



Islamic Republic of Afghanistan Ministry of Mines

12 April 2010

Afghanistan Ministry of Mines Rejects the Kashkari Oil Block Tender

The Afghan Ministry of Mines has rejected Orient Petroleum International's bid, filed in Afghanistan's First Hydrocarbon Bidding Round, opened at the Ministry of Mines in Kabul on February 23, 2010. The bid from Orient Petroleum International was the only offered received and the evaluation committee voted unanimously to reject the bid.

The Government of the Islamic Republic of Afghanistan, represented by the Ministry of Mines, would like to thank all of the participants in the tender for their interest in the development of Afghanistan's Hydrocarbon resources.

His Excellency Minister of Mines Wahidullah Shahrani said he "will be meeting with oil and gas companies; national oil companies; international consultants; and the official trade delegations of other countries to discuss not only Afghanistan's hydrocarbons potentials, but also to introduce the potential and development opportunities of Afghanistan's rich mineral resources".

All three blocks have known hydrocarbon-bearing accumulations; **Jangalikalán Block:** Jangalikalán (gas), **Juma-Bashikurd Block:** Juma (gas), Bashikurd (gas), **Kashkari Block:** Kashkari (oil), Angoat (oil), Aqdarya (oil). Most of the gas and oil fields were discovered in the 1970s during Soviet led exploration campaigns, except the Angoat oil field which was discovered in 1967. Angoat is the only oil field which has been in sustained production in Afghanistan, and this is the field which was in traditional production for heating purposes as well as crude oil. Kashkari field was reported to produce modest amounts of oil for 6 months in the late 1980s. The remaining gas and oil fields in this tender have not been in production. Producing reservoirs are found in Cretaceous and Jurassic. The bulk of the gas reserves are in the Jurassic and contain some H₂S. According to US based consultancy firm Gustavson, the size of blocks and remaining recoverable reserves are estimated as follows: Jangalikalán Block (1,999 km²): 19 Bm³, Juma-Bashikurd Block (1,861 km²): 33 Bm³, Kashkari Block (1,723 km²): 64.4 MM Bbl (plus 143.8 MM Bbl of possible reserves), while the Ministry of Mines is quite optimistic that the potential figure will be much bigger.

H.E. Minister Shahrani stated that the Ministry of Mines intends to repackage and retender the Afghanistan's hydrocarbon blocks at a later date, and noted that the Government of Afghanistan is fully committed to the highest degree of transparency in the tendering and awarding of every contract.