

TotalEnergies could lose SA licence if no output plan submitted by September

Oil major TotalEnergies could see its licence to develop a major offshore South African gas find scrapped if it does not submit a production plan by September, the oil and gas regulator said on Thursday, 3 March.

By Wendell Roelf ^{3 Mar 2022}



Source: Reuters/Gonzalo Fuentes

TotalEnergies discovered two large gas fields, Brulpadda and Luiperd, in offshore block 11B/12B about 175km off South Africa's southern coast in 2019 and 2020.

"Their exploration right is expiring in September 2022," Phindile Masangane, chief executive of the Petroleum Agency SA, told Reuters on the sidelines of an Africa energy conference.

"Whatever happens, TotalEnergies and its joint venture partners have to put in the application for their production right by September 2022, otherwise the block comes back to the market."

TotalEnergies did not immediately respond to a request for comment.



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Wendell Roelf and Ron Bousso 24 Feb 2022

Luiperd prospect development fast-tracked

At the government's request, TotalEnergies has fast-tracked the development of the Luiperd prospect, which will connect to an existing offshore platform run by national oil company PetroSA via a sub-sea

pipeline of less than 100km.

Masangane said TotalEnergies was in the late stages of talks over a potential gas offtake agreement with PetroSA to supply its gas-to-liquid refinery plant at Mossel Bay, which is currently operating well below its capacity due to dwindling local gas reserves.

"They are finalising negotiations for gas and condensate supply to both PetroSA and (state power utility) Eskom, and we expect these negotiations to be finalised by June of 2022," Masangane said

The 45,000 barrel-per-day GTL refinery is situated next to Eskom's 740MW Gourikwa plant, which mainly uses diesel but can be converted to accept gas. Eskom and PetroSA did not immediately respond to requests for comment.

Masangane said developing Luiperd was expected to cost some \$2bn with first production seen in 2026.

Luiperd and Brulpadda were the only two prospects out of five drilled on the Paddavissie Fairway, with PASA saying the two accounted for around 3.4 trillion cubic feet of gas and 192 million barrels of condensate, mostly found in Luiperd.

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