

ENERGY

PTTEP chews over Bongkot stake of Shell

YUTHANA PRAIWAN

PTT Exploration and Production Plc (PTTEP), the only SET-listed upstream oil business, says it is interested in buying the 22.2% stake of Royal Dutch Shell Plc in the Bongkot gas field in the Gulf of Thailand.

PTTEP expressed interest after Shell cancelled the deal to sell the stake to Kuwait Foreign Petroleum Exploration Company (KUFPEC) a week ago.

President and chief executive Somporn Vongvuthipornchai said PTTEP is about to approach Shell to see if it wants to sell the stake to PTTEP.

He said if Shell is not interested, the two companies could still remain partners and bid in the upcoming auction for the right to operate the Bongkot field.

PTTEP holds the largest stake — 44.4% — in the Bongkot gas field, while Total SA has a 33.3% stake and Shell holds 22.2%.

The concession to operate Bongkot's B15 gas block is due to expire in 2022 and the B16 and B17 blocks are due to expire in 2023. The gas field produces an average of 840 million standard cubic feet per day.

Earlier this month, Royal Dutch Shell cancelled a US\$900-million (30 billion baht) deal to sell its stakes to KUFPEC.

BG Asia Pacific Holdings Pte, part of the Shell Group of Companies, and KUFPEC Thailand Holdings Pte, a subsidiary of KUFPEC, cancelled the deal to sell the gas field stakes of Shell Integrated Gas Thailand Pte Ltd and Thai Energy Co Ltd.

SIGT and TEC will continue to support PTTEP in operating and developing Bongkot. The sale was part of efforts by the Anglo-Dutch company to reduce debt after buying a smaller rival, BG Group, for \$70 billion.

The concession for Bongkot is due to expire during the same year as that of the Erawan gas field, which is operated by Chevron Offshore Thailand.

Mr Somporn said PTTEP is also in talks with Chevron to bid on both gas fields. Auctions for Bongkot and Erawan will be held after the terms of reference and production-sharing agreements are completed.

Several national oil firms have been invited to join the auction, including China National Petroleum Corporation, United Arab Emirates' Mubadala Petroleum,

France's Total SA and Japan's Mitsui Oil Exploration.

Some 2 billion standard cubic feet per day are produced from the Bongkot and Erawan blocks, or 40% of Thailand total gas demand.

PTTEP shares closed yesterday on the Stock Exchange of Thailand at 91.75 baht, up 50 satang, in heavy trade worth 1.65 billion baht.



Bangkok Post

บางกอกโพสต์ ครอบคลุม

Circulation: 70,000

Section: Business National

วันที่: Thursday 12 October 2560

ปีที่:

Col.Inch: 60

ฉบับที่:

ADValue: (B/W): 73200

PRValue(x3.5): (B/W): 256200

หน้า: B1

(FC) : 3600000

(FC) : 12600000

