

Open Acreage Licensing Programme (OALP) Bid Round-VIII

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In news– Ministry of Petroleum and Natural Gas has recently launched OALP Bid Round-VIII, offering 10 blocks for International Competitive Bidding.

What is Open Acreage Licensing programme (OALP)?

- **OALP was launched under the Hydrocarbon Exploration and Licensing Policy(HELP).**
- OALP offered the potential investors freedom to carve out blocks of their choice through submission of Expression of Interest (EoI).
- EOI can be submitted throughout the year without waiting for a formal bid round from the government.
- **These blocks would be subsequently offered through a biannual formal bidding process.**

Bids under OALP-

- The Government had launched **OALP Bid Rounds-II and III on 07th January, 2019** and 10th February, 2019 respectively.
- It is to be noted that an area of 156,580 square kilometre has already been awarded under past bid rounds OALP bid rounds (I to V).
- The government launched OALP bid round-V on January 14, 2020.
- This Bid Round-VI was expected to add further 35,346 sq km.
- Successful award of Round-VIII Blocks would add a further 36,316 sq. km of Exploration Acreage and

cumulative exploration acreage under OALP regime will be increased to 2,44,007 sq. km.

- The Ten blocks under **present bid round are spread across 9 Sedimentary Basins and include** two Onland blocks, four shallow Water blocks, two Deep Water Blocks and two Ultra-Deep Water blocks.

Hydrocarbon Exploration and Licensing Policy (HELP)-

- The Government notified the policy in 2016.
- It replaced the erstwhile New Exploration Licensing Policy (NELP)
- It adopted the Revenue Sharing Contract model, is a giant step towards improving the 'Ease of Doing Business' in the Indian Exploration and Production (E&P) sector.
- **It comes with attractive and liberal terms like reduced royalty rates, no Oil Cess,** marketing and pricing freedom, round the year bidding, freedom to investors for carving out blocks of their interest, a single license to cover both conventional and unconventional hydrocarbon resources, exploration permission during the entire contract period, and an easy, transparent and swift bidding and awarding process.
- It brought about paradigm changes in the way exploratory blocks are auctioned in India.
- It led to transition from production sharing regime to revenue sharing regime.
- **Government notified further policy reforms within the ambit of HELP in February 2019. The focus was shifted from 'revenue' to 'production' maximization.**