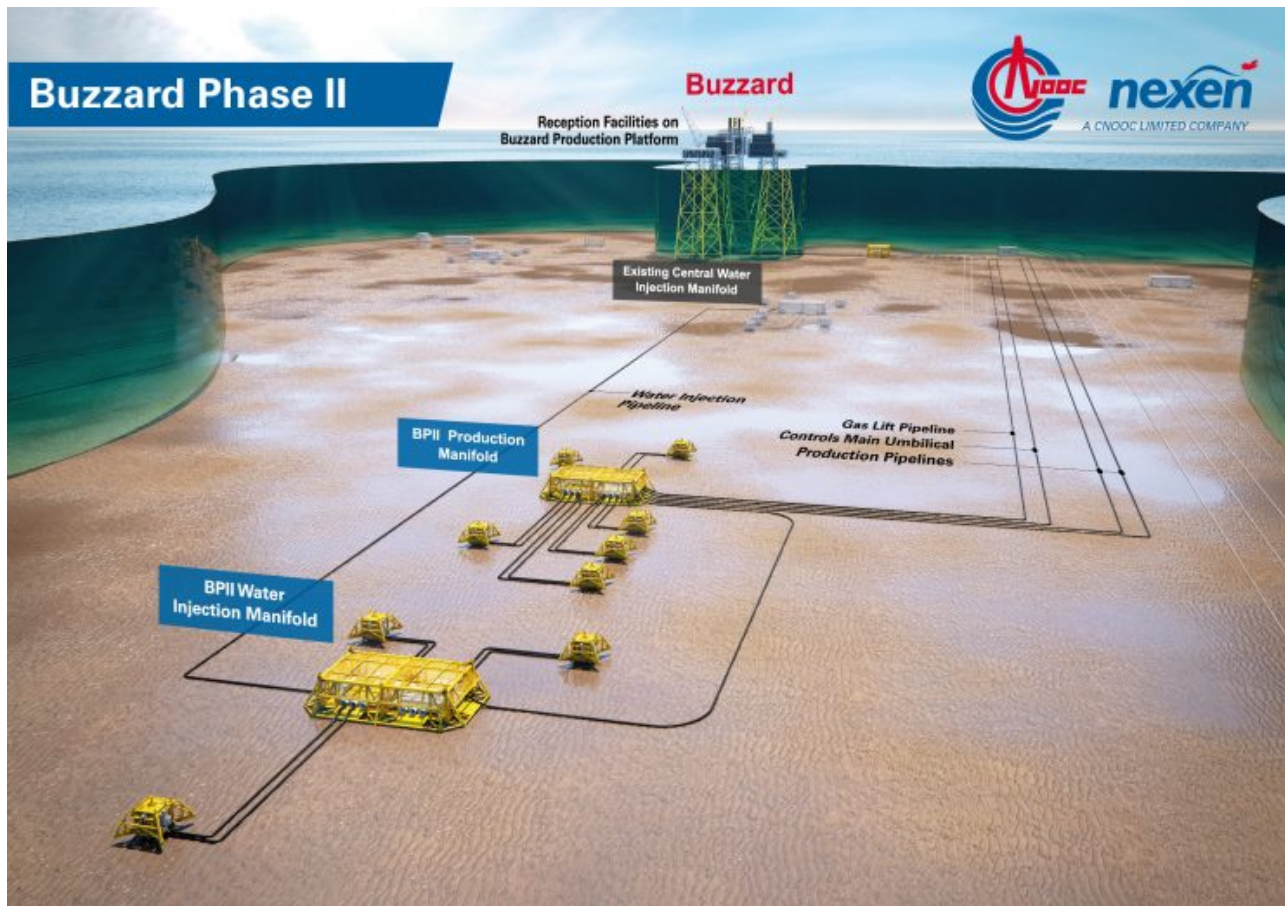


Extension of North Sea mega-field gets final approval



Oil firm Nexen Petroleum UK has said its partners have given it the nod to extend the life of the North Sea's biggest producing field.

Nexen, owned by the China National Offshore Oil Corporation, also said the Oil and Gas Authority (OGA) had approved the Buzzard field phase two development.

In November, Nexen's UK managing director, Ray Riddoch, said production from Buzzard would be prolonged by up to 10 years as part of a £500-million-plus project.

A number of contracts have already been awarded to the supply chain, while work on the front-end engineering design was completed in June.

first oil is expected in the first quarter of 2021.

Operator Nexen owns 43.21% of Buzzard, the largest UK North Sea oil discovery in the past two decades.

Its partners are Suncor Energy (29.89%), Chrysaor (21.73%), Dyas (4.7%) and Oranje-Nassau Energie (0.46%).

Nexen is working on the project with a host of oil field service companies including AGR Well Management, Baker Hughes, a GE company (BHGE), COSL Drilling Europe, Subsea 7 and Worley Parsons.

They have formed an integrated team which is based at Nexen's office in Kingswells, Aberdeen.

The team is going after additional reserves with a subsea development in the northern part of the Buzzard field.

Buzzard, which lies 60 miles north-east of Aberdeen, was discovered in 2001 and produced first oil in 2007.

The latest figures of the OGA show the field is producing more than 140,000 barrels of oil equivalent per day.

A production and water injection subsea manifold will be installed and tied back to the existing Buzzard complex.

A new module will also be added to the complex for processing and export.

Last week, Subsea 7 said it had won a contract worth between £38-£115m to build and install a three mile pipeline bundle and provide a heavy lift vessel for transporting and installing a new topside module.

BHGE has been chosen to supply a range of subsea infrastructure and topside control systems.

Zvonimir Djerfi, Europe president, BHGE, said the formation of the integrated team was a prime example of companies taking an

unconventional approach to collaboration and project development.

Qatar maintains global LNG lead



One of the key targets of the siege countries was Qatar's vibrant and resource-rich hydrocarbons industry. The economic blockade was basically aimed at interrupting Qatar's export of oil, gas and petrochemicals in all ways possible.

Qatar Petroleum (QP) and its group companies immediately managed to absorb the initial impact of those measures, and were able to continue operating and export normally without any disruption across all its oil and gas facilities.

Qatar's announcement of its offshore North Field expansion has been well-received by the global energy industry, whose major players see great opportunities in partnering with QP on the

largest single non-associated gas field in the world.

Qatar's plan is to develop an export-oriented gas project in the North Field. Qatargas has been entrusted with executing this mega-project on behalf of QP.

The expansion of Qatar's LNG production from the North Field is an important landmark in QP's strategic growth plan and objectives of becoming one of the best national oil and gas companies in the world.

QP has already selected Japan's Chiyoda Corp to execute the Front End Engineering and Design (FEED) of the onshore facilities of the North Field expansion project.

The facilities will produce an additional 23mn tonnes per year (tpy) of liquefied natural gas (LNG), which will raise Qatar's production from 77mn tpy to 100mn tpy.

QP president and CEO Saad Sherida al-Kaabi said earlier that "the expansion of Qatar's LNG production from the North Field is an important landmark in Qatar Petroleum's strategic growth plan and objectives of becoming one of the best national oil & gas companies in the world.

"We are continuing discussions with potential international joint venture partners for this strategic project to determine an optimised arrangement with the objective of delivering maximum value to the State of Qatar and contribute to the optimal utilisation of Qatar's natural resources."

Another major project announced by QP recently was the development and operation of a new world scale petrochemicals complex at the Ras Laffan Industrial City.

The petrochemicals complex will include an ethane cracker with a capacity of more than 1.6mn tpy of ethylene, making it the "largest ethane cracker" in the Middle East, and one of the largest in the world.

The petrochemicals complex will also include world-class derivative plants, which will consolidate Qatar's position among the leading petrochemicals producers in the world markets.

The engineering design of the petrochemicals complex should

commence shortly, leading to a planned start-up in 2025.

QP has invited a group of leading international companies, with extensive experiences in the petrochemicals industry, to submit proposals for partnering with it in the development and operation of the new world scale petrochemicals complex.

The feedstock for the petrochemical complex will be ethane produced primarily from the new North Field LNG expansion project that will produce an additional 23mn tpy of LNG, as well as from existing gas projects producing ethane.

On the project, Qatar Petroleum President and CEO Saad Sherida al-Kaabi said, "This development is a first step towards the launch of a new world scale Petrochemicals Complex at Ras Laffan, marking another important milestone for Qatar Petroleum."

Al-Kaabi added: "Petrochemicals represent a major pillar of our growth strategy to achieve our vision of becoming one of the best national oil companies in the world. This project will complement our efforts to implement our strategy, and will enable Qatar Petroleum to further expand its footprint in the global petrochemicals markets."

Qatar open to meet India's growing LNG demand: CEO of QP



The Peninsula

DOHA: Qatar, the world's largest exporter of liquefied natural gas (LNG), is open to supply more gas to India to meet the country's fast growing requirements for clean energy.

India, one of the major importers of Qatari gas, is giving more focus on the use of natural gas (reducing the use of coal, diesel and petrol) to transform into a gas-based economy. "India is a very important country for us, especially with regard to our growing LNG production, and India's rising demand for energy. We are always open to enhance cooperation to meet its energy requirements," Eng Saad Sherida Al Kaabi, President and CEO of Qatar Petroleum (QP) said in response to a question from The Peninsula.

Al Kaabi added: "Currently we are supplying over 8 million tonnes of our LNG to India every year under long-term agreements. We intend to supply more. A few months ago I visited India and have had meetings with top officials of all the important Indian companies that are buying LNG. We have had discussions on these issues, and we are looking forward to increase the level of cooperation to satisfy India's growing

LNG demand.” He reiterated that he is always open to have discussions and supply more LNG to India. “We have good relationships with Indian companies. India is a strategic business partner of QP. Indian energy companies are good reliant customers, and we hope to grow that business because that’s very important for us,” said Al Kaabi.

India with a population of over 1.3 billion people, which is also the Asia’s third largest economy, is investing heavily on developing needful infrastructure to boost the consumption of gas. It has set an ambitious target of enhancing the share of gas to 15 percent of its primary energy basket within next few years, which is currently 6.5 percent. The energy-hungry economy, which is currently the third largest consumer of oil and gas, is also working to develop a gas trading exchange to create new market, aiming to boost domestic consumption of gas as well as re-exporting it to neighbouring countries.

Al Kaabi said that during his visit he also met with India’s Minister of Petroleum & Natural Gas and Skill Development & Entrepreneurship, Dharmendra Debendra Pradhan, and had fruitful discussions to boost energy cooperation between the two friendly countries.

Pradhan, a big supporter of gas and other forms of clean energy, reaffirmed his commitment to boost India’s gas consumption in a recent TV interview. “Today India’s re-gasification capacity is about 26 million tonnes per annum (mtpa), which is adding another 30mtpa of re-gasification facility in the eastern coast of the country. This is the biggest jump of re-gasification capacity ever,” said the Minister in a TV interview.

Pradhan added that currently about 150 districts of the country are linked with piped gas supply, and by the end of 2019, India will have another 200 districts connected with piped gas, taking the total to 350 districts, covering more

than half of the country of 1.3 billion people.

India is revamping its several key industries, including fertiliser, steel, and other industries to transforming them into gas-fuelled facilities.

In addition, the country also has plans to use gas as primary fuel for its huge transport sector, including the maritime and inland transport. "We are very focused to use more LNG, PNG (piped natural gas) and CNG (compressed natural gas). I am confident that India (in terms of gas consumption) will achieve more than the world average of 24 percent of gas in the global energy-mix. In the state of Gujarat we already have achieved 26 percent, which we want to replicate across the country," the Minister said.

**Exclusive: Qatar Petroleum
CEO says pushing ahead with
expansion despite Gulf
embargo**



DOHA (Reuters) – State energy giant Qatar Petroleum will push ahead with its production expansion and foreign asset acquisition strategy to be on par with oil majors, despite a regional political and economic embargo on Doha, its chief executive said.

QP, which produces 4.8 million barrels of oil equivalent per day (boed), aims to boost its output to 6.5 million boed in the next 8 years, and is expanding its upstream business abroad, particularly in the United States, CEO Saad Al-Kaabi told Reuters.

Qatar is one of the Organization of the Petroleum Exporting Countries' smallest producers but is also one of the most influential players in the global liquefied natural gas (LNG) market due to its annual production of 77 million tonnes.

"We are in Mexico, we are in Brazil, we are contemplating investing in the U.S. in many areas, in shale gas, in conventional oil. We are looking at many things," Al-Kaabi

said in an interview at QP's headquarters in Doha.

"We are looking very critically at the United States because we have a position there. We have the Golden Pass that we are investing in," he said.

Qatar Petroleum is the majority owner of the Golden Pass LNG terminal in Texas, with Exxon Mobil Corp and ConocoPhillips holding smaller stakes.

Al-Kaabi said "depending on the project's cost and feasibility" he expects to take a final investment decision on expanding the Golden Pass LNG by the end of the year.

"I'm not in the business of infrastructure. I'm not going to have a liquefaction plant only. It has to be something that will be linked with an upstream business that we would buy in the U.S. so we need to be naturally hedged," he added.

To maintain its dominance in the United States and Australia, QP is cutting costs at home and seeking to expand overseas through joint ventures with international companies.

"We will always go with one of our international partners that we have business with here in Qatar," Al-Kaabi said. "Some of our partners want to divest, some of our partners want to acquire something together."

QP is focusing on other opportunities in Mexico, Latin America, Africa and in the Mediterranean, he said. QP is also looking to enter Mozambique, where Exxon and Eni operate, he added.

Al-Kaabi said the share of overseas upstream production will be "a good portion" in the long-term but it won't compare to its share at home.

"Our strategy says we are going to expand in upstream business with a little bit of downstream that will be connected to some other businesses that we are doing and a few one-off deals in petrochemicals," he said.

PRODUCTION EXPANSION

For Qatar, which is locked in a dispute with four Arab states, broadening its investments outside the Middle East would cement its position as the world's largest LNG supplier and help it to weather the boycott with its neighbors.

In June last year, Saudi Arabia, the United Arab Emirates, Bahrain and Egypt cut diplomatic, economic and transport ties with Qatar, accusing it of backing terrorism, a charge which Doha denies.

In an apparent show of strength, a month later QP announced plans to raise LNG production capacity by 30 percent to 100 million tonnes per year.

Qatar has lifted a self-imposed ban on the development of the North Field, the world's biggest natural gas field, which it shares with Iran, in April last year and announced a new project to develop its southern section, increasing output in five to seven years.

The announcement came at a time of an oversupply in the LNG market, but Al-Kaabi said such a glut would disappear in 2021-2022 driven by the rising demand for gas amid the global move towards cleaner fuels and climate change concerns.

QP has selected Japan's Chiyoda Corp for the front-end engineering and design (FEED) of the onshore facilities of the North Field expansion project and awarded McDermott a contract for the offshore engineering work, Al-Kaabi said.

QP has abandoned plans to debottleneck its existing liquefaction trains because it involved shutdowns and prompted safety concerns, and opted to build three new LNG trains, he said.

"Stay tuned," Al-Kaabi said, when asked if QP's announcement that the award to Chiyoda included a pre-investment for a fourth train as had been announced.

If QP decided to build a fourth train, that could mean possibly expanding gas production beyond 100 million tonnes per year.

Al-Kaabi said QP will award the engineering, procurement, and construction (EPC) contract for the first LNG train by the end of next year, with its start-up set for the end of 2023.

QP is in talks with international oil companies for the new expansion project. Oil companies operating in Qatar now include Exxon, Total and Royal Dutch Shell.

QP will make a decision on the foreign partners by the end of 2018, Al-Kaabi said.

“There are some new companies that have come and put forward some proposals ... but I don’t see the face of what we are doing and the companies that we have changing much.”

Eni working on bid for Terra Firma solar assets in Italy: CEO



ST PETERSBURG (Reuters) – Italian oil major Eni (ENI.MI) is working on a joint bid for Terra Firma’s solar assets in Italy with Qatar Petroleum, Eni CEO Claudio Descalzi told Reuters on the sidelines of the St Petersburg Forum on Friday.

Asked about a possible bid for the solar energy portfolio, he said: “I think so, our people from renewables are working on a possible bid on this, yes.”

Asked if the bid was with Qatar Petroleum, he said “I think so, yes.”

Private equity investor Terra Firma is looking to sell its RTR solar portfolio in Italy in a deal that is expected to fetch more than 1 billion euros (\$1.2 billion).