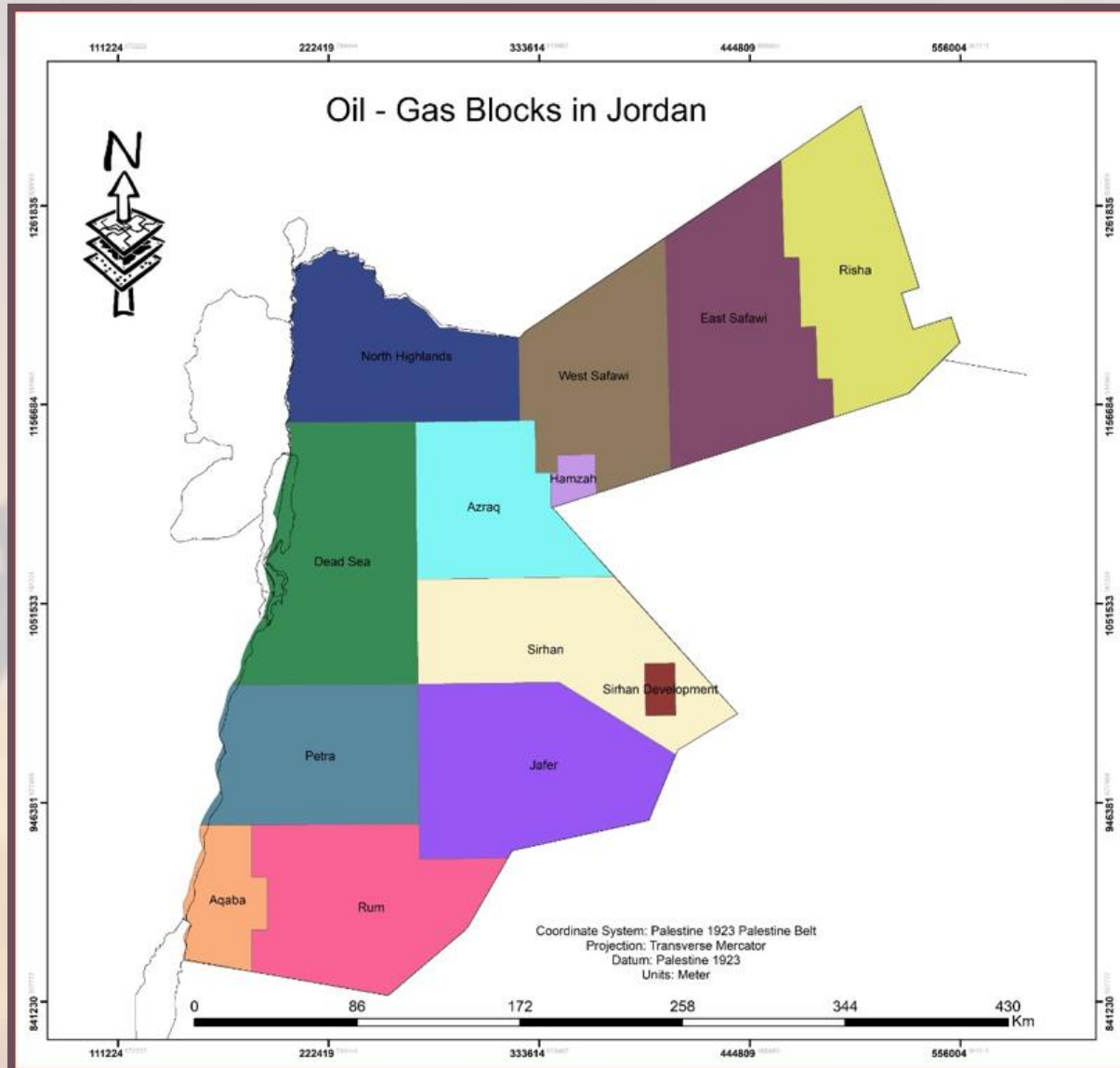




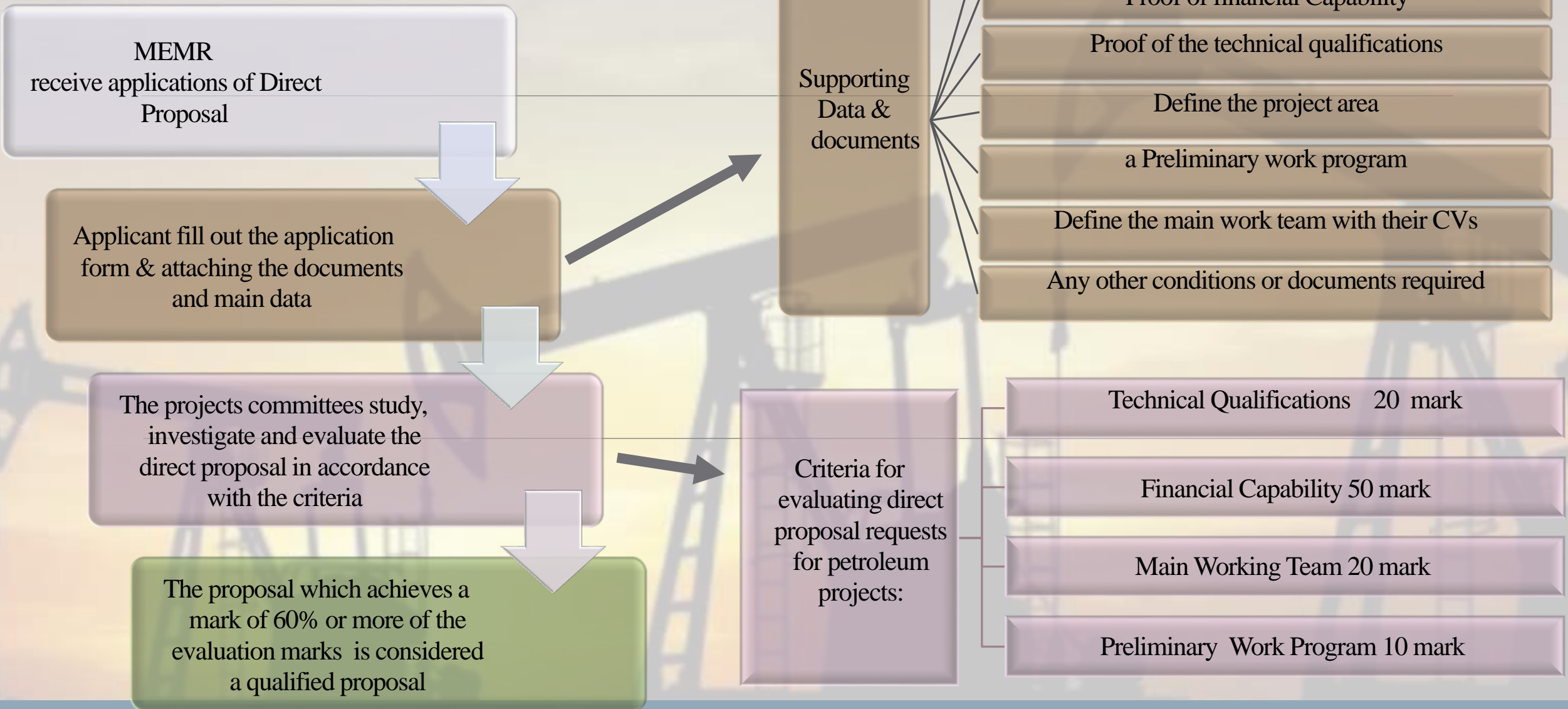
Hashemite kingdom of Jordan  
Ministry of Energy and Mineral Resources  
Natural resources projects Directorate



# OIL & GAS INVESTMENT PROCEDURES IN JORDAN

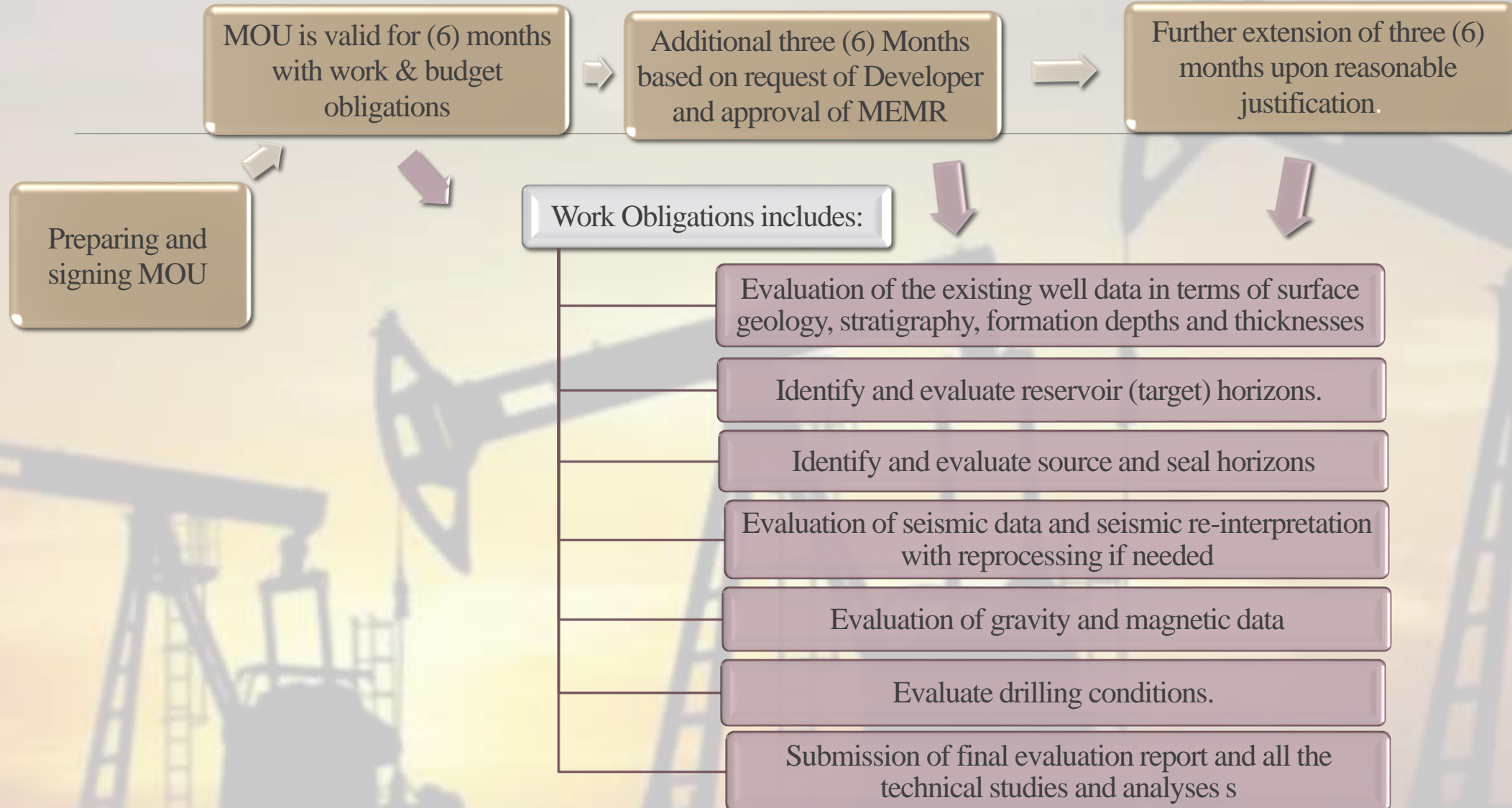


# The Procedures of Studying & Evaluating Direct Proposals





# The Phases of Memorandum of Understanding (MOU)



# The Phases of Production Sharing Agreement (PSA)



(The First  
Exploration phase)  
for 3 years

## • MINIMUM WORK PROGRAMME:

- Data Gathering & Analysis.
- Petrophysical & Geological Study.
- Re-Processing of old Seismic Data.
- Seismic Interpretation.
- 2D Seismic survey for 1000 Km. or 500 km<sup>2</sup> of 3D
- Process and Interpretate of the Seismic survey.
- Re-entry for old wells to Re-test if required by the company.
- Reporting and Decision.
- Wells Program Design.
- Drill 3 exploratory wells .
- Result Analysis & Studies

(The Second  
Exploration phase)  
for 2 years.

- 3D seismic survey for 1000 sq. km.
- Process and Interpretate of 3D Seismic survey.
- Drill two wells.

(The Third  
Exploration  
phase ) for 2  
years

- If, as a result of such operations or if during the final Year of the Second Exploration Phase a Discovery Well is established

PSA ( The  
Production phase )  
for 25 years

- prepare and review a proposed "Appraisal Program" a proposed appraisal plan, work program and budget ) to determine whether such Discovery is a Commercial Discovery.
- Development Plan for the Production Area

MEMR agrees to extend the  
Production Period with respect to  
Crude Oil for an additional five  
(5) Years and with respect to Gas  
for an additional ten (10) Years





# Financial obligations during the term of the PSA

- **The Developer will allocate financial obligations minimum**

USD ..... million for First Exploration Term and

USD ..... million for Second Exploration Term,

USD ----- million bank guarantee for the first exploration term,

USD ---- Million bank guarantee for the second exploration term.

USD ----- bank guarantee for the Customs Department

- **Training & Sustainable Development Projects payments:**

Developer shall pay annually, One Hundred Thousands USD (100,000) for training nationals and technology transfer And One Hundred Thousands USD (100,000) for Sustainable Development Project within the local community.

- **Cost Recovery:**

40 % for exploration and development expenditure and the operating expenses will be fully recovered in the same year in which they have been spent.

- **Production Sharing**

- The sharing of produced oil and gas will be as per the following table:

Barrels of Oil per Calendar Day	Government Share (%)	Contractor Share (%)
0-10,000	40	60
15,000-10,001	40-45	60-55
15,001-30,000	45-50	55-50
30,001-50,000	50-55	50-45
50,001-80,000	55-60	45-40
80,001-100,000	60-65	40-35
100,001 and above	70	30