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Myanmar Highlights

February 2015

Shell and MOECO sign contracts for three Myanmar offshore blocks

Royal Dutch Shell plc (**Shell**) and its partner Mitsui Oil Exploration Co., Ltd. (**MOECO**) have executed exploration and production sharing contracts (**PSCs**) with Myanma Oil and Gas Enterprise (**MOGE**) for three deep-water blocks. Pursuant to the PSCs, Shell will evaluate the potential of deep-water blocks AD-9 and AD-11 off Arakan State and MD-5 off Tenasserim Division. Shell will use leading deep-water exploration technologies including advanced tools for acquiring, processing and interpreting seismic data. Combined the three blocks cover approximately 21,000 square kilometers. They are located approximately 300 kilometers offshore in water depths ranging from 1,800 to 2,700 meters. Shell is the operator and has a 90% interest in the three PSCs with MOECO holding the remaining 10%. According to Graeme Smith, VP Exploration Asia and Australia at Shell, "The three blocks offer an exciting frontier exploration opportunity to apply the advanced deep-water technical capabilities we have built up around the world over the past three decades".

(Source: <http://www.irrawaddy.org/business/shell-inks-contract-explore-3-offshore-oil-gas-blocks.html>, 6 February 2015)

Ministry of Home Affairs invites expressions of interest in relation to introduction of biometric passports

The Ministry of Home Affairs (**Ministry**) is to invite tenders to implement the planned upgrade of passports to biometric passports under a BOT (build-operate-transfer) basis. The Ministry is currently involved in discussions with relevant par-

ties about ways to introduce biometric passports, also dubbed e-passports, in line with international standards. E-passports, a paper and electronic passport containing biometric information that can be used to authenticate the identity of the holder, will apply better security standards and help curb counterfeiting.

(Source: <http://www.mmbiztoday.com/articles/moha-invite-tenders-biometric-passports>, 10 February 2015)

CNPC sinks first deep-water test well at offshore block AG-1

On 8 February 2015, the Ministry of Energy announced details of the first deep-water appraisal well to be dug in Myanmar waters by Chinnery Assets Ltd a wholly owned subsidiary of the China National Petroleum Corporation (**CNPC**). Chinese rig Hai Yang Shi You 981 dug the Aung Pyay Hein well in deep-water block AG-1, searching for hydrocarbons at a depth of 1731 meters (5679 feet). CNPC was granted the rights to explore blocks AD-1, AD-6 and AD-8 in 2008. CNPC resumed seismic acquisition activities in 2013 after five years. Initial exploration activities were suspended due to unrest onshore of the deep-water block.

(Source: <http://www.mmmtimes.com/index.php/business/13124-first-test-well-for-deepwater-appraisal-sunk.html>, 15 February 2015)

Three day turnaround promised for DICA approval

The Directorate of Investment and Company Administration (**DICA**) has announced it is targeting a three-day turnaround to process company registration permits, operating licences and permissions. In an effort to speed up process times, the DICA has made additional information and forms available

via its website www.dica.gov.com. It has also taken steps to enhance the sharing of information between its regional, state and city offices. It has also published materials explaining the registration process in relation to small and medium-sized enterprises. The DICA was formed in 1993 and is responsible to the Ministry of National Planning and Economic Development.

(Source: <http://www.mmtimes.com/index.php/business/13090-three-day-turnaround-promised-for-dica-approval.html>, 10 February 2015)

Saha Group's subsidiary Tiger expands to Myanmar

Tiger Distribution and Logistics Co (**Tiger**), a subsidiary of Thailand's Saha Group, has established a joint venture in Myanmar to expand its logistics and warehouse business. The new joint-venture company - Tiger Distribution & Logistics (Myanmar) Co. Ltd (**Tiger Myanmar**) - has a registered capital of 10 million baht. Mr. Vichien Kantathavorn, Tiger's founder and managing director, noted that Myanmar is "a very promising market with a population of almost 60 million and quite low labour costs." ICC International Plc - the marketing arm of Saha Group and of Tiger Myanmar - holds a majority 60% stake in the joint venture, while MK Trading Company holds the remaining 40%. Tiger will establish a distribution center in Yangon.

(Source: <http://www.bangkokpost.com/business/news/472681/saha-group-subsi-dary-tiger-expands-to-myanmar>, 12 February 2015)

Japan's SMBC to open branch in Myanmar in 2015

Japan's Sumitomo Mitsui Banking Corp. (**SMBC**) will open a branch in Myanmar in 2015. SMBC was granted a licence by the Myanmar Central Bank in 2014. The branch will have between 30-40 employees and engage in deposit and lending services for Japanese and other companies operating in Myanmar. SMBC's outstanding balance of loans in Asia (outside of Japan) stood at US\$70 billion at the end of 2014, up approximately 80% since 2011.

(Source: <http://asia.nikkei.com/Japan-Update/SMBC-to-open-branches-in-the-Philippines-Myanmar>, 15 February 2015)

Rowsley Ltd to invest US\$275 million in Yangon real estate project

Singaporean real estate, architectural and engineering consultancy firm Rowsley Ltd (**Rowsley**) has announced it will invest US\$275 million in a Yangon real-estate project. Pursuant to a heads of terms agreement, Rowsley will take a 50% stake in a company that wholly owns the HAGL Myanmar Centre, one of the country's largest integrated property projects which when completed, will incorporate four office blocks, a five-star hotel, a retail mall, and serviced and residential apartments. Rowsley will work in cooperation with Vietnam's Hoang Anh Gia Lai Joint Stock Company which will undertake the construction work on the project. The first phase of the center will be operational in 2015 and is expected to cost approximately US\$550 million.

(Source: <http://consult-myanmar.com/2015/02/17/rowsley-to-invest-us275-million-in-tie-up-to-develop-myanmar-project/>, 17 February 2015)

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