Charltons - Natural Resources Newsletter - 24 October 2013

[online version](http://www.charltonslaw.com/petronas-to-drill-exploration-wells-in-myanmar/)

# Natural Resources Issue 6

## Petronas to Drill Exploration Wells in Myanmar Next Year

Malaysia’s PETRONAS Carigali (Petronas) plans to drill exploration wells at two upper Myanmar onshore blocks in January 2014. It acquired the two blocks RSF-2 and RSF -3 in a 2011 bidding round. Petronas’ General Manager Mr. Ahmad Lutipi Haron said “We have already finished early exploration and geophysical analysis and can start drilling exploration wells early next year.” The blocks might be operational the blocks by 2018. Petronas has exported 400 million cubic feet of natural gas through Thailand’s PTTEP from the Yetagun offshore block.

(From Weekly Eleven News, 21 October 2013)

## MOGE: Successful Bidders Must Enter into JVs

The Ministry of Oil and Gas Enterprises (MOGE) has reiterated that companies who are successful in the on-shore and shallow offshore bidding rounds must enter into joint ventures (JV) with at least one of 157 Myanmar companies registered with MOGE. The requirement to establish a JV was contained in the bidding terms and the provisions of the 2012 Foreign Investment Law.

(From Weekly Eleven News, 21 October 2013)

## MOGE: Assessments Required for Successful Bidders

Successful bidders in the 2012 on-shore and shallow offshore bidding rounds will also need to perform an Environmental Impact Assessment (EIA) and a Social Impact Assessment (SIA) before receiving MOGE approval to commence exploration activities. They will be required to continuously monitor operation performance in accordance with the EIA and SIA reports.

(From The Trade Times, 22 October, 2013)

## Shwe Pipeline Operational

According to Chinese media reports the Shwe natural gas pipeline running from Myanmar to China is now fully operational. The pipeline which stretches for more than 2,500 kilometers from western Myanmar to southwest China will help the world’s second-largest economy feed its growing energy needs. The Global Times has reported that the pipeline, which opened in July after three years of construction, “has gone into full operation”. It runs from Kyaukpyu on the west coast of Myanmar and will deliver gas to China’s energy-deprived southwest, including Yunnan, Guizhou, Chongqing and Guangxi. The pipeline also passes through the Chinese border town of Ruili. The added delivery of 12 billion cubic meters (420 billion cubic feet) a year will cut gas prices and reduce coal use. The pipeline will help China diversify its energy imports, according to Lin Boqiang, a professor at the China Center for Energy Economics Research at Xiamen University. Mr. Lin Boqiang noted that “Currently, China’s piped gas is mainly imported from areas around the Malacca Strait…now, we have one more [overland] pipeline [to mitigate risk]”

(From [www.thejakartaglobe.com](http://www.thejakartaglobe.com), 21 October 2013)

## Myanmar Gemstone Tender System Under Review

Officials from Myanmar’s Gemstone Investigation Committee are reviewing the industry’s tender system from a legal compliance perspective. The review should be completed between January and March 2014.

(From The Trade Times, 22 October, 2013)

## CNCP and Rosneft to Develop East Siberia Oil Fields

China’s largest oil company the China National Petroleum Corp (CNCP) will cooperate in the development of the Russia-owned East Siberia oil fields following the signing of a memorandum of understanding (MoU) between CNPC, and Russian state-owned petroleum giant Rosneft. Pursuant to the MoU CNPC will take a 49% stake in the Srednebotuobinsk field with Rosneft retaining 51%. The Russian state-owned giant preferred to sign a loan-based deal with China but eventually accepted a partnership arrangement in an effort to address its debts of more than US$57billion (£35billion). This is the second deal that Rosneft has entered into with a Chinese company. It is already jointly producing oil in co-operation with Sinopec.

(From Aleksandra Jurczak, 18 October 2013)

## En+ and Huaneng Sign Energy Development Deal

Russia’s En+ Group has signed its first-ever energy framework agreement with power producer China Huaneng Group to develop yet to be identified power projects in Russia. En+ has set its business focus on developing projects in Asia, and the agreement with Huaneng is “another step further of the Russia-China long-term energy cooperation,” En+ said, The EN+ Group -- which is owned Oleg Deripaska who has a controlling stake in the world’s largest aluminum producer Rusal -- said it signed a “cooperation agreement” with Chinese power and coal giant China Huaneng to develop joint power projects in Russia. The agreement was signed by En+ president Deripaska and Huaneng’s president Cao Peixi. This month, En+ Group’s subsidiary coal producing Vostsibugol Company, signed contracts with China Coal, Harbin Railway of China and Posco of South Korea involving the supply of 3 million mt of Russian coal over the next three to five years. In March, En+ Group, China’s Shenhua Group, and China Development Bank signed a $2 billion deal to develop Russian coal resources.

(Source: [Platts.com](http://Platts.com) , October. 24, 2013

## Gold Reaches Three-Week High

The price of gold jumped by more than $20 or 1.8% an ounce on Tuesday 22 October to a three-week high of $1,340 With positive sentiment returning to the gold market, investors took the chance to jump back into mining stocks which have been decimated by a 20% retreat in the price of the metal this year. On Tuesday Barrick Gold Corp (TSE:ABX) shot up 4.8%, achieving the $20 billion market value for the first time in a month. The world’s number one gold miner has added more than $5 billion in market value since hitting a 21-year low in early July.

(Source: [www.mining.com](http://www.mining.com), 22 October 2013)

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