

Industry Profile

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Oil and Gas

The 2007 Profile of the Oil and Gas Resources revealed that the country has a total potential resource of 8,649 million barrels of oil equivalent (MMBOE), 3,268 million barrels of oil (bbl oil), 28,533 billion cubic feet of gas and 164.15 million barrels of condensate (bbl C). In addition, there are still undiscovered resources in the country composed of 95% oil, 86% gas and 33% condensate as shown in the graph in Figure 1.

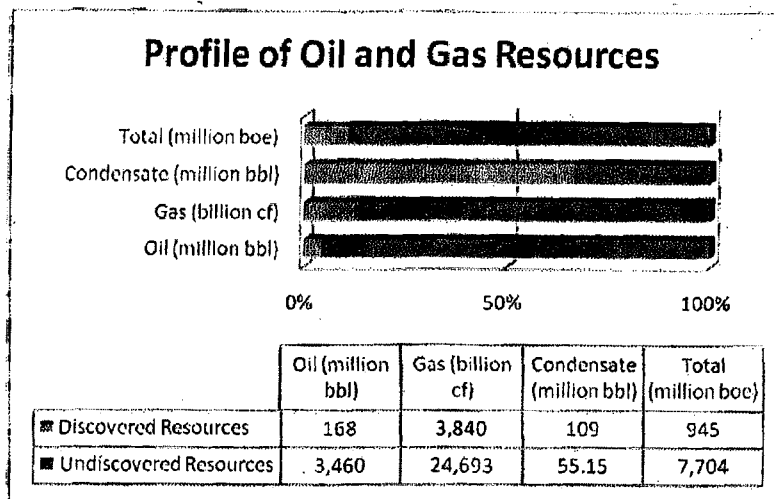
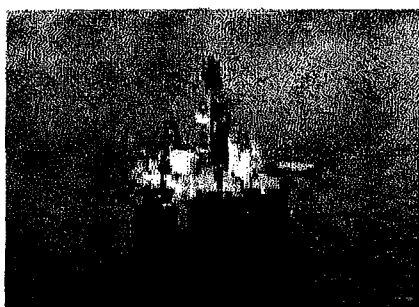


Figure 1. Oil and Gas Profile

Moreover, the country has sixteen (16) sedimentary basins with a combined potential of 4,777 MMBOE (689.8 MTOE) of oil and gas reserves as shown in Figure 2. These are located in the Cagayan Valley Basin in the north down to the Agusan-Davao Basin in the south as well as the productive Northwest Palawan and the Sulu Sea Basin along the western side of the archipelago.

Production

Table 1 shows that from 1979, the oil wells produced a total of 62 million bbl oil, 45 million bbl C and 1,011 million standard cubic feet of gas (mmscf Gas).

These oil productions were sourced from the rich oil and gas fields of Nido, Cadlao, Matinloc, Tara, North Matinloc, Galoc, West Linapacan and Tindalo. Nido is, by far, the oldest producing field in the country. It started production in 1979 which is also the highest oil production level the country has ever attained. Galoc and Tindalo, on the other hand, are the youngest producing wells to date. Galoc started production in 2008 while Tindalo only started oil production in June 2010.

Table 1. Oil and Gas Production Data (1979-2010)			
Area	Oil (bbl oil)	Condensate (bbl C)	Gas (mmscf)
Nido	18,783,944		
Cadlao	11,235,334		
Matinloc	12,114,956		
Tara	221,408		
North Matinloc	2,210,879		
Galoc	6,655,510		
West Linapacan	8,528,118		
Malampaya	1,929,825	45,312,937.235	1,007,725.942
Tindalo	180,846		
San Antonio			3,541.299
Total	61,860,820	45,312,937.235	1,011,267.241

Source: DOE-PRDD

In 1994, the San Antonio gas field made its first production of natural gas, also the first in the country. It has a resource potential of 2.7 BCF and supplied fuel to the San Antonio Gas Power Plant, the first natural-gas-fired power plant in the country. The power plant provided electricity for over 10,000 households in Isabela Province for fourteen (14) years. However, in 2008, the plant had to shut down permanently due to fuel supply scarcity. Natural gas production for the gas field reached 3.5 BCF.

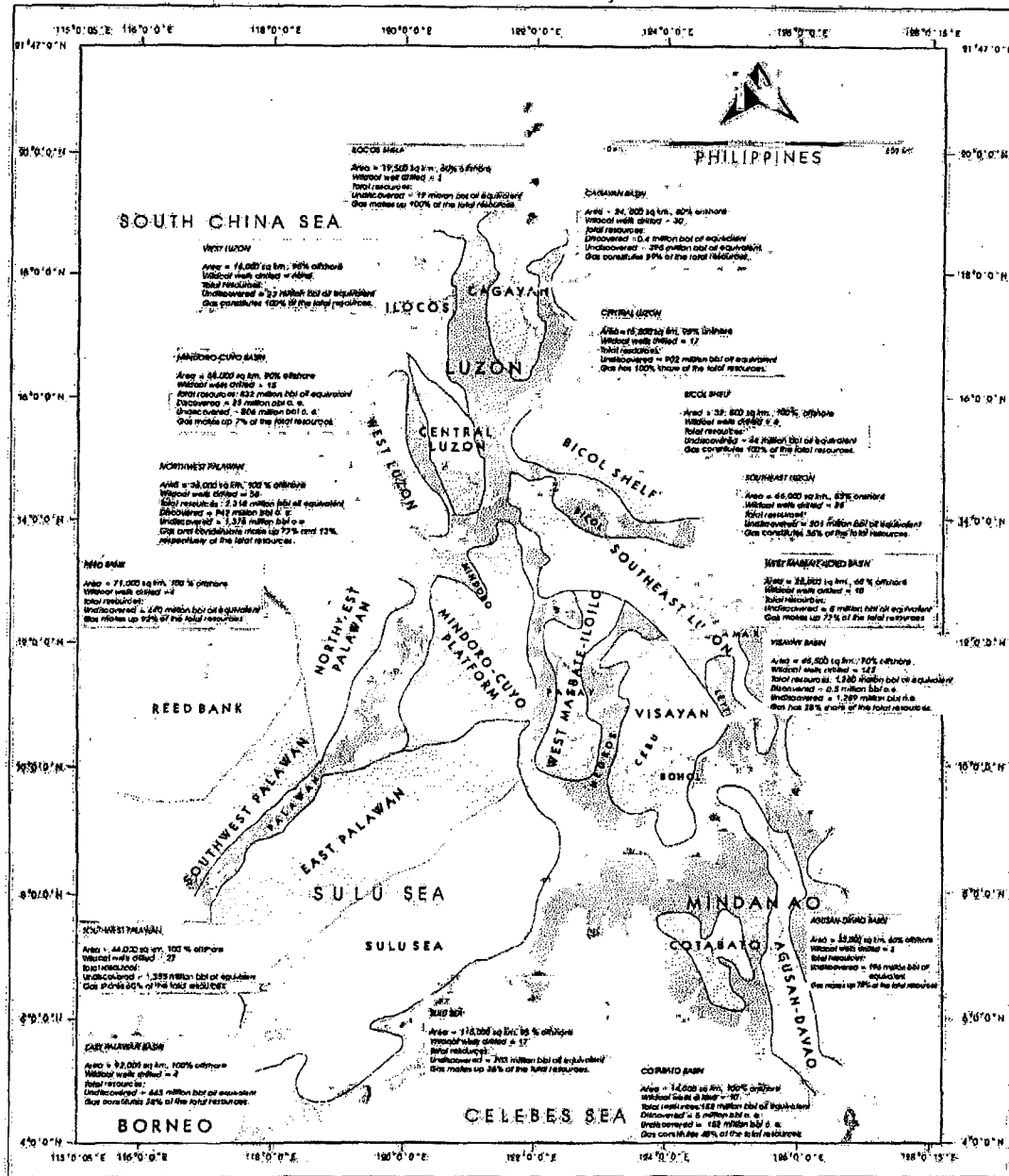


Figure 2: Map of the Sedimentary Basins of the Philippines

In 2001, the entry of the Malampaya Deep-Water Gas to Power Project marked the first production of condensate in the country. Malampaya is also the largest source of natural gas with a resource potential 2.7 TCF and has produced gas of around 1.00 TCF at the end of 2010. To ensure the sustainability of the production levels of natural gas, the Malampaya Consortium recently committed to pursue a USD 1 billion project for the drilling of additional wells in 2014 and installation of compression capacity in 2015.

Service Contracts



Cognizant of the vast oil potential of the country, the DOE continues to encourage the private sector's participation in the exploration and development of indigenous oil and gas through the conduct of the Philippine Energy Contracting Round (PECR).

At present, there are 27 active Petroleum Service Contracts (PSC) in the country and the details are indicated in Table 2.

Table 2. Active Petroleum Service Contracts (PSCs)			
No.	PSC NO.	Operator	Location / Area (hectares)
1	6	Blade Petroleum	NW Palawan / 3,397.186
2	6A	The Philodrill Corp.	NW Palawan / 108,146.587
3	6B	The Philodrill Corp.	NW Palawan / 53,293.945
4	14	The Philodrill Corp. / Galoc Production Co./ Pitkin Petroleum Ltd.	NW Palawan / 70,887.52
5	37	Philippine National Oil Co. - Exploration Corp.	Cagayan / 36,000.00
6	38	Shell Philippines Exploration B. V.	NW Palawan / 83,000
7	40	Forum Exploration Inc.	North Cebu / 458,000.00
8	44	Gas To Grid Pte. Ltd.	Central Cebu / 75,000
9	47	Philippine National Oil Co. - Exploration Corp.	Offshore Mindoro / 1,466,700
10	49	China International Mining Petroleum Co., Ltd.	South Cebu / 265,000
11	50	Norasian Energy Ltd.	Calauit, NW Palawan / 128,000
12	51	Norasian Energy Ltd.	East Visayan Basin / 332,000
13	52	Middle East Petroleum Services, Ltd.	Piat San Jose, Cagayan / 96,000
14	53	Pitkin Petroleum Ltd.	Onshore Mindoro / 660,000
15	54	Nido Petroleum Phils. Pty. Ltd	NW Palawan (Area A / B = 401,616.15 /
16	55	Norasian Energy Ltd.	West Palawan Ultra-Deepwater / 900,000
17	56	Exxonmobil Exploration & Production Phils. B. V.	Sulu Sea / 862,000
18	57	Philippine National Oil Co. - Exploration Corp./ China National Offshore Oil Corp. Int'l	Calamian Block, NW Palawan / 712,000
19	58	Nido Petroleum Phils. Pty. Ltd.	West Calamian Block, NW Palawan /
20	59	BHP Billiton Pet. (Phil.) Corp.	West Balabac, SW Palawan/ 1,476,000
21	60	Shell Philippines Exploration B. V.	NE Palawan / 1,008,000
22	62	Palawan Sulu Sea Gas Inc.	East Palawan / 1,302,000
23	63	Philippine National Oil Co. - Exploration Corp. / Nido Petroleum Phils. Pty. Ltd.	SW Palawan / 1,056,000
24	64	Ranhill Bhd.	Sulu Sea / 1,264,940
25	69	Norasian Energy Phil. Inc.	Visayan Basin / 704,000
26	70	Polyard Petroleum International Co. Ltd.	Central Luzon Basin / 684,000
27	72	Forum (GSEC101) Ltd.	Reed Bank / 1,063,000

Philippine Energy Contracting Round (PECR)

In June 30, 2011, fifteen (15) areas were offered through PECR 4 covering 10,033,900 hectares in shallow to deep waters within the prospective basins of Northwest Palawan, East Palawan, Mindoro-Cuyo, Cagayan, Central Luzon, Sulu Sea and Cotabato. Seven (7) working days after launch of the PECR, DOE published the PECR 4 guidelines and fourteen (14) working days after the launch of the PECR 4, proponents have 150 days to submit their best proposals for their area/s of interest before the opening of the proposals. Submitted proposals within the deadline shall be assessed by the DOE Contracts Negotiating Panel under the criteria set forth in the Department Circular No. DC-2006-12-0014 as amended by DC2009-04-0004 and DC-2010-03-005.

Table 3: PECR 4 Contract Areas for Offer		
Contract Areas	Coverage (Hectares)	Location
Area 1	544,000	Cagayan
Area 2	676,000	Central Luzon
Area 3	600,000	Northwest Palawan
Area 4	616,000	Northwest Palawan
Area 5	424,000	Northwest Palawan
Area 6	840,000	Mindoro-Cuyo
Area 7	844,000	Mindoro-Cuyo
Area 8	840,000	East Palawan
Area 9	840,000	East Palawan
Area 10	640,000	East Palawan
Area 11	600,000	East Palawan
Area 12	456,000	Cotabato
Area 13	648,000	East Palawan
Area 14	983,900	East Palawan
Area 15	482,000	Sulu Sea

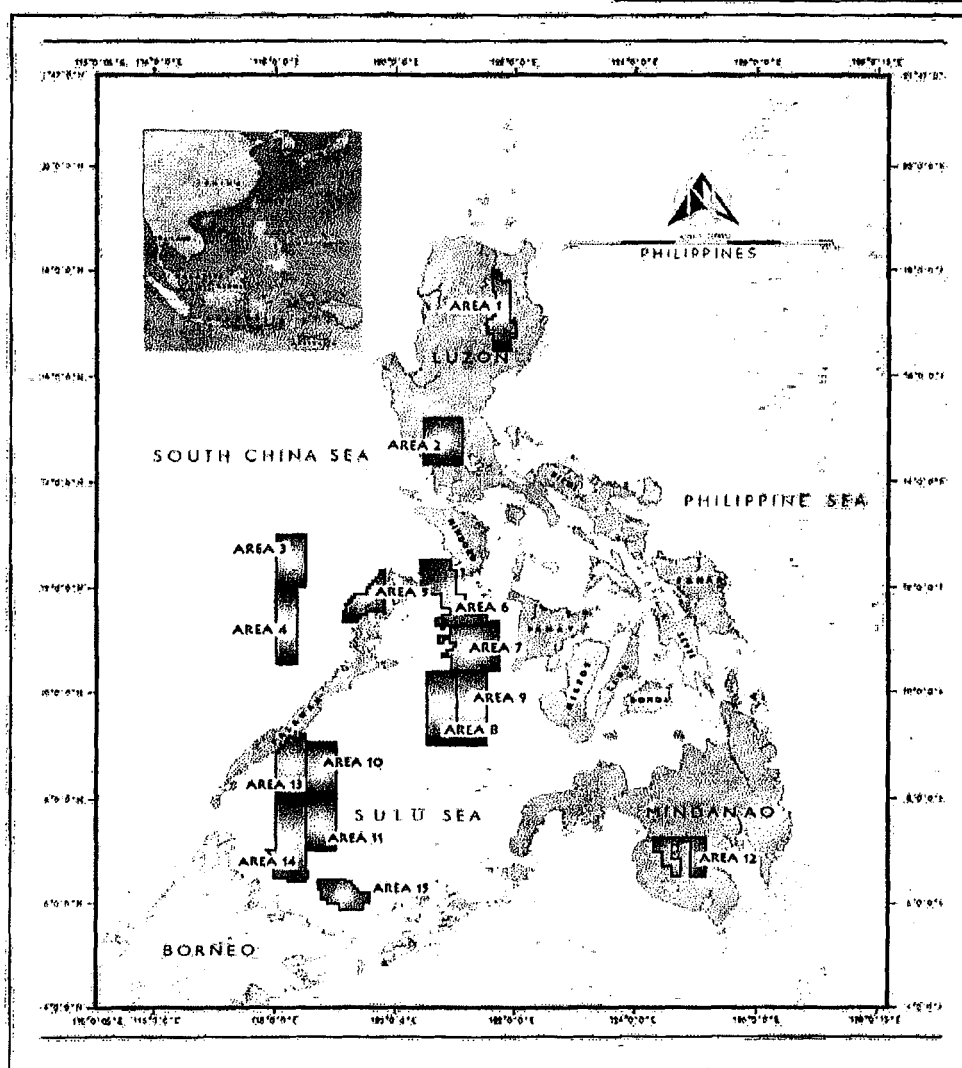


Figure 3. Areas offered in PECR 4