afrikEnergy NEWS

QUALITY, IMPARTIAL NEWS FOR AND ABOUT OIL & GAS IN AFRICA

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ANGOLA is #1

Angola surpasses Nigeria as Africa's largest oil producer

by Gwen Pearson

The switch is largely contributed to a result of continued insecurity in the Niger Delta, where militant groups are waging a long-running violent campaign to press for greater local control over oil revenues.

However, over the last past years Angola has invested heavily in technology and training to optimize production and has been slowing positioning itself into the number one oil producer spot.

In April, Angola reached a production rate of 1.92 million barrels per day (b/d), slightly below its potential of 1.93 million b/d,

ANGOLA IS #1
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BP Angola technician at work.

Guinea Bissau: Five Foreign Companies to Prospect for Oil

Bissau, Guinea Bissau, 9 May - Guinea Bissau has authorized five companies to start offshore oil prospecting, the results of which will be known within five years, the director-general of Petroguin Guinean state oil company said in Bissau Thursday.

Leonardo Cardoso said that the President of the Republic, João

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Leonardo Cardoso
Director-General of Petroguin

Acergy Wins $50 Mil USD Fabrication Work

May 20, 2008 Acergy has been awarded a contract valued at approximately $50 million for the fabrication, assembly and testing of eight manifolds and support structures, eight suction piles, twenty-three well jumpers and other subsea structures for the Usan Oilfield located offshore Nigeria on behalf of Cameron Offshore Systems Nigeria Ltd.

The work will be undertaken at our Globestar Yard in Warri, Nigeria. Olivier Carre, Vice President, Acergy Africa and Mediterranean said: "We are

ACERGY WINS $50 MIL
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EGYPT

Keep Our Gas Away From Israel !

A number of opposition MPs and independent activists have recently launched a campaign to pressure President Hosni Mubarak's regime to stop exporting natural gas to Israel.

Under the Slogan "No to the Gas Setback", the opposition gave the government an ultimatum of 30 days to go back on a deal that obliges Egypt to provide Israel with gas for 15 years.

Under the contract, Egypt is committed to pump 1.7 billion cubic meters of natural gas a year into Israel. For the opposition, the deal is another blow

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Egyptian Oil Minister Sameh Fahmi and the Israeli Minister of Infrastructure Binyamin Ben Eliezer

CONGO

Tullow Oil Loses Permit

The Congolese government has given an oil permit claimed by Tullow Oil to a rival consortium.

Tullow, Heritage Oil and Cohydro signed an agreement for two permits on Lake Albert, which borders Uganda, in 2006. The oil ministry says one is invalid as the deputy minister had no authority to sign it and the president did not approve it. Tullow Oil has called on the government to recognise the contracts and dismissed allegations of irregularity.

The government has given the permit to a rival consortium that includes South Africa's state oil

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Obama May Levy $15 Bil Tax on Oil Company Profit

By Daniel Whitten
Bloomberg

May 1 -- Democratic presidential candidate Barack Obama's proposal for a windfall profits tax on oil companies could cost $15 billion a year at last year's profit levels, a campaign adviser said.

The plan would target profit from the biggest oil companies by taxing each barrel of oil costing more than $80, according to a fact sheet on the proposal. The tax would help pay for a $1,000 tax cut for working families, an expansion of the earned- income tax credit and assistance for people who can't afford their energy bills.

``The profits right now are so remarkable that one could trim them 10 percent or so, which would turn out to be somewhere in the $15 billion range,'' said Jason Grumet, an adviser to the Obama campaign.

Obama's plan may be three times larger than the $50 billion, 10-year plan contemplated by his Democratic rival, New York Senator Hillary Clinton. Republican candidate John McCain, an Arizona senator, has no plan to raise oil and gas industry taxes, said his economic adviser, Douglas Holtz-Eakin. Oil companies would still have ample reason to ``continue to pursue production, while at the same time providing relief to consumers,'' Grumet said.

A flurry of energy proposals from presidential candidates and lawmakers has come after crude oil futures prices reached $119.93 a barrel on April 28. Retail gasoline prices hit a record $3.603 a gallon this week, according to the U.S. Energy Department. Obama's Proposal Among the options Illinois Senator Obama is mulling is imposing a 20 percent tax on the cost of a barrel of oil above $80, said Grumet, who spoke at a conference in Washington today. ``The industry has profited greatly

OBAMA See p 15

Barack Obama, US Democratic presidential candidate

US Probes Oil Industry Payments

By Festus Akanbi,
Lagos

May 11, 2008 -- United States of America has launched a comprehensive probe of the Nigerian oil industry over an alleged bribery scandal involving a former Halliburton subsidiary, Kellogg Brown and Root, (KBR) and some unnamed Nigerian officials during negotiation for its work on a key Royal Dutch Shell project in Nigeria. The probe is to cover a period of 20 years. Halliburton's Nigerian scandal widened from accusations of bribery to accusations of embezzlement by senior executives.

The company recently dismissed two of its most senior executives, Robert Stanley and William Chaudin, on suspicion of embezzling $5 million from a Nigerian energy project. The KBR is a leading global engineering, construction and services company supporting the energy, petrochemicals, government services and civil infrastructure sectors.

The Financial Times of London quoted the US authorities weekend as saying that they have evidence that an agent used by Halliburton's former KBR subsidiary made payments to Nigerian officials in connection with the Shell project. The scandal was discovered through a voluntary filing made by Halliburton to the US Securities and Exchange Commission at the end of last month.

The US investigation into Halliburton's Nigerian operations - covering a period when the company was headed by Dick Cheney, US vice-president is said to have uncovered evidence of bribery and is now looking at a range of payments made in a number of countries over the past 20 years, according to the company.

Shell said it was aware of the Halliburton filing and was "looking into the matter". Ann Pickard,

US PROBES OIL
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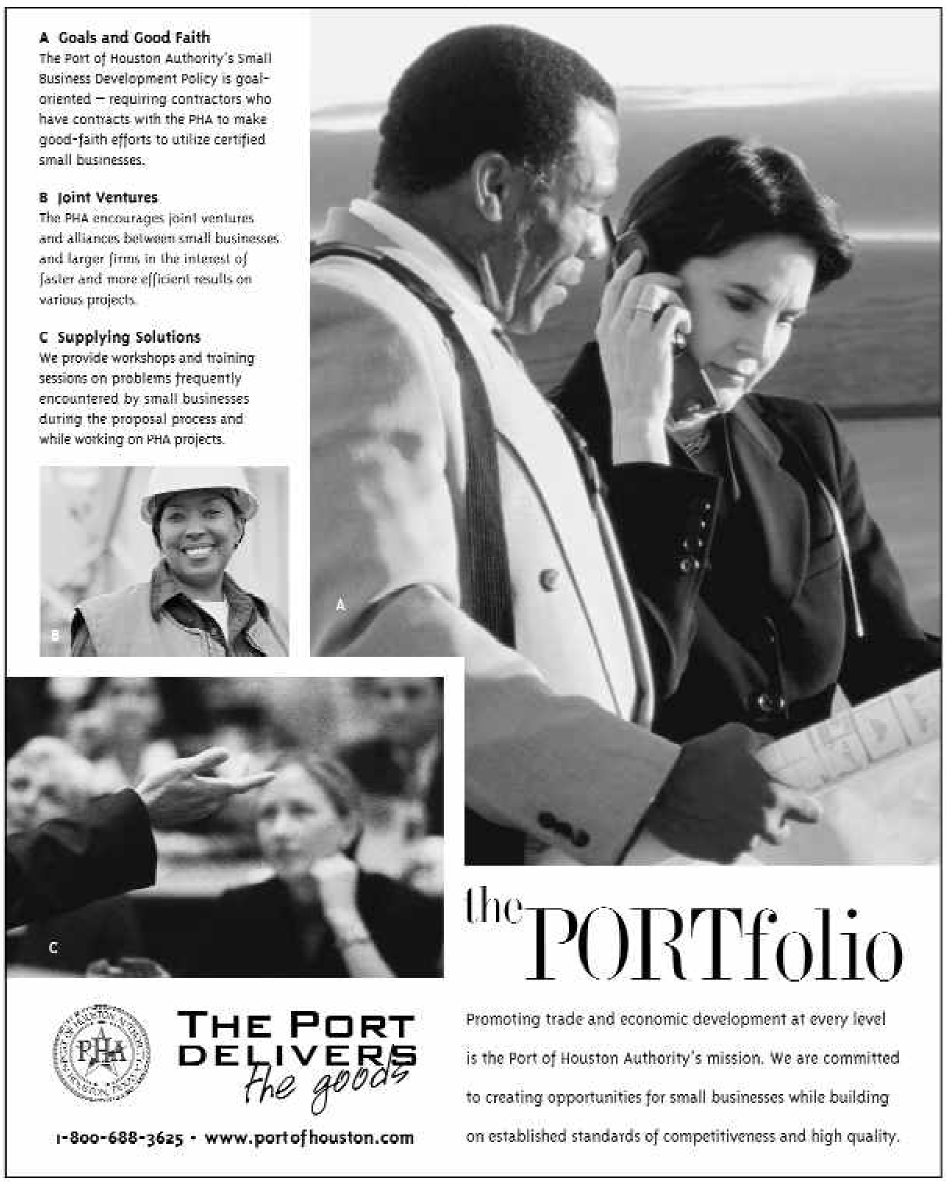
Dick Cheney, US Vice-President



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Mbendi reports that Block 0 off Cabinda, accounts for Angola's largest oil production, followed by Blocks 1 to 4 off the northern coast near Soyo. Other significant production areas include the Kuito, Benguela, Belize and Landana fields of Block 14 offshore of Cabinda, Girassol, Dahlia, Rosa and Lirio fields of Block 17 between Soyo and Luanda, and the Kissanje, Marimba and Hungo fields in Block 15 near Soyo.

ANGOLA is #1
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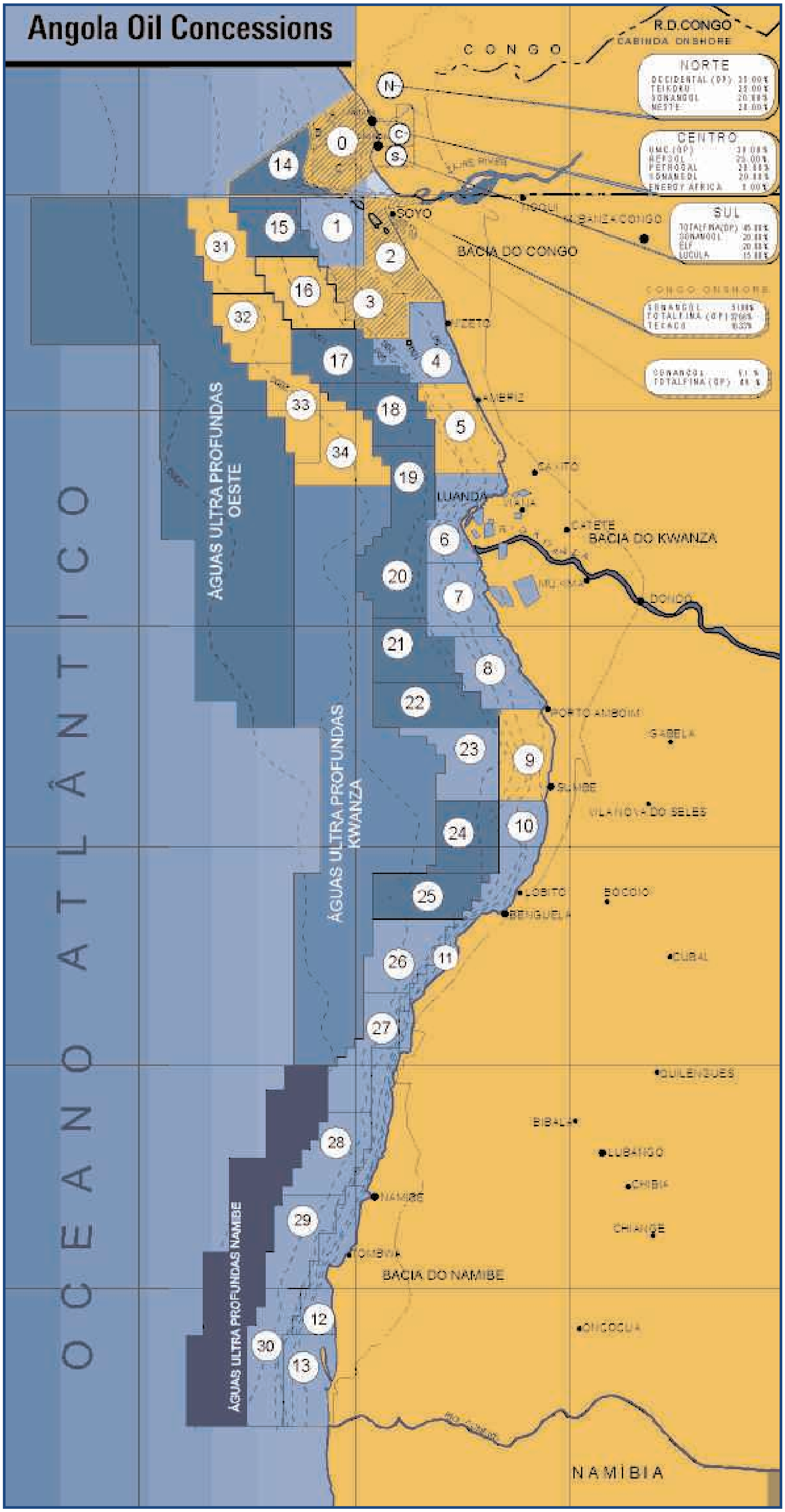
according to the Organization of Petroleum Exporting Countries (OPEC). Nigeria produced 1.88 million b/d in April, three-quarters of what OPEC estimates to be Nigeria's production capacity of 2.5 million b/d, Angola, one of OPEC's newest members, has gradually increased its production with new offshore oilfields, while Nigeria has been plagued by persistent supply disruptions.

A strike by ExxonMobil workers in Nigeria took about 800,000 b/d out of production for several days. But the decline in its output mostly reflects the effect over the past two years of increased militant activity in the Niger Delta, which has taken out a fifth of the productive capacity of what has been Africa's top producer annually since 1978. Nigeria may retake the top position this month as much of its shut-in production has been restored with Exxon Mobil settling its strike and Royal Dutch Shell repairing two of its Bonny Light field facilities damaged by militant attacks.

There is a question about the long-term commitment of foreign oil companies to the delta unless the unrest is reined in. There is scant sign of new exploration in the region and no new reserves have been discovered there recently. That is a faint echo of what happened in Angola during its civil war in the 1980s when oil companies pulled back from exploration as a prelude to shutting down production as fighting became more intense.

What little exploration there is now in Nigeria is in deep waters offshore, where Chevron, ExxonMobil and Total all have fields due to come on-stream over the next 18 months. Oil producers in Nigeria also face regulatory, legal and financial challenges. The government, which like Russia's and Venezuela's wants a bigger slice of the profits from $100-plus a barrel oil, is attempting to overhaul the industry and turn Napcon into a clone of Brazil's Petrobras or Norway's StatoilHydro. Napcon (National Petoleum Company of Nigeria, is the new entity to replace the NNPC, Nigeria's national oil company.)

While the government is unlikely to abandon its foreign-investor-friendly approach to energy regulation, the large international oil companies will find their high profit margins under scrutiny, while their ability to pump oil in the delta remains repeatedly interrupted by those taking matters directly into their own hands. (Source: Forbes)



Oil Firms Recruit Private Army for Puntland Exploration

Oil company equipment was delivered by heavily-armed militia.

BOSSASO, Somalia May 21 (Garowe Online) - Two foreign companies with rights to explore for oil in northern Somalia have established a private militia force to help protect assets, Garowe Online reports.

The companies - Canada's Africa Oil Corp. and Australia-based mining firm Range Resources, Ltd. - have a joint venture to explore for oil and natural gas in Puntland, a relatively calm region in Somalia' s northeast. But that agreement, first signed in 2005 between Puntland leader Adde Muse and Range Resources, has been at the center of a political and security storm in Somalia, leading to the resignation of former Prime Minister Ali Mohamed Gedi in October 2007 after he vehemently opposed the deal.

On Wednesday, equipment reportedly owned by Africa Oil but delivered by a contractor - IMC - was transported from the port of Bossaso, 1500km north of the capital Mogadishu. The equipment, mostly tents and other equipment necessary for living arrangements, was delivered to a remote town roughly 90km east of Bossaso.

Hundreds of Puntland security forces and private militiamen aboard armored trucks escorted the equipment to its proper destination, as representatives from Africa Oil and the Puntland administration looked on.

There was no official word from the government of Puntland regarding the delivery of the equipment or the intentions of the said companies. But Hassan "Allore" Osman, Puntland's oil minister, told a group of journalists that exploration activities have began in the Dharoor block. A source close to the Puntland government confidentially told Garowe Online that the foreign companies have established a 250-man private militia, which is equipped with light weapons and 50 armored trucks, known across Somalia as "technicals."

It is not clear why Africa Oil and its Puntland government hosts need the private militia, but critics said the private security force idea is rooted in lessons learned from recent exploration initiatives in the region. In March and April 2006, clan militias in Sanaag region repeatedly attacked scientists contracted by Range Resources to collect mineral samples. None of the foreign-born scientists were hurt, but 10 Somalis including Puntland government soldiers and clan fighters were killed during the series of skirmishes that eventually led to the suspension of operations in that area.

Puntland President Adde Muse, who returned from a foreign trip yesterday, told journalists in Bossaso that the region's security is "out of control." Pirate attacks along Somalia's Puntland coast have increased in recent weeks, with random shootouts and political assassinations occurring inside Puntland towns. Muse's ambitious exploration agenda has faced stiff resistance from local armed clans, who have criticized the Puntland leader for ineffectively handling the region's security and economic challenges.

In April, interim Somali President Abdullahi Yusuf approved the Muse-Range Resources deal, after nearly three years of refusing to endorse the agreement. Many Somalis fear that Muse's exploration plans will add a newer and more dangerous dimension to the Somali civil war, which has been raging nonstop since 1991.

Source: Garowe Online

Canada's Africa Oil Starts Somalia Seismic Survey

May 25, 2008

MOGADISHU, Somalia: A Canadian company will soon begin exploring for oil in northeastern Somalia, a regional minister said Sunday, despite Somalia having neither a stable government nor a law governing such projects.

A ship belonging to Africa Oil Corp. and carrying oil exploration equipment has docked at the port of Bossaso, and the Canadian company will begin exploration soon, said Hassan Osman Alore, the region's energy and minerals minister. He said the Vancouver, Canada-based Africa Oil Corp. will spend nine months looking for oil in the Dharor and Nugal valleys in the semiautonomous northeastern region of Puntland.

On its web site Africa Oil Corp. says it has an 80 percent participating interest in the licenses and operation of the Dharor Valley and Nugal Valley projects. The Canadian company says it will pay US$50 million (€31.8 million) over 6 years for its 80 percent interest."We believe that Puntland has good oil deposits similar to the Arabian Gulf countries," Alore told The Associated Press. Where the oil exploration is taking place is, "not a disputed area. It is a safe place," Alore said.

Violence has left much of Somalia without a stable government for 17 years. Puntland, however, has been relatively stable during that time. Legislation to govern oil exploration and exploitation set up a state-owned company - the Somali Petroleum Corp. - was presented to Somalia's transitional Parliament last year for debate but it has yet to be passed. Puntland and the transitional federal government have disagreed in the past over which government has the right to enter into oil exploration and exploitation deals and the legislation is aimed at helping resolving that. President Abdullahi Yusuf, "has sent an endorsement letter to Puntland and he has authorized the oil exploration and production deal. We cannot wait for parliament to pass the oil and energy law," Alore said. "Many Puntlanders will be employed."

Africa Oil Corp. says it entered an exploration agreement with the Puntland government in January 2007, something Alore confirmed. Africa Oil Corp. is listed on the Toronto Venture Exchange.

Alore said that the Houston, U.S.-based Conoco-Phillips did exploration work in Nugal Valley in the 1980s at a cost of US$150 million. He said regional government officials had contacted the company about resuming its exploration, but the company did not show interest so officials reached out to other firms.

Somalia has been in a state of anarchy since warlords overthrew long-serving dictator Mohamed Siad Barre in 1991. Yusuf leads a transitional federal government formed in 2004, but his administration is unable to assert much authority.

Source: AP

EGYPT: KEEP OUR GAS

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similar to the "1967 setback" under which Israeli forces occupied Egypt's Sinai, among other Arab territories. If the government does not heed the opposition's call, campaigners are threatening to take to the streets.

"This is the time when the people should say 'stop exporting Egypt's natural gas to Israel and exploiting our natural resources,'" reads the campaign's blog. "The exportation of gas to Israel is a violation of the nature of the Arab and the Egyptian citizens who gave up their lives to protect their land and resources and it is enough to say that Egypt offered 100,000 martyrs in its wars against Israel."

A couple of months ago, the Egyptian-Israeli deal caused too much noise in Egypt after reports alleging that Egypt was selling its gas to the Jewish state at a much cheaper rate than the rate on the world market.

The deal's opponents reportedly called for a march to the presidential palace next week. It remains to be seen if the march can happen, given the iron fist of Mubarak's security apparatus.

In the meantime, campaigners are exerting tremendous effort in cyberspace to get their message across. Besides their blog, they have created a Facebook site in an effort to get a million signatures on their statement.

CONGO: TULLOW OIL

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company PetroSa. "We withdrew one block. We left them the other," Dieumerci Mutombo, the ministry cabinet director told the Reuters news agency. "Our position is that we cannot give the entire lake to a single operator," he added.

The discovery of oil at Lake Albert has exacerbated tensions between Uganda and the Democratic Republic of Congo. Tullow also has oil blocks in Uganda. In a statement, the Congolese government repeated earlier allegations that Tullow and Heritage Oil had breached the border on Lake Albert, with support from the Ugandan army, leading to eight Congolese fatalities. Both companies and Uganda deny the allegations.

Tullow called on the government to recognize the contracts, adding that it paid a signature bonus of $500,000 (£253,000) for the contracts it and its partners signed with the deputy minister. The company said that the contracts had been "signed and sealed" but had not yet received presidential approval, the final stamp needed under Congolese law.

"We hold these contracts and following the last election in 2006, the new oil minister felt there was an irregularity in the way contracts were awarded and sought to allocate them to other parties," Tom Hickey, the company's chief financial officer told the BBC. "We didn't and don't seek to have licenses awarded to us in non-compliant ways," he said. "We think that for the benefit of Tullow and the Congo, it makes a lot of sense for us to have those licenses," he said.

Foreign firms are increasingly tapping into Africa for oil, with a high oil price making previously unattractive reserves viable. Last year, Tullow Oil announced the discovery of 600 million barrels of light oil offshore from Ghana.

The oil company currently produces over 70,000 barrels of oil a day. Story from BBC NEWS:

Emirate Mubadala Leads Race for Total Sudan Oil Project

Sudan Finance Minister Zubair Ahmed al-Hassan

April 23, 2008 (London) - Mubadala Development Company is the lead bidder for a stake in Total SA's South Sudan block, with a decision due by the end of the month, the country oil minister said in an interview this week.

The sale of an interest in the Total block could herald the resumption of exploration in one of the African country's largest acreage. Speaking to Dow Jones Newswires, Sudan Finance Minister Zubair Ahmed al-Hassan said Mubadala is "the strongest" candidate to enter Block B, and a deal is expected before the end of this month.

Mubadala is a wholly owned investment vehicle of the Government of the Emirate of Abu Dhabi, in the United Arab Emirates. The acreage, which is the size of Greece and thought to contain large reserves of oil, is operated by French oil giant Total.

The oil minister said China National Petroleum Corp. and Sinopec, two Chinese-owned companies already operating in Sudan, have also submitted bids. Sinopec and CNPC had no immediate comment, while Mubadala couldn't be reached. The oil minister said Tri-Ocean Energy, controlled by Kuwait's al-Kharafi family, has also inquired about the stake.

Total stopped operating in Sudan in 1985 after a civil war erupted between the central government and southern separatists. Last year, Total indicated it would resume activities following a 2005 peace accord and after Sudan upheld its license on the block.

A tiny U.K. upstart, White Nile Ltd., claimed rights on a large part of the block in 2005. But the minister said "it's over (for White Nile), they now have withdrawn from the block." A Sudanese committee "now evaluates what work they have done until now...for compensation" in cash but not for a stake in the field. White Nile didn't return a request for comment.

Total E&P Sudan Project Coordinator, Olivier Michel, told Sudan Tribune that TOTAL has successfully returned to South Sudan and intends to resume activities soon. "We will be in Jonglei and the community has to know this." He further affirmed that Total is minding its business.

The minister said Total returned to the block this year, but a divestment of Marathon Oil Corp.'s stake in the block and the entry of new shareholders is one of the conditions set by Total to restart exploration. Marathon, unable to keep its 32.5% interest in the block because Sudan is under U.S. sanctions, sold the stake to Total in March.

The share adds to the 32.5% already owned by the French giant. A Total spokesman said Wednesday the ownership of the Marathon shares was temporary and it intends to sell them to a new foreign entrant as well as to a South Sudan concern.

According to a new agreement reached last year, Total has operating rights for the block with a 32.5% stake, as was the case in the initial deal, Kuwaiti Kufpec Sudan Ltd 27.5% instead of 25% and state-owned Sudapet maintains its 10 percent, the southern Sudan government owned Nilepet 10%.

The remaining 20% should be offered in a public bid. Last March, Sudanese First Vice-President and the President of southern Sudan Salva Kiir Mayadrit visited Abu Dhabi where the participation of Mubadala in the capital of Block B was on the top agenda of the talks.

In its annual report, Total warns due to a law passed last year in Congress, U.S. funds may have to sell their shares if it restarts exploring in Sudan. That "could have an adverse effect on Total's share price," it said. The Total spokesman said it remained in contact with U.S. funds, explaining in particular its standards of operations.

Jarch says S. Sudan VP Supports Oil Rights

Riek Machar,
Vice-President of the Government of Southern Sudan (GOSS)

May 5, 2008 (LONDON) - A US private investment company claiming rights over oil concessions in southern Sudan today said that Riek Machar, the Vice-President of the Government of Southern Sudan (GOSS), will endorse an agreement it had signed in 2004.

Jarch Management Group, Ltd. said it had been informed that Machar will endorse Jarch's agreements on oil concessions in south Sudan originally signed by General Paulino Matip in March 2004."Riek has informed General Paulino that these agreements, as did President Salva Kiir, are obligations of GOSS now." Both Riek and Paulino are in Bentiu together with other senior GOSS officials. General Paulino Matip Nhial, Deputy Commander-in-Chief of the SPLA joined the advisory board of Jarch. as its vice-chairman since November 15, 2007.

The firm said expecting that all oil agreements signed by the national unity government will become moot after the southern Sudan independence and become Jarch concessions. "The total concession area will be approximately 600,000 square kilometers." Further the group, which said confident it is of its plans, announced it will begin to build local presence in southern Sudan.

Sudan's Largest Refinery Under Major Maintenance

May 8, 2008 (BEIJING) - Half of Sudan's 100,000 barrels per day (bpd) refinery in Khartoum is undergoing major maintenance that may last at least through end-June,

Sudan-based industry sources and stakeholder CNPC said on its website. The newer part of the refinery is closing for maintenance on Thursday, while the older plant completed its regular shutdown last weekend, reported news.cnpc.com.cn, a web publication of China's top energy group CNPC.

Sudan refinery in Khartoum

Each plant has a processing capacity of 50,000 bpd. CNPC, parent of PetroChina <601857.SS><0857.HK>, owns half of the Khartoum refinery, the largest in the African country. The report did not say how long the shutdown at the newer plant will last, but industry sources told Reuters from Sudan that the repair works may last until the end of June or even up to July. "All together it lasts some 70 days. It's for smoother operations later on," said a CNPC official based in Khartoum, without elaboration. Sudan, which exports more than 400,000 barrels of crude each day, has four refineries with a total capacity of 142,000 bpd. It exports small amounts of gasoline but still needs to import diesel to power a growing number of cars under the sizzling desert weather. (Reuters)

Lundin Says No Oil Yet After Second Sudan Well

May 8, 2008 (LONDON) - Drilling operations conducted by the Swedish oil explorer, Lundin Petroleum AB in the well Wan Machar-1 didn't record oil shows in part of Block B5 located in the Southern Muglad Basin.Last March the Swedish oil explorer had abandoned well Nyal-1, the "dry land" area of the block, after reaching a depth at 2363 meters without recoding oil shows.

The Wan Machar-1 "well entered basement at 1,360 metres. Minor gas shows were encountered from 675 metres to Total Depth, but no oil shows were recorded" during the drilling operations. Lundin AB said today. Ashley Heppenstall, President and CEO of Lundin Petroleum said "the drilling results to date are disappointing. However, the wells provide important data that will allow us to develop our understanding of this part of the basin." Block 5B is very large area covering 20,000 km2, being in excess of 120 blocks in the UK North Sea.

The firm said the acquisition of logs has been delayed due to technical problems with the rig. However it is expected that the logs will confirm the well as a dry hole and if so it will be plugged and abandoned.

The well is the second of a four wells to be drilled in Block 5B during 2008. The next well locations are both closer to the central part of the basin where "it is anticipated that the source rock quality and maturity will improve." Lundin underscored.

Last March, Following the announcement of its failure to find oil in the Sudanese well, Lundin dropped 3.2% to 75.5 Kronor (12,39 USD) in Stockholm trading.

The partners in Block 5B are Petronas Carigali White Nile (5B) ("Petronas") (39%), Lundin Petroleum (24.5%), ONGC Videsh (23.5%) and Sudapet (13). Furthermore, the partnership has accepted the recommendation of the National Petroleum Commission to assign a 10 percent share to the National Oil Company of Southern Sudan to be allocated on a "pro rata" basis from each of the partners' shares.

Wan Machar wellsite (photo by Lundin)

The operator of Block 5B is White Nile Petroleum Operating Company (WNPOC) a joint venture between Sudapet Ltd and Petronas.

ConocoPhillips Says Record Crude Prices Not A Friend

HOUSTON -- The CEO of ConocoPhillips, the third-largest US oil company, has said world crude oil supplies are adequate and not to blame for record prices, which have taken a toll on the industry. Big US oil companies have been on the defensive in recent months as consumers and politicians are increasingly blaming them for record gasoline prices. "High oil prices have not really been our friend as an industry," chief executive James Mulva told the company's annual meeting on Wednesday. Soaring crude oil prices have hurt energy companies by driving up costs for goods and services and by prompting national oil companies to renegotiate the terms of production deals, Mr Mulva told a news conference after the meeting. Still, in the 2008 first quarter Conoco's net profit rose 17 per cent to $US4.14 billion. OPEC nations such as Saudi Arabia and Kuwait have plentiful inventories of crude oil, Mr Mulva told reporters. Factors influencing oil prices include speculation, geopolitical tensions and rising demand from countries like India and China, Mr Mulva said. More public attention on environmental matters also has made it more difficult to obtain federal and state permits, which has hindered the company's ability to invest in projects like adding refining capacity, Mr Mulva said. The energy company chief also said he did not expect any changes to its oil sands joint venture with EnCana Corp following the Canadian company's plans to split into a natural gas company and integrated oil sands producer. Shareholders voted down a number of proposals related to the environment, on issues including global warming, greenhouse gas reduction and the environmental impact of the company's operations. Even so, Tom Borelli, portfolio manager with the Free Enterprise Action Fund, told Mr Mulva he was fighting a losing battle to change public perception of the oil industry. "This is a war against fossil fuels and you will not be liked no matter what you do," Mr Borelli said. To shore up ConocoPhillip's public image, Mr Mulva told the meeting the company needed to talk more to federal and state legislators and talk more to the media. Shares of ConocoPhillips ended off eight US cents at $US88.54 on the New York Stock Exchange.

National Oilwell Varco Makes #1

Thanks to solid revenue growth, an outstanding market return and earnings per share that nearly doubled in 2007, National Oilwell Varco landed in the No. 1 spot on this year's Chronicle 100 list of Houston's top publicly traded companies. It ranked No. 24 last year.

Need coiled tubing, winches or mud pumps? Call National Oilwell Varco, the self-styled Wal-Mart of the oil patch.Its executives make the comparison because the Houston-based company manufactures and services virtually every piece of equipment used in oil and gas drilling on land and at sea.

The company, listed on the New York Stock Exchange, started last year trading around $29 a share and ended the year above $73 - and that was after a 2-for-1 stock split.

National Oilwell Varco is an amalgamation of two historic energy outfits - National Oilwell and Varco, which merged in 2005. Separately and now together, they have acquired more than 150 companies over the last decade, snowballing into a sprawling enterprise that reaches around the world.

The company's latest acquisition: the $7.3 billion purchase of Grant Prideco, a Houston-based manufacturer of drilling bits and piping. That agreement was completed last month.The ink was barely dry on that deal when

NATIONAL OIL VARCO
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One of the many oil industry products from National Oilwell Varco.

Noble Energy Announces Global Resource Estimates, Continued WA Drilling Success

May 14, 2008 -- Noble Energy's total sales volumes for 2008 are now estimated to average between 210 and 220 thousand barrels of oil equivalent per day (MBoepd). This represents a 2% increase from the original estimate's midpoint of 210 MBoepd and a 9% increase from 2007 after adjusting for the Argentina asset sale.

The incremental volumes over prior guidance are primarily related to better than expected performance from deepwater Gulf of Mexico development projects, enhanced growth in the Rocky Mountains, as well as the impact of the accelerated development of phase two at Dumbarton in the North Sea and increased natural gas sales in Israel. Noble Energy also confirmed its six to 10% annual compounded organic growth target through 2012. There will be minimal production impact during this period from its West Africa discoveries, which are expected to begin production within the 2012 to 2014 timeframe. Capital requirements through 2012 will average approximately $2 billion per year, which includes the Company's updated 2008 capital budget and anticipated development spending for its West Africa discoveries.

Noble Energy is adjusting several of its cost estimates for 2008. Estimated oil and gas lease operating expenses were lowered to range from $4.20 per barrel of oil equivalent (Boe) to $4.70 per Boe, down from $4.30 to $4.80 per Boe. Depreciation, depletion, and amortization expense is now estimated to range from $10.30 per Boe to $10.90 per Boe, down from $10.40 to $11 per Boe.

The Company estimates that its net unrisked resource potential has increased approximately 70 percent from its 2007 estimate to 5.3 billion barrels of oil equivalent. The increase comes from the combination of an increased exploration portfolio and expanded resource development programs.

The Company also provided an update on its drilling activities in Equatorial Guinea. The 'I-5' Benita oil appraisal well, designed to determine downdip reservoir limits and provide an opportunity to flow test the oil zone, was successfully drilled to a total depth of 10,088 feet (3,075 meters).

Drilling results encountered approximately 42 feet (13 meters) of net oil pay, defined the water-oil contact, and moved the lowest known oil down structure approximately 28 feet (9 meters). Noble Energy is currently preparing to flow test the well, after which the rig will proceed to drill a Block "I" Miocene prospect named Diega. The Company has also reached total depth on the Felicita prospect in Block "O" and has identified an apparent gas condensate bearing sand with anticipated yields similar to the Belinda discovery.

Charles D. Davidson, Noble Energy's Chairman, President, and CEO said, "Our 2008 performance continues to exceed our expectations. Production remains strong, costs well-managed and our exploration program is off to a great start with two more successful wells in Equatorial Guinea. As we look beyond this year, we are extremely excited about our prospects for growth and the potential to deliver value to our investors."

Vaalco Settles Proxy Fight with 8% Holder

Will separate president and CFO roles; holders to vote on poison pill

W. Russell Scheirman

By Robert Daniel, MarketWatch

TEL AVIV May 25, 2008 - Vaalco Energy Inc. settled a proxy fight and legal dispute with Nanes Delorme Partners, which controls 8% of the Houston oil producer, the companies said. In the settlement, Vaalco agreed to a number of corporate-governance changes, including separating the posts of president and chief financial officer. W. Russell Scheirman will continue as president and Vaalco said it will begin a search for a new CFO.

In a statement late on Friday, the company and the New York hedge fund said Vaalco would declassify the board, so all directors would stand for election annually instead of a number of them being elected each year. EGY 7.96, 0.00, 0.0%) agreed to ask holders to vote on whether it should maintain its poison-pill anti-takeover measure. Such measures are usually designed to make a hostile takeover prohibitively expensive. If holders vote down the plan, Vaalco said it would terminate the measure. Vaalco adopted the anti-takeover measure last September. And Vaalco will add an independent director from the financial-services community.

The move would expand the board to eight members, six of whom would be independent. As part of the settlement, Vaalco plans to drop a lawsuit it filed against Nanes Delorme.

The hedge fund agreed to drop its plan to nominate a slate of directors at the June 4 annual meeting and will back Vaalco's nominees to the board. And Nanes Delorme agreed to certain standstill provisions for three years, the two sides said. Vaalco focuses on international energy properties; its primary acreage is in Gabon and Angola in western Africa.

Earlier this year, Nanes Delorme had called on the company to consider strategic options including putting itself up for sale. Robert Daniel is MarketWatch's Middle East bureau chief, based in Tel Aviv.

House Passes Bill to Sue OPEC Over Oil Prices

U.S. House of RepresentativeSteve Kagen

Washington - (Reuters) The U.S. House of Representatives overwhelmingly approved legislation on Tuesday allowing the Justice Department to sue OPEC members for limiting oil supplies and working together to set crude prices, but the White House threatened to veto the measure.

The bill would subject OPEC oil producers, including Saudi Arabia, Iran and Venezuela, to the same antitrust laws that U.S. companies must follow. The measure passed in a 324-84 vote, a big enough margin to override a presidential veto.

The legislation also creates a Justice Department task force to aggressively investigate gasoline price gouging and energy market manipulation.

"This bill guarantees that oil prices will reflect supply and demand economic rules, instead of wildly speculative and perhaps illegal activities," said Democratic Rep. Steve Kagen of Wisconsin, who sponsored the legislation. The lawmaker said Americans "are at the mercy" of OPEC for how much they pay for gasoline, which this week hit a record average of $3.79 a gallon. The White House opposes the bill, saying that targeting OPEC investment in the United States as a source for damage awards "would likely spur retaliatory action against American interests in those countries and lead to a reduction in oil available to U.S. refiners."

The administration said less oil going to refineries would limit available gasoline supplies and raise fuel prices. Foreign investment in U.S. oil infrastructure has declined in the last decade. But the state-owned oil companies of several OPEC nations are owners of U.S. refineries, and those investments could be affected if the legislation becomes law, said Arlington, Virginia-based FBR Capital Markets Corp. The bill also requires the Government Accountability Office to carryout a study on the effects of prior oil company mergers on energy prices.

A driver puts fuel in his car at a gas station where prices have gone past $4 per gallon in Douglaston, New York. Lawmakers passed a veto-proof bill attempting to guarantee that oil prices will reflect supply and demand economic rules. Credit: (Photo: Spencer Platt / Getty Images)

The Senate would still have to approve the House measure. The Senate previously approved similar legislation as part of a broad energy bill. However, the OPEC-suing provision was removed after White House opposition in order to get the underlying energy legislation signed into law. Editing by Christian Wiessner.

India Oil Firms Overseas Plans Stranded

Assets have become dearer as crude oil prices reach $119 per barrel.

Rakteem Katakey
New Delhi
April 27, 2008

Domestic oil companies' overseas plans are being put on the backburner as oil and gas asset prices skyrocketing due to crude oil touching record highs of over $119 per barrel. Indian Oil Corporation (IOC), the country's largest crude oil refiner and marketer of petroleum products, is relooking its plans to acquire an overseas exploration company with proven oil. IOC wanted to buy an oil-producing company to feed its growing refinery capacity in India.

"At the current crude oil prices, all oil and gas assets have become expensive. Our plans to acquire a company with proven oil reserves are not likely to fructify," said a senior IOC official.

The price of crude oil has more than doubled in the last 14 months, reaching record highs of over $119 per barrel earlier this week. The high crude oil prices have not only pushed up the price of assets but also have been responsible for rates of rigs and oil field services doubling.

Other oil companies such as state-owned Oil and Natural Gas Corporation (ONGC), Hindustan Petroleum Corporation (HPCL), Bharat Petroleum Corporation (BPCL) and Essar Oil were also keen on acquiring oil and gas assets overseas.

With the exception of ONGC, whose subsidiary ONGC Videsh (OVL) recently acquired stake in an oil exploration block in Venezuela, the other companies have not found anything which fit their budgets. HPCL was searching for oil and gas assets overseas along with steel baron LN Mittal-promoted Mittal Investments.

"We were looking for oil blocks primarily in Africa. But everything's just become too expensive," said an HPCL official. IOC attempted to buy French oil exploration company Maurel & Prom and Burren Energy's Congo assets last year. But these never materi**Assets have become dearer as crude oil prices reach $119 per barrel.**
alised. It had also evinced interest in buying a stake in a refinery in Edo, Nigeria.

T-3 Energy Services Gets +$12 Mil Order

T-3 Blowout Preventer (BOP)

HOUSTON, May 12, 2008 (PRIME NEWSWIRE) -- T-3 Energy announced today that it has received a letter of intent for the purchase of two packaged pressure control systems to be included on new jack up rigs destined for West Africa.

This is the single largest order T-3 has received since entering the new manufactured pressure control products market. Though the initial commitment is in excess of $12 million, due to the desire of the customer to standardize on T-3 products, we anticipate up to six more similar follow-up orders from the same customer as additional drilling contract awards are announced.

T-3 ENERGY
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National Oilwell Varco Chairman and CEO Pete Miller said he had an appetite for more. "From our viewpoint, we clearly believe we know how to do acquisitions and do it very well," Miller said. "We think there could be another opportunity to do one every bit as big as Grant Prideco if it makes sense." That's saying a lot.

Last winter, when National Oilwell Varco announced that it had designs on its hometown rival, some investors got jittery. According to a report by analysts at Natixis Bleichroeder, the market was brooding about North American drilling, which appeared mired in a slump. Kevin Chapman, National Oilwell Varco's vice president for business development for rig solutions, said demand for land drilling did slack off for 18 months. But it has come roaring back this year, thanks to oil breaking the $100-a-barrel threshold and natural gas rebounding to more than $10 per million British thermal units.

Look no farther than the company's Galena Park fabrication yard as evidence. The scrap of land bordering the Houston Ship Channel has more than a dozen rigs in various states of assembly. Crews swarm the giant metal installations, assembling them, testing them and then breaking them down to be shipped far and wide.

Historically, drilling companies have ordered customized rigs that can take a year or more to design and build. Many still take that long, but land drilling is so hot today, especially in North America, that National Oilwell Varco is turning out its trademarked Ideal Rig system in as little as three months. The Ideal Rig has thousands of parts, and National Oilwell Varco makes 95 percent of them - everything but the engines and air compressors.

National Oilwell Varco's business is split between overseas and North American operations, which include the U.S. and Canada. That's about to change, thanks to the Grant Prideco addition. Miller said he expects international operations to account for 70 percent of business in five years as overseas drilling continues to expand and the Grant Prideco merger takes the company into new territory. Some of the hottest contracts National Oilwell Varco is working on now involve rigs for major natural gas plays, including drilling in the Algerian desert and in Russia, where the company recently signed a $400 million deal to build two floating rigs for the Shtokman field in the Barents Sea. Clay Williams, the company's chief financial officer, said snapping up smaller rivals doesn't just take National Oilwell Varco into new markets. It can mean striking technological pay dirt.

The Natixis Bleichroeder report points to one gem of the Grant Prideco acquisition - the IntelliServ Network. Analyst Jeff Spittel calls it "a potentially game-changing technology" with great promise for future profits. IntelliServ embeds a fiber-optic measuring system in drill pipe that tells operators on the drill floor exactly what is going on thousands of feet below at the drill bit. The instantaneous data feeds should mean more precise drilling and could prevent blowouts. "Every single thing we do is geared toward safety and efficiency," said Chapman, the rig solutions vice president.

U.S. Re-Affirms Technical Support for Nigeria Power

Luka Binniyat
Vanguard (Lagos)

May 13. 2008 -- The United States Trade & Development Agency (USTDA) has re-affirmed its resolve to assist Nigeria with technical know-how in tackling its perennial energy problems.

This commitment was made last week by Paul Alvaro Marin, the USTDA Regional Director Sub-Saharan Africa, when a delegation led by the United States Ambassador to Nigeria, Robin Renee Sanders, paid a courtesy visit to the Minister of State for Energy, (Petroleum), H.Odein Ajumogobia (SAN) in his office.

Marin stated that the Nigerian economy offers great opportunities for U.S companies to collaborate and partner with their Nigerian counterparts through the Independent Power Projects (IPPs). This, according to him, requires a lot of technical work that will identify project opportunities, open the Nigerian market and generate greater electricity for the benefit of the people.

To achieve this target, the USTDA Regional Director highlighted the areas of focus for power projects to include gas-fired power projects, generation of electricity through the hydro sector and general IPP projects. Marin also seized the opportunity of the visit to emphasize that USTDA has a track record of helping countries meet the challenges of providing gas pipelines to feed the power plants that provide electricity.

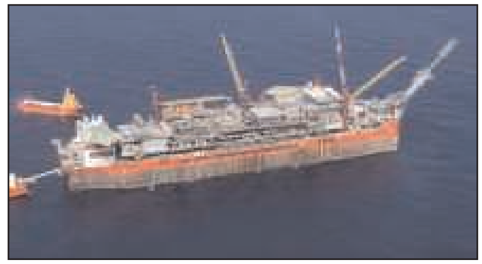
Robin Renee Sanders
US Ambassador to Nigeria

The Hon. Minister of State for Energy (Petroleum), H. Odein Ajumogobia (SAN), stated that the point of synergy between the segments of the energy sector (i.e. Power, Gas and Petroleum), is predominantly in the infrastructural networking. The availability of gas, according to him, is critical for power generation and domestic consumption. The Hon. Minister spent further time to inform the visitors about Federal Government policies on gas flaring, Local Content and the on-going restructuring of the oil industry.

In his response to the overtures from the USTDA, the Permanent Secretary in the Ministry of Energy (Power) Dr. Abubakar Aliyu (mni), stated that the Federal Government is receptive to foreign private sector intervention in the nation's power projects with a view to providing uninterrupted and sustainable power supply. Dr. Abubakar Aliyu disclosed that, to realise this policy statement therefore, the Multi-Year Tariff Order has been put in place to make the power sector competitive and attractive to private sector investment in the area of establishing power plants in the country. He further explained that there was an urgent need for the private sector to invest in the generation and transmission of electricity which stood at less than 3,000 megawatts, a far cry from the current power demand of 20,000 megawatts.

A technical committee of experts comprising four members from the Ministry of Energy was put in place to work with the United States Trade & Development Agency and come up with specific details of intervention in the power sector of the economy.

NIGERIA
A Symbol of Hope



Bonga FPSO (courtesy Shell)

By Matthew Green
Financial Times

April 28, 2008 -- Seen from the porthole of a Super Puma helicopter skimming over the Atlantic, the future of African oil exploration appears for a second like a giant, fire-breathing dragon. Towering 12 stories above the waters off Nigeria, Royal Dutch Shell's mammoth Bonga facility puffs a constant plume of flame as it sucks oil from below the ocean floor.

Shell sees Bonga's start-up in November 2005 as heralding a new era of deepwater operations in Nigeria, where a series of recent reports have revealed the depths of its difficulties onshore in the swamps of the Niger Delta. President Umaru Yar'Adua's energy advisers warn that the country's oil output could fall by a third by 2015 unless it succeeds in plans to boost investment in its joint ventures in the delta, of which Shell's is the biggest, according to a report by the Financial Times.

The report followed a warning late last year by a senior executive in Shell's Nigerian joint venture that funding gaps imperilled the future of the 50-year-old onshore operation, which has also been hit hard by militant violence.

But for Shell and other western groups, a growing fleet of Bonga-style vessels destined for west Africa's offshore oilfields are a symbol of hope in an increasingly fraught struggle to replace diminishing worldwide reserves. "It never stops production," Godwin Itamah, Bonga's offshore installation manager, said while standing on a gantry amid the floating jungle of pipes, chimneys and turbines. "We're producing oil every second of the day." Questions remain over the pace at which Shell and its peers can exploit West Africa's offshore potential.

Costs of projects are rising fast,

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Nigeria Orders Recovery of $1.9B from Exxon, Shell

by Obafemi Oredein
Dow Jones Newswires
IBADAN, Nigeria,

May 20, 2008 -- President Umaru Yar'Adua has ordered the Nigerian National Petroleum Corp., or NNPC, to take immediate steps to recover over $1.9 billion USD from Royal Dutch Shell PLC (RDSB) and Exxon Mobil Corp. (XOM), an official spokesman said Tuesday.

Olusegun Adeniyi, presidential adviser on communication, told Dow Jones Newswires the money was due to the federal government under the production sharing contracts for the Bonga and Erha offshore oil fields.

The two fields account for 20% of the country's oil production, a statement by Nigeria's presidential office said. Over $1.26 billion USD is being claimed for the Shell-operated Bonga only, according to details released in the statement.

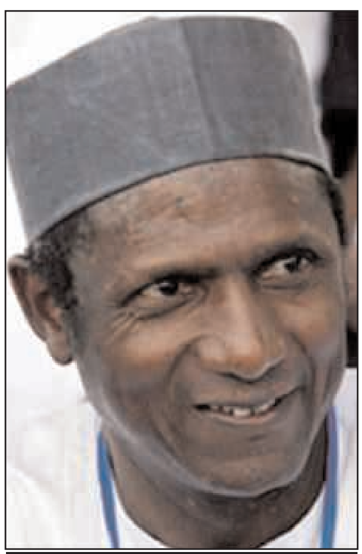
Adeniyi said a federal government committee conducted an investigation on some production sharing contracts over a specified period and discovered shortfalls in payments to the government, and said the sum is made up of $850 USD million from Bonga and $646 million from Erha.

He said there is also a directive that the sum of $414 million USD accruable to the NNPC and to the government from Bonga gas sales should be recovered. He said the government has also directed all future government gas sale agreements should account for natural gas liquids to ensure the government derives maximum economic benefits from them.

Adeniyi said this position is to be adopted in the renegotiation of all existing production sharing contracts.

Shell wouldn't comment, while Exxon weren't immediately available for comment.

Bonga is the first deepwater project for Shell Nigeria Exploration and Production Co., Ltd., or Snepco, in Nigeria for Nigeria itself. It produces over 200,000 barrels a day. Gas from Bonga is piped to the



Nigeria President Umaru Yar'Adua

Nigeria liquefied natural gas plant in Bonny Island. Esso Exploration and Production Nigeria Ltd., or EEPNL, an affiliate of ExxonMobil operates the Erha deepwater oil field located approximately 97 kilometers offshore Nigeria in 1,200 meters of water.

It is EEPNL's first operated production from Nigeria's deepwater Block 209. Erha is expected to produce up to 150,000 barrels a day. It began operation in 2006.

Gulf of Guinea Energy Spuds Uquo Well

May 12, 2008 -- Gulf of Guinea Energy Limited is pleased to announce the spudding of the first of two back to back appraisal/development wells in the Uquo field, within the Eastern Niger Delta, onshore Nigeria.

Uquo-5 well will be drilled to a depth of 8,500 feet by Henan Petroleum Company Nigeria, using the HPEB119 drilling rig. The rig will then move to drill the Uquo-6 well. It is anticipated that the wells will be retained as producers for the Uquo development with first production expected in 2009.

The Uquo field is planned to produce through ExxonMobil's Qua Iboe terminal some 8 klm to the south. The discovery well Uquo -1 was drilled in 1958 by Shell and tested both oil and gas in more than nine separate reservoir intervals.

Three further wells have been drilled (Uquo 2 - 4) which have discovered three separate hydrocarbon structures, within which a total of 15 hydrocarbon-bearing reservoir accumulations exist. Of these, ten have been evaluated as gas bearing, two are proven oil bearing formations and a further three have been evaluated as being probably oil bearing. GOGE-Frontier acquired 233 sq klm of 3D seismic in 2006-2007 covering the entire license area. Arun Subbiah, Gulf of Guinea Energy's Executive Chairman, said:

"The spudding of the Uquo-5 well is a very important milestone for Gulf of Guinea Energy. It is the culmination of many months of intense technical and commercial effort. The possibility of having first production in 2009 is very exciting." Joshua Udofia, Gulf of Guinea Energy's Chief Executive Officer, said: "To demonstrate our commitment to the host community around our field of operations, ProNatura International, a development agency, has been employed to develop a comprehensive community development plan.

To date we have contributed circa $500,000 in the active engagement of the host community. " The Uquo Field is situated in License Block OML13. Gulf of Guinea Energy has a 40 per cent participating interest in the field and Frontier Oil Limited holds the remaining 60 per cent and is the Operator of the Uquo field.

Fighting Lays Waste to Disputed Sudan Oil Town

By Sarah El Deeb

ABYEI, Sudan (AP) - Smoke still rises from charred huts and the only people left behind in this town of 30,000 in an oil-rich region in Sudan are the looters and the army.

The worst fighting in years between Sudanese government forces and former southern rebels has laid waste to Abyei. The fighting, which broke out two weeks ago, threatened a 2005 peace treaty that ended a two-decade civil war between north and south in which 2 million people died. That agreement created a unity government between north and south, and left Southern Sudan a semiautonomous region with its own government and military forces.

Abyei lies just north of the disputed boundary line with Southern Sudan in a volatile region that remains contested despite the peace agreement. It is coveted by both north and south because of its oil resources and green fields used for grazing cattle.

The fighting in Abyei flared as the United Nations warned of a dangerous escalation of violence on another Sudanese front - the Darfur conflict. Earlier this month, a Darfur rebel group staged an attack just outside the capital Khartoum for the first time since that conflict in western Sudan began in 2003.

Journalists who visited Abyei with the U.N. under heavy security saw a ghost town where devastation was almost total. . Fires still raged in some huts. Looters, who roamed the streets freely, and Sudanese government soldiers appeared to be the only people left in the town.

U.N. officials believe that the 30,000 residents and 20,000 more from neighboring villages fled at the height of the fighting, in mid May, which erupted over a personal argument between government soldiers and the former southern rebels of the Sudan People's Liberation Army, or SPLA, according to officials. The U.N. says another 40,000 in neighboring villages may also be on the move, fearing the spread of hostilities.

Jehangir Qazi, the Special Representative of the U.N. Secretary-General in Sudan, said the violence that flared in Abyei could easily spread and threaten the entire peace accord. "It just doesn't exist anymore," he said of Abyei after visiting the town. "It is absolute devastation. It is totally charred." Since the peace deal, many ethnic Africans who fled Abyei during the civil war have returned. Now, they are fleeing again. "I was running with fire behind me. I lost my children on the way." said Awal Dau, a 44-year-old Abyei resident who fled to Agok, a village about 15 miles to the south. U.N. officials say about 76 children are still missing.

Nyakum Bakony Chan, a frail 50-year old woman, said she never left Abyei at the height of civil war. But last week, she hid under her bed for two days while fighting raged, until her son carried her out on his shoulders and they fled."Back then, there were no heavy machine guns. Now, it was fire everywhere. It was killing everywhere," she said from Agok. The fighting had subsided by Tuesday, when the southern rebels were pushed back by the Sudanese forces, who remain in the town center.

There have been no meetings by leaders of the two sides to work things out. The north-south civil war pitted the mostly Christian southerners against the Arab-dominated government to the north. The southerners accused the north of neglect, discrimination and unfair allocation of resources. Despite three years of peace, many old grievances and mistrust still persist.

The government in Khartoum rejected a border demarcation proposed in 2005 by an international commission that would have put Abyei in the south. This left the fate of the town to be determined in two future votes - the 2009 national election and a 2011 referendum on whether the south secedes.

Khartoum has a major interest in keeping control of Abyei, located in a region with at least three major oil fields. The International Crisis Group estimated oil fields in the area brought in about $670 million for Sudan in 2006, about 13 percent of its income from oil exports that year. But southerners, many of whose leaders come from Abyei, have vowed to reclaim it.

Under the peace treaty, all troops were supposed to withdraw from the border zone to allow it to be patrolled by U.N. peacekeepers and joint units from north and south. But in violation of that agreement, both sides keep their separate forces in and around the town.

Since the peace agreement of 2005, the two sides have been jockeying for position within Abyei, and tension has often erupted into protracted and violent confrontations. Brig. General Osman al-Aghbash, the Sudanese army spokesman, said this time the southern forces attacked the town after a cease-fire, aiming to take it over. The army forcefully expelled the SPLA forces, after 22 of its soldiers were killed, army officials said. There are no figures from the SPLA on their casualties, but medics in Agok said they treated about 130 southern fighters.

The southern leaders say the presence of the Sudanese forces is the cause of the tension. This is not the first time Abyei has strained the peace deal. In October 2007, southern Cabinet ministers walked out of the unity government over a number of disputes, including Abyei - raising fears the peace could collapse. The ministers rejoined the government in December, having settled most of their differences.

The U.N.'s Qazi said the two sides have not been able to reach a compromise on a number of issues related to the peace deal, primarily Abyei. He called on them to take "tough decisions." "We can see that with any one issue, with Abyei in particular, if violence flares up it could easily spread to other areas and easily threaten the whole" peace deal, he said.

An aerial view showing fire at the village of Abyei, Sudan, which is seen mostly burned down Friday, May 23, 2008, and looters roam the village freely, after days of fighting last week. The town, contested by north and south Sudan for its oil resources and grazing fields, has been deserted after fighting raged for days between Sudan armed forces and the army of former southern rebels last week. U.N. officials say up to 90,000 people have been displaced from Abyei and neighboring villages. **(AP Photo/Sarah El Deeb)**

Africa Oil Corp Equipment Under Attack in Somalia

Hassan Allore, Puntland Oil Minister

(Garowe Online) Somalia May 25, 2008 -- PUNTLAND EXPLORATION Even with President Yusuf's endorsement, serious challenges lay ahead for any meaningful exploration effort in Puntland. Exploration equipment reportedly contracted by a Canada-based oil company Africa Oil Corp undocked at the port of Bossaso Sunday. Emerging reports say that disgruntled militia have already launched their first strike.

The equipment included construction trucks of the old variety, along with trucks transporting water and petroleum to a location east of Bossaso where Africa Oil has set up an operations camp in the self-governing Puntland province of northeastern Somalia.

A Bossaso port source privately reported that some trucks were "old and looked to be in bad condition," but that the contractor had "repainted" the trucks to give them a newer look.

Hassan "Allore" Osman, Puntland's oil minister, told the media that Africa Oil will begin exploration activities in the region soon - marking the first such endeavor to be undertaken in the lawless Horn of Africa country since the late 1980s when American and European companies collected exploration data. The bold exploration effort - engineered under the leadership of Puntland President Adde Muse - has faced numerous political and security obstacles since its inception in mid-2005.

On Sunday night, three of the trucks that were unloaded from a container ship docked at the port of Bossaso underwent mechanical problems and became stuck inside Bossaso, witnesses reported. The trucks reportedly stopped working somewhere between Hotel Panorama and the Golis telecommunications company headquarters.

At around 11:30pm local time, unidentified militiamen attacked the location where there were reports of an exchange of gunfire. Emerging reports have indicated that the attackers successfully hit

AFRICA OIL EQUIPMENT UNDER ATTACK
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Shell Losing 30,000 Barrels Daily after Nigeria Oil Attacks

Shell's Awoba plant on the Sambreiro River in the Niger Delta

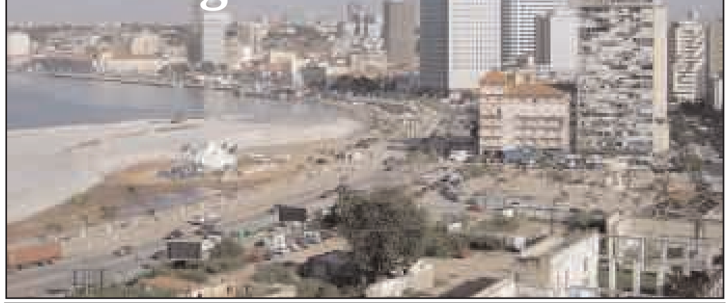
May 10, 2008 -- PORT HARCOURT, Nigeria (AFP) - Oil major Royal Dutch Shell said Saturday it was losing the equivalent of 30,000 barrels of crude oil per day because of recent attacks against its installations in Nigeria. The unrest in Nigeria, Africa's biggest oil producer, helped drive oil prices to a record high above 126 dollars on Friday, analysts said.

The loss in production translates to 409 million naira (2.24 million euros, 3.47 million dollars) in lost revenue every day, said Chidi Izuwah, a spokesman for the Shell Petroleum Production Company. Anglo-Dutch oil group Shell, Nigeria's largest oil operator, accounts for around half of the country's 2.1 million barrels per day output.

An upsurge in attacks on its facilities has forced it to cut back on production. Niger Delta militant groups -- most prominently the Movement for the Emancipation of the Niger Delta (MEND) -- have sabotaged several supply pipelines owned by Shell and other oil operators in the restive region. MEND emerged in early 2006 as the leading group calling for a greater share of Nigeria's oil revenue for the producer region.

Besides attacking facilities, it has seized local and expatriate oil workers as hostages. Overall, violence in the Niger Delta has reduced Nigeria's total production by a quarter in the past two years.

Luanda Hosts UN Central Africa Security Committee Meeting



Luanda, May 13, 2008 - Angolan capital city, Luanda, is hosting Tuesday the 27th meeting of the United Nations standing consultative committee on security in Central Africa, Angop learned.

A press note from Angolan Foreign ministry states that the meeting will go until May 15. The source adds that the meeting comes in response to recommendations from the UN Security Council and the General Assembly, on security matters.

The meeting aims at reviewing the situation in member states and the implementation of programs of interest to the region. The meeting will also analyze the program of fight against small weapons trafficking and the Sao Tome Initiative.

Niger Delta Militants Hijack Chevron Vessel

By Mohit Joshi

ABUJA May 14th, 2008 -Niger Delta militants have seized a vessel belonging to United States oil giant, Chevron, Lieutenant Colonel Sagir Musa, spokesman of special troops deployed to provide security in the region, said Wednesday.

He said the vessel was carrying a Portuguese citizen, a Ukrainian and nine Nigerians when it was seized. No group has claimed responsibility for the seizure, he said. The vessel was seized while sailing from Onne port in Port Harcourt, Rivers State, to Escravos in Delta State, Sagir said. He said the vessel might be carrying supplies and other essential materials for the Escravos oil production Platform when the militants struck.

The exact location of its seizure was not known. It was suspected to have been taken at Krakrama area near Fouche Island, some 30 nautical miles from Port Harcourt.

"The militants are demanding a ransom of 250,000 dollars for the release of the vessel and the occupants," Sagir said.

Militants in the region claim they engage in kidnapping and vandalism to drive home a demand made on the Nigerian government to allow people of the impoverished Niger Delta region have a greater say in the affairs of its oil and gas deposits.

Nigerian Oil Pipeline Explodes; `Many' Killed, Red Cross Says

By Dulue Mbachu

May 15 (Bloomberg) -- A pipeline used to transport gasoline exploded in a suburb of Nigeria's commercial capital, Lagos, killing ``many people,'' said Okon Umoh, a spokeswoman for the Nigerian Red Cross.

The explosion occurred in the Ijegun district of Lagos, causing a fire that spread to nearby buildings, Umoh said in an interview today from the city. She couldn't say what caused the explosion or how many people were killed. ``The fire is still burning, many houses have been destroyed and many people are dead according to our people on the scene,''

The affected pipeline is part of a domestic fuel-distribution network running from Lagos Port to different parts of the West African nation. It isn't clear what caused the explosion, though previous incidents have been attributed to vandals seeking to siphon fuel from pipelines.

At least 28 people died on Dec. 26 when an explosion occurred on a pipeline in the Ikate district of the city as they were scooping fuel from a ruptured gasoline pipeline.

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one of the trucks with a rocket launcher, setting the truck on fire. Reports of any casualties were difficult to obtain, since it was late during the night and there is limited movement of citizenry.

It was also immediately unclear who the attacking militiamen were, but the strike comes on the heels of widespread reports that unhappy clans have organized militias to counter the Puntland-Africa Oil drive to dig for Somalia's unproven oil reserves.

In unrelated development, an armored vehicle traveling between Bossaso and the Africa Oil operations camp 90km east exploded yesterday, wounding five militiamen on board.Medical sources confirmed that the wounded militiamen were transported to Bossaso under a shroud of secrecy and are being treated for their injuries.

The cause of the explosion could not be independently ascertained, but some reports indicated that the vehicle hit a landmine secretly planted along the vital road. Other reports said one of the militiamen accidentally dropped a grenade inside the vehicle. As reported by Garowe Online last week, Africa Oil and its partners in the government of Puntland have established a private militia force to safeguard the Canadian company's operations in Somalia. The wounded men are part of that private militia, which remains untrained and ill-prepared to deal with the daunting security challenges ahead.

Exploration in Puntland is a nationally-sensitive topic across Somalia, as discord lingers within government halls in Mogadishu and Garowe, the capital of Puntland. Most recently, Somali lawmaker Asha Abdalla openly criticized interim President Abdullahi Yusuf for endorsing the Puntland-Africa Oil deal.

MP Abdalla hails from Sanaag, a northern region etched between Puntland and the self-declared Republic of Somaliland. In early 2006, Sanaag was the scene of fierce fighting between clan militia opposed to exploration and Puntland security forces.

The violence forced Africa Oil's joint venture partner, Australian mining firm Range Resources, to suspend operations in Puntland. But even with President Yusuf's endorsement, serious challenges lay ahead for any meaningful exploration effort in Puntland.

Many of the region's armed clans remain opposed to the exploration project, citing legitimate concerns including Puntland leader Muse's mismanagement of public funds and his negligent attitude towards the region's powerful clans.

Somalia has been mired in political turmoil and armed conflict since 1991, when the country's last effective ruler was ousted from power by clan warlords. In December 2006, Ethiopian troops backing Yusuf's weak interim government invaded Somalia's southern regions to dislodge Islamist rulers from Mogadishu. Remnants of that Islamist movement have been held responsible for guerrilla attacks targeting government troops and officials across the country since, including in Mogadishu and Bossaso.

Critics say Somalia needs a stable government and the return of order first before oil exploration can begin. Nigeria, Africa's top producer of crude oil and one of the continent's strongest governments, has been witness to relentless rebel attacks on oil installations that have destabilized that part of West Africa. Source: Garowe Online

Offshore Technology Conference Attendance Reaches 26-Year High

HOUSTON, Texas, USA (May 8, 2008) -- Attendance at the 2008 Offshore Technology Conference (OTC) reached 75,092, a 26-year high, as energy professionals from 110 countries met to learn about the latest technology to find and produce offshore oil and natural gas resources. The world's largest offshore event was held May 5-8 at Reliant Park in Houston.

Attendance increased 11 percent from 2007. With more than one-half million square feet of exhibition area, the show included 2,500 companies from more than 35 countries in an area the size of 13 football fields.

"OTC is where offshore energy professionals come to learn about innovative approaches to overcoming technical challenges as we drill in deeper waters. Technology will be crucial to delivering affordable and sustainable energy for the future. OTC offers the chance to share knowledge about getting resources in harsher and more extreme conditions, and to discuss important industry issues," said Don Vardeman, 2008 OTC chairman.

OTC Awards Luncheon keynote speaker Jesús Reyes Heroles, director general, Petróleos Mexicanos (PEMEX), discussed the company's initiatives for replacing declining reserves, including putting more emphasis on deepwater exploration in the Gulf of Mexico. "We must multiply our presence in the Gulf of Mexico, since 55 percent of our total prospective resources are deep in the Gulf of Mexico," said Reyes Heroles. He added that to reach its production goals, PEMEX "needs greater flexibility, enhanced capacity and sufficient resources."

Extended to cover four full days, this year's technical program offered special sessions on significant industry topics, such as the future of petroleum, the potential of gas hydrates as a future energy source, and the challenges facing the industry in meeting increasing demand for energy, plus 300 technical presentations. OTC's Spotlight on New Technology program highlighted 14 innovative technologies that are already making the industry more effective.

OTC held The Next Wave event to address issues important to industry professionals under the age of 35. The second OTC Energy Education Institute brought 100 Houston area elementary and secondary teachers to OTC for a workshop on bringing energy topics to their classrooms.

The 2009 OTC takes place 4-7 May 2009, at Reliant Center at Reliant Park. For more information, visit www.otcnet.org/2009.

About OTC

Founded in 1969, the Offshore Technology Conference is the world's foremost event for the development of offshore resources in the fields of drilling, exploration, production and environmental protection. OTC is held annually at Reliant Park in Houston.

The industry's largest oil service companies were among the 2,500 companies from more than 35 countries at OTC 2008.

Outdoor exhibits showcased drilling rigs and components for inspection.

OTC SPOTLIGHT ON TECHNOLOGY

Weatherford Heralds the Arrival of the TorkDrive

The most recent development in Weatherford's OverDrive system, the TorkDrive Compact tool complements a product lineup that already includes two high-end models - TorkDrive 500 M (Modular) and Tork-Drive 750 HD (Heavy Duty). The new tool is specifically designed for smaller, less complex land-rig operations. This latest component is being launched at the OTC this year to showcase to the industry the ongoing development of this rig mechanization technology.

The TorkDrive Compact tool is the main component of the service company's OverDrive system which was launched at OTC in 2006. The system was designed to provide a safer, more efficient alternative to conventional casing installation. Mounted to the rig's top drive, the new tool combines several conventional casing-running tools into one - for a wide range of casing sizes.

The technology has been well received by operators dealing with sloughing wellboxes and drag of gravity on long strings of lateral pipe. Demand has been very strong and timely. Ready acceptance of the system and range of applications to which new system has already been applied bode well for operators facing difficult casing-running problems. Key global applications include the North Sea, Egypt and Malaysia.

The remotely operated TorkDrive tools uses rotational power of top drive to make up o break out casing, eliminating from the rig floor the scaffolding, equipment and personnel usually associated with casing-running operations. With the ability to circulate, reciprocate and rotate simultaneously, the TorkDrive tool can also be used for drilling with casing or reaming with casing and/or for troublesome well applications.

"This is tool development from the top down," says Tracy Cummins, global product champion for OverDrive systems. "Because we started with the high-end units for premium threads and premium markets and then progressed to this fundamental tool, the Tork-Drive Compact model benefits from all our experience and resources applied to bigger units. The primary market for the Compact technology is on smaller land rigs and jobs where API connections will be run that do not require independent torque monitoring."

While the larger tools incorporate many technical features that increase the rental cost and complexity to operate and train personnel, the service company's new tool is a smaller, simpler and more cost competitive system. It is capable of interfacing with any top-drive system and can be installed quickly without any modifications to the top drive or rig structure. Coupled with the service company's extensive casing-running expertise and support, the tool improves safety and efficiency and dropped objects during any operation. The service company will soon begin field testing of these tools, with first units available in the third quarter of 2008.

(Left) TorkDive Compact with internal tool.
(Right) TorkDrive Compact with external tool.

Call for Papers for OTC 2009

The deadline for submissions is September 8, 2008.

Topics of Interest: alternative energy, decommissioning, drilling tech, enhanced oil recovery, E&P, geoscience, facilities and production operations, field development concepts, floater and mooring systems, flow assurance, geophysical methods, geotechnical sampling and survey, harsh environments, health, safety, and environment, marine geoscience snf geohazards, marine yerminals and transportation, materials technology, ocean engineering resources, offshore pipelines, project management and economics, riser systems, subsea production and processing systems, unconventional reservoirs, well completion technology.

Contact tech-prog@otcnet.org..

Libya NOC Says Libya's Oil to Reach 3 Mil Barrels by 2012

Dr. Shukri Ghanem, Chairman of the Steering Committee of the National Oil Corporation

May 26, 2008 -- Libya's oil production will top around 3 million barrels a day by 2012 according to Chairman of the Steering Committee of the National Oil Corporation Dr. Shukri Ghanem, who said production, is expected to reach 2 million by the end of this year.

"The Jamahiriya is producing 3 billion Cubic meters of gas daily which is seeking to double by 2012-2013 to 7 billion, Ghanem told reporters following the signing of an agreement for exploration and sharing between the National Oil Corporation and a consortium of Algerian Sonatrac and two Indian companies in Tripoli today. Ghanem highlighted the oil prospects which he termed as promising.

He said the corporation is inviting investment in this sector on two bases, total transparency and non-distinction between oil companies.

The National Oil Corporation plan for oil and gas sector will lead to a significant increase in production achieved by local effort and with help from our partners and brothers in Algeria and others.

OVL Gives Up Hydrocarbon Blocks in Libya

May 20, 2008 -- NEW DELHI (UPI) -- India's state-run ONGC Videsh Ltd. (OVL) has plans to relinquish its onshore exploration block in Libya.

The company said it will give up the block in favor of the National Oil Co. of Libya, as OVL and its partner Turkish Petroleum Overseas Co. felt that the prospects were not very attractive commercially. He said in block NC 188, while OVL holds 49 percent stake, TPOC, a subsidiary of the Turkish national oil company, held the remaining 51 percent participating interest and is the operator.

After completing the seismic surveys in the area as per the program, two exploratory wells were drilled in block NC 188, which were plugged and abandoned as dry wells. Subsequently, the exploration phase of the block has been extended till June 11, 2009.

Libya to Reassess Italy Oil Deals

Libya is reassessing oil deals with Italian energy company Eni SpA as tensions mount between the two nations following the new Italian government's high-level appointment of a right-wing politician who has angered the North African country in recent years.

Conservative Silvio Berlusconi, an Italian billionaire, was sworn in a third time as prime minister along with appointed ministers, who include Roberto Calderoli, of the anti-immigrant Northern League party that is part of Berlusconi's coalition government.

Calderoli, who has been appointed with the task of reducing government bureaucracy, provoked protests in the Libya coastal in 2006 after appearing on Italian television with a T-shirt that made fun of the Prophet Mohammed. Several Libyans died during those protests. Calderoli later resigned as reforms minister following the incident.

Seif al-Islam Gadhafi, a son of Libyan leader Moammar Gadhafi, warned in early May of "catastrophic consequences" in relations between Libya and Italy if Calderoli took a role in the new Italian government.

Calderoli further inflamed Muslims in 2007 after he threatened to walk a pig, a detested animal in Islam that is seen as being too dirty to touch or to consume, near the site of where a mosque was to be built.

Libya has told the Italian government it will no longer help stem the tide of illegal African migrants to Italy.

Buoyed by high oil tax revenues and its reentry into the international community in recent years after giving up its nuclear program, Libya hasn't been shy about asserting itself on the international stage.

Vladimir Putin Talks Oil and Future Contracts In Libya

April 24, 2008 -- Moscow wrote off Libya's $4.5 billion debt in exchange for multi-billion dollar contracts for Russian companies. The cancellation of the debt, accrued on Soviet arms supplies, was one of over a dozen intergovernmental trade and cooperation agreements signed by Russian President Vladimir Putin and Libyan leader Muammar Qaddafi.

Finance Minister Alexei Kudrin, who accompanied Putin on his visit to the North African state, told reporters that the size of Libya's debt to Russia had been brought down by $100 million from $4.6 billion to take into account Russian state bank VTB's debt to Libyan companies.

The deals signed include a $3.5-billion contract for rail monopoly Russian Railways to build a 500-km (310-mile) section from the city of Sirte to Benghazi, Putin said.

Kudrin said 70% of the equipment and steel products required for the project would, under the contract, be supplied by Russian companies.

Another major deal was closed between Russian natural gas giant Gazprom and Libya's National Oil Corporation to set up a joint venture to engage in both upstream and downstream oil and gas operations.

Kudrin said the Soviet-era debt had hampered bilateral economic cooperation, whereas now the hurdles would be removed, adding Russia's position in Libya had grown stronger.

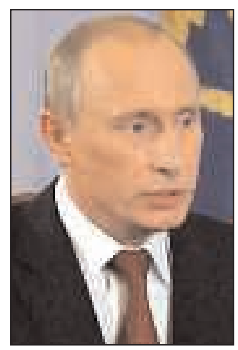
The two countries also signed a military cooperation agreement.

Russia and Libya also agreed to collaborate in arms control measures, nuclear non-proliferation and disarmament, to boost efforts to turn the Middle East into a zone free of weapons of mass destruction and to reduce military operations in the Mediterranean in order to make it a region of peace, stability and cooperation.

Moscow and Tripoli pledged to coordinate their efforts to prevent and resolve armed conflicts in certain African regions and facilitate post-conflict revival.

Libya's main weapons supplier during the Cold War, Russia is trying to regain its position in the country.

Earlier reports said Russia had hoped to sign arms contracts worth some $3 billion with Libya, selling 12 of the latest Su-35 Flanker multi-role fighter and Tor-M2E short-range missile systems, and offering spare parts and maintenance services for Soviet-era military hardware.



Russia President Vladimir Putin

T-3 ENERGY continued from page 7

West Africa is one of several major international oil and gas markets targeted by T-3 and represents further evidence of T-3's successful execution of its international expansion strategy. This order bundles several key pressure control drilling products; including BOPs, choke & kill manifolds, and hydraulic control systems. T-3's international quoting activity continues to be strong and widely dispersed throughout the major drilling regions of the world.

T-3's success in obtaining these orders further solidifies our growing name brand recognition as a major original equipment manufacturer of oil and gas pressure control products. As rig construction and demand for oil remain healthy, T-3 expects to be awarded more multiple rig package orders destined for targeted international drilling regions throughout the world.

Gus D. Halas, T-3 Energy's Chairman, President and Chief Executive Officer, commented, "As highlighted by our first quarter's earnings, 2008 has already been a very exciting year. Not only is this order another significant milestone for T-3 Energy with respect to our strategic growth initiatives, but it marks another record broken by our team."

"This order, in conjunction with the Russian multiple rig package order recently received, confirms that T-3 Energy has established a solid foothold in key drilling markets located throughout the world. T-3 Energy's customer-driven product offering and rapid-response delivery capabilities continue to be key success factors. Because of our international sales success, as well as the increased demand from our North American customers, we are now evaluating the potential for additional manufacturing tooling capabilities to ensure that the delivery of these larger multiple packaged products can be provided in the same expedited manner that has made us a recognized key original equipment manufacturer. Regardless of the region, T-3 remains committed to being a name-brand provider of customer-driven products and services."

T-3 Energy Services, Inc. provides a broad range of oilfield products and services primarily to customers in the drilling and completion of new oil and gas wells, the workover of existing wells and the production and transportation of oil and gas.

Engen Scoops Up Business in Gabon

April 24, 2008 -- Engen Petroleum Limited is set to extend its African footprint even further by signing a sale/purchase agreement to buy out Shell Petroleum Company Limited's downstream petroleum business in Gabon.

The deal, which is subject to pre-emptive rights, involves Shell's 60% stake in Pizo Shell, a refined petroleum products marketing and distribution company. It is Engen's intention that all employees will retain their current positions. The balance of shares in Pizo Shell is held respectively by private investors (30%) and the government of Gabon (10%).

The latest move comes just four months after the company successfully acquired Shell's interests in the Democratic Republic of Congo. "We welcome this investment opportunity. Our long-term growth strategy and business plan is to extend our investments in Africa. We have the utmost confidence in Gabon, its government and its people and are very positive about the prospects and opportunities for this company now and in the future," says Rashid Yusof, MD and CEO of Engen Petroleum Limited. Owned 80% by PETRONAS (Malaysia's National Oil Company) and 20% by South Africa's black-owned Worldwide Africa Investment Holdings, the company is an African firm, committed to growing its business in sub-Saharan Africa to the mutual benefit of the company and its stakeholders, including the countries and communities within which it operates. The company enjoys the largest share of market in South Africa and has a significant presence in 13 other countries.

Yusof says Gabon, which boasts one of the continent's highest per-capita GDP figures, is considered one of Africa's better investment opportunities for the company. "This transaction will contribute 100 million litres a year towards our vision to be a 'Champion in Africa' by 2016.

Gabon's downstream petroleum market size is estimated at 560 million litres per annum, of which Shell's current market share is 18%. Xavier Le Mintier, the Executive Vice President of Shell Oil Products Africa adds, "We are pleased to have been able to secure for the government and other minority shareholders, a partner who has expressed a strong will to strengthen this partnership for the further growth of the company."

Rashid Yusof
Engen MD and CEO

Le Mintier concludes,"The sale is consistent with our global strategy, known as 'More Upstream and Profitable Downstream'. We remain committed to our downstream business across Africa."

VAALCO Plans Major Exploration, Contracts 2 Rigs Offshore Gabon

May 09, 2008 -- "After years of exacting preparation and planning with our partners and the host governments VAALCO is entering a period that will see the highest levels of exploration and development in the company's history. VAALCO's 2008 drilling program builds on the solid exploration track record we have established and presents exciting opportunities to drive significant increases in both production and reserves, further enhancing value for VAALCO shareholders," said VAALCO Chairman and CEO Robert Gerry.

Vaalco Gabon Team Members

VAALCO's exploration program, which includes seven exploration wells over the next 12-18 months, will expose the company to in excess of 50 million net barrels compared to VAALCO's current 6.2 million barrels of proved reserves, representing an 8-fold potential increase.

The Company has made arrangements to contract two offshore jackups for the drilling program offshore Gabon.

The first rig will be used to drill three exploratory wells: an appraisal well for possible expansion of the Ebouri development project and two additional wells on newly mapped structures. These three wells have gross reserve potential additions in excess of 60 million barrels (approximately 15 million net barrels to VAALCO). Drilling on these wells will commence in September 2008 and the wells will be drilled back to back.

The second rig will be used to drill development wells at Ebouri. The rig for the development wells will arrive in October 2008. This rig is larger than the one to be used for the exploration wells, as it must jack up over the platform to drill the development wells.

Onshore Gabon, VAALCO has committed to a rig to drill two wildcats with combined potential reserves of in excess of 30 million barrels. VAALCO has a 100% working interest in the onshore Mutamba block. Environment impact assessment studies are underway, with plans to build the drilling pads over the summer and commence drilling in December 2008.

VAALCO is participating with Century Exploration in a gas prospect on Block 48/25c in the British North Sea commencing in August 2008. The well is an offset to a former Shell gas discovery made in 1987. Recently acquired 3-D seismic data indicates the ability to get higher on structure than the earlier well, increasing the potential reserves to 60 Bcf. VAALCO will have a 25% interest in the well.

The Company is also moving forward on the planning for a well on Angola Block 5 during the first half of 2009. The consortium has identified four prospects and will high grade these into a drilling recommendation in the near future. Prospect reserve potentials range from 20 to 150 million barrels of recoverable oil and the Company has a 40% working interest in the block.

Devon Energy Divests Assets in Gabon

Devon Energy completes divestiture of its assets in Gabon in a $205.5 million deal

May 19, 2008 -- NEW YORK (Associated Press) - Independent oil and natural gas producer Devon Energy Corp. said Monday it completed its sale of assets in the West African nation of Gabon.

Oranje-Nassau Energie BV, a subsidiary of Oranje-Nassau Groep BV, paid $205.5 million for the properties. Devon, which expects to incur no income taxes on the deal, is in the process of divesting all of its operations in Africa. The company has previously announced signed purchase and sale agreements worth more than $3 billion.

Sales of its operations in Cote d'Ivoire and Equatorial Guinea remain to be completed. Devon agreed to sell its operations in Cote d'Ivoire to Afren PLC for $205 million. It has agreed to sell its operations in Equatorial Guinea to GEPetrol, the national oil company of Equatorial Guinea, for $2.2 billion.

Devon expects to complete these remaining transactions around midyear.

NIGERIA

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while there is uncertainty over whether Opec quotas will put a brake on offshore growth in Nigeria and Angola.

Both countries have been making increasingly assertive demands on Western groups to involve more local companies, which can sometimes cause delays.

"The governments have got much tougher [on local content]," said Will Rowley, director of analytical services at Infield Systems, the data analysts. "That puts a real constraint because if there aren't the companies with the depths of skills you end up coming up against a brick wall."

Bonga and other FPSOs - floating production, storage and offloading facilities - are moored so far off the coast they are considered relatively safe from the attacks that have shut down much of Shell's output in the swamps of the delta. Oil tankers can fill up via a buoy linked by long pipe to Bonga's hold, a bit like cars pulling up at a petrol station, before shipping the sweet, light crude to US refineries.

Nigeria is already among the top five suppliers of oil to the US and West Africa could provide a quarter of the US's oil imports within seven years. The US navy has launched a permanent training program for the region's maritime forces to ensure the crude flows undisturbed.

Warnings this week from a Russian executive that the country's oil production might have peaked have only underlined declining production in the world's more mature fields, but West Africa is growing fast. Shell, BP, Chevron, ExxonMobil, and Total pumped 24% of their total production last year from West Africa, compared with 16 per cent in 2001. Bonga alone produces 225,000 barrels per day (bpd) - about 10% of Nigeria's output - as well as gas to feed an onshore liquefied natural gas plant.

Named after a local species of edible fish, Bonga is part of a growing shoal of similar vessels. Infield Systems estimates FPSOs in the region will more than double from their current 27 by 2013.

West Africa's deep and shallow water oil production could rise from about 5.5 million bpd this year to about 9.2 million bpd by 2015, the consultancy predicts, provided the oil companies can overcome all the hurdles.

ACERGY WINS

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pleased to be awarded this contract which builds upon previous successful contracts with Cameron. This contract demonstrates that our decision, in 2005, to invest in developing specialist skills in our Globestar Yard to deliver world class fabrication for our clients, has proven to be a successful strategy. The yard in Warri is an integral part of our business and continues to reflect our commitment to the Nigerian Oil and Gas sector." (Source: Acergy)

SUBMIT YOUR EVENT TO *events@afrikenergy.com*

June 16-17
3rd Annual Oil & Gas Communications: North Africa & Middle East
Cairo, Egypt

Bring together key leaders and experts from the oil & gas sector and satellite and wider telecommunications industry.

Grand Hyatt Hotel, Cairo Egypt, +441727884513, martin.jarrold@gvf.org, www.uk-emp.co.uk

June 16-18
FPSO Training Course
London

Designed specifically for those involved in the floating production business. You will gain a comprehensive insight into FPSO selection, design, installation and operational processes.

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June 16-20
World Fiscal Systems for Oil & Gas Training
London

Provides participants with knowledge in negotiating better contracts and concessions, identifying investment opportunities and gaining up-to-date experience from 'real life' examples.

1 Whitehall Place, London, UK. +44 20 7978 0042, vjolly@thecwcgroup.com, www.thecwcgroup.com

June 16-17
Gas Business Understanding Seminar
Philadelphia, PA

Provides an in-depth overview of the gas business and is designed for those with limited knowledge of the industry.

Omni Hotel, Philadelphia, PA, US, 415-777-1007, jferrare@enerdynamics.com www.linkcounter.com

June 17-18
Investment Protection Techniques for Upstream Oil & Gas Ventures
London

This cutting-edge C5 program goes to the heart of issues under discussion, from negotiation and enforcing contracts right through to litigation and arbitration.

Le Meridien Piccadilly, London, UK, 020 7878 6941, s.jenkins@c5-online.com, www.c5-online.com

June 23-24
Refining 101 (Non-Technical)
Calgary, Alberta

Presents a "low-to-mid-tech" view of basics of petroleum refining, processing units that make up typical refining configurations in world markets, and key factors comprising economic "drivers" of refinery operations.

Sheraton Cavalier Calgary Hotel, Calgary, Alberta, Canada, 888.871.1207, btaylor@energyinstitution.org, www.energyinstitution.org

June 23-27
Fundamentals of Completion Engineering
Bogota, Columbia

A comprehensive course on completion engineering principles. Emphasis is placed on presenting critical components of a completion string; productivity enhancement and a "step-by-step" guide to completion engineering design & installation.

Hotel Bogota Royal: World Trade Center, Bogota, Colombia, 44-208-1506161, training@petrocompletions.com, www.petrocompletions.com

June 23-July 12
Pre-Employment Floorman(Roughneck) Training Program
Nova Scotia, Canada

This 20-day training program relates to oil and gas drilling and rig floor operations. Students receive (IADC) HSE RIG PASS snd Well CAP well control accreditation for introductory level drilling/workover/ completion.

150 Peppett Street, N. Sydney, Nova Scotia, Canada, 1-902-794-1132, jh.mds@ns.sympatico.ca, www.mdslimited.ca

June 23-25
Offshore and International Operations
Calgary, Canada

Bill Whitley provides a vast knowledge of offshore and foreign operations stemming from over 50 years of operations experience in over 20 different countries.

Sunlife Conference Centre, Calgary, AB, Canada, 403-467-9040, terri.sawchuk@progress-seminars.com, www.progress-seminars.com

June 24-26
Small and Plant Project Delivery Excellence
Sao Paulo, Brazil

Focuses on practices that drive performance of investments of less then US$7 million, and highlights: phases of the project cycles. Presents Best Practices and key learning that participants can apply to small projects.

Golden Tulip Park Plaza, Sao Paulo, Brazil, 703-729-8300, ipainstitute@ipaglobal.com, www.IPAInstitute.com

June 25-26, 2008
International Boundary Disputes
Kuala Lumpur, Malaysia

Global case studies on existing boundary disputes, discussions on key role that operators play in speedy resolution, and specialist presentations about the art of successful negotiation.

Kuala Lumpur, Malaysia., +65-6722-9388, enquiry@iqpc.com.sg, www.iqpc.com.sg

June 30, 2008
Upstream oil and gas industry orientation
Perth, Australia

Covers origin of oil and gas; how the industry operates; exploration methods; production methods; refining methods; terminology and acronyms commonly used in business; commercial trends, developments.

Hyatt Regency, Perth WA, Australia, +44 1732 371371, training@jee.co.uk, www.jee.co.uk

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Editor's Corner

Angola Proves Size Doesn't Matter

Gwen Pearson
Editor

This month's front page story was that the smaller Angola just past the giant Nigeria as Africa's number one oil producer -- proving that size doesn't always matter. In April, Angola produced 1.92 million barrels per day (b/d) according to the Organization of Petroleum Exporting Countries (OPEC). Nigeria produced 1.88 million b/d, the first time its output dropped this low.

To the many smaller oil producing countries that are just beginning a stronger quest for significance as an oil supplier, Angola can serve as a winning model.

Africa is a continent of 54 countries, with proven reserves of 75.4 billion barrels. Five countries dominate Africa's upstream oil production. Together they account for 85% of the continent's oil production and are Nigeria, Libya, Algeria, Egypt and Angola. Other oil producing countries are Gabon, Congo, Cameroon, Tunisia, Equatorial Guinea, the Democratic Republic of the Congo, and Cote d'Ivoire. Exploration is taking place in a number of other countries that aim to increase their output or become first time producers. Included in this list are Chad, Sudan, Namibia, South Africa and Madagascar while Mozambique and Tanzania are potential gas producers.

The Portuguese discovered petroleum in Angola in 1955. Production began in the Cuanza basin in the 1950s, in the Congo basin in the 1960s, and in the exclave of Cabinda in 1968. The government granted operating rights for Block Zero to the Cabinda Gulf Oil Company, a subsidiary of ChevronTexaco, in 1955. Production did not really start to climb until the discovery of oil offshore Cabinda in the 1960s.

Generally, other industry media sources largely contribute Angola's first place position to Nigeria being a failure and therefore losing the race.

AFRIK ENERGY News instead cites winning strategies that show Angola rightfully and earnestly won its new position as oil leader.

Other media sources primarily contribute Angola's overtaking of Nigeria to continued insecurity in the Niger Delta, where militant groups -- waging a long-running violent campaign to press for greater local control over oil revenues -- have attacked local oil facilities.

Angola's oil rich onland Cabinda's oil resources was also once threatened by militants. A separatist movement for the independence of Cabinda had been waged war against the Angola government since 1961.

Like Nigeria's Niger Delta residents, Cabinda militants also claimed ethnic subjugation by their federal government. Cabinda residents were also critical of the role of major oil companies in the province. In 1999, an oil spill near the Malonga oil base dealt a severe blow to Cabinda's struggling local fishing industry. Oil giant Chevron-Texaco gave about $2000 to 10 percent of the affected fishermen. Cabindan fishermen have attributed reduced fish stocks to continued pollution. Like many Niger Delta residents, many Cabindans said that they expect oil companies to contribute more to the development of the impoverished province.

Since 2002, the Angolan government concentrated armed forces in Cabinda to quash militant attacks.

Today Cabinda oil is being explored without incidence. Recently exploratory wells tested positive for oil and gas. Australia's Roc Oil chief executive John Doran, says his company is encouraged by its onshore oil discovery in Cabinda Province. This production will be the first flow from Cabinda in 39 years. If onshore Angola proves to be as prolific in oil production as offshore Angola, Angola's premiere position as number one may be a permanent status.

Angola still has many oil blocks waiting. Angola has divided its exclusive maritime economic zone into 76 oil blocks, of which 35 are active. Block Zero, the main oil-producing block offshore Cabinda, still accounts for more than half of Angola's oil production.

Nigeria's new government attitude and policy towards large oil companies could create further chaos in the Nigerian oil industry. This month, President Umaru Yar'Adua announced that Shell would have to quit Ogoniland as a result of lack of truce between it and the host communities. Yar'Adua said another oil company will come in to replace it. Last month, Nigeria requested $1.9 billion in back taxes from Shell and ExxonMobil on contracts that were struck in the 1990s, when the oil price was a fraction of what it is today.

Angola's attitude is showing change also. To acquire oil blocks in Angola was once considered open only to big companies with very, very deep pockets. The exploration rights to the most recent concession round had two deepwater blocks originally tied to the construction of a refinery, but Sonangol decided to change the bidding and separate the refinery construction, thus allowing smaller, non-integrated players the chance to participate.

Nigeria still has not met local content - employment of local residents - by big oil companies.

Over the last past years Angola has invested heavily in technology and training to optimize production and has been slowing positioning itself into the number one oil producer spot.

When Angola became independent in 1975, several oil companies abandoned Angola for one reason or another, leaving behind its infrastructures and former employees. To this end, the Angola national oil company, Sonangol, which was formed in 1976, bought the premises of Texaco, Fina and Shell and through an agreement acquired those of Mobil. In this process Sonangol also absorbed former employees of oil companies that once operated in Angola.

The absence of qualified nationals for the local oil industry, forced Sonangol to begin paying special attention to the training and professional development of its employees. The first group of students was sent to Italy with scholarships co-aided by ENI-Italian Oil Group. A second, larger group went to Algeria. The first sponsored students graduated and returned to Angola by the end of 1970s. They became the driving force behind a more modern Sonangol.

Headquartered in Luanda, Sonangol, the company has overseas offices in Brazzaville, Congo; Hong Kong, China; Houston, USA, London, England, and Singapore.

Nigeria held presidential elections on April 21, 2007, marking the first time in Nigeria's history that the country passed control from one civilian government to another.

In Angola, Jose Eduardo dos Santos has been president for 29 years. Interestingly, the president received an engineering degree from the Azerbaijan Oil and Chemistry Institute while studying in Russia.

Angola's June loadings will include seven cargoes apiece for BP and Total, and six for Exxon Mobil. StatoilHydro ASA, Eni SpA and Chevron are scheduled to lift five cargoes. Galp Energia SGPS SA will load one cargo of Nemba crude. State-run Sonangol SA has 22 cargoes, while Sonangol Sinopec International, a venture between the national oil company and China's biggest refiner, will load two Plutonio shipments.

PA Resources Completes Drilling of Appraisal Well In Equatorial Guinea

May 14, 2008 -- The drilling of the appraisal well I-5 has been completed on the Benita structure in Block I in Equatorial Guinea. The well determined the net oil pay to 13 meters and defined the oil-water contact.

The oil and gas group PA Resources has a 6 percent working interest in the license. The operator Noble Energy has successfully completed the drilling of the appraisal well I-5 on the Benita structure in Block I in Equatorial Guinea.

The well was designed to determine down dip reservoir limits as well as provide an opportunity to flow test the oil zone. The purpose with the well was to appraise the extent of the earlier made discoveries of oil and gas in the wells I-1 and I-2 on the Benita structure.

The appraisal well was successfully drilled to a total depth of 3,075 meters by the drilling rig Sedco 700 and it encountered approximately 13 meters of net oil pay and defined the water-oil contact. Noble Energy is currently preparing to flow test the well, after which the rig will proceed to drill on a Miocene prospect named Diega in Block I.

This result is very encouraging as the I-5 well has established additional oil in the Benita structure.

This well has furthermore provided the license partners with vital information to continue the planni ng of the development of the Benita field" says Ulrik Jansson, President and CEO of PA Resources. PA Resources has a 6 percent working interest in Block I, through its fully owned subsidiary Osborne Resources. Operator is Noble Energy (40 percent) and the other partners are

Ulrik Jansson
PA Resource
President and CEO

Atlas Petroleum International (29 percent) and Glencore (25 percent).

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-- over $150 billion in 2007 -- due to global instability fueled by conflict in Iraq, failing domestic fiscal policies that have weakened the U.S. dollar and skyrocketing global demand resulting from a lack of investment in alternatives," said the Obama fact sheet. Energy companies argue that new taxes will discourage production at a time when supply is needed most.

Clinton would impose a $20 billion windfall profits tax on oil companies over the next decade and repeal $30 billion in tax breaks over 10 years to pay into a so-called strategic energy fund, said Brian Deese, Clinton's economic policy director.

Clinton has proposed a gas-tax holiday for the summer paid for by about $9 billion in windfall profits taxes on oil companies. She would repeal an 18.4 cent per-gallon tax on gasoline and a 24.4 cent per-gallon tax on diesel fuel. Obama opposes the idea, saying it will provide minimal relief to consumers. Oil companies got about $12 billion in tax breaks last year, Grumet said, and the windfall tax would aim to roll back all of those subsidies.

Hillary Clinton,
runner for Democratic
presidential nomination

The top five oil companies, California-based Chevron.; Houston-based ConocoPhillips; Irving, Texas-based Exxon Mobil; BP in London; and the Hague-based Royal Dutch Shell reported $123 billion in profits for last year. Exxon Mobil said first-quarter net income rose to $10.9 billion, or $2.03 a share, from $9.28 billion, or $1.62, a year earlier. The profits report fell short of analyst estimates as production dropped and profit margins from refining narrowed.

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regional executive vice-president for Shell in Africa, said it was the company's policy to co-operate with information requests from government investigators, but she had no knowledge of possible inquiry relating to the EA project. Developments highlight problems the investigation is creating for Halliburton and western multinationals it has worked for in a nation whose oil industry is plagued by disruptions.

Halliburton's partners in the Nigerian project included Technip, and the Gibralter-based brokerage Tri-Star. Since many of the alleged payments took place on VP Dick Cheney's watch, French authorities are interested in his perspective on the situation. The SEC is investigating allegations that KBR was involved in paying $180 million in bribes to get a natural gas project contract in Nigeria.

The Justice Department is also reviewing documents voluntarily provided by Halliburton Halliburton and KBR have reportedly suspended the agent and another agent who had worked for KBR on "several current projects and on numerous older projects going back to the early 1980s", the filing says. The EA oil and gas field began operations in 2002 using a giant production and storage vessel known as the Sea Eagle, whose 170,000 barrel-a-day capacity is vital to Shell.

The US investigation relating to the EA field is an offshoot of criminal and civil probes into allegations that KBR and its partners in a consortium known as TSKJ agreed to pay more than $170m of bribes to win billions of dollars of construction work on a giant Nigerian gas liquefaction plant also operated by Shell. According to notes compiled by a TSKJ agent - divulged to investigators by Halliburton and detailed in next week's issue of Africa Confidential magazine - members of the consortium discussed the allocation of money for "culture" and debated the merits of making "secret" and "open" payments to agents.

Halliburton was alleged to have paid Nigerian tax official bribes worth $2.4 million in 2000 to reduce its tax burden in Nigeria. Investigations were launched on $180m in payments allegedly made by a consortium led by Halliburton to secure the contract to build a $4 billion liquefied natural gas plant in Nigeria awarded in 1995 to four partners. The cash was allegedly channelled through a US-owned oil engineering firm in London called MW Kellogg and was handled by a company executive based in Berkshire. The funds were said to have been paid into a Swiss bank by a British lawyer.

Uganda, Congo Agree to Finance Border Resurvey in Oil Region

Uganda President
Yoweri Museveni

Congo President
Joseph Kabila

Tanzania President
Jakaya Kikwete

by Nicholas Bariyo

KAMPALA, Uganda, May 12, 2008 (Dow Jones Newswires) -- Uganda and Congo have agreed to finance the resurveying of their common border in the oil-rich Lake Albert basin as the two seek to end the current border dispute, Uganda's state-run Media Centre said in a statement Monday.

The statement said the agreement was reached upon by presidents Yoweri Museveni of Uganda and Joseph Kabila of Congo in Dar Es Salaam over the weekend in talks mediated by Tanzanian President Jakaya Kikwete who is also the current chairman of the African Union.

Since last year, Congo and Uganda have been embroiled in a border dispute in the Lake Albert basin, early this month, Congo accused Dublin-based Tullow Oil PLC (TUWLY) of enlisting the support of the Ugandan army to violate its borders, the Congolese government has since stripped Tullow Oil of its exploration

Lake Albert; the gray line is the Uganda/Congo border. (Wikipedia)

rights on its side of the lake. Congo and Uganda are also both still claiming ownership of the Rukwanzi Island on the southern tip of Lake Albert near block 3A operated by Canada-based Heritage Oil Corp. (HOC.T).

In a joint communique at the end of the Dar Es Salaam talks, the two presidents agreed to accelerate the co-administration of the island as the border resurveying takes place.

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Bernardo "Nino" Vieira, signed off the decrees authorizing eight licenses, granted to companies Larsen Oil & Gas Svenska, SER Petroleum, Super NOva and Sociedade de Hidrocarbonetos de Angola (SHA). Larsen Oil & Gas, Ser Petroleum and Svenska received two licenses each and Super Nova and SHA received one license each. According to Cardoso, prospecting work "is moving on apace" since the government decided to sign the decree for concession of licenses.

One of Petroguin's concerns was related to stoppage of prospecting work, at the beginning of the year, by Premier Oil and Occidental, due to poor results.

The director-general of Petroguin said that this was no longer an issue as the licenses of those two companies were recently acquired by Svenska. Svenska, a Swedish-owned company, is at the most advanced stage of prospecting and has acquired geological and seismic data from Premier Oil and Occidental, Cardoso said.

Cardoso noted that Guinea Bissau decided to grant the prospecting licenses for free, on the condition that if commercially-viable oil is struck profits will be shared between the prospecting company and he Guinean state. (macauhub)