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ENERGY

PTTEP eyes June decision on Rovuma

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SET-listed oil and gas drilling firm PTT Exploration and Production (PTTEP) expects to make the final investment decision for the Mozambique Rovuma Offshore Area 1 project by June.

PTTEP has a 8.5% stake in the Rovuma Offshore Area 1 project through a subsidiary, PTTEP Mozambique Area 1. Anadarko holds 26.5%, Mitsui E&P Mozambique Area 1 Limited holds 20%, Empresa Nacional de Hidrocarbonetos holds 15% and BPRL Ventures Mozambique BV, ONGC Videsh and BEAS Rovuma Energy Mozambique each hold 10%.

The project is designed to be a production facility for liquefied natural gas (LNG), but the consortium in this project has yet to make a decision on the massive investment of roughly US\$23-24 billion (722-753 billion baht).

As the project has many LNG long-term sale contracts, all stakeholders in the consortium must make their decisions quickly, said Phongsthorn Thavisin, PTTEP's president and chief executive.

He said based on the current value of all contracts, LNG production will increase to 9.5 million tonnes a year.

"The decision should be done in mid-2019," said Mr Phongsthorn.

PTTEP's parent company PTT recently announced it intends for long-term LNG sales agreements from this project to total 2.6 million tonnes per year.

"Once the sales contract with PTT is complete, the production goal for the Rovuma Offshore Area 1 will reach 12.1

million tonnes per year," he said.

After this project is concluded, PTTEP can spend the \$1.8 billion budgeted allotment for the project. The LNG production facility is expected to operate in 2024.

Mr Phongsthorn said the average price of LNG in 2024 is expected to be \$7-10 per million British thermal unit (BTU) because of declining LNG supply from \$9.2-10.6 per million BTU.

The Rovuma Offshore Area 1 project is located in offshore Mozambique and consists of the Prosperidade, Golfinho-Atum, Orca, Tubarao and Tubarao-Tigre fields, with substantial recoverable natural gas resources of some 75 trillion cubic feet. It has the potential to become one of the world's largest LNG supply hubs.

The project is progressing towards developing onshore LNG plants consisting of two initial LNG trains with total capacity of 12.88 million tonnes per year to support the development of the Golfinho-Atum field, located entirely within Offshore Area 1.

PTTEP has another petroleum block in Australia's offshore Cash Maple gas field, but it is considering whether to carry on with the investment or selling the field entirely this year. Mr Phongsthorn said Australia's regulations on oil and gas drilling have become complicated and require the investment plan to be recalibrated.

The Cash Maple gas field is located in the Timor Sea, northwest of Australia. The project is in the preliminary concept stage, which includes considering both conventional and floating LNG options.