

Sub: Assumptions to be considered for bid evaluation for the blocks offered under NELP-VIII

1. The Government share of Profit Petroleum will be calculated for the purpose of fiscal evaluation under three Scenarios of production profile and prices of oil and gas, such as High, Most likely and Low.
2. The block-wise Production profile for computation of Government take is given at Annexure-1. **The Production profile are assumed only for the purpose of fiscal evaluation and are not indicative of actual or expected production.**
3. Following nine scenarios, based on production profiles and prices, will be considered for evaluation of fiscal package based on the weighted average of Net Present Value (NPV) of Government share of Profit Petroleum under each scenario.

	Production	Price
Scenario 1	Low	Low
Scenario 2	Low	Medium
Scenario 3	Low	High
Scenario 4	Most likely	Low
Scenario 5	Most likely	Medium
Scenario 6	Most likely	High
Scenario 7	High	Low
Scenario 8	High	Medium
Scenario 9	High	High

4. The exploration cost and development cost assumed for the purpose of fiscal evaluation is given in Annexure-II. Production cost is assumed at US \$ 3 per barrel of oil and oil equivalent gas (O+OEG). **The costs are assumed only for the purpose of fiscal evaluation and are not indicative of actual or expected cost.**
5. First seven years are assumed for exploration phase for all the blocks. The Production is assumed to commence from 8th year. For the purpose of evaluation, it is assumed that exploration cost is spread over @ 10%, 10%, 20%, 20%, 20%, 10% and 10% over the 7 year period of exploration phase and development cost is equally spread over in 7th and 8th year.
6. The other assumptions regarding weightages, Oil & Gas price and calculation procedures are given in (Document-1) Notice Inviting Offer (NIO) under BEC (Page-19), Appendix-I, II & III in Point (B) Fiscal Package.