

# ASIA OIL AND GAS

## NEWSLETTER

BREAKING NEWS AND ANALYSIS FROM ACROSS ASIA

## \$6 Bn for India projects

Reliance Industries Ltd (RIL) and BP are pushing ahead plans to develop three deepwater gas fields – with a budget of some US \$6 Bn.

RIL and BP said they would award contracts to progress development of the ‘R-Series’ deepwater gas fields in **Block KGD6** offshore eastern India. The R-series (**D34**) project is a dry gas development in water-depths of more than 2,000m (6,562ft), approximately 70km offshore.

The R-series fields will be developed as a subsea tieback to the existing control and riser platform in Block KGD6. The project is expected to produce up to 12 MMcm/d (423.6 MMcf/d) of gas, coming onstream in 2020.

This is the first of three planned projects in Block KGD6 that are expected to be developed in an integrated manner, producing from around 85.0 Bcm (3 Tcf) of discovered gas resources. RIL and BP plan to submit development plans for the next two projects for government approval before the end of 2017.

Development of the three projects, with total investment of around \$6 Bn, is expected to bring a total of around 30-35 MMcm/d (849.9-991.5 MMcf/d) of new domestic gas produc-

tion onstream, phased over 2020-2022.

Bob Dudley, BP’s chief executive, said: “This is an important step forward for BP in India. Working closely together, Reliance and BP are now able to develop these major deepwater gas resources offshore India efficiently and economically. It is testament to our commitment to working in partnership with Reliance and with the government to produce more energy in India, for India.”

India currently consumes more than 141.6 MMcm/d (5 Bcf/d) of natural gas and plans to double gas consumption by 2022.

“Gas production from the integrated development is expected to help reduce India’s import dependence and amount to over 10% of the country’s projected gas demand in 2022; benefiting India and domestic consumers at large,” BP noted.

Execution of the R-Series and following projects will require deployment of advanced skills, processes and technologies through the combined partnership of RIL and BP to develop and produce gas from these ultra-deep reservoirs, BP said, adding: “The implementation of other two projects in Block KGD6 is subject to regulatory and government approvals.”

## PNG Muruk-1 boost

ExxonMobil and Santos have reported “positive production well test results” from the **Muruk 1ST3** exploration well in **PPL 402** in the Highlands of Papua New Guinea (PNG).

The production test was undertaken to assess reservoir productivity and recover hydrocarbon samples over the gas saturated Toro Sandstone interval, between 3,968m (13,019ft) and 4,065m (13,337ft).

The well flowed gas and condensate at a rate of 453.3 Mcm/d (16 MMcf/d) of gas on a 32/64-inch choke. The well rate was constrained by test facilities, which limited tests to short flow and build up periods. Multiple hydrocarbon samples were collected for further analysis.

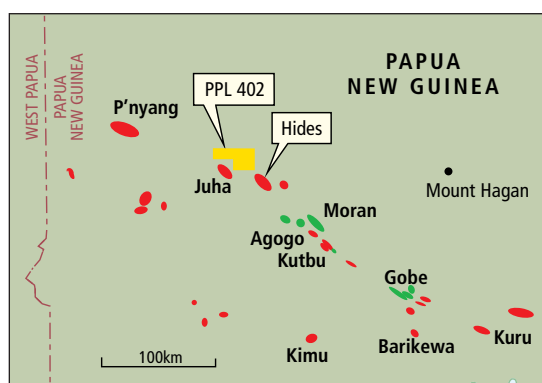
“The **Muruk** drilling programme confirms the discovery of a potentially significant new gas field, 21km northwest of the **Hides** production facilities. The data from the Muruk drilling programme will be evaluated to assist in the definition of forward appraisal options,” Santos said.

Well site preparations are being scheduled for late 2017 ahead of a potential Muruk appraisal programme in 2018.

“We are encouraged by these well test results and will integrate them into the ongoing resource evaluation work and potential appraisal programme in 2018,” said Steve Greenlee, president of ExxonMobil Exploration Company. “The success at Muruk adds to a growing resource base in PNG, through focused exploration and ExxonMobil’s recent acquisition of InterOil. These high-quality resources position the PNG LNG project for a multiple-train expansion that will continue to provide a highly competitive cost of supply.”

The production test confirms Muruk as a potentially significant new discovery close to existing PNG LNG infrastructure. Oil Search spudded the Muruk 1 well on 2 November 2016.

The partners in PPL 402, which covers 510sq km, are: ExxonMobil (42.5%), Oil Search (operator, 37.5%) and Barracuda Limited (20%), which is a subsidiary of Santos.



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## Greka bags India CBM deal

Greka Drilling has been awarded a Letter of Award (LoA) by Oil & Natural Gas Corp (ONGC) for a three-year drilling contract on the **Bokaro** coalbed methane (CBM) concession in India.

Under the LoA, Greka will deploy one of its purpose-built efficient semi-automated GD75 rigs based in India. State-owned ONGC plans to drill 73 wells over the next three years using this state-of-the-art rig, which has a proven track record of drilling in similar geological conditions, Greka said.

The contract includes the provision of drilling and mud services along with the provision of associated equipment. It is estimated to be worth total revenue of US \$15m. The LoA is subject to contract and to the issue of a performance bond.

Randeep S. Grewal, chairman and CEO of Greka, said: "Greka Drilling is also in advanced talks with other oil and gas

operators to contract our rigs in India during 2017. This coincides with recently announced CBM gas pricing reform by the Indian government and we remain bullish about the prospect of increasing our provision of specialised drilling services within the niche CBM sector in India.

"The company has succeeded in executing a balanced business plan in two of the largest CBM markets – China and India. After the award of this contract, Greka Drilling is associated with state-owned companies in both China (CNPC) and India (ONGC), as well as with the largest domestic CBM developers – Green Dragon Gas and Essar respectively.

"This contract reaffirms our strategy of diversification both on a client base and geography and gives the company a well-balanced business plan for the long-term," he added.

## VESSELS

### Icon bags Petronas deal

Malaysia's Icon Offshore has landed a charter for one of its Anchor Handling Tug Supply (AHTS) vessel with PCPP Operating Company, a unit of Malaysia's state player Petronas.

Icon said one of its AHTS vessels would support PCPP's

plugging and abandonment campaign on **Block SK305** offshore Sarawak, East Malaysia.

The contract is for a period of 166 days with an extension option of 30 days. The value of the contract is around US \$785,000.

### Sakhalin 2 vessel named

A new multifunctional icebreaking standby vessel (IBSBV) built for the **Sakhalin-2** development offshore Russia's Far East has been named *Stepan Makarov*.

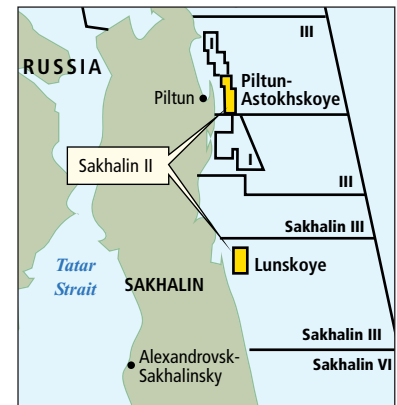
The vessel will work on the project under a long-term agreement between Sakhalin Energy and SCF.

"The *Stepan Makarov* will have Saint Petersburg as her home port and is registered under the Russian flag. The main tasks of the vessel are to ensure the safety of the personnel on the offshore oil and gas production platforms of Sakhalin Energy in the Sea of Okhotsk, to respond to emer-

gency spills at sea and to support the company's operations within its technical capabilities," said Sakhalin Energy.

The vessel is the first of three IBSBVs commissioned by SCF Group for the Sakhalin-2 project. A fourth unit commissioned by SCF for this project, an ice-breaking supply vessel *Gennadiy Nevelskoy*, has already been delivered and arrived at Sakhalin Island in April 2017.

The agreement between SCF Group and Sakhalin Energy, signed in 2014, involves the operation of all four vessels for 20 years on the Sakhalin-2 project.



### Kotug acquires new ISV

Kotug has acquired a fifth unit to add to its fleet of Infield Support Vessels (ISVs) in Australia and East Timor.

The acquisition from Swissco was a part of the group's continuing investment in the offshore support sector, the company said.

"This latest addition to the fleet, the *Coral Knight*, will be bareboat chartered exclusively to Australian Maritime Systems Limited (AMS) to provide emergency towage services and maintain aids to the navigation network at the Great Barrier Reef for the AMSA (Australian Maritime Safety Authority)," Kotug said.

The vessel will continue to be operated out of Cairns, Australia, to provide level one and two emergency response,

emergency towage, as well as first strike emergency response. The *Coral Knight* will provide a platform to support the maintenance of aids to navigation in these areas, Kotug added.

Singapore's Swissco sold the *Coral Knight* for US \$7.2m in cash to reduce its liabilities, as the funds raised were enough to pay off all of the money owed to Oversea-Chinese Banking Corporation.

Kotug's offshore services in the Australian region further include a contract to provide all towage operations for Shell's **Prelude** FLNG, as well as towage assistance at ConocoPhillips' **Bayu Undan** FSO, for which it employs three ISVs with a fourth vessel currently being built.

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## Caspian Sea well onstream

Lukoil has commissioned the fifth production well on the **Vladimir Filanovsky** field in the Russian sector of the Caspian Sea and has started construction of the sixth well, which will be a water injection well.

“The fifth well has a bilateral horizontal design. The horizontal length of the main bore is 1,429m (4,689ft), while the length of its sidetrack is 1,612m (5,289ft). The new well has significantly increased the field’s daily production with over 14,000 tons of oil [102,620 bbl] produced on 13 June 2017, or 5 million tons [36.65m bbl] on an annualised basis. The works are carried out to achieve the well’s design

operating conditions,” Lukoil said.

The construction of facilities under **Phase 2** of the Vladimir Filanovsky development are working to plan.

“The topside of the offshore ice-resistant fixed platform (**IRP-2**) was installed on the substructure. The next step will be the transportation of the living quarters platform’s (**LQP-2**) topside from the shore to the field under Phase 2 development,” Lukoil added.

The Vladimir Filanovsky field came onstream in 2016. The annual production rate at plateau is 6 million tons (43.98m bbl) of oil.



## Sarawak SK 310 B15 on track...

Sapura Energy (formerly Sapura Kencana) is pushing ahead with its **SK 310-B15** gas field development project offshore Sarawak, East Malaysia.

First gas expected in Q4 2017 as planned. SapuraKencana Energy Sarawak (SKE) is the operator of **Block SK310**, which was awarded in June 2008, with a 30% stake. Its partners are state-owned Petronas Carigali with 40% and Diamond Energy

Sarawak, a subsidiary of Mitsubishi, with 30%.

The **B15** gas field, which was discovered in December 2010, is located within Block SK310 PSC. The development comprises a central processing platform with a 35km subsea gas pipeline to be tied into the existing infrastructure.

The B15 gas field will deliver gas to the Malaysia Liquefied Natural Gas (MLNG) complex in Bintulu, Sarawak.

## ...and Sarawak’s Layang onstream

JX Nippon Oil & Gas Exploration has started commercial gas production from the **Layang** field offshore Sarawak, East Malaysia.

Initial production of gas and condensate from Layang, which is situated in the JX Nippon-operated **Block SK10**, is estimated at around 12,000 boe/d.

Natural gas produced from the Layang field, together with

gas from the **Helang** gas field, will be supplied through subsea pipelines to the MLNG Tiga liquefaction plant in Bintulu, Sarawak, which is partly owned by JXTG Nippon Oil & Energy Corp.

Natural gas will be sold as LNG after liquefaction to customers, including buyers in Japan.

## ENGINEERING & CONSTRUCTION

### Wood wins GWF-2 deal

Wood Group has secured a US \$6m contract from Woodside to support the execution of **Phase 2** of the **Greater Western Flank 2** (GWF-2) project on the North West Shelf (NWS) offshore Western Australia.

Work will start immediately and Wood Group will provide engineering support for the subsea pipeline system during the fabrication and construction stages. The 15-month contract will be supported by Wood Group’s office in Perth, Australia.

The GWF-2 development represents the next phase of gas supply to the existing NWS project infrastructure, following the **Persephone** project. GWF-2 will develop the hydrocarbon resources of the **Keast, Dockrell, Sculptor, Rankin, Lady Nora** and **Pemberton** fields.

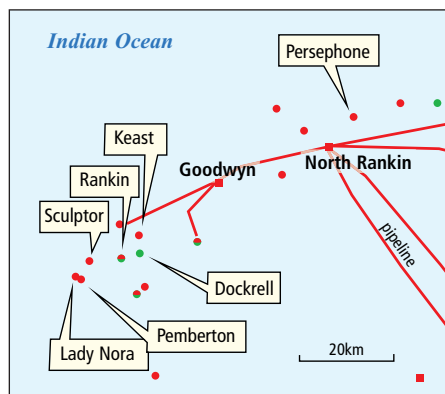
The latest deal is the third contract won by Wood Group to support the GWF-2 project and follows the company’s completion of detailed engineering design and procurement activities for the pipeline system.

Bob MacDonald, CEO of Wood Group’s Specialist Technical Solutions business, said: “Securing the engineering support contract for GWF-2 builds on the technical solutions

and global expertise Wood Group has already brought to this complex development. We have supported the project since the concept development phase and will leverage our experience and comprehensive understanding of it, as we continue to focus on the safe and efficient execution of our services.

“We are proud to have received recognition for our successful completion of the detailed engineering design and procurement activities for the development’s pipeline system,” MacDonald added.

Wood Group also currently provides Engineering, Procurement and Construction Management (EPCM) services to Woodside’s brownfield projects team, including the provision of modification and refurbishment services across various onshore and offshore assets.



## Indonesia Mako well spudded

Conrad Petroleum has kicked off an appraisal well on the **Mako** prospect in the **Duyung** Production Sharing Contract (PSC) offshore Indonesia.

Conrad operates the Natuna Sea PSC with a 90% stake, while Empyrean Energy holds the remaining 10%.

Drilling on the **Mako South-1** well started last Friday and has reached the planned depth of 405m (1,330ft) where a second string of casing is to be run, set and cemented, Empyrean added.

A conventional core will be taken over the primary section of interest when the well is drilled to its target depth of 520m (1,707ft). Logs will be run before a flow test operation is

undertaken. The well is being drilled with the 2008-built jack-up rig *COSL Seeker*.

The Mako shallow gas discovery is estimated to hold 11.3-368.3 Bcm (400 Bcf-1.3 Tcf) of gas. The objective of the well is to flow test the gas sands and provide key data on the permeability and gas saturation properties of the reservoir, Empyrean added.

The Duyung PSC has water depths of 60-100m (197-328ft) and associated shallow drilling depths of up to 610m (2,000ft). The PSC is surrounded by the West Natuna Transport System, with both gas export and oil production facilities located nearby.

## Southern Australia basins study

The Australian government will undertake a study of gas basins offshore Southern Australia, as part of a US \$90m investment in domestic gas security and supply.

Minister for Resources and Northern Australia Senator, Matt Canavan, said the study of the Gippsland, Otway, Bass and Sorell basins would look into the prospects for future supplies of gas to supply the South East Australia domestic gas market.

“Australian jobs and Australian industry have been built up around the plentiful supply of affordable and reliable gas on the East Coast,” Minister Canavan said. “But the original reserves that have powered our economy can’t last forever. To ensure Australia continues to make the most of our vast gas resources, it’s essential that we support ongoing exploration and development.”

The Australian government will work with the Victorian and Tasmanian governments on the Offshore South East Australia Future Gas Supply Study. The National Offshore Petroleum Titles Administrator and Geoscience Australia will provide expert advice.

The study will focus on developing a better understanding of

the volumes of gas available in this highly productive area, and will also look to identify opportunities to maximise sustainable gas recovery.

“This study is one of a range of steps the Australian government is taking to ensure gas security, reliability and affordability,” Minister Canavan said. “The government is introducing the Australian Domestic Gas Security Mechanism as a safeguard to ensure Australian gas users have access to gas at a reasonable price, while at the same time we can continue our leading role in the global LNG export market.

“However, the best way to ensure a reliable and affordable supply of gas for the domestic market is to develop new gas reserves. In this year’s budget we allocated more than \$90m across a range of programmes focused on developing new gas supplies. This includes a \$28.7m package to accelerate the responsible development of onshore gas for the domestic market.

“The grant programme is open to all states and territories that are prepared to lift bans and moratoriums. It will support projects with the capability of delivering gas to the East Coast market within the next three years,” the minister added.

## LICENSING

### KMG-Eni sign Kazakhstan agreement

State-owned JSC KazMunayGas (KMG) CEO Sauat Mynbayev and Eni’s CEO Claudio Descalzi signed an agreement today at the Foreign Investors’ Council in Astana, Kazakhstan.

The agreement renews the conditions for the transfer to Eni of 50% of the subsoil use rights in the **Isatay Block** in the Kazakh sector of the Caspian Sea for exploration and production of hydrocarbons.

“The block, which is estimated to have significant potential for hydrocarbon resources, will be operated by a Joint Operating Company (JOC) formed by Eni and KMG. The JOC will benefit from the proprietary technologies of Eni, a global leader in terms of exploration and with extensive experience in challenging technical and environmental areas such as the Caspian Basin,” Eni said.

The JOC will start working as soon as the transfer of 50% stake in the block is completed, subject to the approval of the government of Kazakhstan.

“In addition, Eni and KazMunayGas EP, a subsidiary of KMG, have signed an agreement to further expand upstream technology co-operation and evaluate potential joint developments in new projects. The agreement also includes a technical and managerial training program for KMG EP staff,” Eni added.

Yesterday, Eni signed a cooperation agreement with General Electric (GE) and the Minister of Energy of Kazakhstan, Kanat Bozumbayev, to promote the development of renewable energy projects in the country.

Under the agreement, Eni and GE will co-operate with the aim of evaluating the possibility of building a wind power plant with approximately 50MW capacity, and identifying further future initiatives that will contribute to achieving the country’s strategic goals in terms of sustainable development.

“Along with the Ministry of Energy of the Republic of Kazakhstan, together with JSC KazMunayGas and the Kazakh Committee of geology and subsoil use, Eni signed a Memorandum of Understanding to evaluate future cooperation terms in the Kazakh-Russian Pre-Caspian Basin where numerous discoveries of oil fields of considerable size have been carried out. The signing of this MoU is part of the Eurasia project promoted by the Ministry of Energy in order to study the depth exploration potential of the basin,” Eni noted.

“All the agreements signed at the Foreign Investors’ Council further expand the scope of Eni’s activities in Kazakhstan and strengthen its presence in the country, as well as consolidating the strategic alliance with key partners, such as KMG in the upstream sector and GE in the field of renewable energy.”

## Tap to sell Australia equity

Tap Oil has entered into a sale and purchase agreement with “a private E&P company” for the sale of its 20% stake in Australia’s **WA-8-L** for US \$800,000 in cash.

WA-8-L is a production licence that covers 161km over two graticular blocks and is located within the northeastern part of the Dampier sub-basin of the Northern Carnarvon Basin.

The licence contains the **Talisman** and **Amulet** oil fields. The Amulet field lies around 30km south of the Santos-

operated **Finucane South** and **Fletcher** oil field FPSO facility.

The sale is part of Tap’s “strategy to realise value from its non core asset portfolio”.

The sale is conditional on government approval and the buyer complying with any requirements of the operating agreement. “If these conditions are not satisfied by the purchaser within 90 days the agreement will lapse,” Tap noted.

## Mongolia PSCs extension

Petro Matad reports that the Mongolian regulatory body MRPAM has approved an extension of the exploration period for the **Block IV** and **Block V** Production Sharing Contracts (PSCs) for two years each until 29 July 2019.

A further two-year extension is provided for in the PSCs, which the company will be eligible to apply for in early 2019.

“Detailed analysis and pre-drill work conducted by the company has documented the significant exploration potential of Blocks IV and V with multiple leads and prospects,” said Petro Matad.

“The company has matured a series of prospects for exploration drilling, having secured a drilling rig from Sinopec Mongolia and the first well is due to spud in Q3 2017.”

Excluding the cost of the first well to be drilled in 2017

(which will count against the first term Block V PSC commitment ending on 29 July 2017), the financial commitments agreed with MRPAM to be undertaken in the extended period totals US \$7m. Petro Matad’s planned work programmes will satisfy these commitments.

“These PSC extensions will enable the company to execute its planned work programme for 2017, which includes the drilling of two wells and the acquisition of 3D seismic,” the company added.

Petro Matad holds the sole operatorship of three PSCs in Mongolia. **Block XX** covers an area of 10,340sq km in the far east of the country, while Blocks IV and V cover 28,900sq km and 21,100sq km respectively in southwest Mongolia.

## Statoil makes Bight move

Norway’s Statoil has signed a swap agreement with BP to take over two exploration permits and extend its work programme in the Great Australian Bight.

The agreement between Statoil and BP, which has been granted regulatory approval, covers four offshore areas:

- In permits **EPP37** and **EPP38** Statoil has transferred its 30% stake to BP and exited the licences.
- In permits **EPP39** and **EPP40** BP has transferred its 70% stake to Statoil and exited the licences. Statoil now holds 100% in these blocks.

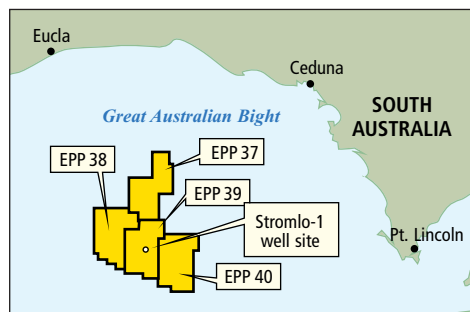
Statoil has also been granted a suspension and extension of the work commitments in EPP39 and EPP40. The approved extension includes the drilling of one exploration well in EPP39 before 30 October 2019.

Statoil has mapped a number of prospects in its licence area, including the **Stromlo-1** well candidate in EPP39. Stromlo

offers high-impact potential in a frontier exploration setting, while EPP40 represents upside exploration potential.

“We will now take the necessary time to systematically work through all the preparations needed to drill safely. While we are building on the previous work done in these licences, our operational plans will have to be redeveloped,” said Jacques-Etienne Michel, Statoil’s country manager in Australia.

“With this transaction, we have strengthened our position in this promising, unproven basin with a large exploration upside,” said Pål Haremo, vice president of Exploration in Australasia for Statoil.



## OFFSHORE OPERATIONS

### Ichthys Explorer moored off Australia

The world’s largest semi-submersible production platform, *Ichthys Explorer*, has been moored on the Inpex-operated **Ichthys** field 220km offshore the northern coast of Western Australia.

The Central Processing Platform (CPP) weighs 120,000 tonnes, with a topsides footprint measuring 130m by 120m. The unit will be located here for 40 years.

“The safe and efficient mooring of the *Ichthys Explorer* in the 250m (820ft) deep waters of the Ichthys field, marks another significant milestone for the Inpex-operated Ichthys LNG project,” Louis Bon, managing director of Ichthys LNG project, said.

“The complex operation of connecting 28 pre-installed

mooring chains, weighing more than 25,000 tonnes, from the seabed to the CPP is testament to the well-coordinated work of our personnel, including contractors and sub-contractors from around globe,” Bon added.

The CPP is the central hub for initial offshore processing of all well fluids delivered from an extensive, 130km network of subsea well infrastructure.

Gas from the CPP will be sent through an 890km subsea pipeline to the onshore LNG facility at Bladin Point, near Darwin, for processing.

Condensate sent to the CPP will be transferred to a nearby Floating Production, Storage and Offloading (FPSO) unit called the *Ichthys Venturer*.

## Australia Callawonga-17 success

Cooper Energy reports that the **Callawonga-17** appraisal and development well in Australia's **PPL 220** is to be cased and suspended as a future oil producer.

Callawonga-17 was drilled to a total depth of 1,452m (4,764ft) and its primary target, the McKinlay Member Sandstone, was encountered 2.7m (9ft) high to prognosis, with 2.6m (8.5ft) gross thickness and an interpreted 1m (3ft) of net oil pay in a clean sand. A further 1.8m (6ft) of net oil pay was encountered in the underlying Namur sandstone.

Callawonga-17 was the final well in a five-well campaign on the Callawonga oil field targeting previously undeveloped reserves in the McKinlay Member Sandstone. Each well in the programme was cased and suspended as a future oil producer. The wells are expected to be connected for production in the September quarter of 2017, Cooper said.

Cooper holds a 25% stake in PPL 220, while operator Beach Petroleum has the remaining 75%. The partners are considering a second five-well campaign targeting McKinlay Member

oil for the 2018 calendar year.

Cooper's managing director David Maxwell said: "Callawonga-17 had completed a highly successful drilling campaign which held positive implications for reserve estimates and future drilling.

"The drilling programme addressed the potential of the McKinlay Member at Callawonga, which the joint venture considered underexploited. The programme was an unqualified success, with five out of five wells completed as future oil producers and some wells intersecting better than predicted McKinlay Member Sandstone" Maxwell said.

"The results can be expected to lead to an upgrade to reserve estimates for the Callawonga field and will be incorporated into plans for further development of the McKinlay Member."

Revisions to field estimates arising from the programme will be incorporated in the company's forthcoming reserves report as at 30 June 2017, which is expected to be announced in mid-August 2017.

### News in Brief

**AI gets \$20m from BP**  
Beyond Limits, an Artificial Intelligence (AI) and cognitive computing company, has been given US \$20m in Series B funding from BP Ventures, the corporate investment arm of major BP.

"The investment will accelerate the delivery of industrial-grade AI software, previously used in deep space exploration missions, to combine human knowledge with machine learning and provide the energy sector with new levels of operational insight, business optimisation and process automation across all operations," Beyond Limits said.

Launched in 2012, Beyond Limits was created to commercialise cutting edge IP developed by the team after more than 20 years supporting NASA and the space programme.

## Surat Basin campaign starts

Senex Energy has kicked off its **Phase 2** drilling campaign in the Surat Basin on the **Western Surat Gas Project** in Queensland, Australia.

The campaign involves the drilling of 30 wells on the **Glenora** and **Eos** blocks, which lie in the southeast area of the Western Surat Gas Project and directly north of GLNG's producing **Roma** field.

"Drilling will be undertaken over the remainder of the calendar year with the first wells expected online in Q1 financial year 2018," Senex said.

"Senex has locked in pricing with suppliers for a significant proportion of the US \$50m Phase 2 work programme, which includes the construction of gas and water handling infrastructure. A number of contractors local to the

Roma region are involved in delivering the work programme."

Senex's managing director and CEO Ian Davies said: "Senex will take the opportunity to fully embed its design, contracting and execution methodology on the Phase 2 work programme ahead of its transition to full field development."

Senex holds a 100% operating stake in the Western Surat Gas Project, involving the delivery of coal seam gas from approximately 915sq km of acreage in the Surat Basin. The project is expected to support up to 425 wells and Senex has executed a gas sales agreement with GLNG for the supply of up to 1.34 MMcm/d (47.39 MMcf/d) of gas from the project area over 20 years, Senex noted.

## LNG

### Monadelphous bags Woodside deal...

Monadelphous has won a US \$600m contract from Woodside Energy for the provision of gas asset general maintenance services and brownfields offshore implementation for Woodside-operated gas production facilities in northwest Western Australia.

The contract is for an initial period of five years and has two one-year extension options. The workload includes maintenance, shutdown services and offshore

brownfields implementation for Woodside's Karratha Gas Plant, **Pluto LNG**, **North Rankin Complex**, **Goodwyn A** platform and the **Angel** platform.

Monadelphous has worked with Woodside since 2002 undertaking project activities and since 2012 has been performing shutdown and maintenance services for the Karratha Gas Plant and the Pluto LNG Plant.

### ...with Legeneering also a winner

Legeneering Australia has landed a long-term offshore maintenance services contract for Woodside-operated Floating Production Storage and Offloading (FPSO) vessels offshore Western Australia.

The deal is for an initial five years and has two extension options for one year each.

Under the contract, Legeneering will

deliver general maintenance services and offshore brownfield implementation associated with Woodside's FPSOs.

"This is a flagship contract award for Legeneering, secured through our ability to demonstrate stronger performance and greater capability with our 'one-stop shop' approach to our clients," the company said.

### Calendar 2017

#### SEPTEMBER

**27-28 Tank Storage Asia**  
Singapore  
Contact: lisa@stocexpo.com

#### DECEMBER

**13-14 StocExpo China**  
Shanghai, China  
www.easyfairs.com  
/stocexpo-china-2017

### 2018

#### MARCH

**14-16 Asia Pacific Maritime (APM)**  
Singapore  
Email: : apm@reedexpo.com.sg  
Tel: +65 6780 4586  
www.apmaritime.com

## Eni starts Jangkrik shipments

Eni has sent its first shipment of LNG for the domestic market from the deepwater **Jangkrik** field offshore Indonesia.

The 22.5 Mcm cargo left the Bontang liquefaction plant in East Kalimantan and is heading to Bali, where it will be unloaded as part of a long-term LNG contract signed with state-owned Pertamina in June 2015.

Eni's CEO Claudio Descalzi said: "Jangkrik is a project developed with an excellent time-to-market, started-up ahead of schedule, exploiting synergies with the existing Bontang terminal and other neighbouring gas discoveries. These can be put into production within the existing value chain."

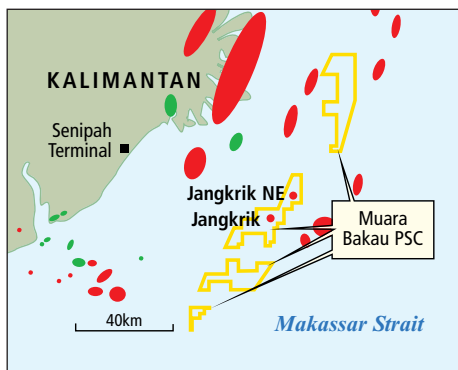
Eni started gas production at Jangkrik

ahead of schedule on 15 May 2017. Gas is processed onboard the *Jangkrik* floating production unit and then flows to the onshore receiving facility. It then reaches the Bontang gas

liquefaction plant through the East Kalimantan Transportation System.

The LNG produced is sold under long-term contracts, partly to Pertamina and partly to Eni itself, which will sell it as part of the development of its international LNG portfolio.

Eni operates the **Muara Bakau** Production Sharing Contract, which contains Jangkrik, with a 55% stake, while Engie E&P holds 33.334% and PT Saka Energi Muara Bakau has 11.666%.



## COMPANY NEWS

### ATR opens new Kazakh base

ATR has opened a new base in Kazakhstan as the company "looks to capitalise on recent business growth in the region."

The base will initially employ 12 new personnel, 10 of which are local content, with plans to double the team over the next 12 months, said ATR, which is a unit of Centurion Group.

The purpose-built facilities at Aktau include offices, workshops and a yard area, with the location selected to enable the company to support clients operating in the Caspian region.

"The decision to increase its presence in the country comes after ATR secured business to supply lifting equipment and regulatory inspection and maintenance services to support projects for some of the world's leading energy services companies," ATR said.

"ATR, which merged with Centurion Group last year, is the largest rental fleet management company to the UK's oil and gas industry. Now operating with the group's combined capabilities, it will be able to further support campaigns globally including those for operators, drilling companies, fabric main-

tenance contractors, engineering firms, and across shutdowns and marine projects."

Findlay Moir, ATR's divisional director, said: "Our base in Kazakhstan is important strategically as it allows us to support all of Centurion's companies throughout the region. We will be able to provide the full range of our services in country, all equipment and staff are there and ready to go to work.

"The locally based workforce will operate closely with our Baku business supported from our Aberdeen headquarters. Initially we will employ 12 people in country; however we expect this to more than double over the coming year," Moir added.

The facilities in Kazakhstan cover nearly 2,000 square metres and are similar in size and capabilities to those the company has in Baku, Azerbaijan.

Centurion Group comprises nine companies: ATR, Conserve Oilfield Services, Jack Winches, Mining Camps Australia, RentAir Offshore, Safety & Technical Hydraulics Ltd, Seanic Ocean Systems, UES and Tristar Water Solutions.

### Petronas cancels helicopter contract

Malaysia's state-owned Petronas has terminated a contract for the provision of transportation of personnel to offshore facilities with the helicopter services provider MHS Aviation.

MHS Aviation, a 51% subsidiary of Boustead Holdings, received a letter dated 9 June 2017 from Petronas Carigali giving it a 90 days notice of Petronas' intention to terminate without cause contract dated 29 June 2011, for the provision of rotary wing aircraft, equipment and services for heavy type aircraft – EC225.

Under the contract, MHS would provide Petronas with five EC225 helicopters for use in Petronas Carigali's oil and gas exploration and production operations. The use of all five helicopters was, however, suspended by Petronas unilaterally following two forced landings in the North Sea in May and October 2012 involving EC225 helicopters that were unconnected to the parties in the present case.

MHS saw the suspension as a breach of contract and in September 2016 claimed for damages.

While discussions between the parties regarding the arbitration proceedings were ongoing, MHS received the notice of termination. MHS has put on record that it did not agree that this termination notice has been validly issued.

"MHS views this as a breach of the contract and will treat any attempt to terminate the said contract on the basis of such notice as a repudiatory breach of the contract," the company said.

Petronas confirmed the contract termination saying it is within the company's contractual rights following the service suspension of the EC225 since April 2016 due to safety concerns arising from a fatal accident involving the same aircraft model in Norway in the same month of last year.

Petronas added that the suspension of the EC225 service by the Norwegian and UK civil aviation authorities has yet to be lifted and most major oil and gas companies have also ceased using the aircraft model pending assurance of its safety and airworthiness.

## BP-RIL expand partnership

RIL and BP will also expand their existing partnership for strategic cooperation on new opportunities across India's energy sector.

"Under the agreement the two companies will jointly explore options to develop differentiated fuels, mobility and advanced low carbon energy businesses in India, as India transitions to a low-carbon world," BP added.

The companies expect to collaborate, in addition to the conventional transportation and aviation fuels retailing, on unconventional mobility solutions, addressing electrification, digitalisation and disruptive mobility trends. Together, these collaborations will seek to address the mobility needs of urban, rural/farm, industrial/commercial, and highway consumers in India, applying the leading capabilities of both partners, BP said.

Mukesh Ambani, chairman and managing director of RIL, said: "This strategic partnership not only strengthens the rela-

tionship between two global energy leaders, but is also in line with and supports the forward-looking policies and vision of the Government of India."

Bob Dudley, BP's chief executive, added: "India's demand for both energy and mobility is growing and evolving rapidly. This presents many opportunities for BP and RIL to build on our existing strong relationship in upstream and expand our partnership further downstream. Combining skills and experience from both our companies, we expect to cooperate on mobility and advanced low carbon solutions and jointly explore other opportunities throughout India's energy sector."

"India is a rapidly growing market with a population of 1.3 billion people, consuming around 4m b/d of oil products and with demand for fuels expected to grow by 5-7% per year over the next decade. BP and RIL are committed to being one of India's preferred energy partners now and in the future."

## PRODUCTION

### Lukoil hits Caspian Sea output milestone

Russia's Lukoil has reached a milestone with 73.3m bbl (10m tonnes) of oil produced from the **Yury Korchagin** and **Vladimir Filanovsky** fields in the Russian sector of the Caspian Sea.

"The most significant gain in production is observed at the Vladimir Filanovsky field, where cumulative recovery has exceeded 18.33m bbl (2.5m tonnes) of oil as from the commencement of the field's commercial development," Lukoil said.

"The company is currently implementing its **Phase 2** construction plan at both fields: at Vladimir Filanovsky the top-

side of the fixed ice-resistant offshore platform (**LSP-2**) has already been mounted on the substructure; while at Yury Korchagin the sinking of piles for the wellhead platform substructure is underway."

The Vladimir Filanovsky field is the largest post-Soviet discovery in Russia with C1+C2 reserves equaling 945.57m bbl of oil and 30 Bcm (1.06 Tcf) of gas, Lukoil said.

Exploration drilling on Yury Korchagin started in 1999 and production kicked off in April 2010. The field's proven oil reserves are pegged at 113m bbl.



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