

An aerial photograph showing an offshore oil rig deck on the left and a blue supply vessel on the right. The rig deck is yellow and has several workers in red safety gear. The supply vessel is blue with red railings and is carrying a large load of white cylindrical objects on its deck. The vessel is moving through the dark blue sea, leaving a white wake.

Offshore developments in Romania

Mihai Petre

Director, EY Romania



01

11th Bidding Round for onshore and offshore concessions in Romania

02

Customs formalities for goods moved to/coming from EEZ of Romania

03

Trade defense measures – extended to continental shelf and EEZ of Member States



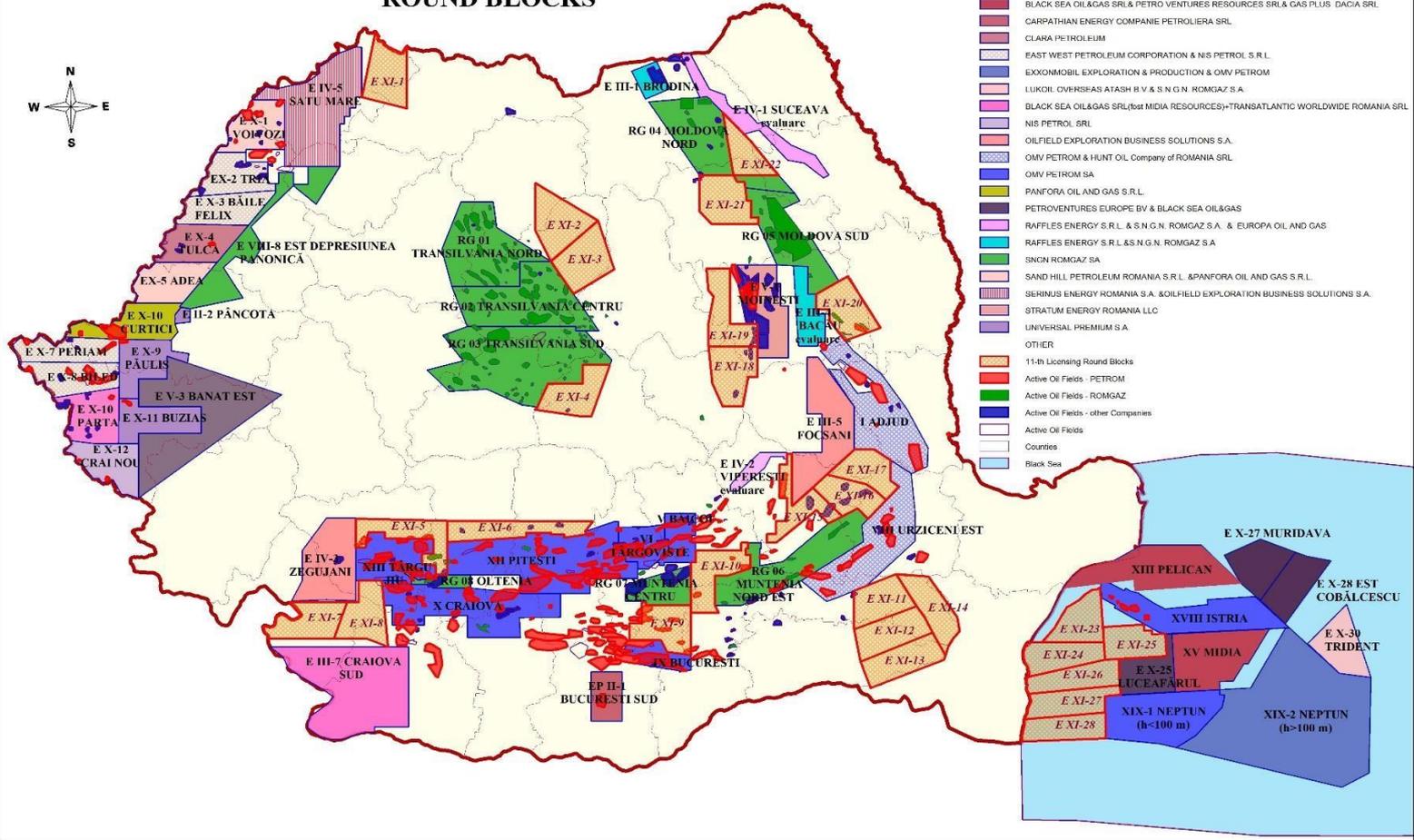
NATIONAL AGENCY OF MINERAL RESOURCES

CONCESSION MAP - ACTIVE BLOCKS AND 11-th LICENSING ROUND BLOCKS



LEGEND

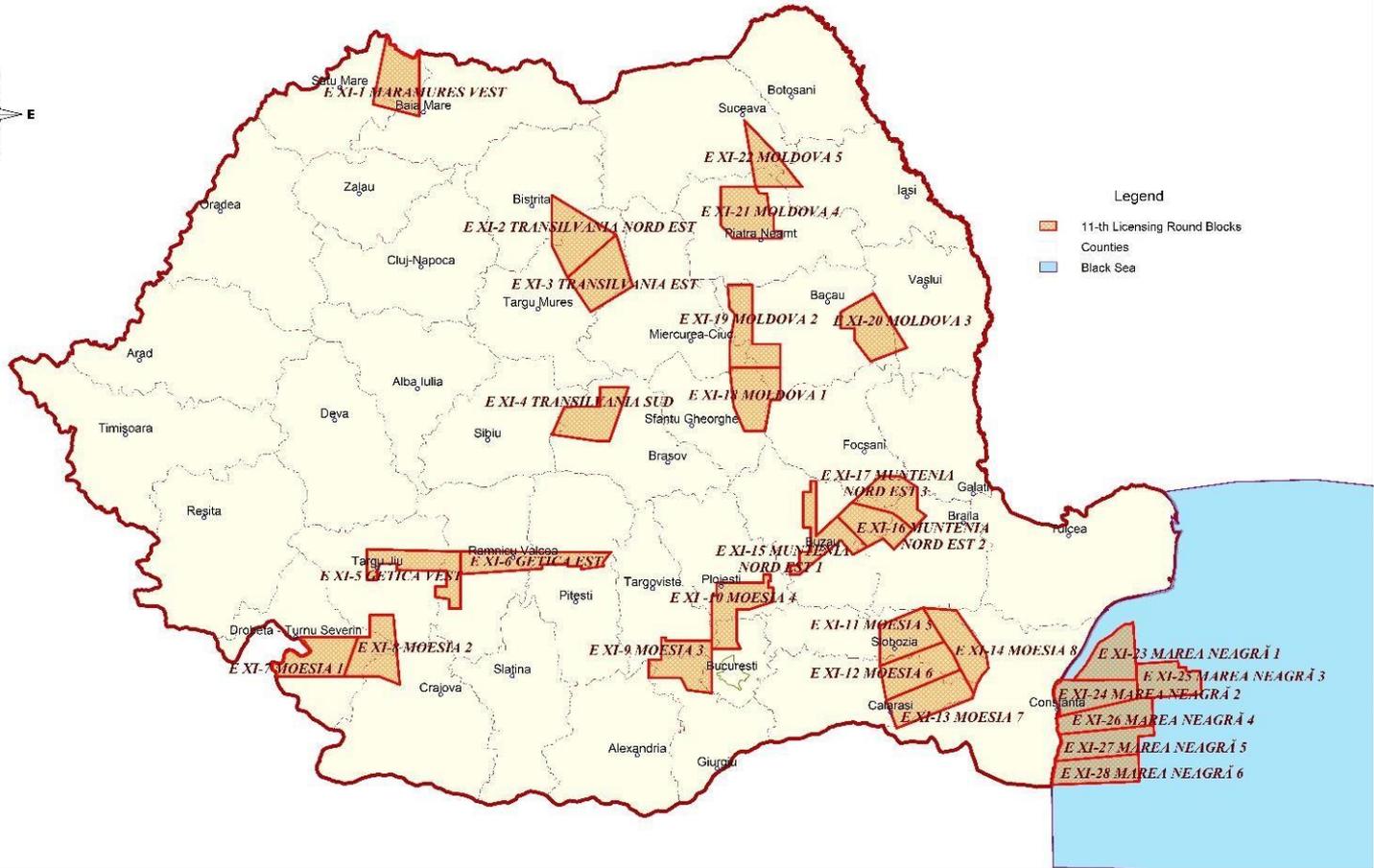
- ACTIVE BLOCKS HOLDERS
- PETROMAR SA & PETROMAR RESOURCES BV AMSTERDAM - Susursala Ilfov
 - ADX Energy Panama S.R.L.
 - AMRO GOLD OIL S.R.L.
 - AMROMCO ENERGY SRL
 - BLACK SEA OIL&GAS SRL & PETRO VENTURES RESOURCES SRL & GAS PLUS DACIA SRL
 - CARPATHIAN ENERGY COMPANIE PETROLIERA SRL
 - CLARA PETROLEUM
 - EAST WEST PETROLEUM CORPORATION & NIS PETROL S.R.L.
 - EXXONMOBIL EXPLORATION & PRODUCTION & OMV PETROM
 - LUKIL OVRISFAS ATASH II V & S N G N ROMGAZ S.A
 - BLACK SEA OIL&GAS SRL (for MEDIA RESOURCES)+TRANSATLANTIC WORLDWIDE ROMANIA SRL
 - NIS PETROL SRL
 - OILFIELD EXPLORATION BUSINESS SOLUTIONS S.A.
 - OMV PETROM & HUNT OIL Company of ROMANIA SRL
 - OMV PETROM SA
 - PANFORA OIL AND GAS S.R.L.
 - PETROVENTURES EUROPE BV & BLACK SEA OIL&GAS
 - RAFFLES ENERGY S.R.L. & S.N.G.N. ROMGAZ S.A. & EUROPA OIL AND GAS
 - RAFFLES ENERGY S.R.L. & S.N.G.N. ROMGAZ S.A
 - SINON ROMGAZ SA
 - SAND HILL PETROLEUM ROMANIA S.R.L. & PANFORA OIL AND GAS S.R.L.
 - SERINUS ENERGY ROMANIA S.A. & OILFIELD EXPLORATION BUSINESS SOLUTIONS S.A.
 - STRATUM ENERGY ROMANIA LLC
 - UNIVERSAL PREMIUM S.A
- OTHER
- 11-th Licensing Round Blocks
 - Active Oil Fields - PETROM
 - Active Oil Fields - ROMGAZ
 - Active Oil Fields - other Companies
 - Active Oil Fields
 - Counties
 - Black Sea





NATIONAL AGENCY OF MINERAL RESOURCES

11-th LICESING ROUND BLOCKS



Bidding

Block specific data packages

28 data packages for 22 onshore blocks and 6 offshore blocks prepared

Available for license on a non-exclusive basis.

Includes seismic sections, well logs and location data.

The purchase of a license-to-use a block-specific package is a requirement to participate in the round.

Companies purchasing use of the data will be required to sign a standard license-to-use agreement prior to delivery.

Data package structure

Describes the petroleum geology, plays, leads and prospectivity of the block

- ➔ Location map
 - ➔ Bidding requirements
 - ➔ All available data (maps and tables)
 - ➔ Block coordinates and excluded areas (existing fields under concession)
 - ➔ Map showing environmental protected areas
 - ➔ Geological setting (lithology, tectonics, hydrocarbon potential)
 - ➔ Enclosures: maps, key seismic sections, key well logs, etc.
-

Block specific data package format

28 data packages for 22 onshore blocks and 6 offshore blocks prepared

Graphical part on paper format consisting of the tender package and the graphical annexes (lines, maps and plotted wells)

Digital part including information on DVD (segy seismic lines, lines, wells and interpreted sections in jpg format, coordinates...)

ArcGIS Project on DVD

Bidding

➔ A company may bid for one or more open blocks in its own right, or on behalf of a consortium

➔ Bid includes:

- ✓ The qualification document, the content of which is set out in the Bidding Procedure;
 - ❖ Demonstration of financial capability is mandatory for all applicants
 - ❖ Demonstration of both technical and financial capability is mandatory for applicants intending to bid alone, or as appointed operator of a consortium
 - ✓ Proposed minimum exploration program and expenditure commitment;
 - ✓ Environmental impact mitigation;
 - ✓ Proposed training and transfer of technology program.
-

Bidding

- ➔ Publication of the list of blocks on offer in the Official Monitor of Romania, according to The Petroleum Law
 - ➔ Publication of notice inviting applications in the Official Journal of the European Union, according to 94/22/EC Directive – **marks the official launch of the 11th Licensing Round**
 - ➔ Data room and data package distribution, companies prepare proposals
 - ➔ Deadline for submission of offers – **on the 120th working day after the official launch**
 - ➔ NAMR evaluates bids – **tentatively 30 days after the submission deadline**
 - ➔ Notification of bid qualification status
 - ➔ NAMR and company negotiations
 - ➔ Contract signing
-



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11th Bidding Round for onshore and offshore concessions in Romania

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Trade defense measures – extended to continental shelf and EEZ of Member States

03

Customs formalities for goods moved to/coming from EEZ of Romania

Trade defence measures

Extended to continental shelf and EEZ of EU Member States

- ✓ **New customs rules** → levying anti-dumping and/or countervailing duty on goods brought to:
 - an artificial island, on a fixed or floating installation or on any other structure on the continental shelf or in the exclusive economic zone of a Member State
 - goods coming from non-EU or EU to such places → need to be followed by a declaration of receipt submitted by consignee to competent customs office
- ! full application of the procedure starting with November 2019;



Trade defence measures

Extended to continental shelf and EEZ of EU Member States

✓ Which goods are subject to the procedure ?

Goods subject to:

- a notice of initiation of an anti-dumping or anti-subsidy investigation;
- a Commission Implementing Regulation whereby imports are subject to registration;
- a Commission Implementing Regulation imposing a provisional or definitive anti-dumping or countervailing duties

✓ Legislative basis

- EU Regulation no. 1131/2019
- ! No Romanian local rules yet

Trade defence measures

Extended to continental shelf and EEZ of EU Member States

PART II

Form

EUROPEAN UNION					
Receipt declaration					
(Articles 3 and 4 of the Commission Implementing Regulation (EU) 2019/1131, of 2 July 2019 establishing a customs tool in order to implement Article 14a of Council Regulation (EU) 2016/1036 and Article 24a of Council Regulation (EU) 2016/1037)					
Original For the competent customs authorities	1. Recipient identification No (name, address and EORI number of the recipient)				
	2. Product concerned declared				
	Commodity code — TARIC code (and TARIC additional code where applicable)	Country of origin code and/or, where applicable (*), country of consignment code	Gross and net mass	Quantity expressed in supplementary unit (where applicable)	Description of product concerned
3. Competent Member State (see Articles 3(2) and 4(4))					
4. Number of the Regulation(s) or notice(s) of initiation applicable to this declaration					
Measure applicable (tick box): <input type="checkbox"/> Anti-dumping/countervailing statistics <input type="checkbox"/> Notice of initiation <input type="checkbox"/> Registration <input type="checkbox"/> Provisional anti-dumping duty <input type="checkbox"/> Provisional countervailing duty <input type="checkbox"/> Definitive anti-dumping duty <input type="checkbox"/> Definitive countervailing duty					
5. Net, free-at-continental shelf or Exclusive Economic Zone frontier price.					

6. Calculation of the amount of anti-dumping and/or countervailing duty payable, where applicable		
7. Date of receipt of the product concerned and, where applicable, MRN		
8. Documents produced, certificates and authorisations, additional references (invoice shall be attached in case of sale of product concerned)		
9. Date	Name of the recipient	Signature of the recipient
(*) In case anti-dumping or anti-subsidy measures have been extended to products consigned from a country other than the country concerned by the measures after an anti-circumvention investigation.		

FOR CUSTOMS USE ONLY

Remarks of the competent customs authorities of the Member State			
Date of receipt of the Receipt declaration and registration number			
<input type="checkbox"/> Invoice for application of reduced rate of duty or undertaking (tick box) <input type="checkbox"/> Meeting the Minimum Import Price (MIP) defined as threshold for reduction/exemption of antidumping/countervailing duty (tick box)			
Other remarks			
Date	Name	Signature	Stamp/Address

Note:

The text on the copy of the receipt declaration shall be:

'Copy

For the recipient'.



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Customs formalities for goods moved to/coming from EEZ of Romania

Deep practical knowledge of customs, excise and VAT implications of offshore drilling

- ▶ Three people only arranged and visited a full working offshore rig in the Romanian Black Sea.



Customs formalities

Goods moved to/coming from EEZ of Romania

- ✓ **New approach of the Exclusive Economic Zone from a customs duties perspective**
 - EU goods moved to EEZ = Export formalities needed (goods will lose EU status);
 - Non-EU goods brought directly to EEZ = No import formalities needed (still remain non-EU goods)
 - Goods coming from EEZ to Romanian shore = Import/Reimport formalities needed (they become EU goods)

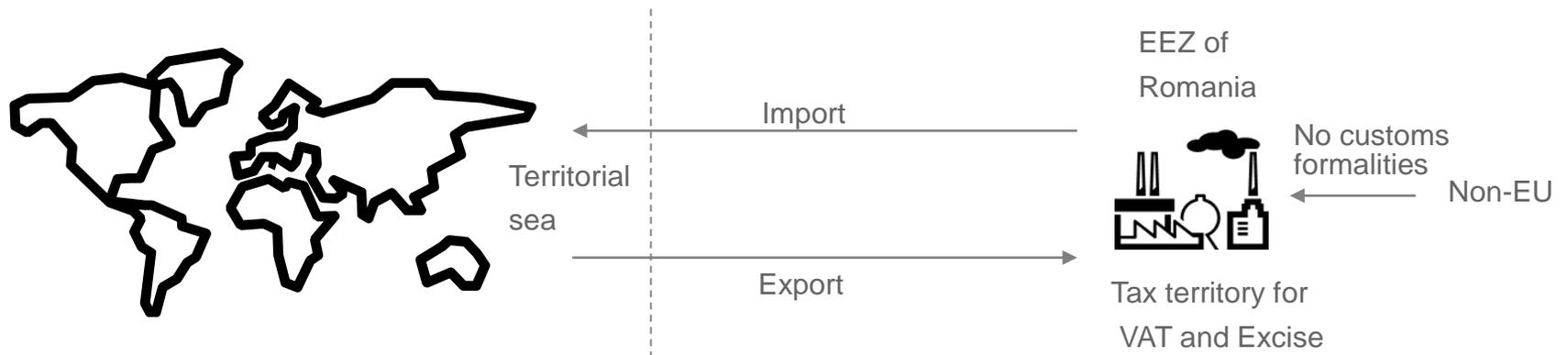


Customs formalities

Goods moved to/coming from EEZ of Romania

✓ What are the challenges ?

- EEZ of Romania = still remains tax territory in terms of VAT and EXCISE
- VAT & Excise duties become chargeable;
- Reimbursement of any applicable customs duties for EU goods brought back from EEZ to EU shore (3 years timeframe)
- Customs duties economies = application of special customs regimes

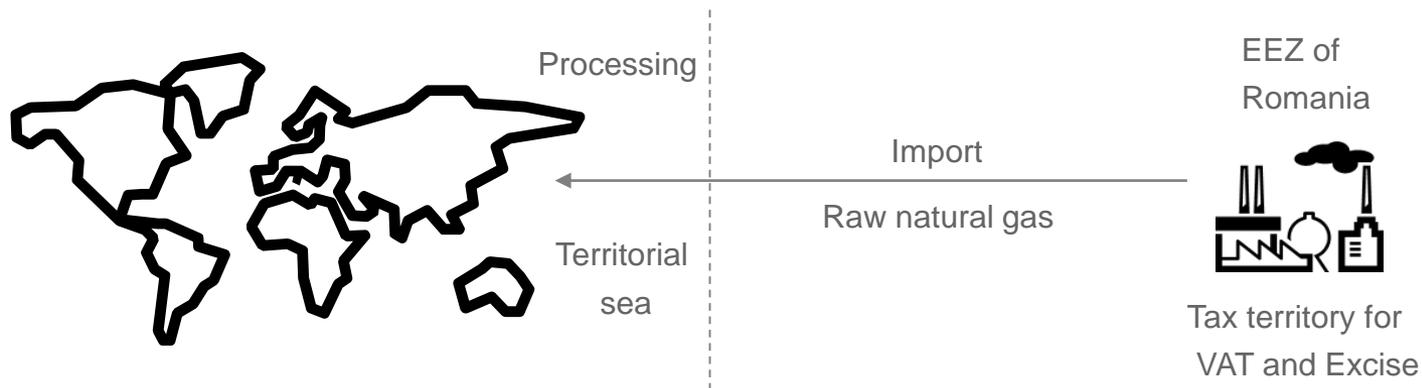


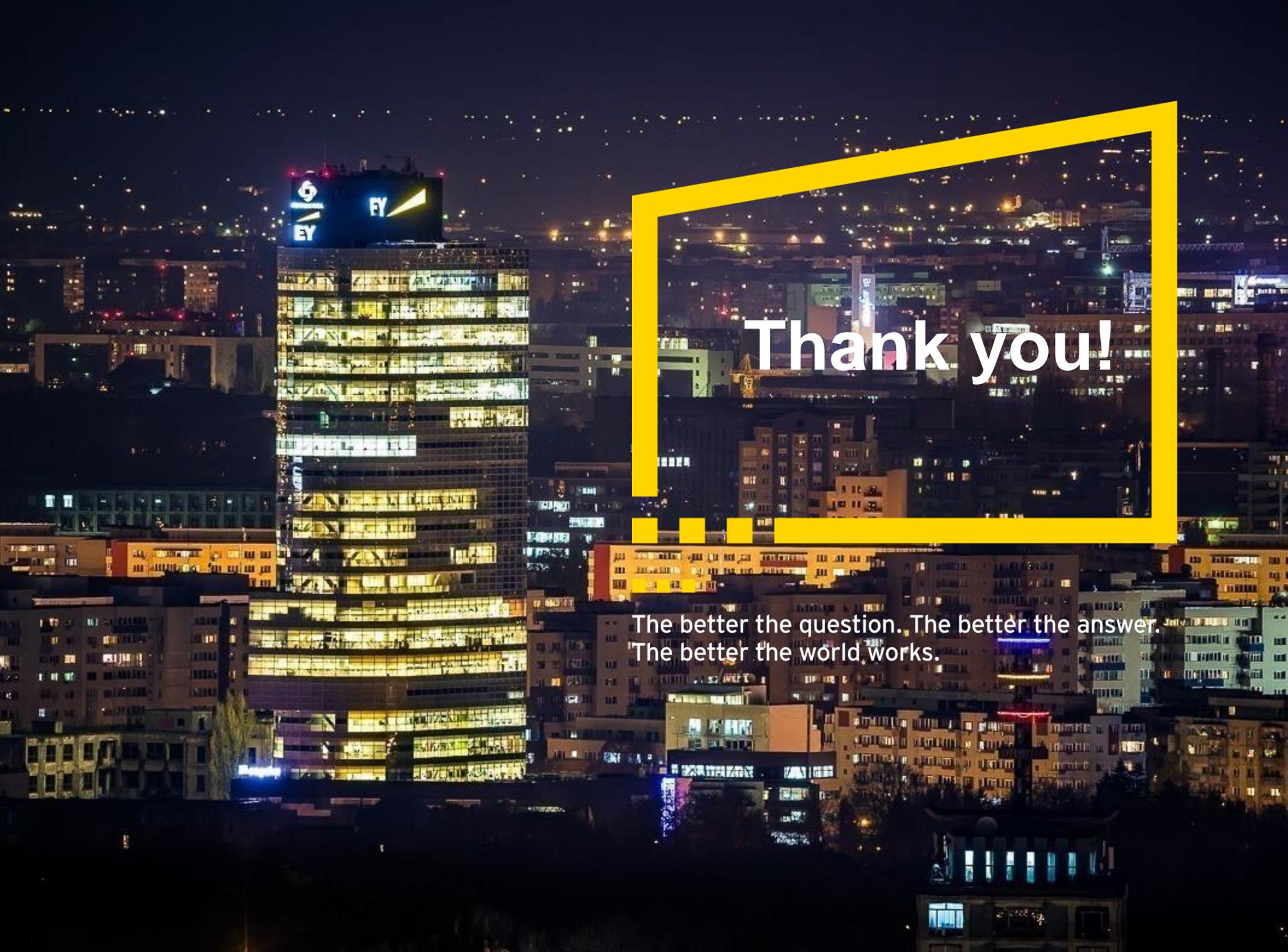
Customs formalities

Goods moved to/coming from EEZ of Romania

Example: Unprocessed natural gas coming from EEZ to onshore destined for further processing

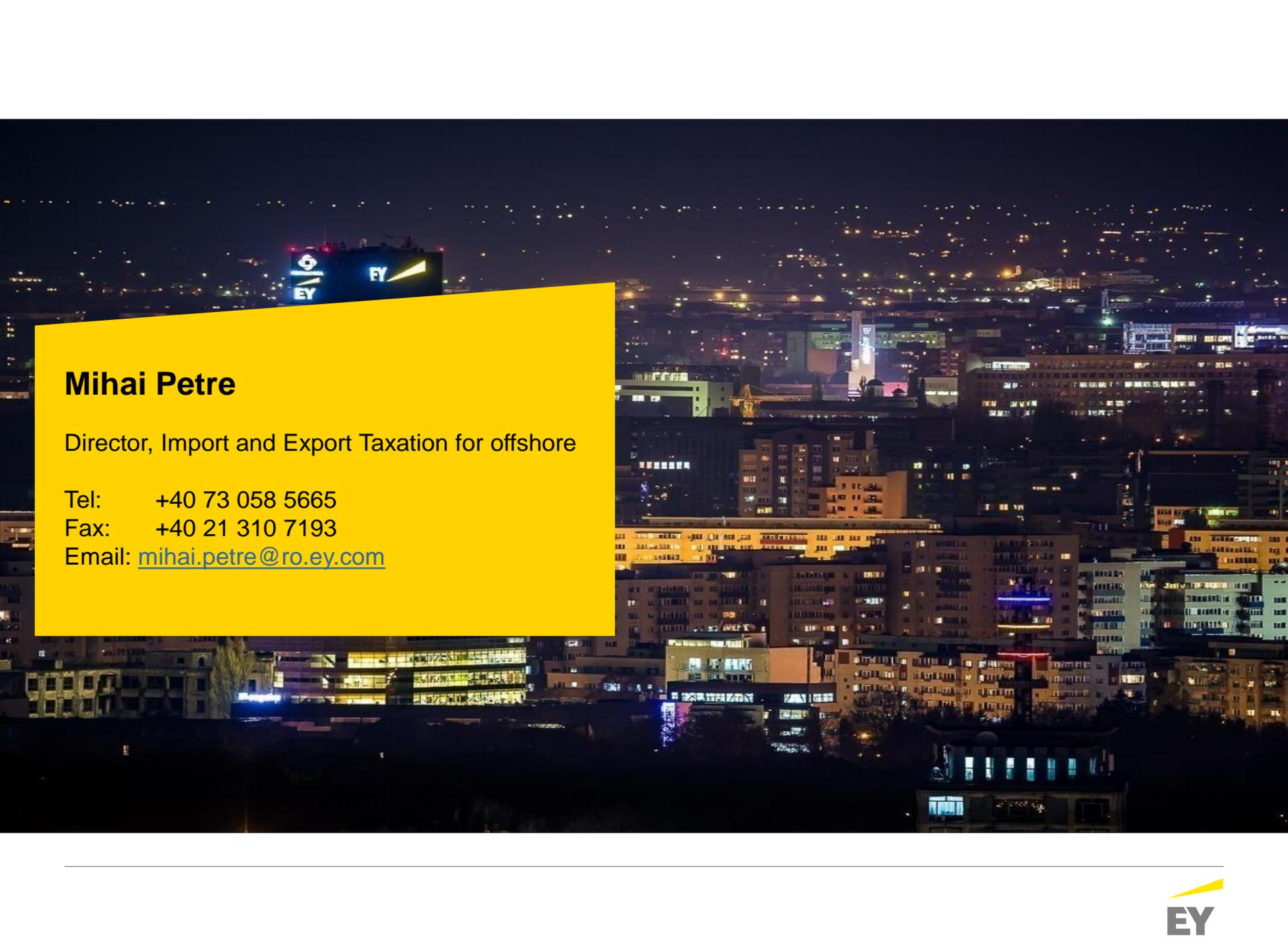
- Import customs clearance vs. use of a special customs regime (e.g. IPR, warehousing ?)
- Excise duties and import VAT become chargeable upon release for free circulation in EU territory
- Excise treatment of further transactions with the processed natural gas





Thank you!

The better the question. The better the answer.
The better the world works.



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