

ISLAMABAD : Pakistan Petroleum Limited (PPL) and Orion Energy, a UK-based oil and gas exploration company, entered into an agreement here on Friday to undertake a joint feasibility study aimed at developing offshore oil and gas potential in the entire Indus and Mekran offshore areas.

According to PPL, the feasibility study would be undertaken to work out economics and other technical aspects of the project, following which a formal shareholders agreement would be signed between PPL and Orion Energy.

The project is expected to be commissioned on fast-track basis with an investment of around \$50 million.

As part of the joint study for hydrocarbon potential, both the companies would dedicate teams and resources for the study, which is expected to take around four months.

On identification of prospective areas, further exploration may be conducted.

At a later stage, technological partners may also be brought in for state-of-the-art data acquisition, processing and identification of potential structures and reservoirs. Subsequent to the study, further exploration and production may require investment of more than \$100 million.

PPL Managing Director and CEO Asim Murtaza Khan and Orion Energy Director David M. Thomas signed the documents on behalf of their respective companies.

The British High Commissioner to Pakistan Adam Thomson and Executive Director of Pakistan-Britain Trade and Investment Forum and Partner at Lewis Silkin Nadim Khan representing Orion Energy were also present during the signing ceremony.

The British government welcomed the signing of the joint study agreement, and the British High Commissioner in Pakistan, Adam Thomson said that the signing of agreement was another step towards UK and Pakistani's ambitious, joint trade and investment targets.

Ambassador Thomson said: "This is a clear signal by UK companies of their wish to do business in Pakistan with Pakistani partners in the energy sector."

The Government of Pakistan has flagged as the development of the energy sector as crucial to the economy and future prosperity of Pakistan and all its people.

The UK government looks forward to greater cooperation in the energy sector and increased trade and investment for mutual benefit.

Orion Energy is also interested in bringing foreign investment into Pakistan for setting up a fast-track gas-based power project with PPL as a joint venture partner to add much needed power to the national grid.

A special purpose company would be incorporated to develop, operate and manage the power project on professional basis with equity participation by both companies.

Subject to approval by the ministry of petroleum and natural resources, initially 5 to 10mmscfd gas from PPL's Kandhkot Gas Field (KGF) would be made available for the project. and the PPL would sign a gas sales agreement with the power company.

The power project would be installed near KGF with an initial size of between 25 to 50MW. Additional 40 to 45mmscfd gas may be allocated to the project by the government in which power plant's

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capacity can be enhanced up to 250MW.

Courtesy: ♦
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