



Republic of the Philippines  
DEPARTMENT OF ENERGY

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DOE CIRCULAR NO. 94-01-01

TO : ALL PETROLEUM SERVICE CONTRACTORS

AMENDING OEA CIRCULAR NO. 92-10-05 EXTENDING THE GRANT OF A MAXIMUM SEVEN AND ONE-HALF PERCENT (7-1/2%) FILIPINO PARTICIPATION INCENTIVE ALLOWANCE (FPIA) TO DEEPWATER WELL DEVELOPMENT WHETHER WITHIN OR WITHOUT A DEEPWATER CONTRACT

WHEREAS, OEA CIRCULAR NO. 92-10-05 dated October 6, 1992, was issued granting a maximum of seven and one-half percent (7-1/2%) Filipino Participation Incentive Allowance (FPIA) to Petroleum Service Contractors in Deepwater Contracts, with at least fifteen percent (15%) Filipino participation;

WHEREAS, a number of Service Contracts do not contain provisions for deepwater well development to consider the same as Deepwater Contract although the Service Contractors with a minimum of fifteen percent (15%) Filipino participation actually drill deepwater well on water depths beyond 200 meters;

WHEREAS, it is recognized that petroleum operations in deepwater areas entail greater risks and substantially higher costs which are more than double the expenditures incurred in shallow water thus discouraging Filipino corporations to participate in such ventures.

WHEREAS, it is the thrust of the government to encourage foreign as well as local corporations to accelerate the petroleum exploration and development of deepwater areas which have been recently proven to be highly prospective through grants of more incentives to interested participants therein.

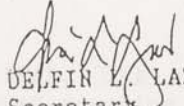
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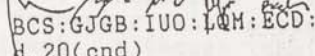
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WHEREFORE, the foregoing premises considered, OEA Circular No. 92-10-05 dated October 6, 1992 is hereby amended by extending the grant of a maximum of seven and one-half percent (7-1/2%) FPIA to deepwater well development whether within or without a deepwater contract.

This Circular shall take effect immediately.

17 January 1994, Makati, Metro Manila

  
DELFIN L. LAZARO  
Secretary

  
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