



Rumaila rising
BP working on full field development plans for giant Iraqi oil play.
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HSM in hot seat for Shell unit



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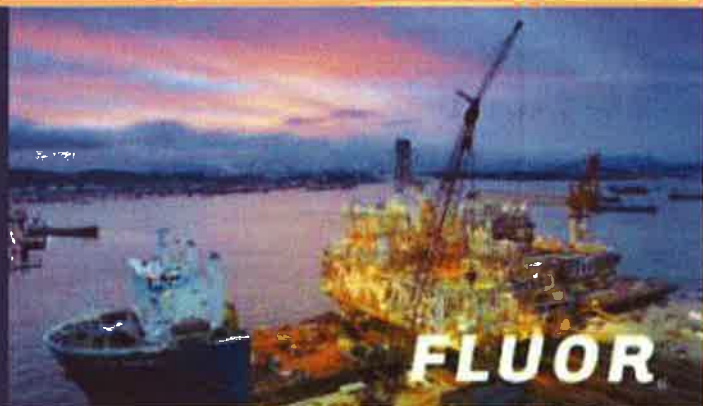
East Africa offshore focus

A SERIES of major offshore discoveries have transformed East Africa from a backwater into an industry hot spot and it could become one of the world's top three LNG export regions within 10 years. In a special 24-page feature, Upstream looks at the major events and trends shaping the region's oil and gas industry.
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NEWS

Our other option is to build an entirely new compression platform. Funnily enough, the costs aren't too far apart.
Oliver Kleyn, ONEGas SNS UK projects manager

BRIEFS

RUSSIA

Bashneft eyes Siberia bids

RUSSIAN regional oil producer Bashneft has become the first among its domestic peers to declare its interest in bidding for three large blocks in Siberia that the government intends to auction next month.

Bashneft president Aleksandr Korsik said that the company is currently evaluating the potential of the Shilman, Imilorskoye and Lodochnoye blocks.

Russia's government estimates the blocks' potential crude resources stand at about 10 billion barrels.

KENYA

Twiga wildcat is a success

KENYA'S Minister of Energy Kiraitu Murungi has said preliminary results from Tullow Oil's Twiga-1 wildcat onshore Kenya are positive.

"We are informed by Tullow that tentative results from its onshore Twiga-1 probe show the well will record another discovery once it is completed."

After completing Twiga-1, the operator will mobilise the rig to drill the Congo prospect in Block 10BB.

UK

Antrim deal

CALGARY-based Antrim Energy has signed a deal to lease Teekay Corporation's cylindrical Hummingbird Spirit floating production unit for the Fyne development in UK waters.

Antrim, which is under pressure to meet the requirements of its Fyne licence, said it expects to submit the field development plan to the Department of Energy & Climate Change before 11 January. If it fails to do so its licence could be revoked.

ATLANTIC

Husky signs

HUSKY Energy has confirmed it has signed a five-year, \$1.18 billion agreement with Norway's Seadrill to lease its semi-submersible West Mira for operations off Newfoundland, Canada and Greenland.

The rig, currently under construction in South Korea, is set to begin working in the second quarter of 2015.

EUROPE

HSM is close to welding Leman platform deal

Dutch contractor on verge of netting its largest unit for Shell project in the UK North Sea

ROB WATTS

London

NETHERLANDS-based fabricator HSM Offshore is poised to land its largest fabrication contract for a UK North Sea project, covering a new compression platform for the Shell and NAM venture ONEGas in the Southern basin.

The bridge-linked compression platform for the Leman field will be the first of its type HSM has handled for the UK sector, although it follows a similar, albeit smaller, facility built for Centrica in the Dutch sector.

ONEGas opted for a new platform to refresh Leman's compression capacity instead of a brown-field upgrade of the existing dilapidated compressors, which had also been on the table.

Market sources said confirmation of both the final investment decision on the new greenfield project and the contract award to HSM is due within weeks.

The procurement and construction contract will cover a jacket weighing in at about 1100 tonnes and a topside that will weigh about 3000 tonnes, as well as a bridge that will connect it to the existing Leman facilities.

Delivery of the platform is due in April or May 2014.

Engineering has been carried out by Dutch-based company Iv Oil & Gas and HSM's close collaboration on previous projects is likely to have been a factor in ONEGas' decision making, sources said.

While this would be HSM's first major compression platform in the UK, it is currently building a large compression module for a brown-field project on Talisman Energy's Claymore facilities in the North Sea.

It has also built wellhead platforms for Itasca Energy and EOG Resources off the UK.

HSM's Schiedam yard near Rotterdam is currently building two production platforms – L5a-D and D1A-A – for GDF Suez's Dutch operations. HSM was unavailable for comment.

A Shell spokesman said a final



investment decision on the Leman compression project has not yet been taken but refused to comment further.

ONEGas's UK Southern North Sea projects manager Oliver Kleyn said earlier this year that Leman's compressors were "on their last legs". Kleyn, who was speaking on the sidelines of an industry conference, said two options to provide new compression capacity had been on the table.

"One is going in and pulling everything apart. That requires a lot of

manpower. It is very difficult to plan safely. It takes a long time and there are a lot of risks associated with shutting down the platform.

"Our other option is to build an entirely new compression platform. Funnily enough, the costs aren't too far apart."

Shell is considering more than a dozen projects across the UK and Dutch sectors of the southern North Sea that will require investment of about £500 million (\$790 million) over the next three years.

Three of these – the Leman com-

pression unit, new accommodation facilities at the Clipper field and upgrades to the onshore Bacton terminal in Norfolk – will account for about 80% of that investment.

Others involve monotoner platforms and single well subsea techs.

Between 500 million and 1 billion cubic feet per day of production passes through Shell's section of the Bacton terminal.

The ageing Leman field began producing in 1968 and lies about 70 kilometres off Lowestoft.

as no surprise to disappointed UK contractors, and capacity issues at UK yards may see yet more work go abroad.

Upstream reported previously that Newcastle-based OGN Group had failed to make the shortlist for both the Leman compression platform and the Clipper accommodation facilities.

SLP Engineering in Lowestoft said at the same time it had been advised by Shell it had not made the bid list for the Clipper work.

Since then, SLP has been bought by Singapore's Sembcorp Marine.

150,000 bpd

THE NUMBER of barrels of oil the Tracema North FPSO is intended to process for Petrobras in the Santos basin.

Philippines focus on dishing out awards

EVALUATION OF BIDS

Decisions to come by end of the year

THE Philippines Department of Energy is aiming to award exploration blocks from the Philippine Energy Contracting Round 4 (PECR 4) by the end of this year.

Energy Undersecretary Ramon Allan Oca confirmed the aim to Upstream on the sidelines of the Upstream Energy 2012 conference.

The results of the bid round will be known soon according to Oca, who said that the Department of Energy had "just finished" its evaluation of the submissions.

Bids were ultimately received for 11 of the 15 blocks offered in

PECR 4 but the Department of Energy can elect not to make awards if minimum criteria are not met or it does not approve a work programme.

Sources said that at least three of the blocks applied for are likely to have their submissions rejected.

The Department of Energy had hoped to attract foreign heavy-hitters for the three blocks – Areas 3, 4 and 5 – offered off the island of Palawan and believed to have gas potential.

However, local company Helios Petroleum & Gas was the sole bidder for Area 3, while Helios also applied for Area 4 in competition with bids from a consortium of state-owned Philippine National Oil Company Exploration Corporation, Philex and PetroEnergy.

There was also a single bid for Area 5 off Palawan from the joint venture of Philodrill and Pitkin Petroleum.

PTSC banks Vietnam job

THE long-awaited development of shallow-water gas fields in blocks 102 and 106 off northern Vietnam has gathered momentum with the award of engineering, procurement and construction contracts.

Progress has been slow but in the last week or so there has been at least one EPC contract awarded, said sources.

Petroleum Technical Services Corporation (PTSC) is understood to be a winner, receiving contracts for the provision and installation of a 24-kilometre pipeline from the offshore field to an onshore station in the northern province of Thai Binh, plus an onshore gas distribution centre.

The gas feedstock will come

from fields in blocks 102 and 106, which are operated by Malaysia's Petronas.

Petronas previously indicated the Thai Binh discovery in Block 102 had entered the development stage, as had the Ham Rong oil field in neighbouring Block 106. Production rates, reserves and development timelines could not be confirmed as Upstream went to press.

Sources said there is a small wellhead platform required for the project and this is earmarked for one of PetroVietnam's other construction subsidiaries.

PTSC's workscope for the blocks 102 and 106 project includes an offshore pipeline, nearshore pipeline and onshore line.

Brent Charlie set for return after woes

SHELL is hoping to resume output at its ageing Brent Charlie platform off the UK as soon as next month after more than a year of shutdowns due to safety problems.

Well-placed industry sources said that plans for a December restart are "looking reasonably good".

Brent Charlie was fully shut in on the orders of the UK safety regulator in July 2011 due to technically complex safety issues that led to a series of gas leaks that were not vented safely away from the platform.

In January, just as the Anglo-Dutch supermajor

appeared to be close to resolving those issues, the platform was hit by a separate problem when a conductor pipe was found to be damaged.

This forced Shell to postpone the ongoing maintenance work aimed at remedying the gas leak issues.

Shell was asked by the UK Health & Safety Executive (HSE) to submit a revised safety case for the facility, which was done in September last year. This was accepted by the HSE in July.

Brent Charlie, in Block 211/29 in the northern North Sea, has been producing since 1975.

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