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Myanmar Highlights

April 2014

Myanmar awards shallow and deep water offshore oil and gas blocks

Myanmar has awarded 10 shallow-water blocks and 10 deep-water blocks in the latest stage of a tender process that commenced in April 2013. Winners of deep-water blocks can explore and operate allocated blocks on their own, whereas shallow-water winners will need to work in cooperation with a registered local partner and pursuant to the terms of production sharing contracts (**PSCs**). Additionally block winners are required to conduct environmental and social impact assessments and develop corporate social responsibility

Shallow water blocks:

	<u>Block</u>	<u>Company</u>	<u>Country</u>
1.	A-4	BG Asia Pacific/Woodside Energy	(Myanmar) UK/Australia
2.	A-5	Chevron (Unocal Myanmar Offshore Co. Ltd)	US
3.	A-7	BG Asia Pacific/Woodside Energy (Myanmar)	UK/Australia
4.	M-4	Oil India Ltd/Mercator Petroleum/Oilmax Energy	India
5.	M-7	ROC Oil/Tap Oil	Australia
6.	M-8	Berlanga Holding	Netherlands
7.	M-15	Transcontinental Group	Australia
8.	M-17	Reliance Industries	India
9.	M-18	Reliance Industries	India
10.	YEB	Oil India Ltd/Mercator Petroleum/Oilmax Energy	India

programs within six months from the date of the signing of the PSCs. Blocks are awarded for a 30-year production period. The winning bidders must obtain the approval of the Myanmar Investment Commission prior to commencing operations.

Twenty of the thirty blocks initially put out to tender have been awarded. A further announcement is expected in relation to the 10 unallocated blocks. Total investment in the allocated blocks is expected to be approximately US\$15 billion.

A list of the successful bidders announced to date is set out below:-

Deep water blocks:

	<u>Block</u>	<u>Company</u>	<u>Country</u>
1.	AD-2	BG Asia Pacific/Woodside Energy (Myanmar)	UK/Australia
2.	AD-3	Ophir Energy Plc	UK
3.	AD-5	BG Asia Pacific/Woodside Energy (Myanmar)	UK/Australia
4.	AD-9	Shell Myanmar Energy/MOECO	Netherlands
5.	AD-10	Statoil/Conoco Phillips	Norway/US
6.	AD-11	Shell Myanmar Energy/MOECO	Netherlands
7.	MD-2	Eni Myanmar	Italy
8.	MD-4	Eni Myanmar	Italy
9.	MD-5	Shell Myanmar Energy/MOECO	Netherlands
10.	YWB	Total E&P Myanmar	France

(Source: *elevemyanmar.com*, *Myanmar Business Today*, *Reuters*, 27 March 2014, *Myanmar Times* 31 March 2014 and the *Myanmar Ministry of Energy*, 3 April 2014.)

Singapore's Interra Resources declares oil success in Myanmar

Singapore's Interra Resources Ltd has confirmed that one of its wells, CHK 1182, in the Chauk oil field, in Myanmar is now producing oil. CHK 1182 is the fourth well completed in the new development program of directional drilling under the Irrawaddy River in the northern Chauk field and the sixth well to go into production in Myanmar, in 2014. (Source *www.upi.com* , 3 April 2014)

Myanmar receives US\$55 million to modernise its public financial management systems

The World Bank, the Australian Government and the UK Department for International Development have provided Myanmar with US\$55 million to support the modernisation of its public financial management (PFM) system. The project is expected to boost revenue administration and increase the efficiency of tax and non-tax revenue mobilisation. According to the World Bank, improved tax compliance in Myanmar would make more funds available to finance critical human and infrastructure services while maintaining

fiscal discipline. The PFM modernisation project is aimed at supporting efficient, accountable and responsive delivery of public services through an improved PFM system. The project will also improve the efficiency of public service delivery through a more strategic planning and budgeting process that directs resources to the highest priority areas. (Source: *www.publicfinanceinternational.org* 4 April 2014)



Myanmar Petrochemical Enterprise requests expressions of interest

The Myanmar Petrochemical Enterprise (**MPE**) has issued two new invitations to tender in relation to the conveyance of concentrate from the Yetagun Marine Terminal Offshore to No. (1) Refinery at Thanlyin and a joint venture project for the production, storage, distribution and marketing of liquefied petroleum gas produced at Nyaung Don. More detailed information is available from MPE's Department of Finance, Nay Pyi Taw. (Source: <http://www.energy.gov.mm> 4 April 2014)



Ministry for Environmental Conservation and Forestry in talks on how to develop timber industry

The Ministry for Environmental Conservation and Forestry (**MECF**) has been consulting with several companies - including Singapore's Concorde Industries Ltd - about the modernisation of Myanmar's teak sector following the introduction of a ban on the exportation of raw teak logs. The ban, which came into effect on 30 April 2014, was introduced to encourage the development of Myanmar's domestic wood-processing industry. The MECF is seeking to develop value-added processing facilities in Myanmar, increase revenue and improve technologies uses in the sector. (Source: *New Light of Myanmar*, 1 April 2014.)

Telenor to sell SIM cards in Myanmar for Kyats 1, 500

From October 2014 Telenor Myanmar Company Limited (**Telenor**) will sell SIM cards for Kyats 1, 500. Call charges will also be halved. Telenor's SIM's can be used in any handset model. Telenor has applied for planning permission to construct eight mobile towers to ensure universal coverage in the Meiktila area and has announced it has commenced the hiring of approximately 3000 workers nationwide. (Source: *The New Light of Myanmar*, 29 March 2014)

Ooredoo tests 3G network in Yangon, Nay Pyi Taw and Mandalay

Ooredoo Myanmar Company Limited (**Ooredoo**) has tested its 3G network in Yangon, Nay Pyi Taw and Mandalay. Ooredoo previously successfully tested its 3G network in and around the Myanmar Information and Communication Technology Park in Yangon where it is headquartered. Ooredoo, which has applied for planning permission to construct mobile towers around the country, plans to start selling 3G enabled SIM cards within six months. (Source: myanmarupdate.com, 29 March 2014)

Rice exports to China decrease

According to the Myanmar Rice and Paddy Association Myanmar (**MRPA**), Myanmar exported approximately seven hundred tonnes of rice and rice products to China in the twelve months ending 31 March 2014. The overwhelming majority of rice exports to China were transported via the Muse border crossing. According to the MRPA, exports have decreased slightly in the last year. The MRPA has stated that Myanmar farmers will need to cultivate rice from quality paddy fields and adopt international standards to become more competitive. (Source: www.elevenmyanmar.com 3 April 2014)

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