

Bosnia: Third tender for FBiH hydrocarbon exploration consultancy services launched

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After two unsuccessful attempts to find expert consultant for who will provide advisory services on the issuing of the international public invitation for exploration and exploitation of oil and gas on the country's territory, the Government of the Federation of Bosnia and Herzegovina (FBiH) has launched the tender for the third time.

According to the documentation published by the Federal Ministry of Energy, The consultant is expected to have experience in international negotiations and will be tasked with helping the the Government draft and issue a public invitation for oil and gas exploration and exploitation. The value of the contract is estimated at some 650,000 euros, while the deadline for bids submission is 27 November 2018.

Recently, the second attempt by the FBiH Government to find an expert consultant for the help in organizing international tender for awarding concessions for oil and gas exploration has failed because the sole applicant has filed a technically incorrect application. Tender documentation was bought by 22 interested companies, but only British IHS submitted the offer. However, there were several irregularities regarding the submitted offer so it had to be rejected. The Federal Ministry of Energy, Mining and Industry said that although the second attempt failed, it will not give up on the project for awarding concession for oil and gas exploration in the territory of FBiH.

The previous tender launched in the second half of 2017 also failed because it did not attract any bids. Bosnian media reported that UK-based consulting company IHS has placed a bid on a tender, but the Government did not disclose any information regarding this matter.

In late 2017, Bosnian media reported that oil giant Shell has expressed interest regarding the exploration and exploitation of oil on the territory of the Federation. In September 2015, 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.

In March 2016, 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.