

# NEWS

Precisely when Inpex will issue the FEED bid invitations is not known, with sources suggesting 2021 now looks more likely than 2020.

## VIETNAM

### Repsol exits Ca Rong Do

Spain's Repsol said has agreed to transfer its interests in the suspended Ca Rong Do gas and light oil project in Vietnam to the national oil company PetroVietnam.

Repsol holds a 51.75% operating interest in the Ca Rong Do field in Block 07/03, which has been suspended since March 2018 when it was instructed by PetroVietnam to stop field development activities.

PetroVietnam had been under pressure from the Chinese government's claim that the field is located in Chinese territory.

Repsol still has other interests in Vietnam and generated net average production in 2019 of 5000 barrels of oil equivalent per day.

## EUROPE

### Gas flows at Sillimanite

Wintershall Noordzee has started production from a second well at the UK-Netherlands cross-border Sillimanite gas field.

Wintershall Noordzee, the 50:50 Wintershall Dea and Gazprom joint venture, is also currently drilling the Sillimanite South exploration well.

If all goes according to plan, this third well could add gas to the export pipeline in the fourth quarter of this year.

## AFRICA

### South Africa to merge trio

South Africa's government has given the go-ahead for a proposal to merge its three state-owned oil and gas entities into a single corporation.

The enlarged organisation will be called the National Oil Company and, as the companies are now, will continue to be controlled by South Africa's state energy company, the Central Energy Fund.

## AFRICA

### Chariot bets on Morocco gas

UK-listed Chariot Oil & Gas is betting on its offshore gas projects in Morocco as it adapts its strategy to current market conditions.

Chariot is now eyeing the development of its Lixus offshore licence, containing the Anchois discovery.

## INDONESIA

# Inpex lines up duo for Abadi

**Two competing groups** selected by operator to compete for a SURF contract on Indonesian gas field

**RUSSELL SEARANCKE and AMANDA BATTERSBY**

Wellington and London

JAPANESE operator Inpex has selected two groups of high-profile engineering specialists to compete for a major subsea design contract linked to the Abadi liquefied natural gas project in Indonesia.

The two groups were selected following a pre-qualification exercise earlier this year and comprise a consortium between Indonesia's Singgar Mulia and France's Doris Group supported by Indonesia's Asiatek Energi Mitratama; competing against the regional big-hitter Worley — the subsea muscle of which comes from its subsidiary IntecSea Engineering.

The pairings will vie for the front-end engineering and design contract for the subsea umbilicals, risers and flowlines package.

The SURF equipment is essential for connecting the Abadi project's planned floating production, storage and offloading vessel to the wells on the seabed.

Contractor sources said it was a little surprising there were only two groups that had pre-qualified for the FEED contract given the high level of interest in securing such a prized job.

One influencing factor is likely to be that a company carrying out a FEED contract in Indonesia is not permitted to perform the more-lucrative engineering, procurement and construction tasks.

Inpex — headed by chief executive Takayuki Ueda — has a high level of familiarity with Doris and IntecSea Engineering through their work on the Japanese operator's Ichthys project in Australia, where both companies are involved in one or both of the Ichthys development phases, said contractor sources.

The exact scale of the Abadi subsea infrastructure could not be confirmed as Upstream went to press but it will be significant.

Chiyoda and Synergy Engineering previously performed the pre-FEED work on the SURF component.

There is another major subsea FEED contract for the Abadi gas export pipeline, which will carry large volumes of gas from the offshore field to the onshore LNG processing facility.

Earlier this year, Inpex selected



Project plans: Inpex chief executive Takayuki Ueda

three groups to bid for the pipeline FEED — TechnipFMC, Worley and the same consortium of Singgar Mulia and Doris supported by Asiatek Energi Mitratama.

Precisely when Inpex will issue the FEED bid invitations is not known, with sources suggesting 2021 now looks more likely than 2020.

There are also ongoing pre-qualifications for the Abadi FPSO and the liquefaction facility.

It is understood the pre-qualification submissions for the FPSO and LNG plant have been sent and are being finalised by Inpex.

The Abadi FPSO is envisaged as being able to handle 1.8 billion cubic feet per day of gas and have the capacity to process 36,000 barrels per day of condensate. As for

the onshore plant, the two-train facility will be designed to produce 9.5 million tonnes per annum of LNG.

Pre-FEED work for the liquefaction facility was performed last year by KBR, while TechnipFMC carried out the FPSO pre-FEED.

Inpex is working toward a start-up schedule in the later part of the 2020s.

The Abadi field contains estimated recoverable reserves of at least 10 trillion cubic feet of gas.

Maluku Governor Murad Ismail recently gave formal approval for the construction of a small harbour on Nustual Island within the Tanimbar islands, which will be used to support the fabrication of the Abadi onshore liquefaction facility nearby. Inpex has memo-

randa of understanding with local Indonesian state-owned enterprises Perusahaan Listrik Negara and Pupuk Indonesia, covering long-term domestic LNG and pipeline natural gas supply from the Abadi LNG project.

Government officials had originally hoped that firm sales deals could be agreed as early as 2021 but the industry slowdown as a result of the coronavirus pandemic could well put paid to that timeline.

Partners in the Abadi LNG project, which has been designated as being of strategic national importance by the Indonesian government, are operator Inpex with 65% and Anglo-Dutch supermajor Shell on 35%.

**Ichthys loan deal: Page 29**

# 1 billion

THE PLANNED throughput capacity — in cubic feet per day — of each of the FPSOs lined up for Woodside's Browse project off Australia.



## di LNG subsea prize



Photo: INPEX



Woodside chief executive Peter Coleman

PHOTO: RAY CASH/APPEA

## New delay for Browse floaters tender launch

XU YIHE

WOODSIDE Petroleum has further delayed a major tender launch for an engineering, procurement and construction contract covering a pair of floating production, storage and offloading vessels destined for its \$15 billion Browse liquefied natural gas project in Australia.

Industry officials monitoring the tender process said the Australian operator has now rescheduled the exercise to the fourth quarter this year, the second such delay in 2020.

Project observers said Woodside has sat on the tender over the past few months, with an initial schedule to issue it in mid-April.

However, the Covid-19 outbreak has now pushed the date to the last quarter.

There are concerns that the project might be put on hold amid the challenging business environment, which has already forced Woodside to postpone the final investment decision until late 2021 or early 2022.

However, yard officials ready to bid for the twin Browse floaters said the project is still alive.

"We hear the tender will be out in the fourth quarter," said one Asian source, admitting that it will be a very difficult decision for Woodside amid uncertain market conditions featuring the oil price fluctuation and coronavirus pandemic.

Earlier this year, Woodside selected five Asian yards to bid for the double floater prize — the South Korean trio of Hyundai Heavy Industries, Samsung Heavy Industries and Daewoo Shipbuilding & Marine Engineering, Singapore's Sembcorp Marine, and a joint bid from China's Offshore Oil Engineering Company (COOEC) and CIMC Raffles.

Cosco Shipping Heavy Industry had been working with McDermott International but this duo failed to pass muster, partly because of the US contractor's financial troubles.

The EPC workscope for the two floaters has been split into three packages covering the hull, topsides and integration activities.

The Chinese grouping would see CIMC Raffles building the hull and COOEC the topsides.

On completion, the topsides would be shipped to CIMC's yard in Yantai for integration.

Upstream was told there will also be a contract for project management services and that this will very likely go to KBR.

The US engineering giant is also standing by to secure the prized front-end engineering and design contract.

Meanwhile, sources said SBM Offshore's experience with supplying large turret systems would make it a strong contender for Browse.

Industry sources added that Woodside's scheme for the twin floaters is based on newbuild solutions, which gives the work-starved South Korean yards an edge because of their experience in this sector.

The two 360-metre-long FPSOs will weigh 90,000 tonnes, with planned throughput capacity of more than 1 billion cubic feet per day of gas.

Woodside's US\$15 billion expenditure guidance for the foundation phase of Browse comprises US\$8.1 billion for the FPSOs, US\$5.1 billion for the subsea equipment and installation, US\$1.3 billion for drilling and completions and US\$500 million for other elements.

The operator estimates there will be an additional US\$5.5 billion spent on future phases, comprising predominantly subsea elements and drilling.

Woodside has 30.6% stake in Browse, where it is partnered by Shell on 27%, BP on 17.33%, Mitsubishi-Mitsui on 14.4% and PetroChina on 10.67%.

The Browse project covers three fields — Torosa, Brecknock and Calliance — in water depths of up to 750 metres.

They contain a combined best estimate contingent resource of 13.9 trillion cubic feet of gas and 390 million barrels of condensate.

Woodside chief executive Peter Coleman said the development of the Scarborough and Browse gas resources "remains among the world's most cost-competitive LNG investment opportunities and one which will provide significant economic returns to shareholders, governments and communities for decades to come".

