

## Afren acquires Devon's Interests in Ghana and Angola

*Afren has entered into an agreement with Devon Energy to acquire its interests in Ghana and Angola, comprising a 95 per cent working interest and operatorship of the Keta Block, offshore Ghana and a 15 per cent working interest in Angola Block 16. The acquisition is subject to certain conditions precedent, including customary governmental approvals and, with respect to Block 16, the preferential rights of Sonangol.*

Devon Energy is divesting its interests in the operated Keta Block offshore Ghana and Block 16 offshore Angola as part of the process to sell its assets in West Africa, as announced in January 2007.

## Shell Mulls Stakes in Two Oil Blocks

*Royal Dutch Shell PLC is considering selling \$900 million worth of interests in Nigerian offshore blocks as it restructures its operations in Nigeria.*

The two stakes, each of 49.8 per cent and owned through Shell Nigeria Exploration and Production Company (SNEPCo) are in deep water blocks OML-125 and OML-134, the latter formerly known as OPL-211.

Agip, a unit of Eni, owns the remaining 50.2 per cent in each block. OML-125 produced 12,000 barrels a day of oil net to Eni in 2006. During 2006, Agip made a new discovery of both oil and gas in a well located in the block. OML-134 is still in exploration phase.

Shell is losing 189,000 barrels a day of output from its 30 per cent share in one of its ventures, Shell Petroleum Development Co. Ltd., after it was mothballed in the wake of attacks on facilities and staff by local rebel groups seeking a greater share of oil revenues.

## Peak adopts Flex LNG Concept

*FLEX LNG Limited has signed a memorandum of understanding with Peak Petroleum Industries Nigeria limited for the joint development of the Bilabri and Orobiri natural gas reserves using FLEX LNG's LNG Producer (LNG/P) concept.*

The project will have an annual production capacity of at least 1 million tonnes for up to 15 years with first LNG expected in 2011.

According to Chief Executive Officer of FLEX LNG, Philip Fjeld, the quest for Flex LNG was aimed at providing the world with available LNG volumes in 2011.

FLEX LNG signed a contract for an additional liquefaction unit in October 2007 and will have three LNG Producers on station producing LNG in 2011. This provides the LNG industry with a unique possibility of accessing currently uncommitted LNG supply in 2011.

## Providence Farms into Aje Field

*Providence has entered into a new farm-in agreement for the Aje Field, located in OML113, offshore Nigeria. This new partnership is composed of Yinka Folawiyo Petroleum, the Operator, Chevron Nigeria, Vitol Exploration Nigeria, Energy Equity Resources Aje and P.R. Oil and Gas Nigeria.*

In addition, an agreement has been reached between all the participants to move forward with the drilling of AJE 4 well. This will test for hydrocarbon-bearing reservoir intervals, apparent in the previous 3 AJE wells, as well as testing deeper potential reservoir zones. It is envisaged that drilling will take place early in quarter 1 of 2008. Further announcements in relation to this drilling program are expected in due course.

Commenting on the announcement, Mr. Tony O'Reilly, Chief Executive said: "We are pleased that after many months of negotiations, this new farm-in group has been formed and will now move forward with the AJE 4 appraisal well program that will assess the reserve potential of the AJE Field."

## Paradigm inks Deal with Chevron

*Paradigm and Chevron Corporation said a major agreement has been reached for the global deployment of the Paradigm Interpretation and Modeling software solutions to integrate with Chevron's proprietary exploration and production systems.*

The multi-year, multi-million-dollar agreement encompasses the deployment of Paradigm's next generation interpretation and reservoir modeling technologies and associated services. Paradigm will partner with Chevron Energy Technology Company to implement the solution worldwide as well as to provide further technology development to support Chevron's specific E&P goals. Chevron has also reached a multi-year agreement with Paradigm to extend its long-standing use of Paradigm's Geolog software,

## Umusadege Field flows at 1,646 bbl

*Mart Resources Inc. and its partners Midwestern Oil and Gas Company PLC (operator) and Suntrust Oil Company Nigeria Limited said the UMU-N2 well flowed at a rate of 1,646 barrels of oil per day on a 28/64 inch choke. Flowing tubing pressure was 2453 psig with an average gas rate of 6.2 million standard cubic feet per day. The well then flowed on a 24/64 inch choke at a stabilized rate of 1,010 barrels oil per day and a flowing tubing pressure of 2730 psig. The gas/oil ratio was 5620 scf/bbl for an average gas rate of 5.7 million standard cubic feet per day. The gas/oil ratio increased to an average of 5620 scf/bbl over the 27.5 hour flow period. The oil produced was 39.2 degree API gravity and no water or sand was produced.*

## Velosi raises Chevron's Budget

*Velosi has increased the budget for the Group's Chevron Escravos contract in Nigeria. The Technical Support Services Contract for the Escravos Gas to Liquid Project was initially secured from Chevron Nigeria Limited in February 2005 at a contract value not exceeding US\$10 million.*

Via a letter of intent received from Chevron dated September 18, 2007, this contract value has now been increased to a maximum of US\$20 million, while the contract completion date remains unchanged at December 31, 2009.

Under the scope of this contract Velosi provides Inspection and Technical personnel for the construction and installation of hydro and distillate processing facilities and pipelines both onshore and offshore at Escravos, situated approximately 100 kilometers south east of Lagos, Nigeria. The completed facility will convert natural gas to clean transportation fuels for markets in Europe and around the world.

## Atlas, Summit Farm out OML 109

*Atlas Petroleum International Limited and its partner Summit Oil and Gas Worldwide, are considering selling up to 40 per cent of their stakes in OML 109 offshore Nigeria. The shallow water block, which covers 773 sq km, is owned 70 per cent by Atlas and 30 per cent by Summit.*

Only three exploration wells, the first in 1966, have been drilled on the block. According to a review recently conducted, the block could contain up to 2.2 billion barrels of oil.

OML 109 is located near proven oil and gas fields and solid infrastructure exists near by should a discovery come in. Simco Petroleum (Management) Ltd. in London and Bunker Hill Associates in Houston are assisting Atlas and Summit on discussions with potential investors.

## Three Vessels for Oil Operations

*C&I Leasing Plc has acquired three marine vessels to be used in the oil and gas industry from Lamnalco Limited. The vessels namely MV Robin, a 15 M/T bollard pull line handling tug vessel; the MV Raven, a 23 M/T bollard pull line handline tug vessel and the MV Kite, a utility vessel used for movement of personnel and materials.*

The company said the three vessels have been deployed to work for three multinational oil exploration companies

## Indices sign deal with Enertech

*First Fossil Nigeria Limited has signed an Alliance Agreement with the United States based Enertech Services.*

Under the term of agreement, the two companies are to collaborate on acquisition and execution of projects in engineering design, installations and modifications for Oil and Gas facilities (including floating drilling and production platforms and specialised vessels (FPSO)), Petrochemical facilities and Power plants. The agreement also covers cooperation for Construction and Project Management services for facilities in Oil and Gas, petrochemical and power plants.

At the signing ceremony in Houston last week, the parties agreed to the development of the skills and experience of Nigerian engineers and technical personnel through agreed programmes of training on project assignments, both in Nigeria and in ENERTECH offices in the U.S.A. and China.

## Equator, CAMAC merged

*Equator Exploration Limited has entered into a conditional merger agreement with Camac Energy Holdings Limited, a wholly owned subsidiary of CAMAC International Limited.*

Through the merger with CEHL, Equator will acquire CAMAC International's exploration and production interests in the territorial waters of Nigeria, which include participating interests in OML 108, OML 120, OML 121, OPL 278 and OPL 282.

Equator will acquire the entire issued share capital of CEHL in consideration for the issue of the Consideration Shares to Camac International's wholly owned subsidiary, Camac Energy Limited.

Based on Equator's existing issued share capital, the terms of the merger will result in the enlarged group being 70 per cent owned by Camac and 30 per cent owned by Equator Shareholders, on an undiluted basis. In addition to the \$10 million drawn down from the two working capital facilities, Equator and CAMAC EP have identified potential sources of additional financing .

## Witty One Liner

*Oil is a wasting asset. Hence, producing countries must like Kuwait, use the windfall bonanza in a strategic way to secure the economic future of their countries and teeming population.*

*- CPI Commentary*