

## Hungary: Oil-Gas exploration blocks tender attracts known concessionaries

**Categories :** [SEE Energy News](#)

**Date :** January 11, 2016

Hungarian government oil gas exploration blocks tender could be described as successful for both the bidders and Gov. Known players won the contracts, MOL-Horizon and Bankers are known.

The 2015 Bid Round made available a total of 9 hydrocarbon blocks for oil & gas exploration and production, and 1 for coal. On 25 November 2015, the Hungarian government announced the winners of the 2015 Bid Round.

The successful bidders were awarded the following oil & gas blocks, subject to the timely execution of the required concession contract:

- (1) Battonya-Pusztaföldvár Észak and Dány: MOL - Hungary's national oil & gas company (2 blocks);
- (2) Berettyóújfalu, Mogyoród, Nagykáta and Ócsa: O&GD Central Kft (OGD) - portfolio company of private equity investor Warburg Pincus (4 blocks);
- (3) Püspökladány: Panbridge Hungary Zrt. (Joint venture 85% Bankers Petroleum and 15% TDE); and
- (4) Lakócsa: Hungarian Horizon Energy Kft (HHE).

The following blocks were offered, but were not awarded: Sellye (Oil & Gas) and Dubicsány (Coal)

There was a significant increase in the number of bids submitted in the 2015 Bid Round, with a total of 17 bids made for 8 out of the 9 available oil & gas blocks: on average 2 bids per block.

At this stage, the basis on which the successful bidders won is not yet clear, but in due course it will become apparent if the competitive evaluation of bids resulted in favouring more money being offered (in terms of concession fees and/or royalties) or if the technical work program offered a better chance of exploration success.

Interestingly, there was one new entrant (Panbridge), which is a joint venture company between Bankers, whose principal asset is in Albania, and a Hungarian oil & gas company. Otherwise all of the other bidders have signed concession agreements previously, and are fully familiar with the legal, regulatory and fiscal environment in which they are required to operate.

The government rightly pointed out, in their announcement of the winners, that the 2015 Bid Round should be considered a success, particularly given the challenging investment climate for the oil & gas industry with the low oil price, transmits Serbia-energy.eu