

## Montenegro: Eni and Novatek gets oil-gas exploration blocks concession

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The Italian - Russian consortium consisting of the companies Eni and Novatek are first rated at the tender for oil and gas exploration in the Montenegrin undersea, it was estimated by the Commission of the Ministry of Economy.

They have published a list of bidders, according to which the first rated bidder for the blocks 4118-4, 4118-5, 4118-9 and 4118-10 is the consortium Eni and Novatek.

Two more consortiums applied besides Eni and Novatek to the public call for bidding for the contract on the concession for the production of hydrocarbon. The Greek-British Energean Oil and Mediterranean limited and American-Austrian Marathon Oil and OMV.

The tender was closed in May 2014 and the Ministry of Economy made a decision on the first rated bidder at the end of December 2015, after 19 months.

The tender was for 13 blocks and four that Eni and Novatek were selected for are located in Ulcinj, in the part of the Adriatic sea that belongs to the municipality of Ulcinj.

The minister of economy Vladimir Kavarić recently announced that the exploration of oil and gas in the Adriatic sea will start this year. In order for it to start after publishing the list it is necessary to make a contract on the concession with the selected bidder. After the contract is drafted it is necessary for the Government and the Parliament to adopt it.

The concession will be given for the period of 30 years, and the Parliament has adopted the law on the taxes for hydrocarbons before the conclusion of the public call for bidding for the exploration and exploitation of oil and gas. According to this law the tax for hydrocarbons will be 59 percent out of which 20 percent will go to the state budget while the other 80 percent will go to a special fund for hydrocarbons.

It was done after the Norwegian model, but in Norway only 4 percent of the hydrocarbon tax income is going to the state budget while the rest is going to a special fund.

The assistant minister of economy Vladan Dubljević, who was in charge of the tender and negotiations with the bidders, said earlier that the average in the exploration is for three or four out of ten drills to be successful.

The cost per drill can be 100 to 200 million dollars and Montenegro cannot fund such explorations itself, Dubljević said earlier, transmits Serbia-energy.eu