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

TYPES OF CONTRACTS

- Production Sharing Contracts
- Exploration & Production Contracts
- Service Contracts
Phases of Operations

- Exploration
- Production Testing
- Appraisal
- Development and Production
Sedimentary Basins of Belize

- Corozal Basin (Carbonates)
- Maya Mountains (Mostly Metamorphic and Igneous Rocks)
- Belize Basin (Turbidite deposits and Carbonates)
- Offshore (Carbonates)
Exploration Work carried out before 2004

- Seismic Surveys
- Drilling
Seismic Surveys
Exploration Wells drilled in Belize
OIL COMPANIES IN BELIZE
1956-1982 (MAJORS)

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OIL COMPANIES IN BELIZE 1993-2005 (INDEPENDENTS)

Year
1993 1995 1997 1999 2001 2003 2005

No. of Wells
0 1 2 3 4 5 6

- Dover
- Bright Hawk
- Belize Natural Energy
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 1/2%

• Natural Gas: not less than 5%
Production Sharing – paid on Net Petroleum

- **Net Petroleum:**
  
  \[\text{Value of Petroleum Produced} - \text{Royalty} - \text{Petroleum Expenditures (capital and operational expenditures)}\]

- **Production Sharing Example:**

<table>
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<tr>
<th>Barrels/Day</th>
<th>GOB Prod. Share %</th>
<th>Company Share%</th>
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<td>0 – 50,000</td>
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<tr>
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<td>10%</td>
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<td>15%</td>
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<td>&gt; 150,000</td>
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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)  

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- Application Fee
- Annual Admin. Fee
- Annual Surface Rental/ acre
  - Year 1 & 2
  - Year 3 & 4
  - Year 5 & 6
  - Year 7 & 8
- Annual Surface Rental for Oil Field/ acre
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 21st 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

Geology and Petroleum Department

Director/Inspector of Petroleum (25)
Andre Cho

Geologist/Inspector of Mines (16)
Craig Moore

Geologist (16)
Vacant

Geological Draughtsman (15)
Stanislaus Martinez

Mineral Surveyor (5)
Edward Swift

First Class Clerk (7)
Florina Avella-Rayes

Secretary III (4)
Sharonetta Ayuso

Driver/Mechanic (4)
Gilbert Davis

Office Assistant (1)
Juanita Gentle
THANK YOU