

Tullow sees imminent OK for offshore Ghana oil field

Cape Town, South Africa—Approval from the government of Ghana of the development plan for the large offshore Jubilee oil field, operated by the UK independent Tullow Oil, is imminent, company officials and government representatives said this week at the CWC-organized oil conference in Cape Town. Tullow's Vice President for African Business Tim O'Hanlon said July 7 the UK-listed company and its partners were just "hours away from signing a plan of development" for the field. Ghana's Deputy Oil Minister Kwabena Donkor also said late July 6 approval was expected very soon. Tullow is the project's operator and is planning to invest about \$3.1 billion along with its partners to start commercial crude production in the second half of 2010. Jubilee, discovered in 2007 with reserves of 1.2 billion barrels, will pump first oil in the second half of 2010. Donkor also confirmed July 6 that Ghana wants to buy the stake that Texas-based Kosmos Energy is selling in the Jubilee field. He said that the Ghana National Petroleum Corporation, which has a 10% participating stake in the Jubilee project, had written to Kosmos informing it of its interest. Donkor also said many companies including Shell, Eni, Total and Chevron were showing an interest in Kosmos' stake in the field. News first broke in February that Kosmos had appointed advisers to handle the sale of its interest in the two blocks that span the Jubilee field. Separately, the much-hyped Nigerian pipeline to bring gas to its neighbors Benin, Togo and Ghana, which started initial supplies in December last year, is currently idle due to the ongoing violence in the Niger Delta. Sabotage of pipelines in Escravos in the Niger Delta halted the flow of gas, Ghana's Donkor said July 7. Donkor said the pipeline was in place, but questioned if the dynamics of Nigeria have changed since the project was first mooted in the early 1990s. "Nigeria is using its gas for domestic use, power generation and it has joined the LNG bandwagon so the economic attractiveness [of the pipeline] is no longer the same as when the project was first drawn up," Donkor said. While Nigeria may still be committed to the project, he said oil and gas supplies from Nigeria at the best of times were "erratic." The cost of the project ballooned to \$950 million from \$590 million and a lack of suitable quality gas from oil fields operated by Shell and Chevron in the Niger Delta also delayed startup. The West African gas pipeline project is owned jointly by the Nigerian National Petroleum Corporation, Shell, Chevron and Ghana's Volta River Authority, Benin's Bengaz and Togo's So-To-Gaz.—*Jacinta Moran*