

ECOPETROL ANNOUNCES DIVESTMENT PROCESS

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Legal Briefings

Ecopetrol¹ launched a divestment process called Ronda Campos 2016, to offer its participation and interests in hydrocarbon production assets.

Ecopetrol has offered 20 production assets grouped into 17 business opportunities located in 5 geographic areas of the country: Catatumbo, Middle Valley and Upper Magdalena Valley, Llanos and Putumayo.

Ronda Campos 2016 is a public tender aimed at Colombian and international companies and is part of Ecopetrol's strategy for 2015-2020. The business opportunities on offer have a development potential in primary and enhanced recovery. The fields are close to logistics facilities, which will prove attractive for small and medium-sized oil and gas companies.

The rights to be awarded in the tender are existing rights under agreements between Colombia's hydrocarbons agency (ANH²) and Ecopetrol; the winning bidders will therefore be entitled to the assignment of existing contracts, subject to ANH's consent. Bidders must provide evidence that they meet ANH's qualification requirements for areas of this kind.

According to our local counsel, the so-called "convenios" between Ecopetrol and ANH are more favourable than regular E&P contracts for the following reasons:

- As they do not have a high price sharing mechanism, because they were agreements between two State entities, there are ANH regulations that state that these "convenios" may be assigned by Ecopetrol, without the high price sharing clause. This should be verified in due diligence.
- Because most of these contracts have some level of production, they already have environmental permits.

Please, click [here](#) to see the terms and conditions of the divestment process.

TIME SCHEDULE

- 23 June: Launch of the divestment process
- 27 June: Publication of the terms of reference
- 27 June-26 August: Opening of the divestment process
- 16 September: Publication of the prequalified list
- 30 September: Submission of proposals and award
- 24-28 October: Subscription of contracts

¹ Ecopetrol is the Colombia's state oil company and is one of the four main petroleum producers in Latin America, and engages in the production, refining and transportation of oil and gas, as well as petrochemical activities.

² The Agencia Nacional de Hidrocarburos (**ANH**) manages Colombia's oil and gas resources with the aim of generating power and revenues for the state. It is empowered to award areas for the exploration and production of hydrocarbons.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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