Thailand

DataOil

Overview

Thailand's oil and gas sector is well-established, dating back to extensive exploration in the 1970s and commercial discoveries by international companies in the 1980s. Thailand has already conducted 20 petroleum concession bidding rounds, making this sector one of the most advanced, relative to other nations in the region.

Thailand is in the process of diversifying and securing new supplies in the realization that current usage, forecast demand and current supply challenges are unsustainable, and to an extent leaves Thailand vulnerable.

Current key challenges for the industry include a delayed 21st domestic gas concession, uncertainty around future operations by existing operators for two major fields, Erawan and Bongkot (which account for 76 per cent of total domestic gas production in the Gulf of Thailand), and decreasing supply and interruptions from Myanmar.

Largest Oil Fields

- Benjamas
- Songkhla
- Bua Ban
- Nong Yao
- Chaba
- Pailin
- Arthit
- Bongkot
- Erawan
- Tantawan
- Jasmine
- Pakarang
- Platong
- Yala-Plamuk
- Manora

Oil & Gas Fields

The total crude oil output amounted to 59.6 **million barrels, or 163,680 bpd on average and 7% (3.9 million barrels) over that of last year. This resulted from the mid-2015 discovery of two Gulf of Thailand oil fields whose production was being ramped up, namely Nong Yao (with an output rate of about 3,200 bpd) and Wassana (with an output rate of about 3,400 bpd).

The total gas output amounted to 1.186076 trillion cubic feet, or 3,249.52 MMscfd on average and 0.38% (4,450 million cubic feet) in 2016 over that of last year. This was essentially the same level as last year despite two new producing fields, namely G8/50, North Trad East and Northwest Moragot, both of which were producing at insignificant levels of the overall gas output.

Proven Hydrocarbon Reserves

332.07 MMboe

Investment in Oil & Gas

$4.96 Billion (2016)

Total Production of Oil and Condensate

262.3 Bbl/day (Feb - 2018)

Major Produced Crude Type

32-35 ° API

Fiscal Regime

The fiscal regime that applies in Thailand to the petroleum industry consists of a combination of petroleum income tax, production sharing and royalties. Annual bonus and special remuneration benefits (SRBs) also apply to petroleum concessions granted under the Thailand II and Thailand III regimes, respectively. The taxes applicable to subsurface users are as follows:

Ring-fencing applies in respect of projects taxed between Thailand I, Thailand II and Thailand III regimes, as described next.

Thailand I regime

The majority of the concessions awarded prior to 1982 are subject to the Thailand I tax regime. Benefits are shared in the following manner:

Royalty	12.5% of the value of petroleum sold.
Petroleum income tax	50% of annual profits. Taxable profit is subject to ring-fencing. All projects in Thailand I and Thailand II can be offset against one another, but cannot be offset with projects in Thailand III.

Thailand II regime

Petroleum concessions under the Thailand II regime are awarded in conjunction with an announcement from the Industry Ministry. They are subject to the following benefit-sharing structure:

Royalty	12.5% of the value of petroleum sold.
Annual benefits	The petroleum concessionaire undertakes to limit deductible costs and expenses to no more than 20% of annual gross revenue, or annual benefits are paid to the Government for the excess portion of deductions claimed.
Annual bonus	Concessionaire pays an annual bonus to the Government at progressive rates, which depend on production volume.
Petroleum income tax	50% of annual profits. Taxable profit is subject to ring-fencing. All projects in Thailand I and Thailand II can be offset against one another, but cannot be offset with projects in Thailand III.

Thailand III regime

Petroleum concessions awarded after 14 August 1986 are subject to the Thailand III fiscal regime. This regime also applies to petroleum concessions where the concessionaire has exercised an option to be regulated by the Thailand III regime. The benefit-sharing structure can be characterized as follows:

Royalty	Sliding scale (5% to 15% of the value of petroleum sold) based on production levels, calculated on a block-by-block basis.
Special remuneration	The concessionaire pays SRBs to the Government based on a percentage of annual petroleum profit. The percentage can vary from 0% to 75%, depending on annual revenue per meter drilled.
Petroleum income tax	50% of annual profits. A midyear income tax payment (50% of projected annual tax) is also required. Taxable profit is subject to ring-fencing. All projects in Thailand III can be offset against one another, but cannot be offset with projects in Thailand I and Thailand II.

Royalty regimes

Petroleum royalties are collected under the Petroleum Act. Royalties are applied to both onshore and offshore production. The royalty can be paid in cash or in kind, and the rate is likely to differ between the Thailand I and Thailand II regimes and the Thailand III regime.

Major Oil Companies

PTT Public Company Limited is the national oil company

Chevron is the largest foreign oil company