

Bosnia: Gov prepares new invitation for oil&gas exploration bidders

Categories : [SEE Energy News](#)

Date : November 16, 2016

The Ministry of Energy, Mining and Industry of the Federation of Bosnia and Herzegovina (FBiH) should issue a public call for expression of interest for oil and gas exploration in FBiH by the end of November, after Shell withdrew from the project last year. This information was confirmed by the Minister Nermin Dzindic.

The reason why the Government waited so long after the termination of the agreement with Shell to issue a new public call for hydrocarbons exploration lies in the fact that the Government appointed the Advisory expert body for oil and gas exploration and exploitation only a few days ago. The members of this body will monitor the implementation of the whole project, even the issuance of tender documentation.

But prior to the issuance of this public call, it is necessary that the Government publish a call for the selection of an international consultant who will negotiate with potential concessionaires.

In March, French Total sent a letter of intent to the Federal Government, informing it that the company is interested in oil and gas exploration in FBiH and is prepared to invest up to one billion dollars in the project. Total is the third oil company, after Australian Key Petroleum and British Spectrum, which has declared interest in oil and gas exploration in FBiH after Shell decided to withdraw from the project.

In September last year, Royal Dutch Shell informed the Federal Government that the company will not extend the memorandum of understanding signed in 2011 with the FBiH, regarding oil and gas exploration. The memorandum envisaged the exploration of potential oil and natural gas deposits in the massif of the Dinarides, which stretches from Bihac to the eastern part of Herzegovina. Shell was supposed to invest about 700 million dollars in the project, but the company withdrew after three years.