

PAISIT PANITCHKUL : GOVERNMENT TAKE IN DIFFERENT SYSTEMS OF
LICENSING PETROLEUM OPERATION. THESIS ADVISOR : SURAKIART
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Petroleum deposit has been vital to economic, social and political development of any given economy. All the developing countries are well aware of the role petroleum plays in its development process. However, investment & exploration in any petroleum project require intensive and costly financial commitment as well as high technology and other capital outlay. The availability of these factors are mainly dependent on participation from giant multinational corporations. While petroleum deposit lies in national sovereignty and jurisdiction, the exploration & production technique are in the hands of those multinational corporations. As a result, most of the developing countries devised a wide varieties of concessionary arrangement and/or contractual arrangement to attract foreign investment in petroleum exploration & production. This thesis focuses mainly on concession arrangements and production sharing agreement in which investor bear substantial operation risk. Moreover, this thesis analyses joint venture arrangement that allow a State to participate in exploration, development and production with multinational licensees.

From a study, it is found that all of the arrangements are developed from a concession concept. However, changes in economic, political and social environment force States to modify traditional concession contracts. It is found that nearly all of the arrangements provide similar return to States, conditions, terms of payment, rate of payment. Finally, a State has wide varieties of options to choose in order to correspond to its economic, social, political development and national petroleum policy.