

# OIL & GAS OPPORTUNITIES IN PERU

---

BUSINESS BREAKFAST



February, 2023

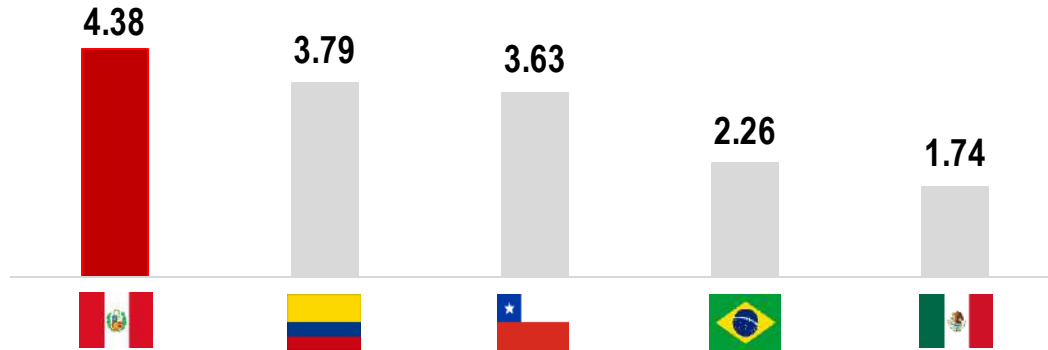


# INDEX

- Current Situation in Peru
- Peruvian Contracting Framework

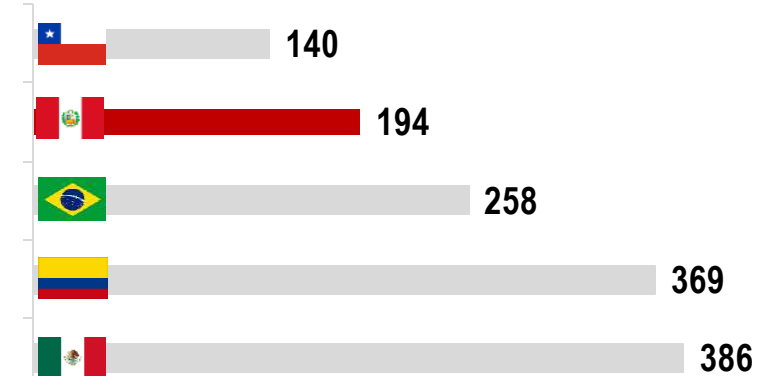


## Gross Domestic Product (Annual % Change, 2000 - 2022 average)



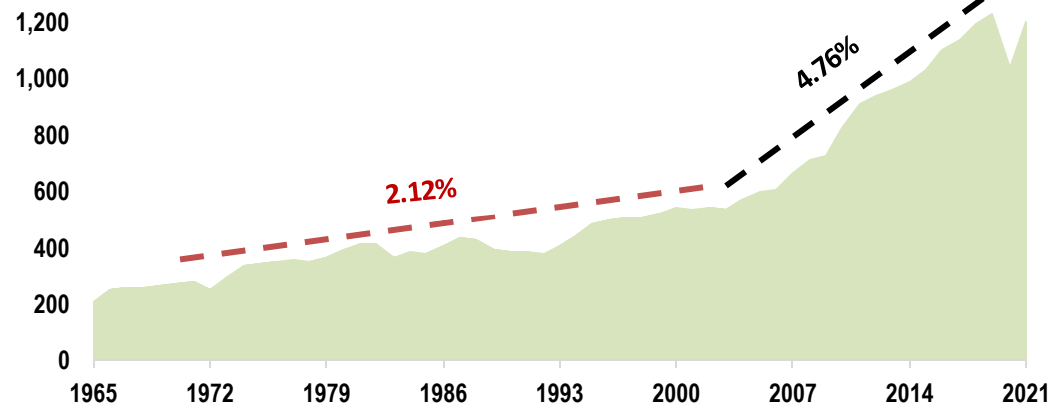
Source: FMI @ oct 2022

## Latin American Country Risk - 2022



Source: JP Morgan - BCRD @ dec 2022

## Total Energy Consumption (Petajoules)



Source: BP Statistical Review of World Energy 2022

- **Population:** 33.3 million
- **Urban:** 77%
- **Rural:** 23%
- **Area:** 1,29 million km<sup>2</sup>



# PERU: COUNTRY OF OPPORTUNITIES



**18** basins  
with potential

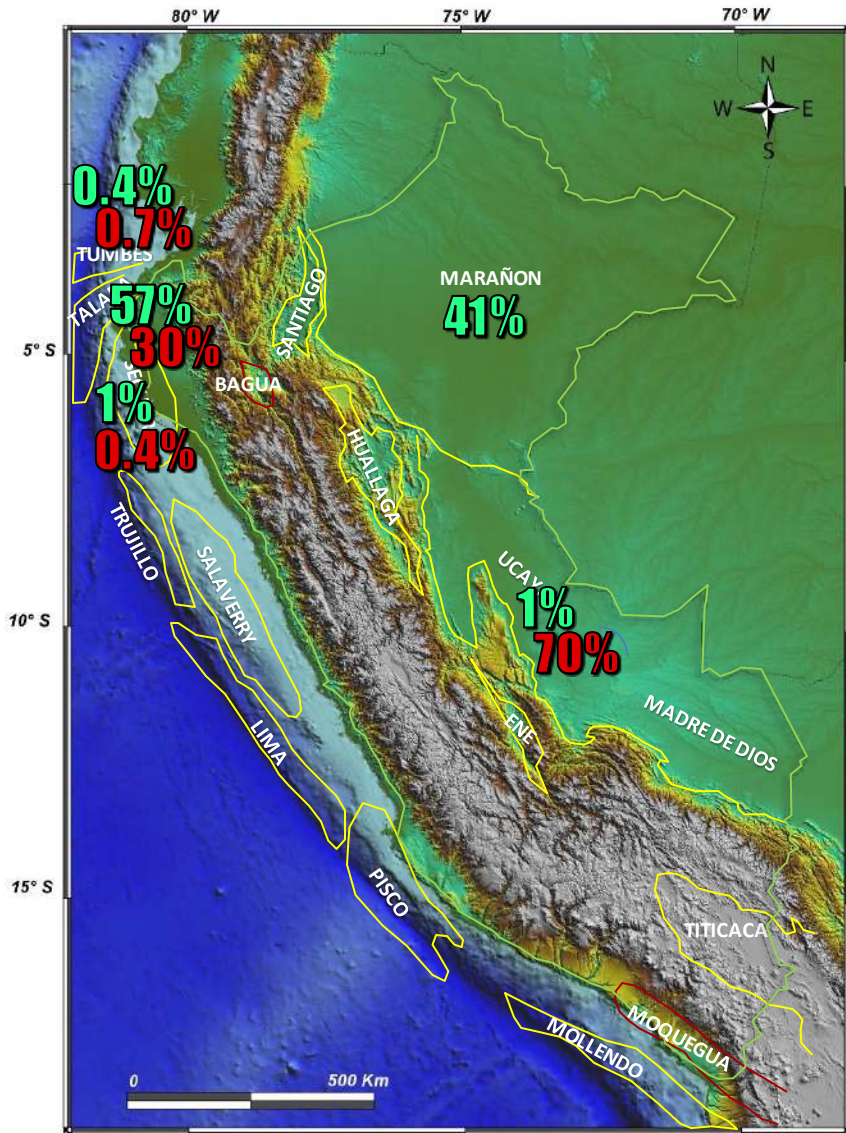
and only

**5** in  
production

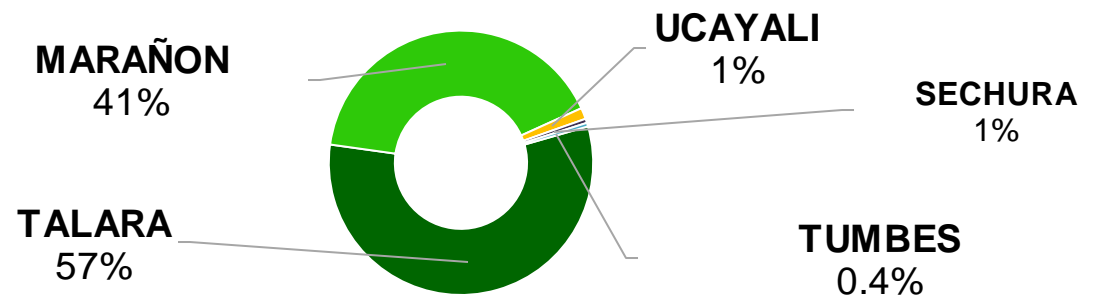
***Potential to explore***



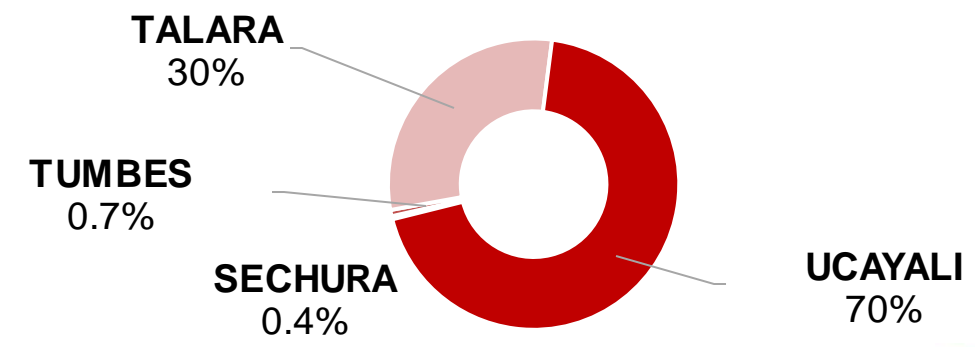
# PRODUCED HYDROCARBONS



**Oil** 2,577 MMbbls Oil

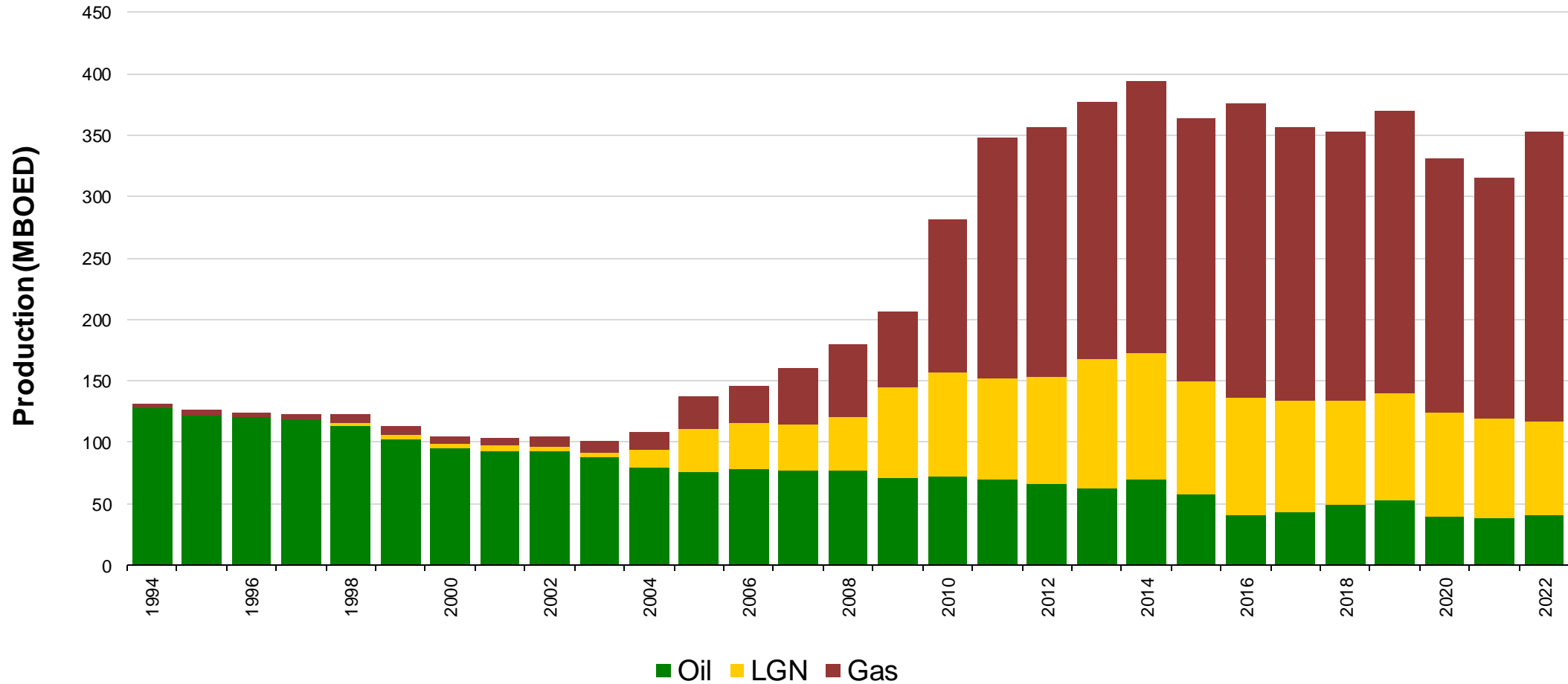


**Gas** 7,4 TCF





# HISTORICAL HYDROCARBONS PRODUCTION



MBOED: Thousands of barrels of oil equivalent.



## Peruvian Constitution Hydrocarbon Organic Law (Law 26221)

- Open Access
- Free Competition
- Freedom to sell the production
- Freedom to set prices
- “Contract-Law”
- Stability of tax regime

“In situ” Hydrocarbons are **owned by the Peruvian Government.**

The Government has granted **PERUPETRO the right of ownership** over the Hydrocarbons extracted

PERUPETRO can **enter into License, Service or other type of Contracts and Agreements** with OC.

PERUPETRO’s property rights over extracted hydrocarbons are transferred to **Licensees.**



### Regulations for the environmental protection

Supreme Decree 039-2014-EM



### Royalties & Retributions Regulations

Supreme Decree 049-93-EM & 017-2003-EM



### Regulations for Citizenship Participation

Supreme Decree 002-2019-EM



## LONG DURATION CONTRACTS

### Exploration Phase

- 7 years + 3 years extension.

### Production Phase

- Oil and Associated-Gas Production: **Up to 30 years.**
- Non-associated Gas production: **Up to 40 years.**

### Royalties linked to success:

- From **5% to 20%**, depending on the volume of production; or
- From **15% to 35%** depending on a “R” Factor (reduction is considered in case of mature fields)

### Ability to keep Non Commercial Discoveries:

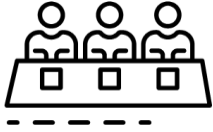
- 5 years for Oil Discoveries to make transportation possible
- 10 years for Non-associated Natural Gas to develop a market.

**Exploratory Working Units** in excess of the amount committed in one period may be carried forward to the following period





# HOW TO STEP IN PERU?



## DIRECT NEGOTIATION WITH PERUPETRO:

- According to **Law N° 26221**, companies can request **Direct Negotiation** for an available area as long as there is only one interested company



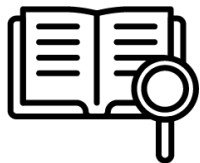
## BIDDING PROCESS

- Blocks to be **individually offered** in a Bidding Round



## TECHNICAL EVALUATION AGREEMENTS

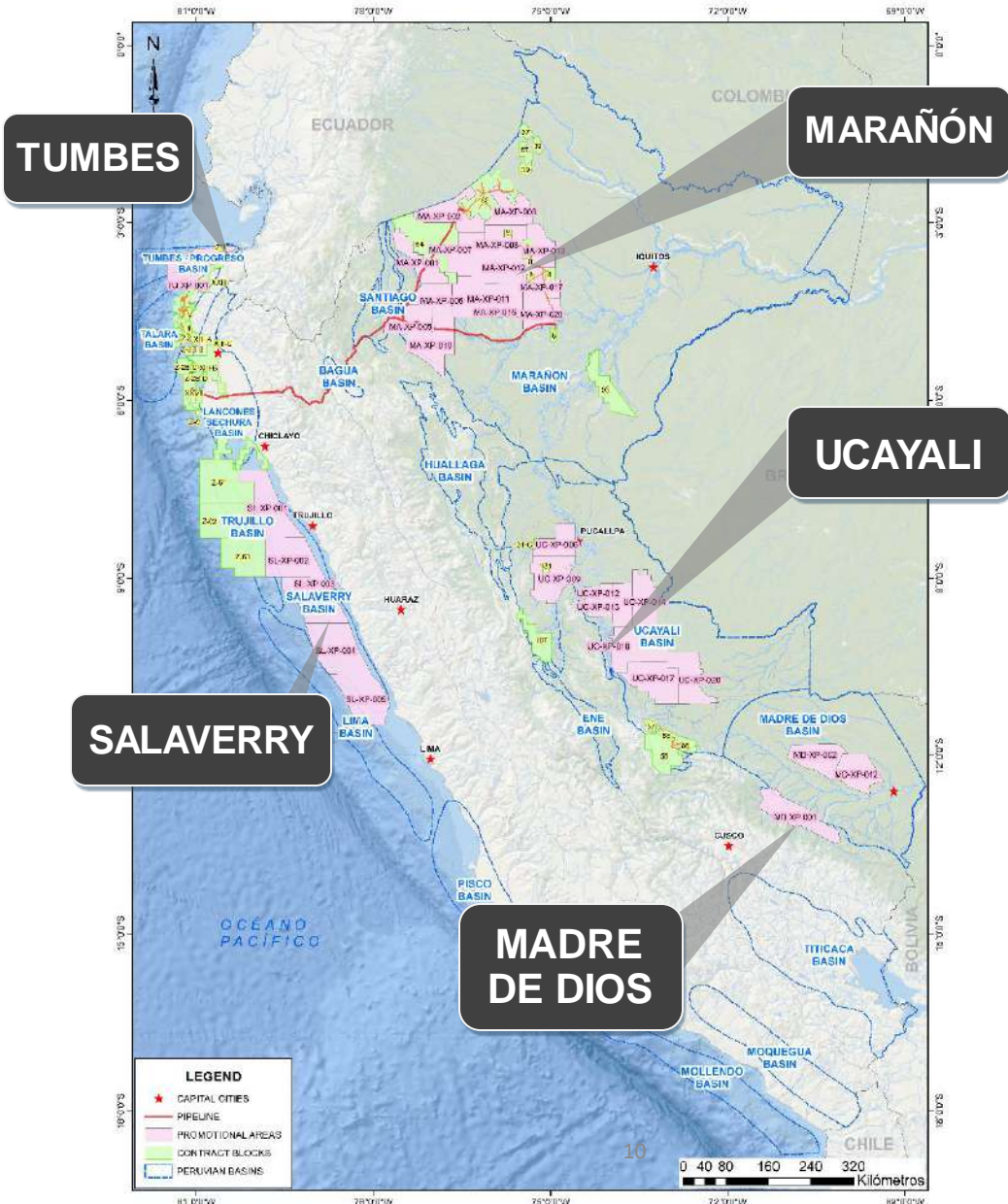
- On **Frontier and Semi-explored** areas.
- First Option Right to **Negotiate a License Contract**.
- 24 month period



- **PERUPETRO** will **evaluate the technical, economic and financial capacity** of the company (Qualification process)
- Companies may **consult existing technical information** at **PERUPETRO's Data Base** at free cost. ([bancodedatos.perupetro.com.pe](http://bancodedatos.perupetro.com.pe))



# PROMOTION AREAS

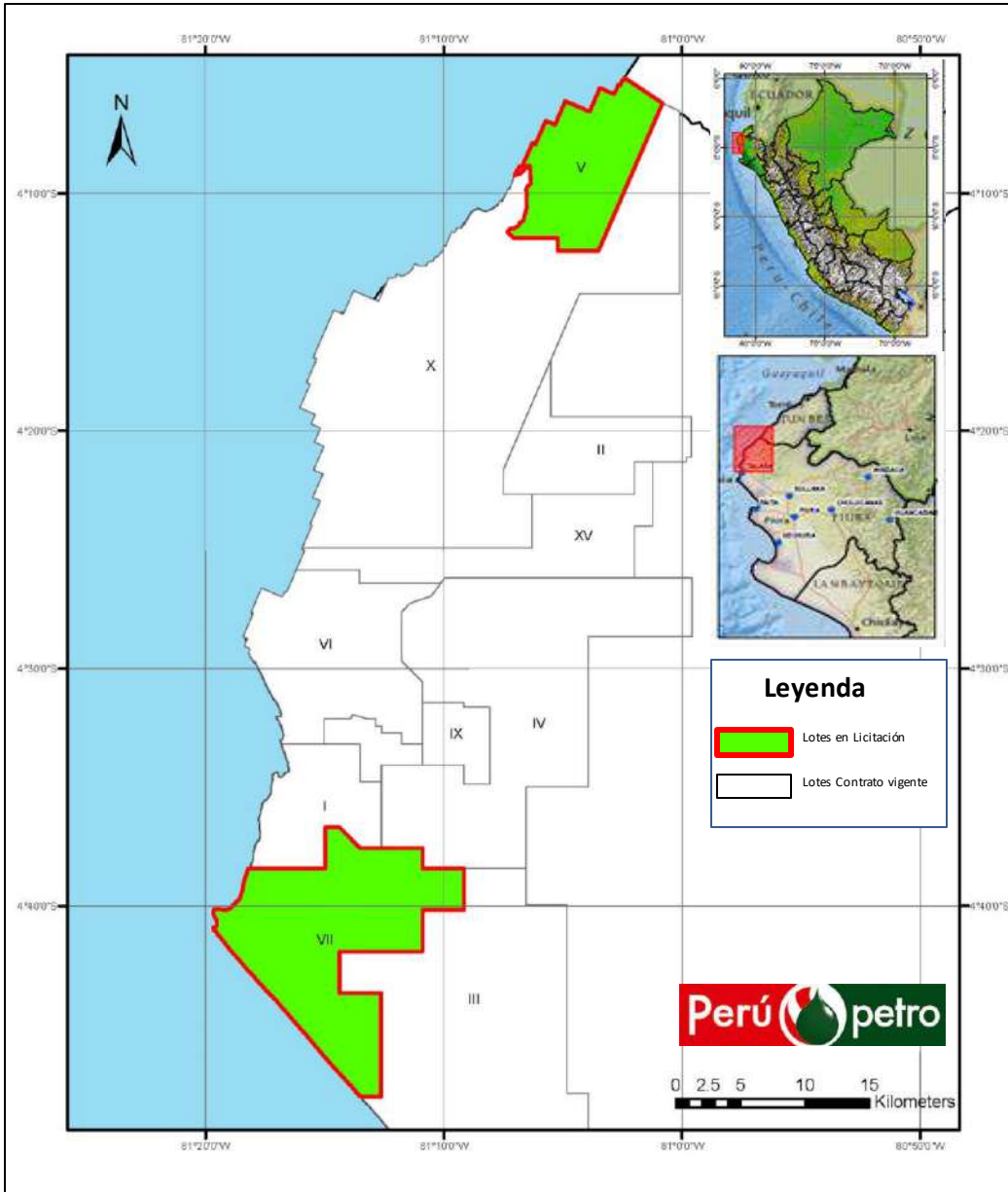


**31 PROPOSALS AREAS  
FOR TEA OR CONTRACTS**

BASIN	# AREA
Marañón	14
Ucayali	8
Madre de Dios	3
Salaverry	5
Tumbes	1



# OPPORTUNITIES IN PRODUCING BLOCKS



## Block V

**Start Production:**

1950s

**Proven Reserves Oil/Gas**

1.07 MMSTB/3.85 BCF

**Daily Production (Dec.2022):**

109 bpd (Oil), 630 Mcfd (Gas)



## Block VII

**Start Production:**

1910s

**Proven Reserves Oil/Gas**

4.29 MMSTB

**Daily Production (Nov.2022):**

1086 bpd (Oil), 359 Mcfd (Gas)

**THANKS!**



CONTACT US



[www.upstreamopportunities.pe](http://www.upstreamopportunities.pe)  
**[promotion@perupetro.com.pe](mailto:promotion@perupetro.com.pe)**  
Lima, Peru