Section 2: Introduction to Oil and Gas Exploration in Zanzibar.
 - Section 3: Preliminary conditions for participation.
 - Legal Condition
 - Technical Condition.
 - Financial Condition.
 - Quality, Health, Safety and Environment Conditions.
 - General Conditions.
 - Section 4: Technical and Financial Proposals.
 - Section 5: Evaluation Criteria.
 - Preliminary Conditions for Participation
 - Technical proposal Evaluation Criteria.
 - Financial Proposal Evaluation Criteria.
 - Section 6: Terms of References for Conducting Oil and Gas Exploration,

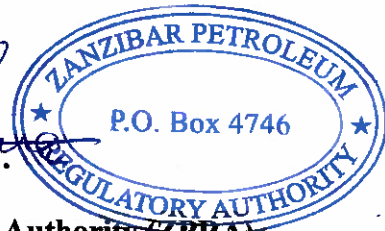
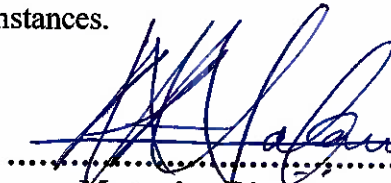
Development and Production.

- Section 7: Data Purchasing, Evaluation and Exploration Strategy.
 - Section 8: Submission of Applications, Clarification and Opening.
 - Section 9: RFP results and Conclusion of the Licensing Round.
 - Section 10: Appendices
 - Model Production Sharing Agreement.
 - RFP Forms.
 - Exploration Map.
3. Interested eligible companies may obtain RFP documents upon request from the Zanzibar Petroleum (Upstream) Regulatory Authority Office located at **ZURA building, 6th Floor, Maisara, Zanzibar – Tanzania** from 08:00 am to 04:00 pm working hours, through the website (www.zpra.go.tz) or may be sent to company's official **E-mails**. Upon receiving RFP documents, companies are required to acknowledge the receipt of the documents and immediately e-mail their firm's name and contact details to the Authority email address: info@zpra.go.tz.
4. All RFP documents shall be submitted in hardcopy. The hardcopy documents should be in one original plus three (3) copies, properly filled in, and enclosed in plain envelopes and must be delivered to the address **Managing Director, Zanzibar Petroleum (Upstream) Regulatory Authority (ZPRA), P.O Box 4746, Maisara, Zanzibar**.
5. Each package (original/copy) shall contain two separate sealed envelopes covering the first, the Technical Proposal, and the second, the Financial Proposal. Technical and Financial proposals with their respective documentation shall clearly be marked separately outside the respective envelope as "Technical Proposal" and "Financial Proposal".
6. The submission deadline is **16 September 2024 at 10:00 am (EAT)**. The RFP documents shall be sealed and marked as **"Request for Proposal for conducting oil and gas exploration, development and production for the first licensing round in the offshore area in Zanzibar with RFP No. SMZ/SL020101/LR/2024/01 and the Name of the requested block."**
7. Submitted RFP documents shall be opened promptly thereafter in public and in the presence of companies' representatives who choose to attend the opening at the Zanzibar Petroleum (Upstream) Regulatory Authority Office, **ZURA building, 6th Floor, Maisara, Zanzibar**.
8. Upon the submission of RFP documents, the company shall make payment of a non-refundable fee of **US\$10,000.00**; the receipt of the payment should be attached to the

Technical Proposal when submitted and shall be made through electronic transfer to ZPRA's bank account, whose details are provided herein below:

Account Name: Zanzibar Petroleum Regulatory Authority (ZPRA)
Account Number: 0400519001 - USD
Bank Name: People's Bank of Zanzibar (PBZ)
Swift Code: PBZATZTZ.

9. Late submitted RFP documents, portions, documents not received no due date, and documents not opened at the RFP opening ceremony shall not be accepted for evaluation, irrespective of the circumstances.



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Managing Director
Zanzibar Petroleum (Upstream) Regulatory Authority (ZPRA)
Zanzibar

SECTION TWO

INTRODUCTION TO OIL AND GAS EXPLORATION IN ZANZIBAR

2.1 Overview

The Revolutionary Government of Zanzibar, through the Ministry responsible for petroleum, has issued RFP criteria for petroleum companies (IOCs/IECs) intending to be used in the 1st Licensing Round of Zanzibar. The purpose of the RFP process is to obtain competent companies to participate in the licensing round and subsequently enter into the Production Sharing Agreement in accordance with sections 48 and 49 of the Oil and Gas Act No. 6 of 2016.

In order to undertake petroleum operations in Zanzibar, companies should be technically competent and have sufficient financial capacity as well as appropriate robust Health Safety and Environmental Management Systems. The RFP process enables the selection of companies under the bidding process to run more smoothly and ensures that only qualified companies are awarded the block(s).

2.2 History of the Oil and Gas Sector of Zanzibar

Oil and gas exploration history in Zanzibar began in the 1950s when British Petroleum (BP) and Shell were awarded concessions covering the onshore coastal basins and islands of Unguja and Pemba. Extensive geological work was conducted, including drilling, gravity, and aero-magnetic. Two wild cat wells were drilled, one each on Unguja and Pemba Island. The first well (Zanzibar 1) was drilled in 1957 at Kama, Unguja, with a depth of 4353m and declared a dry hole with some signs of gas. The second well (Pemba-5) was drilled in 1962 at Tundaua, Pemba, to a depth of 3886m and declared a dry hole with some signs of oil show and seepage nearby. The oil seeps found at Tundaua on the west coast of Pemba Island were a positive indication that an active oil system might be present.

In 1969, the Tanzania Petroleum Development Corporation (TPDC) was established to manage exploration and development in Tanzania's mainland and Zanzibar. Between 1969 and 2015, several exploration activities were conducted in Zanzibar blocks, including gravity, magnetic and seismic surveys that TPDC oversaw under the umbrella of the United Republic of Tanzania.

A new era in the development of the oil and gas sector of Zanzibar was initiated in 2015 when the United Republic of Tanzania enacted the Petroleum Act No.21 of 2015, which mandated the Revolutionary Government of Zanzibar to own, undertake exploration, development and production, regulate and control its own oil and gas resources through legal instruments and Institutional setup in Zanzibar. Following that mandate, the government established the Oil and Gas (Upstream) Policy in 2016 and the Oil and Gas (Upstream) Act no.6 of 2016 as part of policy implementation strategies. The Revolutionary Government of Zanzibar established the Zanzibar Petroleum Regulatory Authority (ZPRA) in March 2017 and the Zanzibar Petroleum Development Company (ZPDC) in June 2018.

In October 2018, the Revolutionary Government of Zanzibar (RGoZ) entered its first Production Sharing Agreement (PSA) with RAKGAS Company of Ras al Khaimah for the Pemba - Zanzibar Block. Several activities were conducted in Pemba-Zanzibar, including FTG, Onshore and Offshore Seismic Surveys, data processing, and interpretation. FTG and 2D seismic data interpretation indicate the possibility of rocks with probable oil and natural gas reserves.

2.3 Geological information

The Zanzibar sub-basin is located between 4°41' and 6°50' S and between 38°50' and 45° E, extending itself over a large geographical area of approximately 120,000 km². The Zanzibar sub-basin is bounded north by the Lamu Basin, the Mafia sub-basin to the south, the Indian Ocean to the east and the Tanzanian coast to the west.

The sub-basin includes the Pemba and Unguja troughs that separate the Pemba and Unguja Islands from Africa's mainland; the basin consists of the main islands of Unguja and Pemba. In most offshore areas, a volcanic seamount in the sub-basin is characterised by the presence of basement ridges and volcanic seamounts. The seafloor of the sub-basin is instead shaped by the presence of submarine canyons and extends for 63,180 km² within water depths between 300 m and 4050 m. Sedimentation along the East Africa Margin is linked to the structural and tectonic evolution that the margin witnessed throughout its evolution and development.

Furthermore, the basin is the result of multiple geological events. Before rifting, the East African craton was part of Gondwanaland. During the Triassic-Jurassic, rifting formed along the East African margin. In the initial stages of rifting, isolated basins were filled with syn-rift

lacustrine and restricted marine sediments, considered good potential source rocks. By the Cretaceous, an open marine environment, had developed in the basin, and thick packages of sand were deposited. Numerous channels and basin floor fans can be recognised on the seismic, ranging from Lower Cretaceous to Tertiary age with associated structural features, i.e., faults/anticlines resulting from basin inversion.

2.4 Policy and Regulatory Framework

The Oil and Gas sector in Zanzibar is governed by the following:

i. Zanzibar Oil and Gas (Upstream) Policy (2016)

The policy recognises the exclusive rights for petroleum exploration, development, and production to be conferred upon serious and credible investors with mutual benefits and in the country's best interest. The policy emphasises the flexible fiscal regime in Zanzibar. The Oil and Gas Policy was approved in 2016 to provide general oversight and guidance for the emerging oil and gas sector. The policy highlights vital issues, guiding principles, objectives, and strategies agreement in line with international best practices.

ii. The Oil and Gas (Upstream) Act No. 6 of 2016

The Act establishes the administration for the granting of rights for the conduct of Petroleum Operations in the Revolutionary Government of Zanzibar. Also, the Act provides the legal basis for the licensing system and authorises granting exploration and development licenses of petroleum resources within a licensed area.

iii. Model Production Sharing Agreement (MPSA), 2024

The petroleum rights are awarded through the signature of a Production Sharing Agreement (PSA) that follows a predefined model agreement accessible on ZPRA's website. The model provides a basis for negotiating between the RGoZ and an awarded company in the Licensing Round for the right to conduct Petroleum operations in the selected Block(s).

iv. Regulations

In line with the Act, five sets of Regulations on the Fees and Charges, Drilling, Local Content, Health, Safety and Environment and General Regulations are in place. These regulations, policy, oil and gas law and laws relating to environment, land, and tax, equally regulate Zanzibar's oil and gas sector.

The aforementioned documents are available in the ZPRA website through the following link:

<https://www.zpra.go.tz/publications>

2.5 Licensing Round Area

Following the Revolutionary Council of Zanzibar's approval, the Minister responsible for petroleum launched the first licensing round for offshore areas of Zanzibar on 20th March 2024 in Zanzibar. This licensing round covers Eight (8) blocks in the offshore area, as indicated in Figure 1. The details of the surface area and water depth are shown in Table 1. For each block, the successful bidder will be invited to enter into negotiations with the Government in order to sign a Production Sharing Agreement (PSA). The Licensing round shall be conducted in the following areas:

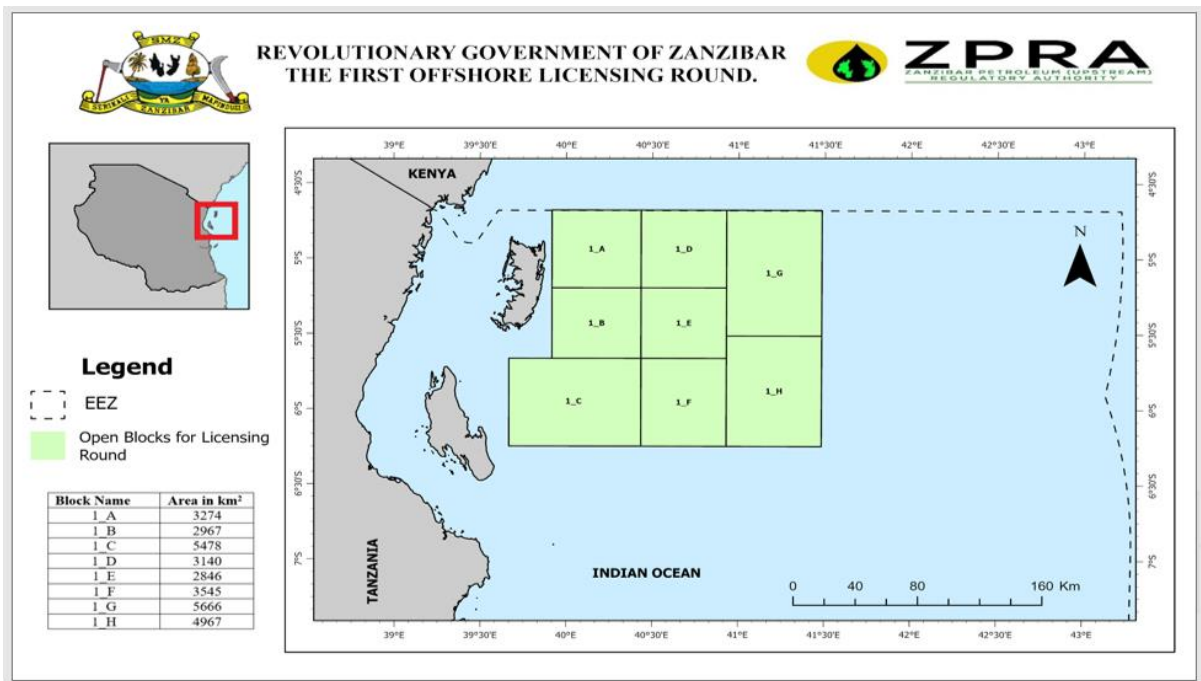


Figure 1: The blocks for the licensing round

Table 1: The detail areas and water depths of the blocks for the licensing round

S/N	Block	Surface Area	Water Depth
1.	Block 1-A	3,274 Km ²	500 – 1250 m
2.	Block 1-B	2967 Km ²	1000 – 2000 m
3.	Block 1-C	5478 Km ²	1000 – 2000 m
4.	Block 1-D	3140 Km ²	1750 – 2000 m
5.	Block 1-E	2846 Km ²	1750 – 2250 m
6.	Block 1-F	3545 Km ²	2000 – 2500 m
7.	Block 1-G	5666 Km ²	2000 – 2750 m
8.	Block 1-H	4967Km ²	2500 – 3000 m

2.6 Location of the Blocks

Zanzibar sub-basin is located within the East African Margin that spans from Ethiopia-Somalia in the North to Mozambique-Madagascar in the South and is bordered by the Indian Ocean to the East and the African continent to the West. The East African Margin experienced multiple rift events throughout its evolution from the separation of the Pangea to recent times. Subsequent rifting had a considerable impact on the development of the sub-basin.

The first phase of rifting occurred in the Permian, resulting in the formation of NE-SW-trending half-grabens with trans-tensional origin. The second rifting phase occurred during the Early Jurassic. A third phase of rifting commenced at the end of the Eocene (~35 Ma).

2.7 Availability of Data

The Ministry, in collaboration with SLB and ZPRA, has made available several reports and other seismic data sets related to the licensing round blocks and the wider Zanzibar Basin in general. The following types of data which form data packages for the licensing round:

- Technical Reports – Digital pdf.
- Well Data – Digital Well Folders.
- Seismic Data (2D) - Digital SEG Y.
- Gravity & Magnetic.

Through ZPRA and SLB, the Ministry has prepared a dedicated data viewing room for companies to access the available technical data and presentations. There shall be two methods to access the quality of the technical data, namely, physical and virtual data accessibility. For information on how to access and license the Data, Bidders should contact ZPRA or SLB at the address below:

Contacts of Schlumberger (SLB)

Sandra Lane
SLB EXD Sales
lane4@slb.com

Marcela Alonso
SLB EXD New Ventures
malonso@slb.com

SECTION THREE

PRELIMINARY CONDITIONS FOR PARTICIPATION

3.1 Introduction

The preliminary conditions for participation criteria are defined based on Legal, Financial, Technical and QHSE requirements as described below:

3.1.1 Legal Conditions

The Company shall satisfy the criteria by submitting the required documents as follows:

- (i) The corporate name, business registration number, address, relevant contact details, place of incorporation and principal place of business, names and nationality of directors and owners up to and including ultimate beneficial owners, accompanied by relevant documentation and certificates;
- (ii) If the application is a foreign owned or controlled entity, it shall state the name and identify its representative residing in Zanzibar in accordance with the Zanzibar Companies Act;
- (iii) The description of documentation of compliance with its internal control and management systems relevant for complying with regulatory requirements applicable to the activity planned, including a quality plan, risks and hazards assessment and a general health, safety and environment plan, the emergency organisation and staffing plan;
- (iv) The details of the ownership or control and capacities of equipment, vehicles, vessels or crafts available for petroleum activities;
- (v) A notarized, signed statement from the general counsel or similar officer that there is no pending litigation, arbitration, legal proceedings or other circumstances which may lead to the insolvency or bankruptcy of the company or that could reasonably be expected to prevent Applicant from fulfilling its obligations under the Exploration and Production Agreement;
- (vi) Written power of attorney authorising confirmation signatory of the Bid to commit the Bidder, Anti-bribery statement, Memorandum of Association and any other document which qualifies its eligibility to conduct the said work as required by this RFP;
- (vii) Evidence demonstrating that the person signing the Power of Attorney on behalf of the company is authorised to do so through board resolution; and

- (viii) Certificate of compliance of the previous service in the country of the operations.

3.1.2 Technical Condition

The Company should satisfy the criteria by presenting documents and disclosures set forth below:

- (i) Exploration wells drilled and the number of discoveries in the last 20 years. (Specify well names, onshore/offshore, water depth, Total Depth and results).
- (ii) Operatorship of at least one exploration/development program for offshore (beyond 200 m water depth), including seismic and drilling in the last 20 years.
- (iii) Reserves, production type (oil/gas) and volumes for the past 20 years.
- (iv) A summary of technical capability and information on current exploration and production activities. This may include, for example, high pressure, high temperature, production of heavy oils, exploration and production in environmentally sensitive areas, and production in complex geological regions.
- (v) The number of key permanent technical staff, their years' experience, including their roles in different projects, for a period of ten (10) years, under the following categories of expertise:
 - a. Geologists, geophysicists and similar exploration staff.
 - b. Drilling engineers, supervisors, drilling crews and similar staff.
 - c. Petroleum engineers, production engineers, reservoir engineers and similar staff.
 - d. Engineers experienced in designing and constructing oil and gas wells and processing facilities.
 - e. Environmental specialists, occupational health and safety specialists and process safety specialists.

3.1.3 Financial Conditions

A Company shall be eligible for award if it can demonstrate that it has financial capacity at the end of its most recent financial year consisting of:

- (i) Evidence of a minimum of total assets equivalent to or more than US\$ 350 million.

- (ii) Estimate of the total capital expenditure in Petroleum operations in the three (3) consecutive years within the last ten (10) years.
- (iii) The audited consolidated financial statements for the Company for the last three (3) years, including the balance sheet, income statement, value of equity capital, current asset, value of current liabilities, statement of changes in shareholders' equity as well the shareholding structure, cash flow statement, notes to the accounts and, compliance with local law or applicable accounting principles, the Directors' report and a reference from a reputable bank endorsing their financial capability.
- (iv) The auditor's report(s) referencing the Company on the above-mentioned financial statements, signed by an independent public accountant and prepared in accordance with applicable auditing standards.
- (v) A description of the Company's material lines of credit, credit agreements, publicly traded debt securities, off-balance sheet liabilities and guarantees of third-party obligations.

3.1.4 Quality, Health, Safety and Environment Conditions

The company shall satisfy these criteria by presenting the documents and disclosures as set forth below:

- (i) Submit evidence of proper operational procedures and sensitivity related to Quality, Health, Safety and the Environment issues.
- (ii) Be able to demonstrate, to the reasonable satisfaction of ZPRA, its ability to observe all applicable international standards in such areas.
- (iii) QHSE performance records for the previous 3-5 years, including but not limited to:
 - a. Annual QHSE reports;
 - b. Major reported accidents such as site injuries and mechanical and structural failures; and
 - c. Major reported environmental incidents, including oil spills, environmental impact, and remediation efforts.
- (iv) ISO Certifications or any equivalent certification granted by an internationally recognised and accredited institution, if applicable.
- (v) QHSE policy statement.

- a. Evidence of established and implemented QHSE Management System(s).
 - b. A copy of the Quality, Health, Safety and Environment Management System(s) (QHSEMS) or equivalent.
- (vi) Corporate HSE structure and responsibilities.
 - a. provide the applicant's organisational chart showing departments and designations.
 - b. Provide the organisation chart indicating names and titles of persons holding senior management positions and the manner in which they are responsible for operations, legal compliance, environmental compliance, and safety compliance with respect to operations.
- (vii) A copy of Corporate Social Responsibility reports or initiatives for the past five (5) years.
- (viii) Prospective plans on HSE certification and practices.

3.2 General Condition

- (i) The company shall meet all conditions above for its proposal to be considered in the Evaluation of Technical and Financial Proposal.
- (ii) The RFP application must be submitted to the Authority by each company individually. Each participating company must provide the requisite information for applications from a consortium of companies.
- (iii) The RFP application must be submitted with the evidence of purchasing of data and brief information resulting from prospect evaluation concerning the requested or interested block applied.
- (iv) The company whose objective is to carry out petroleum operations as defined in the oil and gas legislation has to participate in the RFP cation process.
- (v) These criteria apply to companies seeking as an operator, non-operator and joint venture to undertake petroleum operations in Zanzibar. They shall demonstrate evidence and all required information on their relationship.

SECTION FOUR TECHNICAL AND FINANCIAL PROPOSALS

4.1 Introduction

The RFP contains clear information, including Licensing areas, blocks offered, block sizes, data available and accessibility and requirements needed, such as documental evidence and proof of technical and financial competence, proposed work programs, minimum work commitments, and local contents, which shall be the basis for the ZPRA's assessment during the evaluation.

4.2 Licensing Round Process (Bidding Process)

The bidding round process shall consist of the following:

- i. Invitation for application for bidding document (Request for Proposal - RFP).
- ii. Purchasing the data package and evaluation.
- iii. Submission of bidding document with fees before the date of opening.
- iv. Evaluation process.
- v. Notification of Intention to award for successful bidder(s).
- vi. Negotiations based on MPSA 2024.
- vii. Signing of Contract,
- viii. Award of license.

4.3 Criteria for Bidding Round

The bidding round through Request for Proposal (RFP) shall include the following criteria for evaluating and considering the potential bidder to win and be granted the Exploration License.

4.3.1 Technical Proposal

The company shall submit the technical proposal enclosed in a separate sealed envelope and marked on top of the envelope as "Technical proposal for conducting offshore oil and gas exploration, development and production for first licensing round in Zanzibar" and shall include the following sub-criteria:

4.3.1.1 Technical Requirements

The company shall submit evidence of technical capability in conducting offshore oil and gas exploration, development and production, which shall include, without limitation, the following:

(a) Technology

The company shall submit a detailed description of the approach on exploration activities in offshore Zanzibar, including technology used for processing and interpretation, the number of vessels available, and the tools and equipment necessary for acquiring seismic 2D/3D data in the interested block.

(b) Key Personnel

The company shall submit details of the description of the Key and supporting Staff concerning its organisational structure for conducting petroleum operations in offshore Zanzibar including acquisition, processing and interpretation of seismic survey 2D/3D data in the interested block. The company shall submit the CVs of staff which show their experiences.

(c) Capacity Building Plan

The Company must propose a Capacity Building Plan for ZPRA, ZPDC, and other Government officials (number of staffs, duration and type of training) during the execution of the scope of work as described in the Terms of Reference of this RFP and any means of knowledge transfer in the petroleum industry or related discipline.

(d) Work Programme

The Work Programs shall be submitted by potential bidders accordingly but not limited to the following information:

1. The bidder shall propose for the Block of interest, work Programme that commits to undertake if it is to be awarded license(s). The work Programme should indicate its overall duration, the duration of each of its activities and the relevance of each activity to assess the prospectivity of the Block.
2. The activities proposed in the work program must be described clearly and with sufficient details to avoid ambiguity.
3. The work program included in the bid documents shall refer to all Phases of exploration, appraisal, development and production as specified in MPSA 2024.
4. The proposed work Programme should include work activities that will be undertaken within the Block. Any work, studies, surveys and seismic reprocessing proposed outside the Block must be clearly defined.

5. It is expected that the proposed work Programme will enable a play, lead or prospect to be identified and developed toward maturing a drillable target and should contain:
 - a. new operational activities such as data acquisition.
 - b. reprocessing of existing seismic data and/or other geophysical and geological studies.
6. It is expected that the proposed work Programme should include the following items:
 - a. **Acquisition of new 2D/3D seismic data:**
 - i. A map showing the outline area of the planned new survey. In the case of a 3D survey, both acquisition area and full-fold coverage should be presented. All existing seismic surveys should be identified on this map;
 - ii. The cumulative length in kilometres (2D) or area in square kilometres (3D) of the acquired survey;
 - iii. The initial acquisition parameters and survey design; and
 - iv. The main survey deliverables after processing.
 - b. **Reprocessing of existing 2D seismic data:**
 - i. The name of the survey or lines (2D) to be reprocessed;
 - ii. A map showing the location of the 2D lines or survey outline. All existing seismic surveys should be identified on this map;
 - iii. The cumulative length in kilometres (2D) or area in squares of the reprocessed survey or surveys;
 - iv. The main steps of the reprocessing flow, highlighting new processes or algorithms to be applied and
 - v. The main survey deliverables expected after processing.
 - c. **Other surveys and studies:**
 - i. Type of the new survey or study to be carried out, such as geological, petrophysical and geochemical analysis of well data, interpretation, mapping and modelling of geologic and geophysical data;
 - ii. The main steps of the planned activity, presented for each survey or study separately;
 - iii. The estimated total expenditure in US Dollars for all the planned surveys and studies in current market value;

d. Drilling of an exploration well during the exploration period

- i. An initial drilling plan presenting the geologic concept, drilling target(s) and resource estimates for the well; and
- ii. An initial engineering plan with the main drilling parameters, including total well depth, casing design, and mud plan.

4.3.2 The Financial and Commercial Proposal

The Financial Proposal should provide the costs of undertaking the various programs as per the scope of work and revenue sharing. The financial proposal shall be enclosed in a separate sealed envelope and clearly marked on top of the envelope as “financial proposal for conducting oil and Exploration, development and production for first licensing round in Zanzibar”. Tenderers are required to submit their proposals based on the following items: -

4.3.2.1 Work programme and budget

The Company shall provide estimate of the budget of each activity during the submission of the financial proposal. This shall be in line with fulfilling the obligations provided in the work program.

4.3.2.2 Commercial Proposal and Fiscal Terms

The Company shall propose the biddable commercial terms during the submission of the financial proposal. The commercial terms will include Royalty (%), Cost recovery (%), State Participation (%) and Profit share. Win-win fiscal terms shall be a priority and given high scores during evaluation. Some of them are explained as the following:

(a) Royalty

The Government imposes the royalty on the company for a certain percentage of the total crude oil and or natural gas from the top prior to cost recovery and profit share. The royalty rates for offshore oil or gas will be biddable (minimum biddable rate will be 3.5%).

(b) Cost Recovery

The costs incurred by the company with respect to exploration, development, and production operations are recoverable from the cost of oil and /or gas. The cost oil and cost gas for any calendar year shall be biddable between the range of 60% to 70% of the total production net of royalty for offshore production.

(c) Profit Sharing

The mechanism of sharing between the government and the International Oil Company is described under the MPSA and is subject to negotiation on a pre-determined percentage basis.

(d) State Participation

The Government has the right to participate in petroleum development projects through its National Oil Company (ZPDC) by not more than 15% of the contract expenses. However, this term is subject to negotiation.

(e) Corporate Income tax

The income Tax imposed in accordance with the Income Tax Act, 2014 (ITA) applies to all companies operating in Zanzibar. The company income tax rate is 30% of the taxable income.

(f) Bonuses

The Model of Production Sharing Agreement (MPSA) envisages biddable signature bonus of not less than \$50,000 and production bonuses with minimum biddable rate of \$1,000,000. The signature bonus is payable during the signing of the contract (PSA), while the production bonus is payable when production starts. Bonus payments are not deductible from corporate income tax.

(g) Revenue Sharing

The Model Production Sharing Agreement (MPSA) attached to this RFP clearly defines the sharing mechanism. The Company shall be allowed to use either Profit bases or Volume bases as provided in the Model Production Sharing Agreement.

SECTION FIVE EVALUATION CRITERIA

5.1 Evaluation Process

The Evaluation Committee shall take into consideration three (3) major aspects when assessing the Request for Proposal as follows:

1. Preliminary conditions for participation; in this aspect, the Company shall demonstrate the following:

- **Legal issues:** including Certificate of Registration and incorporation, Power of attorney and Memorandum of Association, and any other document which qualifies its eligibility to conduct the said work as required by this RFP.
- **Technical Capacity:** The Company shall explain the technical competence and detailed experience in conducting Exploration, Development and Production in offshore areas.
- **Financial capacity:** The Company shall provide evidence of financial strength for conducting exploration, development, and production in offshore areas in accordance with legal requirements and best industry standards.

2. Technical Evaluation Criteria: this will include proposed technology for acquiring, processing and interpreting geophysical data, work program and budget, Capacity building and Knowledge transfer, Key experts and Local content plan.

3. Financial Evaluation Criteria: This will consider commercial terms that lead to revenue sharing between the Company and the Government.

The ranking of the evaluated Company shall be based on respect to the scores obtained during the evaluation. The proposal shall have the following scores.

- Technical Proposal = 55% Weight
- Financial Proposal = 45% Weight

TOTAL = 100% Weight

To qualify for the opening of the financial proposal, Bidders must secure at **least 30%** weights out of **55** weights allocated for the technical proposal.

5.2 Preliminary Condition for Participation

Table 1 Preliminary Condition for participation

The company shall demonstrate the following:			
a) <i>A complete set of notarized certificates attesting the legal standing of the company</i> b) <i>The company(s) technical summary document by showing the company's technical operating capability.</i> c) <i>Any financial reports or document evidencing the Financial Strength of the company</i>			
S/No.	Detailed criteria	Company Submission	Marking (Yes/No)
Company eligibility (Legal criteria)¹			
1.	Company registration		
2.	Valid Certificate of Incorporation		
3.	Tender Security Declaration		
4.	Power of Attorney accompanied with board resolution		
5.	Anti-Bribery Policy		
6.	Technical Proposal submission Form		
7.	Financial Proposal Submission		
8.	Joint Venture (JV) Agreement and Form		
9.	Memorandum of Association		
10.	Proof of payment and the invoice corresponding to the purchase of data		
11.	QHSE - Certificate		
Technical Capacity criteria²			
12.	Experience on conducting offshore exploration		
13.	Experience on conducting offshore drilling		
14.	Number of discoveries		
15.	Experience on conducting offshore development		
16.	QHSE (Policy, Reports and ISO Certifications)		
17.	Organization structure and Key Personnel		
Financial Criteria (Company Financial Strength)³			
18.	Three (3) Audited Financial Report		
19.	Total Assets of the company		
20.	Total equity of the company		
21.	Total capital expenditure in Petroleum operations		
	All above Shall be submitted by each JV or consortium		
Substantial responsiveness			

¹ A complete set of notarized certificates attesting the legal standing of the company.

² The company(s) shall provide a technical summary document by showing the company's technical operating capability.

³ Shall be submitted by each JV or consortium.

5.3 Technical Proposal Evaluation Criteria

Table 5.2: Technical Proposal Evaluation Criteria

Criteria	Components	Items for evaluation	Maximum bid required	Scores	Weight (%)
Work Programme	Initial exploration period (4 years)	Acquire and process 2D seismic km	1500	46%
		Acquire and process 3D seismic	..... km ²	2000
		Drilling Exploration Well	.....No. Wells	2500
	First Extension Period (3years)	Acquire, process and interpret 3D seismic	..... km ²	2000
		Drilling Exploration Well(s)	.....No. Wells	2000
	Second Extension Period (2 years)	Drilling Exploration Well(s)	..... No. Wells	1500
Company's Experience	Experience of offshore petroleum operation	Number of wells drilled No. Wells	750	5%
		Discoveries made	... No. discovery	500	
Understanding of the block	Analysis on the prospectivity of the blocks including the lead and prospects analysis	Evaluation Report		1000	4%
				13,750	55%

5.3 Financial Proposal Evaluation Criteria

Table 5.2 Financial Proposal Evaluation Criteria

Criteria	components	Items for evaluation	Minimum bid	Mini Scores	Maximum bid	Scores	Weight (%)
Commercial Terms (Fiscal Terms)	Production Sharing Contract economic terms	Royalty	3.5%			4000	24%
		Cost Recovery Limit	60%	1715	70%	2000	
Fees and Bonus	Bonuses	Signature Bonus	USD 50,000			1500	21%
		Production bonus	USD 1,000,000			1750	
	Fees	Capacity Building fees - Annually (USD)				2000	
TOTAL SCORES AND WEIGHT						11,250	45%

5.4 Combined Evaluation

After completion of the Technical Proposal Evaluation according to technical evaluation criteria, including a preliminary condition for participation and approval by the Tender board, the Financial Proposals shall be opened and evaluated. A combined score will be prepared and submitted for approval to the tender board and eventually to the Board of Directors.

The proposals will be ranked according to their combined technical (St) and financial (Sf) scores using the weights indicated in the request for proposals. The Technical Evaluation will bear 55%, and Financial Evaluation will take 45% of the total scores.

According to the requirement of ToR in this Request for Proposal for conducting Oil and Gas Exploration, Development and Production Number SMZ/LR/2024/01, the evaluated company(s) with the highest scores in combined evaluation shall be notified for negotiation.

Table 5.4 Summary of the Combined Evaluation

Company's names	Technical Evaluation			Financial Evaluation		Combined Evaluation	
	Technical Scores S(t)	Weighted scores S(t) x Tb	Technical Rank	Financial Scores S(f)	Weighted Scores S(f) x Fd	Scores S(t) T + S(f) F	Rank
Award recommendation	To highest combined technical/financial scores. Consultant's name: ____						

In the event that, the bidders tie (get same weighted scores) in the scores obtained in the combined evaluation, the following procedure (in the same order) shall be used to break the tie:

- (i) Preference shall be given to the bidders with the higher/highest combined weighted score on the technical evaluation
- (ii) If the scores of the combined weighted technical evaluation are also tied, preference shall be given to bidder with the highest combined weighted score of financial evaluation
- (iii) If the combined weighted scores of financial evaluations fail to break the tie, the tie shall be break based on the financial criteria with the highest weight followed by the one with lower weight, until the earliest point of tie break.

- (iv) The Ministry may either allow the tied-in bidders at the stage (ii) above, to review some or all components of the financial proposal or technical proposal
- (v) If all weighted score above tied, the Ministry may award the company with highest biddable rate of Royalty.

SECTION SIX
**TERMS OF REFERENCE FOR CONDUCTING OIL AND GAS EXPLORATION,
DEVELOPMENT AND PRODUCTION**

6.1 Background

The Revolutionary Government of Zanzibar, under the Ministry responsible for petroleum through Zanzibar Petroleum (Upstream) Regulatory Authority (ZPRA), launched the First Licensing Round in the offshore area in Zanzibar on 20th March 2024 for conducting Oil and Gas Exploration, development and production activities in the offshore area.

Through this proposal (RFP), the Government provided a total of eight (8) blocks in the offshore area; the company should select any interested block(s) and mark the name during the submission of its proposal.

6.2 Objectives of the project

- i. To get a company which has the ability to conduct exploration and production activities in Zanzibar.
- ii. Promoting investment by encouraging investors to participate in exploration and production activities and creating an attractive enabling environment.
- iii. Optimizing resource utilisation through maximisation of petroleum resources while minimising environmental impacts.
- iv. Ensuring transparency through establishing transparent and accountable processes for licensing that build trust among stakeholders.
- v. To promote Oil and Gas exploration in Zanzibar.

6.3 Specific tasks

- i. Conducting 2D and 3D seismic surveys within the area.
- ii. Data processing and Interpretation.
- iii. Drilling of exploration wells.
- iv. Undertake appraisals
- v. Undertake development of oil/gas resource; and
- vi. Produce discovered resources.

6.4 Scope of the works

The scope of work will cover the whole exploration period as explained in the Model of Production Sharing Agreement (MPSA) that will be conducted in the Eastern offshore area of

Zanzibar as shown in the First Licensing Round map. The time period will include the Initial period of four (4) years, the first extension period of three (3) years and the Second extension of two years (2).

6.5 Work Programme

The Company shall outline detailed work program for the different periods mentioned above with respect to activities within the specific time of implementation to fulfil the required obligation as explained in the MPSA.

6.5.1 Initial Exploration Period

During the Initial Exploration Period, the Company shall carry out the following Minimum Exploration Work Programme:

- i. Undertake geological, geophysical and geochemical studies.
- ii. Acquire and process to industry standards 2D seismic.
- iii. Acquire and process to industry standards 3D seismic.
- iv. Evaluate, integrate and map all data and information obtained.
- v. Drilling Exploration Well(s).

6.5.2 The First Extension Period

During the First extension Period, the Company shall:

- i. Acquire, process and interpret to industry standards 2D seismic.
- ii. Acquire, process and interpret to industry standards 3D seismic.
- iii. Drilling Exploration Well(s).

6.5.3 The Second Extension Period

During the Second extension Period, the Company shall:

- i. Acquire, process and interpret to industry standards 2D seismic.
- ii. Acquire, process and interpret to industry standards 3D seismic.
- iii. Drilling Exploration Well(s).
- iv. Drilling of Exploration well(s), to a true vertical depth.

Note: The work programme committed to, in the successful bid, will form an integral part of the licence, and the licence holder will be obliged to carry it out diligently and according to best petroleum industry practices.

6.6 Responsibilities of the Government (Client)

- i. The client shall be responsible for ensuring that the Company's performance is in line with the terms of reference (ToR).
- ii. Client shall ensure the availability of appropriate counterpart staff that shall closely work with the company for comfort of communication.
- iii. The client shall provide any relevant and required facilities to help the company to fulfil its obligations.
- iv. The client shall be responsible for other matters regarding her obligations as prescribed under the Model Production Sharing Agreement.

6.7 Reporting Requirement

- a. The Company shall be required to prepare and present to the client the following:
 - i. Inception to conduct this assignment.
 - ii. Work program and budget report for each year.
 - iii. Processing and interpretation reports.
- b. Other necessary reports during the execution of work.

6.8 Data Submission

The Company shall be required to submit all types of data as explained in the MPSA, Oil and Gas (Upstream) Act and the Oil and Gas (Upstream) General Regulations.

6.9 Revenue Sharing

The revenue shall be proposed by the Company through this RfP in the Financial and Commercial Proposal and shared between both parties (client and company) after agreement during negotiation as prescribed under the MPSA.

6.10 Key staff requirements for the assignment include Team Leader

The Company shall propose their own staff input requirements for efficient performance of the assignments as per the Terms of Reference. The technical evaluation will take into consideration the CVs of individual experts not limited to the following:

Table 2: The details of the required key expert

S/N	Key Expert	Name	Experience
1.	Part chief		
2.	Petroleum Engineers		
3.	Geophysicists		
4.	Geochemists		
5.	Reservoir Engineers		
6.	Petroleum Geologists		
7.	Others		

The Company shall provide capabilities for each key expert, including qualifications, experiences, and records of similar works undertaken.

6.11 Company Understanding of the Project

The company shall explain its understanding of the objectives of the assignment as outlined in the Terms of Reference (ToR), including the technical approach and methodology that will be adopted for implementing the obligation to deliver the expected output(s) and the degree of detail of such output.

6.12 Validity of Licensing Round Applications

1. A Licensing Round Application shall remain valid for a period of 314 days as prescribed under the Timeline of this document.
2. The Minister responsible for petroleum may, upon a recommendation of the ZPRA, decide to extend such period, which in any event shall not exceed ninety (90) days), at least fifteen (15) days prior to the expiry of the said period of validity. Any further extensions of the validity of the Licensing Round Application shall be subject to the Applicant's approval.
3. The whole licencing round application process shall remain valid until the contract is concluded by signing the Production Sharing Agreement with the successful bidder in accordance with the terms prescribed in the bidding document.

6.13 Work program

The Company shall outline the work program of this assignment as specified in the technical proposal of this RFP. All costs associated with this project shall reviewed, audited and approved by the client.

6.14 Bidding Round Timeline

The **tentative** plan for the First Licensing Round from the date of announcement to the award of the license is explained in the table below:

SCHEDULE OF PROPOSED ACTIVITIES AND TIME FRAME				
ACTION PLAN FOR 1 ST LICENSING ROUND				
S/N	Description of Activities	Start Date	End Date	Time (days)
1 Announcement				
1.1	Announcement of Licensing Round / Announcement of Bids	20/03/2024	20/03/2024	1
2 Technical and Commercial Bid Submission				
2.1	Bid Preparation/Data Access/Purchase and Submission	20/03/2024	16/09/2024	180
2.2	Bid Evaluation	17/09/2024	16/11/2024	60
2.3	Announcement of Bid Results/Announcement of winner(s)	17/11/2024	17/11/2024	1
3 Negotiation and Signing				
3.1	Contract Negotiation	18/11/2024	17/01/2025	60
3.2	Signing preparation and contract signing	18/01/2025	30/01/2025	12
				314

6.15 Comments and suggestions

The Company may provide Comments and suggestions on this RFP that could improve the quality/effectiveness of the assignment; and on requirements for accomplishment of the assignments related in conducting Oil and Gas Exploration, Development and Production operations.

SECTION SEVEN

DATA PURCHASING, EVALUATION EXPLORATION STRATEGY

7.1 Purchase of Data

The bidder is required to purchase data from the Zanzibar Petroleum Regulatory Authority (ZPRA) through Schlumberger (SLB) in order to participate in this tender. The bidder can purchase the data package of choice and, upon successful purchase, will be required to enter into a Master Licensing Agreement (MLA). The list of data that is available to the Bidder for the license area is obtained from SLB.

In case of the purchase of seismic data from ZPRA through SLB, the bidder must attach to its file a proof of payment and the invoice corresponding to the purchase of said data. To the conclusion of a Production Sharing Agreement, the cost of the Data purchased will be included in the cost recovery expenses of the PSA of the awarded block. The bidders can contact ZPRA and SLB for the price of the Data package.

However, the costs related to the purchase of Data of a block borne by the bidder or the successful bidder shall not be reimbursable if the bidder or the successful bidder does not conclude a Production Sharing Agreement with the Government on the said block. Bidder shall maintain the confidentiality of all data and other information as stipulated in the MLA.

7.2 Exploration Strategy

The objective of the exploration strategy is to effectively evaluate and test the petroleum resource potential in the license area. The Company shall submit an exploration strategy that will advance the understanding of the petroleum potential and test the viable targets. The strategy will explain the proposed work programme and should include:

- The database has been utilized, and special studies have been done to evaluate the blocks applied for.
- The understanding of the regional geology in terms of sedimentology and structural geology and how this applies to the evaluation of the area.
- An analysis of the petroleum system and risk elements.
- The mapping process of the areas applied for regarding the identification of plays, leads and prospects.

- The resource assessment of leads and prospects and the evaluation of the probability of discovery.
- The plan for implementation of the work program reflecting, the time schedule, milestones, and interdependency.

7.2.1 Database

This section should contain the following components presenting the amount, type and details of the geophysical datasets and any new reprocessing the applicant proposes to undertake, if any. It shall include maps/figures/tables/charts. In this regard, the Applicant should address the following points:

- Confirmation that the Applicant has met the requirements of the ToR with regard to licensing the Geophysical data within the block.
- Justification of the amount of data to be reprocessed in the block, if any.
- Plan to acquire additional technical data in the block that will add value, if any.

7.2.2 Regional Geology

This section should contain the following components presenting a regional approximation of the prospectivity of the block applied for. It should be limited to 10 pages, including maps/figures/tables/charts. The following items should be discussed:

- Geodynamic evolution of the eastern Indian Ocean.
- Main Tectonic and Stratigraphic events.
- Play Fairway and Play Fairway Map.
- Play Models.
- Description of relevant studies used for evaluation, i.e., a short summary consisting of conclusions and arguments for the relevance of each report.

7.2.3 Petroleum Systems Analysis

This section should contain the following components presenting a petroleum systems analysis of the acreage applied for:

- **Basin Development**
 - Stratigraphic and sedimentological framework, including reservoir development and prediction of reservoir quality.
 - Structural framework, including trap development and evaluation seal/retention characteristics.

- Basin development, including source rocks, maturity and migration.

- **Modelling & evaluation of petroleum system elements**

The analysis must focus on the elements of the petroleum system which are considered critical for the prospectivity of the area and for its evaluation. Illustrations should be provided to accompany the text.

7.2.4 Block Evaluation (Geological and Technical)

A geological and technical evaluation report shall be prepared for each requested block, containing a technical evaluation for the prospect and/or leads identified in the format defined below. The report should include completed summary sheets as shown in the **table 3** below:

Table 3: The details of the Block Evaluation

Name of Block:										
Prospect/ Lead name	P/L	Recoverable Resources						Probability of discovery	Reservoir	
		Oil bbl.			Gas tcf				Stratigraphic level	Reservoir depth
		Low	Base	High	Low	Base	High			

7.2.5 Prospect Description

The following should be documented and assessed for each prospect:

- Depositional environment and reservoir type.
- Trap and seal.
- Hydrocarbon type.
- Source.
- Migration.

- **Trap fill**

The evaluation must explain conditions which are considered critical for the prospect. The following documentation should be included for each prospect:

- Overview map with coordinates, clearly showing the outlines representing statistics.
- confidence levels for estimates of high case (P10), expected case (P50) & low case (P90).

- Position of the seismic line and the geological profile (should also be submitted digitally).
- Seismic profiles in crossing directions and geological profiles across the prospects.
- Time- and depth maps of reservoir horizons presented at identical scales, if available.
- If relevant, seismic attribute maps.
- Other documentation and figures can be included if they are relevant to the prospect description.

- **Estimation of Prospective Resources**

The following should be documented and briefly commented upon:

- Estimation of rock volume and uncertainty.
- Description and reasoning behind the choice of reservoir parameters, gas/oil ratio, expansion/shrink factors, and recovery rate.
- Total resource estimate,

If only parts of the mapped prospect occur in the block applied for, you must clearly indicate the percentage this constitutes within the block, as well as the total resource estimate. Illustrations should be provided to accompany the text.

- **POS and Method for Risk Analysis**

The following should be documented and assessed for each prospect:

- Risk analysis method used.
- Probability of success of the identified prospect.
- Probability of the individual risk elements.

7.2.6 Tentative Duration of the Projected Activities

This section should contain the following components presenting a tentative duration of the projected activities for the exploration phase:

- Timing and duration of projected activities.
- Explanation and justification for projected activities.
- Timeline (e.g. figure).

This section is part of the Terms of Reference of this RFP.

SECTION EIGHT
SUBMISSION OF APPLICATIONS, CLARIFICATION AND OPENING

8.1 Submission

- (i) Applications shall be submitted to the Zanzibar Petroleum Regulatory Authority (ZPRA) by an authorised representative (whether an individual or a legal entity).
- (ii) The submitted document shall be properly filled in, and enclosed with plain envelopes in sealed packages, one original plus 3 hard copies.
- (iii) documents must be submitted no later than the Closing Date, at the following address:

**Managing Director, Zanzibar Petroleum Regulatory Authority
(ZPRA), P.O. Box 4746, Maisara, Zanzibar at or before 16th
September 2024 at 10:00 am EAT.**

- (iv) The sealed envelope should be clearly marked as “Request for Proposal for conducting oil and gas exploration, development and production for the first licensing round in the offshore area in Zanzibar”.
- (v) The documents provided by the company must all be in English.
- (vi) The Power of Attorney shall be signed by Donor and Donee accompanied by the Company Board Resolution.
- (vii) The proposal submitted by a joint venture of two or more firms as partners shall comply with the following requirements:
 - i. the Tender shall be signed so as to be legally binding on all partners;
 - ii. one of the partners will be nominated as being in charge, and this authorization shall be evidenced by submitting a power of attorney signed by legally authorized signatories of all the partners;
 - iii. a copy of the joint venture agreement entered into by all partners shall be submitted with the tender. Alternatively, a Letter of Intent to execute a joint venture agreement in the event of a

successful Tender shall be signed by all partners and submitted with the tender, together with a copy of the Joint Venture Agreement; and in case of a successful Tender, the Agreement, shall be signed so as to be legally binding on all partners;

- (viii) Upon the submission of RFP documents, the company shall make payment of a non-refundable fee of **US\$10,000.00**; the receipt of the payment should be attached to this document when submitted and shall be made through electronic transfer to ZPRA's bank account whose details are provided herein below:

Account Name: Zanzibar Petroleum Regulatory Authority (ZPRA)

Account Number: 0400519001 - USD

Bank Name: People's Bank of Zanzibar (PBZ)

Swift Code: PBZATZTZ.

- (ix) The Technical proposal shall be enclosed separately from the financial proposal and include the following:
- a. Technical proposal submission form.
 - b. All requirements needed in section 3.0 above (Preliminary Condition for participation).
 - c. Receipt of payments.
 - d. Detailed description of technical requirements.

Clarification

- (i) The Company may request a clarification of any part of RFP document to reach ZPRA at least fourteen (14) days prior to the proposal submission date.
- (ii) The Company requiring any clarifications of the proposal shall notify ZPRA in writing (registered mail/courier) or electronic mail at ZPRA's address indicated in this RFP.
- (iii) The response to such clarification under RFP document from ZPRA shall be communicated in writing to the respective bidder within seven (7) working days of the receipt of such clarification.
- (iv) Questions that the ZPRA on behalf of the Ministry decides to answer, and the responses to such questions, will be posted on the **Zanzibar First Licensing round website** or via email for all companies. The identity of the companies asking the questions will remain anonymous.

8.2 Opening

- (i) Submitted documents shall be opened promptly thereafter in public and in the presence of company representatives who choose to attend the opening at the Zanzibar Petroleum Regulatory Authority office, ZURA building, 6th Floor, Maisara, Zanzibar and shall be announced in public immediately after closing of the Licensing round at **10.00 am EAT on 16th September 2024**.
- (ii) The following information for each company shall be announced during the opening session: Full name and address of the Company, Declaration Form, Anti-bribery statement and Registered Power of Attorney.
- (iii) At the opening of Financial Proposals, the names of the Companies, and the overall technical scores, including the break-down by criterion, shall be read aloud. The Companies attendance at the opening of the Financial Proposals is optional and is at the Companies' choice.
- (iv) The Financial proposals will then be inspected to confirm that they have remained sealed and unopened. These Financial Proposals shall be then opened, and royalties, bonuses, and commercial terms will be read aloud and recorded.
- (v) Minutes shall be sent to all Company whose financial proposals were opened. The Financial proposal shall be opened after completion of evaluation of technical proposal, only Technical qualified Company shall be notified and invited to attend and witness financial proposal opening.
- (vi) Information relating to the examination, clarification, evaluation, and comparison of proposals and recommendations for the award of a Contract shall not be disclosed to Bidders or any other persons not officially concerned with such process until the award to the successful Bidder has been announced.

SECTION NINE
RFP RESULTS AND CONCLUSION OF THE LICENSING ROUND

9.1 Results

- (i) ZPRA shall review and evaluate the application and ensure that the information and documentation provided by the company are in accordance with the criteria set forth in this document.
- (ii) After the technical evaluation is completed and approved by the relevant Tender Board, the ZPRA shall notify those Companies whose Technical Proposals were considered non-responsive to the RFP or did not meet the minimum qualifying technical score (and shall provide information relating to the Companies overall technical score, as well as scores obtained for each criterion and sub-criterion) that their Financial Proposals will be returned unopened after completing the selection process and Contract signing.
- (iii) The ZPRA shall simultaneously notify in writing those Companies that have achieved the minimum overall technical scores and inform them of the date, time and location for the opening of the Financial Proposals.
- (iv) Where necessary, ZPRA may seek further clarification on the submitted information from the companies.
- (v) ZPRA shall notify the companies of the outcome of the application within the period of 30 days.
- (vi) The Minister shall announce the RFP results by a decision published in the Official Gazette and on the ZPRA website. Only Applicants consisting of Individual Companies that are qualified will be entitled to continue participating in the negotiation stage.

9.2 Conclusion of the Licensing and Award

1. The Minister, based on the recommendation of the ZPRA, shall invite the first-ranking Applicant for a given Block (the “First Ranking Applicant”) to proceed to the negotiation stage.
2. For each Block, the negotiation stage will be conducted in accordance with the following procedure:

- a. The First Ranking Applicant will be invited to negotiate its Proposal with the Minister in cooperation with the ZPRA.
 - i. The Minister in cooperation with the ZPRA and the First Ranking Applicant will discuss any potential improvements to the First Ranking Applicant's Proposal and will attempt to agree upon any such improvements.
 - ii. If the Minister and the First Ranking Applicant reach agreement on improvements to the First Ranking Applicant's Proposal, the Minister will submit a report to the Council of Ministers containing the results of the negotiations and a recommendation that the State should sign a PSA with the First Ranking Applicant as Winner, in accordance with the Oil and Gas Act of 2016 and its Regulations.
 - iii. If the First Ranking Applicant and the Minister fail to reach agreement on improvements with the First Ranking Applicant's Proposal, the second ranking Applicant for the relevant Block (the "Second Ranking Applicant") will be invited by the Minister and follow the procedure described above in place of the First Ranking Applicant, if the Second Ranking Applicant's Commercial Proposal received a higher mark than the First Ranking Applicant's Commercial Proposal in the evaluation process.
 - iv. If the Minister and the First Ranking Applicant reach an agreement on such improvements to the First Ranking Applicant's Proposal, the procedure described above shall apply, otherwise, the Minister may submit a report to the Council of Ministers containing the results of the negotiations and a recommendation that the State sign an PSA with the Second Ranking Applicant as Provisional Winner, in accordance with Act.
- b. Each Licensing Round Application shall be deemed an offer made to the Government by the Individual Company comprising the relevant Applicant, to enter into a PSA, as supplemented by the Commercial Proposal and Technical Proposal submitted by such Applicant (including the indicative Minimum Work Commitment and amounts of expenditure in US \$), together with any subsequently agreed negotiated terms with the Applicant and the Minister, and such offer shall remain effective during the period of 30 days.

- c. The Provisional Winner shall deliver to the Minister, within Thirty (30) days after conclusion of negotiations, a fully executed PSA together with all fully executed Parent Company Guarantees(s) required under Model PSA (to the extent that these have not been provided at the time of submission of the Licensing Round Application), as well as the fully executed Work Commitment Guarantee for the first Exploration Period.
- d. Upon receipt of such fully executed agreement and other documents, the Minister shall submit a report to the Zanzibar Revolutionary Council containing the results of the negotiations with the selected Applicant(s) and the relevant fully executed agreement with its annexes for approval. The PSA shall become effective from the date of the Revolutionary Council' approval. Following such approval, the Minister, ZPDC and awarded Company shall sign the PSA(s).

APPENDICES

Appendix I: Model Production Sharing Agreement

Appendix II: Forms of Tender

Appendix II-A: Technical Proposal Submission form

TECHNICAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: *[Name and address of Client]*

Dear Sir/Madam:

We, the undersigned, offer to conduct the **Exploration, Development and Production** for *[Insert title of assignment]* in accordance with your Request for Proposal dated *[Insert Date]* and our Proposal. We are hereby submitting our Proposal, which includes the Technical Proposal, and the Financial Proposal sealed under two separate envelopes.

We are submitting our Proposal in association with: *[If the company is a joint venture Insert a list with full name and address of each associated Contractor, also specify, whether they are in joint venture or sub-Contractor].*

We hereby declare that all the information and statements made in this Proposal are true and accept that the any misinterpretation contained I it may lead to our disqualification.

We undertake, if our Proposal is accepted, to initiate the Exploration activities related to the assignment not later than the date indicated.

We also confirm that the Revolutionary Government of Zanzibar has not declared us, or any sub company for any part of the Contract, ineligible on charges of engaging in corrupt, fraudulent, collusive or coercive practices. We furthermore, pledge not to indulge in such practices in competing for or in executing the Contract, and we are aware of the relevant provisions of the RFP.

We understand you are not bound to accept any Proposal you receive.

We remain,
Yours sincerely,

Authorized Signature {In full and initials}: _____

Name and Title of Signatory: _____

Name of Company (company's name or JV's name): _____

In the capacity of: _____

Address: _____

Contact information (phone and e-mail): _____

{For a joint venture, either all members shall sign or only the lead member, in which case the power of attorney to sign on behalf of all members shall be attached}

Appendix II- B: Financial Proposal Submission form

FINANCIAL PROPOSAL SUBMISSION FORM

[Location, Date]

To: *[Name and address of Client]*

We, the undersigned, offer to conduct Exploration activities for *[Insert title of assignment]* in accordance with your Request for Proposal dated *[Insert Date]* and our Technical Proposal.

Our attached Financial Proposal is for the amount of *{Indicate the corresponding to the amount(s) USD {Insert amount(s) in words and figures}, [Insert “including” or “excluding”] of all indirect local taxes. The estimated amount of local indirect taxes is {USD} {Insert amount in words and figures} which shall be confirmed or adjusted, if needed, during negotiations. {Please note that all amounts shall be used in undertaking this assignment}*.

Our Financial Proposal shall be binding upon us subject to the modifications resulting from Contract negotiations, up to expiration of the validity period of the Proposal,

Commissions, gratuities or fees paid or to be paid by us to an agent or any other party relating to preparation or submission of this Proposal and Contract execution, paid if we are awarded the Contract, are listed below:

Name and Address of Agent(s)/Other party	Amount and Currency	Purpose
_____	_____	_____
_____	_____	_____

{If no payments are made or promised, add the following statement: “No commissions, gratuities or fees have been or are to be paid by us to agents or any other party relating to this Proposal and, in the case of award, Contract execution.”}

We understand you are not bound to accept any Proposal you receive.

We remain,

Yours Sincerely,

Authorized Signature {In full and initials}: _____

Name and Title of Signatory: _____

In the capacity of: _____

Address: _____

E-mail: _____

{For a joint venture, either all members shall sign or only the lead member/Company, in which case the power of attorney to sign on behalf of all members shall be attached}.

Appendix II - C: Power of Attorney

STANDARD POWER OF ATTORNEY

TO ALL IT MAY CONCERN

THAT BY THIS POWER OF ATTORNEY given on the *[insert date, month and year]*,
WE the undersigned *[insert name of the company/donor]* of *[insert address of the company/donor]*, by virtue of authority conferred to us by the Board Resolution No.....
.....ofday of*[insert year]*, do hereby ordain nominate
and appoint *[insert name of donee]* of *[insert address of the donee]* to be our true lawful
Attorney and Agent, with full power and authority, for us and in our names, and for our
accounts and benefits, to do any, or all of the following acts, in the execution of *licensing
round No. [insert licensing round number]* that is to say;

To act for the company and do any other thing or things incidental for *[insert
licensing round Number]* of *[insert description of procurement]* for the *[insert name
of the Procuring and Disposal Entity]*;

AND provided always that this Power of Attorney shall not revoke or in any manner affect
any future power of attorney given to any other person or persons for such other power or
powers shall remain and be of the same force and affect as if this deed has not been executed.

AND we hereby undertake to ratify everything, which our Attorney or any substitute or
substitutes or agent or agents appointed by him under this power on his behalf herein before
contained shall do or purport to do in virtue of this Power of Attorney.

SEALED with the common seal of the said *[[insert name of the company]* and delivered in
the presence of us this *[insert date]* day of *[insert month]* *[insert year]*.

IN WITNESS whereof we have signed this deed on this *[insert date]* day of *[insert month]*
[insert year] at *[insert region]* for and on behalf of *[insert name of the company]*

.....

SEALED and **DELIVERED** by the
Common Seal of *[insert name of the donor/coy]* }
This *[insert date, month and year]* }

.....
DONOR

BEFORE ME:

.....
COMMISSIONER FOR OATHS

SEALED and **DELIVERED** by the
Common Seal of [*insert name of the donor/coy*]
This [*insert date, month and year*] }

.....
DONEE

BEFORE ME:

.....
COMMISSIONER FOR OATHS

Appendix II-E: Anti-Bribery Policy

**THE REVOLUTIONARY GOVERNMENT OF ZANZIBAR
MEMORANDUM FOR ANTI-BRIBERY POLICY**

[The Public procurement and Disposal Act No.11 of 2016]

This company _____ *[name of Company]* places importance on competitive pre-qualification taking place on a basis that is free, fair and not open to abuse. It is pleased to confirm that it will not offer or facilitate, directly or indirectly, any improper inducement or reward to any public officer, their relations or business associates, in connection with its pre-qualification process.

This company has an Anti-Bribery Policy/ Code of Conduct and a Compliance Program which includes all reasonable steps necessary to assure that the No-bribery commitment given in this statement will be complied with by its managers and employees as well as by all third parties working with this company on the public sector projects or contract including agents, consultants, consortium partners, sub-contractors and suppliers. *[Copies of Anti-Bribery Policy/Code of Conduct and Compliance Program should be required by PDE when necessary].*

(Name of the Authorized Person)

Signature

Date

Company stamp/seal

Appendix II-F: Corporate Board Resolution

The board of Director of applied contractor should submit the evidence to recognize that it company apply the the First offshore Licensing Round in Zanzibar and should include the following:

- Date and Place of the meeting
- Name of Board Members attended

(Name of the Chairperson)

Signature

Date

Company stamp/seal

Appendix II-G: Parent company Guarantee

[Parent Company Guarantee shall be in the format as stipulated in the Model Production Sharing Agreement 2024 - Annex F]