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EXCLUSIVE NEWS SERVICE FOR THE GLOBAL OIL AND GAS INDUSTRY

Algeria's Timimoun onstream

France's Total has achieved first gas from the Timimoun field in southwestern Algeria.

The production complex – with a capacity of around 5 MMcm/d (176.5 MMcf/d) of gas at plateau (around 30,000 boe/d) – is jointly operated by Sonatrach (51%), Total (37.75%) and Cepsa (11.25%).

Timimoun's gas will be produced with 37 wells connected to a gas processing facility that ties into the GR5 pipeline used to transport gas from fields in southwestern Algeria to Hassi R'mel.

"The launch of Timimoun is a new step in the group's history in Algeria, where we are a long-term partner. Achieved within the planned budget, the project will contribute to Total's production growth in 2018," said Arnaud Breuillac, president of Exploration & Production at Total.

Majors land Brazil blocks

ExxonMobil bagged eight blocks in partnership with fellow operators from Brazil's latest offshore licensing round.

ExxonMobil, Petrobras and Qatar Petroleum paid a mighty US $845.4m for a single block in Brazil's Campos Basin. ExxonMobil will operate six of the eight blocks it landed.

US player Chevron won four blocks, while Germany's Wintershall was handed seven blocks. Meanwhile, Repsol, Shell, BP and Statoil also paid big money to scoop stakes in offshore blocks, Reuters reported.

"We are more confident in investment in Brazil, without a doubt," said Carla Lacerda, ExxonMobil's top executive in Brazil, after the round. "We have lots of opportunities ahead. We are analyzing each round. We want a robust portfolio here."

Brazil's cash-strapped government collected a massive $2.42 Bn in signing bonuses, a record for a concession-style auction and way beyond the $1.39 Bn that was forecast. This all came despite a court's decision last week to eliminate the top two blocks from the round.

A major factor behind the success of this round is oil majors' eagerness to secure stakes in Brazilian blocks before a presidential election in October that could bring to power a government that is looking to slow or even halt private investment in the country's oil and gas sector.

It was not all good news because despite the large bonuses paid to the government, only 22 of the 68 blocks on offer were awarded.

Hibiscus wraps Sabah PSC deal

Hibiscus Petroleum reports that its indirect wholly owned subsidiary SEA Hibiscus has completed the acquisition of a 50% stake in Malaysia's North Sabah PSC (Production Sharing Contract), as well as the Joint Operating Agreement (JOA) in relation to the PSC.

The North Sabah PSC includes 20 offshore platforms across four producing fields in the South China Sea off the west coast of Sabah, and the Labuan Crude Oil Terminal located in the Labuan Federal Territory.

The fields have been producing since 1979 and the PSC provides the group with operatorship and production rights up to 2040, Hibiscus added in a statement.

Hibiscus' chairman, En Zainul Rahim said: "The North Sabah PSC constitutes our second producing asset, providing Hibiscus with another revenue stream after the Anasuria Cluster.

"It is an exciting time for Hibiscus as we expand and strengthen our technical and operating capabilities, profitability and balance sheet. This is an example of Hibiscus' strategy to grow shareholder value by focusing our activities on assets where we believe we can offer a unique value proposition to enhance production from mature assets in regions of our geographic focus."

In addition, the North Sabah PSC will significantly boost the group's production and proven and probable reserves (2P Reserves).

On a 100% PSC basis, the total oil production averaged around 14,600 b/d in 2017, with 2P reserves and contingent oil resources (2C resources) as of 1 January 2018 at around 40.9m bbl and 79m bbl, respectively.

The transfer of operatorship from Shell to SEA Hibiscus took place on 31 March 2018.

BRENT/WTI LATEST PRICE

Oil up in early trading

Oil futures rose this morning following a slip at the end of last week. The prices at 07.30 GMT, compared to the previous London close, were as follows:

WTI	May	$63.28 a bbl	+27c	▲
Brent	May	$68.00 a bbl	+36c	▲

Big hitters eye Iraq bidding

ExxonMobil, Total and Lukoil are expected to win rights to develop 11 Iraq border fields, as OPEC's second largest producer continues to build production capacity.

Iraq plans to hold a licensing round on 15 April and award service contracts the same day for companies to develop 11 onshore and offshore fields along the borders with Iran and Kuwait, Abdul Mahdy Al-Ameedi, the Oil Ministry's director-general for upstream oil contracts, said Thursday at an event in Baghdad to show details of the fields to the companies.

The 16 companies that expressed interest also include Chevron, Eni, Gazprom, Zarubezhneft, Petronas, Oil & Natural Gas Corp, CNOOC Ltd, Geo-Jade Petroleum, China ZhenHua Oil Co, United Energy Group, Dana Gas, Crescent Petroleum and Dragon Oil, according to an Oil Ministry document, Bloomberg reported.

Iraq has been ramping up crude production and exports over the last few years as the country overcomes decades of conflict and sanctions. The country has become the second-biggest producer in the Organization of Petroleum Exporting Countries. Iraq produced 4.36m b/d in March.

PTTEP eyes Asia output boost

Thailand's state-owned PTT Exploration and Production (PTTEP) is looking closer to home for upstream oil and gas assets in as a push to increase its reserves and production, says a senior company executive.

Global oil prices have held above US $60/bbl and sharp cost-cutting in the upstream sector are encouraging national oil companies and international operators to invest into exploration and production, although many producers remain wary that surging US oil output could hold crude prices back, Reuters reported.

Since the oil price collapse in 2014, which saw prices dip below $30/bbl in early 2016, PTTEP has cut costs and increased efficiency, bringing its average cost of oil and gas output to $29/bbl last year, down from $43/bbl.

"Now we're coming back more to the region. We're good friends with (Malaysia's) Petronas, but we didn't really do things together," Phongsthorn Thavisin, PTTEP's president of E&P, said on the sidelines of the OTC Asia conference.

Siccar seals Shell sale

Siccar Point Energy has signed a Sale and Purchase Agreement with Shell under which the Anglo Dutch major will acquire a 30% non-operated stake in licences P1028 and P1189 (holding the Cambo discovery) and a 22.5% non-operated stake in P1830 (holding the Blackrock prospect) northwest of the Shetland Islands.

A final appraisal well is planned on the Cambo discovery in Q2 2018 and an exploration well is planned on the Blackrock prospect in 2019.

"Details of the consideration are not being disclosed but the key elements are a cost carry contribution on both the wells and any subsequently approved development on Cambo," Siccar said.

Jonathan Roger, Siccar's CEO, said: "Shell brings a wealth of relevant expertise and their interest is testament to the potential of the Greater Cambo Area and the quality of the work carried out by the Siccar Point team."

Senex gets Aussie approvals

Senex Energy has been granted a Petroleum Lease and preliminary environmental approvals from the Queensland government to develop Project Atlas for domestic gas supply.

"Project Atlas is a high quality coal seam gas permit located south east of Wandoan in Queensland's Surat Basin. Senex was awarded the permit by the Queensland government in September 2017 following a competitive tender," Senex said.

Landing the Petroleum Lease gives Senex on-ground access to progress environmental studies and other preliminary activities for the development of around 100 wells and associated infrastructure, the operator noted. Senex expects to receive all remaining State and Commonwealth approvals in mid-2019, with delivery of first gas to the domestic market scheduled for late 2019.

Senex's managing director and CEO, Ian Davies, said: "We are in detailed discussions with parties to provide gas processing infrastructure, have materially progressed financing discussions with prospective lenders, and look forward to engaging with domestic gas customers in the near term.

"The direct award of a Petroleum Lease for Project Atlas is an innovative solution by the government to help address the shortage of new east coast gas supply," Davies added.

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