

## AFRICA



Looking ahead: EGME group chief executive Punkaj Gupta  
Photo: ESSEL

# Essel puts rig on menu for Kenya wildcat drive

EGME prepares for **exploration drilling** campaign on acreage onshore **East Africa**

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DUBAI-based Essel Group Middle East (EGME) is ready to go wildcatting this year in Block 2A onshore Kenya where it has just completed a 2D seismic survey.

Group chief executive Punkaj Gupta said EGME has placed an order for a high-specification new-build rig, which it will own, and is set to spud the first probe in late 2017.

"I think, by the fourth quarter of 2017, we will be in position to start our first well," he told *Upstream*.

"We are definitely going ahead with drilling and are in the process of finalising targets."

EGME ordered the 2000-horsepower AC-VFD (variable frequency drive) skid-mounted rig last year and it is due to be sent from a Chinese yard in June.

DNV-GL is overseeing purchase and delivery, with Gupta tentatively estimating the rig will cost EGME between \$15 million and \$18 million.

Earlier this month, Muscat-based Africa Geophysical Ser-

vices completed a 520-kilometre 2D seismic survey in Block 2A, after EGME highlighted prospective areas based on full tensor gravity gradiometry (FTG) data.

Gupta said the 480-channel, high resolution 2D seismic data is good quality and he hopes interpretation will be completed next month.

He is optimistic about finding hydrocarbons given the presence of oil seeps on the northern edge of the block and positive signs of oil and gas in nearby, legacy exploration wells.

Exploration drilling will be carried out in the north-west part of the block, hundreds of kilometres from the restive border with Somalia.

If commercial volumes of oil are found, EGME is set to take a leaf out of Tullow Oil's development playbook in Kenya's Lokichar basin, where crude will initially be trucked to market by road before pipeline exports begin.

"Our prime focus is to develop the domestic market and create

our own midstream business with a pipeline up to Lamu for export," said Gupta.

Block 2A is not far from Kenya's national highway and is close to the Lapsset corridor.

EGME intends to retain its 60% operating interest in Block 2A, where the company is partnered by Vancouver-based Simba Energy, in which it holds an estimated 25% stake.

The Dubai-based player is also a 60% partner with Simba in onshore assets in Guinea, Liberia, Chad and Ghana.

In blocks 1 and 2 in Guinea's Bove basin, Gupta said an FTG survey is being planned with 2D seismic to follow.

In Liberia, the partners are in the process of re-activating their original licence in the form of a reconnaissance permit and expect to receive approval from the authorities any time now.

The Roberts Bassa basin block is currently the only acreage being licensed onshore Liberia, covering about 600 square kilometres over

a failed rift play where oil seeps have been identified.

In Chad, Gupta said EGME is in talks with the government over a production sharing contract covering the Chari Sud I and II blocks in the Doba and Doseo rift basins.

"I think the PSC will be approved in the coming one-and-a-half months," he said.

In Ghana's Voltaian basin, EGME and Simba are carrying out preparatory studies ahead of starting talks on a new PSC.

Privately-owned EGME is getting the benefit from exploring while supply chain costs are low, but it is also on the hunt for cash flow from producing assets in order to help fund its exploration campaigns.

"We are looking at certain assets in the market which are producing oil and which can generate revenues," said Gupta. "We always seek to drive revenues."

He told *Upstream* that assets in three continents — Africa, Europe and South America — are being evaluated.

## Kadour to head up Sonatrach

ALGERIA has replaced the chief executive of state-oil company Sonatrach as the North African country tries to increase efficiency of the energy sector at a time of falling revenues, writes *Nassir Shirkhani*.

The Energy Ministry picked US-educated Abdelmoumen Ould Kadour to lead Sonatrach, replacing Amine Mazouzi, who had served as the company's chief executive since 2015.

The ministry gave no reason for the change.

Ould Kadour is an engineer with a degree from the Massachusetts Institute of Technology.

He headed US-Algerian company Brown & Root Condor in the 1990s.

Energy Minister Noureddine Boutarfa urged Kadour to "act with full responsibility and confidence to put in place the qualitative changes that allow Sonatrach to evolve and prosper in a calm business climate".

## Eni awards contract

TECHNIPFMC has been awarded a contract by Eni to build an onshore receiving terminal for the Italian player's Sankofa-Gye Nyame project off Ghana.

Under the contract, UK-headquartered TechnipFMC will project manage, engineer, supply, construct and commission the plant at Sanzule, as part of the gas-to-power element of the project.

The project is scheduled for completion by mid-2018, which is when first gas is due to flow from Sankofa-Gye Nyame, located in the Offshore Cape Three Points licence.

First oil from the development is set to flow within months via a floating production, storage and offloading vessel.

The floater is currently en route to Ghana from Singapore.

## Block 39 expires

BLOCK 39 in Angola's Kwanza pre-salt basin has been allowed to lapse, writes *Iain Esau*.

France's Total, which held a 7.5% stake in the asset, said in its annual report that the block expired at the end of last year.

One unsuccessful well, Dilolo-1, was drilled on the asset which Statoil operated.

Total said it remains operator of Kwanza basin blocks 25 and 40.

Elsewhere off Angola, Total said it is evaluating the exploration potential of areas of Block 32 beyond its Kaombo development.

"The centre and north parts of the block (outside Kaombo) offer additional exploration potential and are currently being assessed," said the company's annual report.