

## Australia

### QCLNG aims for third train

The BG Group is aiming for a third train expansion at its \$18 billion Queensland Curtis LNG (QCLNG) plant near Gladstone. The company will be in a position to make a decision on the scheme within two years, with gas likely to come from its Bowen Basin tenements or from an expansion of its existing Surat coal bed methane and Cooper Basin shale gas. The QCLNG scheme on Curtis Island is on schedule to meet its 2014 deadline and would have sufficient gas to meet its contracts.

### Chevron hits gas

Chevron has made its twenty-first discovery offshore Western Australia since mid-2009, hitting gas with the Elfin-1 exploration well in the Exmouth Plateau area in the Carnarvon Basin offshore Western Australia. The well lies in the WA-268-P permit 170km northwest of Barrow Island which Chevron operates, with a 50% stake, while Shell and ExxonMobil each hold 25%.

### Woodside eyes Greater Enfield

Woodside Petroleum is eyeing a potential new offshore oil development called Greater Enfield off Western Australia which could be a hub for discoveries. The area is a deep-water location in the Exmouth sub-basin that has been a big success for companies such as Woodside, BHP Billiton and Apache, who are the operators of producing oilfields. There are five FPSOs in the area — Woodside operates the FPSOs at the Enfield and Vincent fields, BHP the floaters at Pyrenees and Stybarrow, and Apache at Van Gogh.

## Indonesia

### Quest's Sumatra plans

Quest Petroleum has signed a memorandum of understanding (MoU) with landowners for acreage at Way Kanan, which lies in the southeast part of the Ranau production sharing contract (PSC) in South Sumatra, Indonesia. Quest plans to drill the Prabu-1 well, one of 16 leads identified on the Ranau PSC that are estimated to hold a combined potential of up to 6 Tcf (169.9 Bcm) of gas and/or 300m bbl of oil.

## **Medco strikes gas**

Medco Energi has made a gas discovery with the Matang-1 exploration well on Block A Aceh onshore Indonesia. The Matang-1 well was drilled to a depth of 7,893ft (2,406m) and intersected a gross gas column in the Upper Bampo Limestone formation of at least 90ft (27m). A decision was taken to suspend the well and to test the reservoir interval drilled so far to obtain flow rate and gas quality information. Results from the tests are expected in May 2013.

## **Eni wins Timor Sea PSC**

Italy's Eni has won a PSC covering an area of 662 square kilometres adjacent to the offshore Kitan field in the Timor Sea. The block lies in the Joint Petroleum Development Area (JPDA) that is administered by Australia and Timor Leste. Under the JPDA 11-106 PSC Eni has committed to drill two exploration wells during the first two years and has options for two contingent wells. The PSC has an average water depth of 1,148ft (350m).

## **Japan**

### **Biggest battery bank**

Japan's Ministry of Economy, Trade and Industry (METI) has announced plans to install a \$204 million large-scale storage system at a substation on the northern island of Hokkaido to help regulate transmission of solar-generated power. According to METI, at 60MWh the battery bank will be the largest of its kind in the world to be set up at a utility-run substation. METI will tap government funds to subsidise the cost of the storage system, which regional utility Hokkaido Electric Power will install by the end of the 2014.

### **First LNG futures contract**

Japan plans to list the world's first futures contract for LNG on the Tokyo Commodity Exchange within two years. The futures would be for cash settlement in dollars and based on an index price for spot LNG cargoes delivered to Japan and while the contracts would not be for physical delivery, they would allow Exchange Futures for Physical (EFP) transactions that enable traders to swap their futures positions for a

physical holding. LNG futures will allow consumers and producers to hedge against price swings, while challenging the current method of linking the fuel's cost to oil.

## **Malaysia**

### **World's largest owner of tender rigs**

Shareholders of SapuraKencana have approved a \$2.9 billion acquisition of 18 rigs from Norway's Seadrill, giving the company control of 21 of the world's 53 tender-assisted rigs. The group is aggressively looking to double its order book by bidding for US\$6 billion worth of work worldwide, half of which will come from contracts outside Malaysia such as in areas like South America, East Africa, West Africa and India.

### **Gas discovery**

Newfield Exploration has made a significant natural gas discovery in the Block SK 310 PSC 80km offshore Sarawak at a water depth of 250ft (76m). The B-14 find, its second pinnacle reef natural gas discovery in the region, is located less than 5km from the first pinnacle reef gas discovery, B-15, which also lies in Block SK 310 in around 250ft (76m) of water. Both will be jointly developed.

### **GPS partners Yayasan**

Dubai-based Global Process Systems (GPS) has signed an MoU with Malaysia's Yayasan Sabah Dua Shipping to pursue new energy projects, particularly in East Malaysia. Yayasan operates tankers and ships and holds contracts with oil majors in the South East Asia, China, Far East and Indian Ocean regions. GPS operates out of UAE, Malaysia, Singapore, Thailand and Indonesia, providing technology-based design-and-build process facilities solutions for the global oil and gas industry.

## **Myanmar**

### **Myanmar offers blocks in June**

Myanmar will launch the bidding process for 30 blocks in June 2013. On offer are 11 blocks in shallow waters and 19 in deep water areas. The government estimates that the country has gas reserves of 11-23 Tcf (311.6-651.6 Bcm). The latest block offer will

be the country's third licensing round since 2011 and the second since US sanctions were eased.

## **Sinopec sells Myanmar stake**

Sinopec has agreed to sell a 30% stake in Block D to Taiwan's CPC Corporation. The onshore oil and gas block covers 12,000 square kilometres near the city of Mandalay. Sinopec had acquired full exploration rights over the block in 2004 from Myanmar Oil & Gas Exploration.

## **Philippines**

### **Brunei player on Philippines scheme**

Petroleum Brunei is expected to finalise a feasibility study in June 2013 on its potential investments in LNG facilities in the Philippines. The company is evaluating the proposed LNG floating storage and regasification unit that would be located in Macajalar Bay, Mindanao and the construction of a 300-megawatt power plant that would be a foundation customer for the imported LNG. This would be the company's first overseas venture.

## **Singapore**

### **First LNG shipment arrived**

Singapore has received its first shipment of LNG, marking a significant step in its plans to becoming an Asian hub for trading LNG. The spot shipment arrived on the 266,000 cubic metre Q-Max vessel Umm Slal, which sailed from Qatar. Regular LNG cargoes will come from UK-based BG Group, which agreed a 10-year supply contract. The terminal will start operations with two tanks with the addition of a third by early 2014. A decision on whether to build a fourth tank is due by the end of the year.

### **Increased focus on specialty chemicals**

Singapore is actively seeking to attract new energy-related investment into the specialty chemicals sector. Specialty chemicals are defined as niche chemicals and polymers generally used in a variety of industries, including waste water treatment, textiles, agriculture, oil and gas, electronics and consumer goods with unique functions to

enhance performance. According to Singapore's Economic Development Board (EDB), the city-state's refining and chemicals sector accounted for around 42% of foreign capital investment in 2012. Foreign investment in the chemical sector rose to \$5.4 billion dollars in 2012 from \$2 billion in 2011.

## **South Korea**

### **HHI to supply Rosebank FPSO**

Hyundai Heavy Industries (HHI) has landed a \$1.9 billion contract to build an FPSO for Chevron's Rosebank development in the North Sea. The floater will be stationed at the Rosebank field, 175 km north-west of the Shetland Islands. The 99,750-tonne turret moored FPSO will be built under the Norsok standard, applicable to offshore facilities operating in the harsh conditions of the North Sea. This contract brings the value of new orders so far this year to \$5.1 billion, 85% of its \$6 billion annual target.

### **Marubeni, SK Shipping in LNG JV**

Japan's Marubeni Corporation had set up a joint venture with South Korea's SK Shipping Co. to transport LNG from the US and Australia to South Korea. The new company, based in Panama, is to buy two LNG carriers to be built by Samsung Heavy Industries. Each LNG carrier will have a capacity of 180,000 cubic metres and are scheduled to be completed in January 2017 and in October 2017. The two LNG carriers are to be leased to French energy giant Total for up to 30 years. One of the two LNG carriers will transport shale gas from the Sabine Pass LNG terminal in the US to South Korea, while the other will ship LNG from the Ichthys LNG project in Australia to South Korea.

## **Thailand**

### **Pan Orient strikes oil**

Canada's Pan Orient Energy has struck oil at the L53-G2 exploration well onshore Thailand. The operator is now adding two more appraisal wells to its initial campaign following the find and plans to apply for a single contiguous production licence over the L53-A4ST1 and L53-G2 structures in May and convert the L53-A4ST1 well to a water

disposal well once oil production from the L53-A4ST1 well has depleted and the production license has been approved, expectedly around October 2013.

## **REC opens Thai office**

Norwegian solar company REC has opened an office in Bangkok to tap into Thailand's renewable energy market. The move comes in the wake of the company launching its first solar plant in the country, the 9.5 MW Chiang Rai project. Chiang Rai is powered by nearly 41,000 REC solar panels, located across 24 hectares of mountainous land and generates electricity for 7200 homes. Thailand has set targets to meet a quarter of energy needs by renewable sources by 2021.

## **Vietnam**

### **Thermal power plant opens**

The \$557 million Mao Khe thermal power plant was officially opened in the north-eastern province of Quang Ninh, six months earlier than scheduled. Covering an area of 72ha in the Dong Trieu district, the power plant is equipped with two turbines with combined capacity of 440MW providing around 2.6 billion kWh of electricity for the national grid per year.

### **Caution on giant PTT project**

PetroVietnam has expressed concerns over the proposed plan put forward by Thailand's PTT on the \$28.7 billion Nhon Hoi refinery and petrochemical complex in central Binh Dinh province. PTT is now expected to re-evaluate certain essential issues such as the availability of a stable and long-term crude oil supply for the future complex, details of the partners who will be involved in the project and capital arrangements.

### **Sharing Armada**

Vietnam's Hoang Long and Thang Long joint operating companies are preparing to begin their co-operation agreement for the shared use of the Armada FPSO. Oil and gas production from Thang Long's two fields in Block 15-2/01 would be sent via subsea pipeline to the FPSO, which is located on Hoang Long's Te Giac Trang field in Block 16-1. The move is aimed at shaving hundreds of millions of dollars off the capital cost of a standalone project.