

BP reduces Overhead

BP's Chief Executive Officer, Tony Hayward has revealed the company's plan to reduce corporate overhead by between 15 and 20 per cent "We are starting from the top with fewer layers of management and smaller corporate infrastructure," he said.

BP plans to cut about 5,000 positions in the company by the middle of 2009. The company already reduced its workforce by 9,500 with the sale of its U.S. convenience store business. The restructuring costs were approximately \$350 million in the fourth quarter of 2007, but the company expects an additional \$1 billion in 2008.

He said that 2007 was one that he and others at the company are happy to have left behind, he acknowledged that their 2007 financial results were less than stellar, falling 22 per cent to \$17.3 billion.

Chevron Inks LNG deal

After years of discussion, the final investment decision (FID) has finally been taken on the Angola LNG project. US firm, Chevron, has put pen to paper on a deal with Angolan state owned oil and gas company Sonangol to develop the project.

According to the project consortium, gas will be supplied to the plant from associated gas fields, thereby helping to avoid gas flaring and enabling the production of oil on associated fields.

The development consortium comprises Chevron subsidiary Cabinda Gulf oil Company (36.4 per cent), Sonangol offshoot Sonagas (22.8 per cent), BP (13.6 per cent), Enl (13.6 per cent) and Total (13.6 per cent).

A single liquefied natural gas (LNG) train with production capacity of 5.2 million tonnes a year will be developed on the Angolan coast close to the city of Soyo, about 350 km north of Luanda.

Aramco targets 12 million b/d

New investment by Saudi Aramco is expected to boost the company's oil production capacity to 12 million b/d by the end of 2009, Aramco CEO Abdallah Jum'ah said

In the opening address at the annual conference of Cambridge Energy Research Associates in Houston, Jum'ah took a swipe at believers in the 'Peak Oil' theory, saying he believed there were considerable remaining recoverable oil reserves.

Uganda Sets New Oil Policy

Those companies who have been anxiously waiting for Uganda to finalize its oil and gas policy will be thrilled to learn that the deed is now complete and upstream and downstream opportunities will soon begin to emerge.

Uganda's comprehensive new oil and gas policy covers the entire upstream-downstream continuum, addresses areas of specific national interest, and incorporates numerous safeguards to avoid some of the pitfalls its African cousins have faced. These areas include health and safety, environment, human resource development, institutional capacity building, prudent resource management, and fiscal and economic accountability, among many others.

IEA cuts Oil Demand Forecast

The International Energy Agency has cut its estimate of world oil demand growth for 2008 to 1.7 million b/d, down 200,000 b/d from its previous forecast due to lower US economic growth predictions by the IMF.

In its latest monthly report, the Paris-based agency said global oil product demand is expected to rise to 87.6 million b/d in 2008, up 1.9% from a revised 86 million b/d in 2007.

"Considering that a proportion of that demand growth represents a weather-related rebound in the OECD, the underlying trend is even weaker," the IEA said. "...an economic slowdown has the potential to change the landscape over the next few years: depending on how deep it is and how long it lasts."

BP spuds Oil In Ultra DW Angola

Sociedade Nacional de Combustiveis de Angola (Sonangol EP) and BP Exploration (Angola) Limited announced the Portia oil discovery in ultra-deepwater Block 31, offshore Angola.

Portia is the fifteenth discovery that BP has drilled in Block 31. The well is located approximately 7 kilometers to the north of the Titania discovery and 10.5 km southwest of the Pluto field. GSF Explorer was used for the operations.

Portia was drilled in a water depth of 2,012 meters, some 386 km northwest of Luanda and reached a total depth of 5,678 meters TVD below sea level. This is the fourth discovery in Block 31 where the exploration well has been drilled through salt to access the oil bearing sandstone reservoir beneath.

The well test results confirmed the capacity of the reservoir to flow in excess of 5,000 barrels per day under production conditions.