

# Sao Tome & Principe launches debut licence round

**THE double-island state of Sao Tome & Principe off West Africa has launched its debut licensing round in its Exclusive Economic Zone (EEZ).**

Luis Prazeres, executive director at the country's National Petroleum Agency (NPA) announced the launch at Appex in London this week, following a recorded video message from Prime Minister Rafael Branco.

Prazeres said seven blocks will be offered — 1, 2, 3 and 6 in Zone A plus 7, 8 and 13 in Zone B — with data rooms due to open in London and in Sao Tome on 8 March. The licensing round's closing date is 15 September, with successful bidders securing the right to negotiate production sharing contracts in which the state has a right to participate.

The NPA will accept offers from a company for more than one block in each zone but a company will only be awarded one block in each zone.

Excluded from the offering are blocks 4 and 5, located east of Principe, which have been granted to financially beleaguered Equator Exploration, and blocks 11 and 12, which the government has placed with Houston-based ERHC. These companies had first choice of the EEZ acreage under long standing agreements with the Sao Tome government.

However, the pair will still have to negotiate PSCs and bring in viable deep-water partners.

ERHC also claims rights to acquire up to a 15% paid working interest in two additional blocks of its choice in the EEZ.

Commenting on the results of Sinopec's five-well wildcat programme carried out in the Joint Development Zone (JDZ) between Nigeria and Sao Tome, Prazeres said there were "several hydrocarbon discoveries" with gas found mainly in Block 2 and oil in some of the other blocks.

A well-placed industry source told Upstream the finds were "disappointing", largely because they were gas prone and that the results will likely be released later this month.

A meeting is understood to be taking place in the Nigerian capital Abuja this week with Sinopec and JDZ officials in attendance at which a decision will be made on whether the Chinese operator will push ahead with a second drilling campaign this year.

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