

Oil exploration ventures in Bangladesh-updated

By Dr Badrul Imam

Bangladesh has concluded a three day Round Table Conference in mid September in Houston, USA, on 'Petroleum Investment' with a primary aim of expediting the present efforts of the government to attract foreign oil companies to invest for petroleum exploration in the country. The World Bank sponsored conference was hosted by the Ministry of Petroleum and Mineral Resources and the Petrobangla and was attended by 70 executives from 38 international oil companies. In their key note speeches the Petroleum Minister Dr. Khandaker Mosarrat Hossain and the Chairman, Petrobangla S K M Abdulla, who led a group of officials and geoscientists to the conference, out-

(see figure), 22 blocks are open for bidding at present, of which 16 are onshore blocks and six are offshore blocks. The only block that is not open is the onshore block no. 13 for which a Production Sharing Contract was signed in a controversial way with Scimitar oil company in 1987. The contract was subsequently terminated by the present government following breach of contract and serious fraud by Scimitar oil company. The block 13 containing the Haripur oil field has remained disputed as for its petroleum right status after Scimitar filed a case against Bangladesh government to the Arbitration Council in Washington for compensation. It is expected that the case will be settled by

countries like India, Pakistan and Myanmar where in an average 60, 30 and 20 exploration wells are drilled per year, not to mention of the developed nations world wide.

The last formal opening of the acreages in Bangladesh onshore and offshore areas took place in June 1988 under the Petroleum Exploration Promotional Project (PEPP) through seminars held in Houston, London and Dhaka along with international advertisements, much to the credit of the 'Exploration Consultant' — an UK based consulting firm which was given the responsibility of arranging the meetings and showing up the goodies about the oil exploration facilities without the existence of a sound exploration policy of

government showed little promise for foreign oil companies to enter into exploration venture in this country.

The political stability after

Memorandum of Understanding with the six oil companies is the result of the above negotiations. These companies have shown their

Chittagong Hill Tracts seemed particularly interesting, a company geologist who has had several geological field traverses in the Hill Tract area during his reconnaissance survey, opined that the geological evolution of Chittagong Hills over the last 20 to 35 million years appears to be similar to that of the Pannonian Basin in Rumania where significant oil pools are trapped in sedimentary sequences not unlike the ones in the Chittagong Hill Tracts.

The geological evidences of these region showed that very deep ocean basin covered the area in geological past when good petroleum source rocks were supposed to have been deposited in the deep ocean beds. These so called turbidity

million years and the development of petroleum source rock have had a different set up compared to the one in the south. Paraffinic oil discovered in Haripur have similar characteristics to the Assam oil and testifies the analogous geologic scenario between the two provinces.

Discovery of oil horizons in Fenchuganj well and Kailashila well, not far from Haripur oil discovery, conclusively points to the idea that in the Sylhet basin area large scale oil generation and entrapment have taken place. As one Petrobangla geologist pointed out, keeping the Sylhet area out of the acreage opening map would have been a good idea, for we are confident that further oil discovery could be

a French company is interested in block 9, 10 and 15, an area to the south eastern part of the country. The companies that have shown exploration interest in the offshore Bay of Bengal are Holland Sea Search of Netherlands and the Gairri Energy of Scotland — who are showing interest in joint exploration venture in block 16 off the Chittagong coast.

During the next six months further negotiations between the above six companies and the Petrobangla are expected to reach a stage whereby the two parties could sign Production Sharing Contract, thus breaking the lull in exploration activities in the country that have been existing since the last major oil exploration

The present rate of exploration drilling in Bangladesh is less than one well per year with the last exploration drilling taken place at Patharia during the period 1989 to 1992. The present sluggish rate of exploration drilling is by no means comparable to those of neighbouring countries like India, Pakistan and Myanmar where on an average 60, 30 and 20 exploration wells are drilled per year, not to mention of the developed nations world wide.

lined the essence of the newly formulated liberal petroleum policy offering foreign oil explorers specific incentives including the elimination of signature bonus, exemption from import duties of exploration, development and production equipments, no corporate tax liability and guarantee for the repatriation of profits.

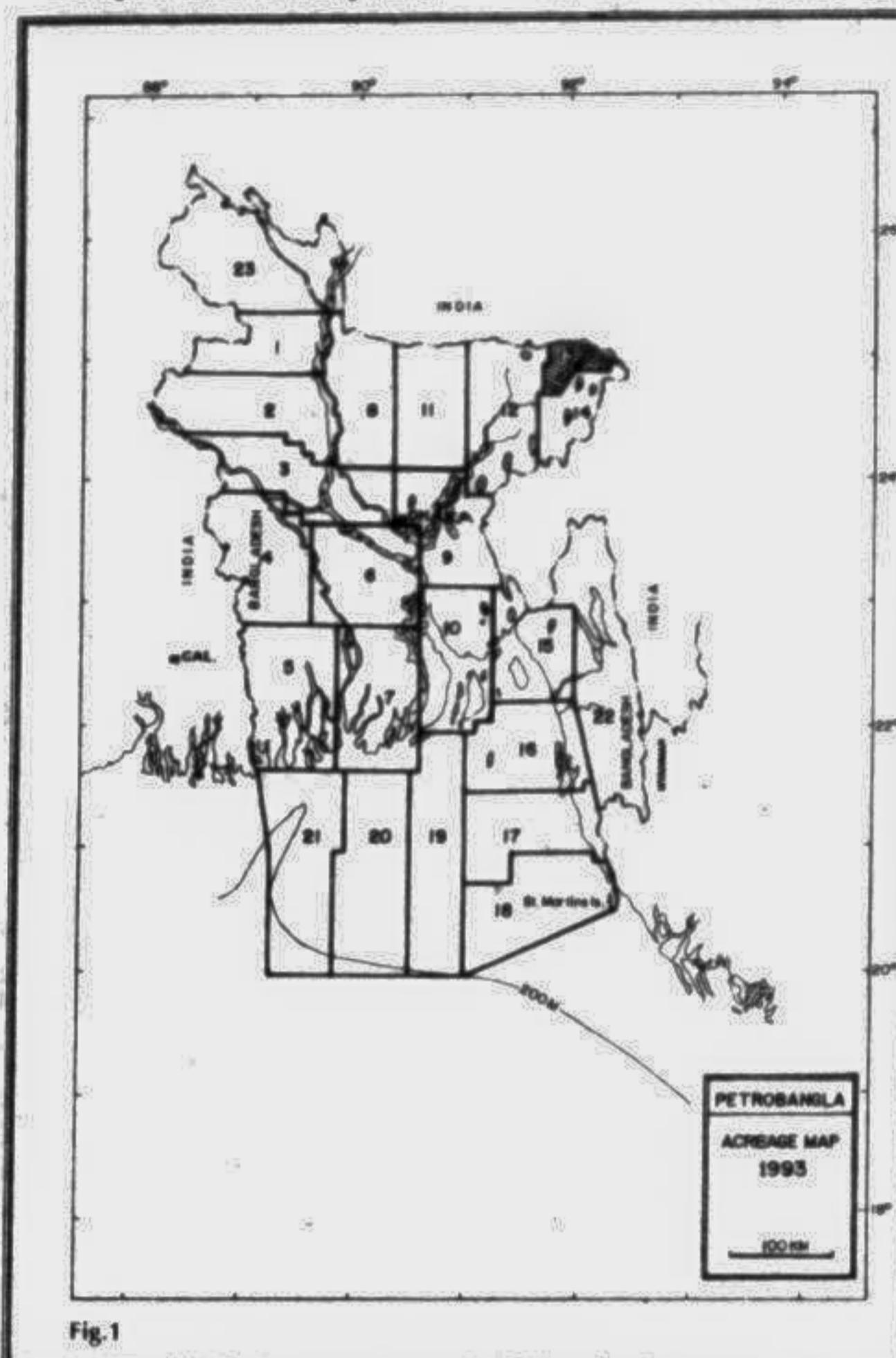
The Round Table Conference was followed by signing of preliminary 'Memorandum of Understanding' (MOU) with six oil companies with whom Bangladesh expects to sign Production Sharing Contracts (PSC) within the next six months. The six companies are Total Exploration (France), United Meridian International (USA), Cairn Energy (Scotland), Holland Sea Search (Netherlands) and Mackenzie International (USA).

Bangladesh is offering an acreage map with 23 blocks encompassing the whole of the country for competitive bidding for exploration rights from foreign oil companies

the end of this year paving the way for the block to be opened.

The holding of the Round Table Conference was probably a step Bangladesh could not do without at a moment when the country looks desperately for foreign investment in petroleum exploration sector. The recent declaration of the Prime Minister for providing fund for drilling one exploratory well per year by the national oil company, although a little embarrassing for serious petroleum explorers, clearly indicates the constraint of national resources to sustain a serious exploration programme. The present rate of exploration drilling in Bangladesh is less than one well per year with the last exploration drilling taken place at Patharia during the period 1989 to 1992. The drilling of Patharia well for a long three years could be a topic of a separate story, but the present, the sluggish rate of exploration drilling is by no means comparable to those of neighbouring

the country. During the 1988 acreage opening 19 blocks including 6 offshore blocks were shown open for bidding. The response of the foreign oil companies to the above was too poor and hardly any company came for a serious negotiation. This was rather embarrassing for the government as there were too much drum beatings about the petroleum promotions at that time. The reason why Bangladesh failed to attract foreign oil companies at a time when neighbouring India, Pakistan and Myanmar signed Production Sharing Contracts with several international oil companies, is a matter which merits analyses, but bureaucratic red tapes, poor and inefficient liaison procedures must have their roles. Furthermore, the recent fiasco deal of the then government with an ambiguous oil company Scimitar Exploration Ltd, must have influenced any new negotiation if not jeopardized it. The political turmoils during the last years of Ershad



the 1990 election brings with it new interests for foreign investors. Over the last two years

interests in specific areas and blocks for specific reasons based on their reconnaissance

good numbers of internationally reputed oil companies have had their representatives moving back and forth between Dhaka and respective headquarters with minutes of meetings and draft proposals with Petrobangla and Ministry officials. The signing of the

studies and analyses of existing data.

The United Meridian International Corporation — an US based company has shown their interest in block 22 which include the entire Chittagong Hill Tract area. When asked what aspect of the

14 in the Sylhet basin area. The geological evolution of the Sylhet basin is rather similar to that of the petroleum rich Assam basin in the north east. Erratic environments rather than deep ocean basin appeared to have dominated the area during the last 20 to 30

years global downturns in the 1970s and early 1980s that were caused by oil price shocks, he said there was no single culprit for the past four years of sub-par growth.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in Europe and possible consumer tax cuts in Japan.

In advance of those talks, Bentsen was scheduled to hold a round of bilateral discussions with British, German and Japanese officials.

In addition to searching for

ways to stimulate the global economy, the G-7 officials had invited Russian Finance Minister Boris Yeltsin to give them an update on the latest crisis in Russia, with President Boris Yeltsin in a standoff with hard-line lawmakers he dismissed.

Also on the agenda was a US

proposal to raise drs 3 billion over the next 10 years to support recent Middle East peace breakthroughs to support economic development in Israeli-occupied territory.

US officials made it clear going into Saturday's meetings that they planned to urge further actions to stimulate the global economy, including additional interest rate cuts in Germany and other nations in