

Instructions for Studying and Evaluating Direct Proposals for the Exploitation of Petroleum, Oil Shale, Coal, and Strategic Minerals

Year 2025

Issued pursuant to Article (3), Paragraph (b), Clause (4), and Article (16)
of the Regulation on Projects for the Exploitation of Petroleum, Oil Shale, Coal, and Strategic Minerals No. (76) of 2020,
and its amendments

Article (1)

These instructions shall be cited as the "Instructions for Studying and Evaluating Direct Proposals for the Exploitation of Petroleum, Oil Shale, Coal, and Strategic Minerals for the Year 2025", and shall enter into force from the date of their publication in the Official Gazette.

Article (2)

A. The following terms and phrases, wherever they appear in these instructions, shall have the meanings assigned to them below, unless the context otherwise indicates:

Term	Definition
Ministry	Ministry of Energy and Mineral Resources.
Minister	Minister of Energy and Mineral Resources.
Secretary-General	Secretary-General of the Ministry of Energy and Mineral Resources.
Law	Natural Resources Law.
Regulation	Regulation on Projects for the Exploitation of Petroleum, Oil Shale, Coal, and Strategic Minerals.
Committee	The Higher Committee formed pursuant to the provisions of the Regulation.
Project Committees	The technical committees formed pursuant to the provisions of the Regulation.
Application	The application submitted by the person according to the model prepared by the Ministry and approved by the Committee, in accordance with the terms and conditions of the Regulation and the instructions issued thereunder.

Negotiation Committee	The committee formed pursuant to Article 10 of the Regulation.
Direct Proposal	The complete set of documents and data attached to the application submitted by the person to the Ministry for the exploitation of petroleum, oil shale, coal, or strategic minerals.
Person	The company or consortium of companies that submits the direct proposal in accordance with the provisions of the Regulation.
Newly Established Person	A company or consortium of companies with fewer than three financial statements.
Qualified Person	The person whose direct proposal has been accepted by the Committee and who is qualified to sign a Memorandum of Understanding, or to enter into negotiations on a Production Sharing Agreement or an Implementation Agreement, as the case may be.
Project	A set of activities aimed at determining the feasibility of commercial exploitation of petroleum, oil shale, coal, or strategic minerals.

B. Definitions set forth in the Law and Regulation shall be adopted wherever referenced in these instructions, unless the context otherwise indicates.

Article (3)

The Ministry shall receive direct proposal applications at any time — whether for entering into a Memorandum of Understanding, negotiating the terms of a Production Sharing Agreement, or entering into an Implementation Agreement — for the exploitation of petroleum, oil shale, coal, or strategic minerals, as the case may be, in accordance with the provisions of the Law and Regulation.

Article (4)

A. The applicant shall complete the application form attached to these instructions, according to the field of the proposed project, for the purpose of submitting a direct proposal to exploit petroleum, oil shale, coal, or strategic minerals, as the case may be, along with the documents and data set out in the table below:

Projects	Entering into a Memorandum of Understanding	Negotiating a Production Sharing Agreement or an Implementation Agreement
Petroleum, Oil Shale, Coal, and Strategic Mineral Projects	<ol style="list-style-type: none"> 1. A declaration and undertaking confirming the accuracy of the data in the application. 2. A registration certificate certified by the official authorities in the country of registration. 3. Proof of financial solvency through any of the following: <ol style="list-style-type: none"> a. Audited and certified financial statements by a licensed legal accountant (financial auditor) for the last three years preceding the submission of the application. 	<ol style="list-style-type: none"> 1. A declaration and undertaking confirming the accuracy of the data in the application. 2. A registration certificate issued by the official authorities in the Kingdom. 3. Proof of financial solvency through each of the following: <ol style="list-style-type: none"> a. Audited financial statements by a financial auditor in accordance with the applicable rules for the last 3 years.

	<p>b. Evidence of the person's ability to secure the necessary funding to implement the proposed exploitation project.</p> <p>c. Submission of any other financial documents that may enhance the applicant's financial solvency, such as performance bonds, bank guarantees, or certificates of ownership of assets or financial shares.</p> <p>4. Evidence of the applicant's technical qualifications by demonstrating the number, size, and type of previously implemented projects related to the project under application.</p> <p>5. Clear definition of the project area.</p> <p>6. Submission of a detailed work program covering all planned activities, the time frame for each activity, and its estimated cost.</p> <p>7. Identification of the core project team, including their resumes specifying academic and professional qualifications covering the main operations of the project.</p> <p>8. Evidence of ownership of patents or proven proprietary technical technologies; or submission of documents confirming the right to use such technologies from their owners regarding oil shale exploitation projects.</p> <p>9. Any other conditions or documents required by the Ministry when submitting or examining the application.</p>	<p>b. A current bank account statement with a balance of at least (one million USD) for the last 6 months preceding the application, allowing verification of the applicant's financial capability to implement the project.</p> <p>c. Evidence of the applicant's ability to secure the necessary funding for the implementation of the first-stage work program of the proposed project.</p> <p>4. Evidence of the applicant's technical qualifications by demonstrating the number, size, and type of previously implemented projects related to the project under application.</p> <p>5. Clear definition of the project area.</p> <p>6. Submission of a detailed work program covering all planned activities, the time frame for each activity, and its estimated cost.</p> <p>7. Identification of the core project team, including resumes specifying academic and professional qualifications covering the main operations of the project.</p> <p>8. Evidence of ownership of successfully proven technical technologies; or submission of licenses to use them from their owners regarding oil shale projects.</p> <p>9. Submission of documents proving that the applicant has implemented projects similar to the proposed project, or has contracted with any entity that has previously implemented such projects.</p> <p>10. Any other conditions or documents required by the Ministry when submitting or examining the application.</p>
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B. Notwithstanding the provisions of paragraph (A) above, where the person submitting the direct proposal to enter into a Memorandum of Understanding, or to negotiate a Production Sharing Agreement or an Implementation Agreement, is a newly established person, such person shall submit the following technical and financial documents to demonstrate their technical capability and financial solvency to implement the project:

- Technical Capability Documentation: Including the experience profile of the core project team or technical arm that will work on the project — specifying years of experience, areas of expertise, the number and scale of previously implemented projects related to the field of the proposed project, along with their resumes and supporting documents — in accordance with the evaluation tables set out in Article (6) of these instructions.

- Financial Solvency Documentation: Including the paid-up capital or bank account statements of the partners, or the person's financial statements from the date of establishment, or financing commitment letters from reputable banks or financial institutions or funders whose financial standing can be verified through their documented track record; as well as any other financial documents, such as guarantees, that may enhance the financial solvency of the newly established person to implement the project.

Article (5)

A. The Minister shall, upon the recommendation of the Committee, form project committees as stipulated in paragraph (6) of the Regulation, according to the specializations required for studying the proposals submitted for each of the petroleum, oil shale, coal, and strategic mineral projects.

B.

1. The project committees shall study the Direct Proposals referred to them by the Committee for the purposes of examination, verification, and evaluation in accordance with the criteria set forth in these instructions, and shall recommend to the Committee the acceptance of the application and the qualification of its owner for contracting, or its rejection, as the case may be and in accordance with the provisions of the Regulation.

2. The project committees may resolve to contact or summon a direct proposal applicant to request clarification on any unclear information or documents in the direct proposal, or to request supporting documents — without prejudicing the rights of other direct proposal applicants. The competent project committee shall record the outcome of such contact or summons in the minutes of its meeting.

Article (6)

A. The project committees shall apply the following mechanisms and criteria when evaluating Direct Proposals:

1. Evaluation criteria for Direct Proposals submitted for petroleum, oil shale, coal, or strategic mineral projects:

No.	Criterion		Evaluation Marks — MOU Entry %	Evaluation Marks — Negotiations %
1.	Technical Qualifications	Previous Experience	30	30
		Core Work Team	20	20
2.	Financial Capacity		50	50

2. Evaluation criteria for Direct Proposals submitted by newly established persons for petroleum, oil shale, coal, or strategic mineral projects:

No.	Criterion		Evaluation Marks — MOU Entry %	Evaluation Marks — Negotiations %
1.	Technical Qualifications	Experience of the Core Work Team or Technical Arm	50	50
2.	Financial Capacity		50	50

B. A direct proposal that achieves a score of 70% or more of the technical evaluation marks set out in paragraph (A)(1) of this article shall be considered technically qualified for entering into a Memorandum of Understanding or for entering into negotiations on a Production Sharing Agreement or an Implementation Agreement, as the case may be.

C. The project committees shall complete the evaluation procedures for technically qualified Direct Proposals in accordance with paragraph (B) above. A direct proposal that additionally achieves a score of 70% or more of the financial evaluation marks set out in paragraph (A) of this article shall be considered technically and financially qualified for entering into a Memorandum of Understanding or for entering into negotiations on a Production Sharing Agreement or an Implementation Agreement, as the case may be.

D. Where more than one direct proposal is technically and financially qualified for the exploitation of petroleum, oil shale, coal, or strategic minerals within the same project area, the direct proposal achieving the highest aggregate technical and financial evaluation score shall be considered the qualified proposal for entering into a Memorandum of Understanding or for entering into negotiations on a Production Sharing Agreement or an Implementation Agreement, as the case may be.

Article (7)

A. The Committee shall follow the procedures below when studying and evaluating Direct Proposals:

1. Receive the direct proposal from the Secretary-General.
2. Review and conduct an initial examination of the direct proposal requests to verify the applicant's compliance with Article (4) of these instructions and the completeness of the proposal.
3. Refer the direct proposal requests to the competent project committees, each according to its area of specialization, to study the requests, verify their accuracy and the completeness of their attachments, evaluate the proposal in accordance with Article (6) of these instructions, and prepare a report containing the findings and recommendations.
4. Based on the report of the competent project committee, take the appropriate decision to accept the direct proposal and qualify its owner for contracting through a Memorandum of Understanding, or for entering into negotiations on a Production Sharing Agreement or an Implementation Agreement as the case may be; or to reject the direct proposal and notify the applicant of the decision without obligation to provide reasons.
5. Record minutes of each session, to be signed by the members of the Committee.

B. No direct proposal that contravenes the provisions of Articles (7) and (8) of the Regulation shall be considered.

C. Direct proposal applicants are strictly prohibited from contacting the Committee and/or the project committees regarding their direct proposal, under penalty of rejection of the proposal and disqualification from resubmission. This prohibition applies in any case where the contact is intended to influence the Committee's decision. Should an applicant wish to provide additional information to the Committee, they must do so by way of an official written communication addressed to the Ministry.

Article (8)

The Instructions for Studying and Evaluating Direct Proposals for the Exploitation of Petroleum, Oil Shale, Coal, and Strategic Minerals of 2021 are hereby repealed; provided that the decisions issued thereunder shall remain in force until repealed or amended accordingly.

**Minister of Energy and Mineral Resources
Dr. Saleh Al-Kharabsha**