

[DOE DEPARTMENT CIRCULAR NO. DC2012-02-0003, February 28, 2012]

SUPPLEMENTAL GUIDELINES IN THE TRANSPARENT AND COMPETITIVE SYSTEM OF AWARDING SERVICE AND OPERATING CONTRACTS FOR PETROLEUM AND COAL PROSPECTIVE AREAS

WHEREAS, on 01 December 2011, Department Circular No. DC2011-12-0010 entitled "*REITERATING A TRANSPARENT AND COMPETITIVE SYSTEM OF AWARDING SERVICE AND OPERATING CONTRACTS FOR PETROLEUM AND COAL PROSPECTIVE AREAS REPEALING FOR THIS PURPOSE DEPARTMENT CIRCULAR NOS. DC2009-04-0004 AND DC2010-03-0005*" (the "PECR4 Guidelines") was promulgated by the Department of Energy (DOE) providing for the framework of submission and evaluation of proposals for coal and petroleum exploration, development and utilization;

WHEREAS, interested proponents requested the extension of the timelines for submission of pre-qualification documents and proposals, and clarification of certain provisions in the PECR4 Guidelines;

WHEREAS, some offered coal contract areas were found to be too large to reasonably complete exploration work within the required two (2) to four (4) years exploration period and would require substantial financial commitment which will limit participation;

WHEREAS, in order to guarantee greater participation of interested proponents and to further ensure the transparent and competitive nature of submission and evaluation of proposals, there is a need to extend the timelines for submission, subdivide the previous offered areas, provide additional guidelines and clarify certain provisions in the PECR4 Guidelines;

NOW, THEREFORE, in consideration of the aforementioned premises, the following supplemental guidelines shall govern the transparent and competitive system of awarding service and operating contracts for petroleum and coal exploration, development and production.

Section 1. Annex B-1 (Timeline for Coal) of the PECR4 Guidelines is hereby amended as follows:

<u>DATE</u>	<u>ACTIVITY</u>
29 February 2012	Last Day of submission of
30 March 2012	Pre-qualification documents Last Day of submission of proposals (11:30 AM Philippine Time)

Section 2. Section 4.1 of the PECR4 Guidelines is hereby amended as follows:

"4.2.b.iv Submission of PECR Applications

xxx xxx xxx

Payment of Ten Thousand Pesos (Php10,000.00) as one-time pre-qualification review fee, net of all applicable bank and financial charges."

Section 3. Financial Documents. Audited Financial Statements and other financial requirements, if executed abroad, shall be duly authenticated by the Philippine Consulate in the country where it is registered or where it operates.

Section 4. Maximum Area for Coal. No person shall be entitled to more than fifteen (15) blocks of coal lands in any one coal region pursuant to Section 6, Presidential Decree No. 972, as amended.

Section 5. Amended and Additional Areas Offered for Coal

Contract Areas for coal shall be amended as follows:

5.1 Area 18 Bislig & Lingig, Surigao del Sur is sub-divided into three (3) areas, namely:

5.1.a Area 18-A (CB nos.: 40-L-249, -250 & -290)

5.1.b Area 18-B (CB nos.: 40-L-251, -252, -253 & -293); and

5.1.c Area 18-C (CB nos.: 40-L-294 and -295 & -254)

5.2 Area 19 is sub-divided into two (2) areas, namely:

5.2.a Area 19-A (CB nos.: 40-L-330, -331, -370 & -371); and

5.2.b Area 19-B (CB nos.: 40-L-332, -333 & -334)

5.3 Area 24 is sub-divided into two (2) areas, namely:

5.3.a Area 24-A (CB nos.: 46-J-142, -143, -182, -183 & -184); and

5.3.b Area 24-B (CB nos. 46-J-224, -225 & -265)

5.4 Area 25 is sub-divided into two (2) areas, namely:

5.4.a Area 25-A (CB nos.: 46-J-259, -260, -299 & -339); and

5.4.b Area 25-B (CB nos.: 46-J-341, -342, -343, -344 & -304)