

ORLEN and Wintershall Dea to exchange Norwegian upstream assets

LONDON, UK, December 29, 2023 /EINPresswire.com/ -- PGNiG Upstream Norway AS (PUN) is set to exchange several of its upstream assets in Norway with Wintershall Dea Norge. A minor share of PUN's interest in the Ærfugl Nord field, which is located in the Norwegian Sea, will be handed over to Wintershall Dea in exchange for a share of the Idun Nord field. The swap will see the latter boost its holdings in both the Adriana and the Sabina discoveries. No financial details were provided with regard to the agreement, which stipulates that ORLEN Group will hand over a 3.08% interest in Ærfugl Nord in return for 11.92% of the Idun Nord field and 1.92% of the PL211 CS licence.

In a news release provided on Wednesday PUN announced that, as a result of the transaction, its recoverable natural gas reserves will increase by over 14.1 billion cubic feet (0.4 billion cubic metres). The company added that its portfolio of licence interests in the Skarv area will be optimized as a result, boosting efficiency and lowering overall operational costs for its assets under management.

The deal is currently awaiting approval from the Norwegian Petroleum Directorate. Once it is finalized, PUN's interest in all of the fields included in the swap deal will be 11.9%, matching the company's stake in the Skarv field. PUN has described the latter as the "centrepiece" of its operations on the Norwegian continental shelf.

According to estimates, there are 111.6 billion cubic feet (Bcf) or 3.3 billion cubic metres of oil equivalent in the Idun Nord field. 10.6 Bcf (0.3 billion cubic metres) of this is oil and 106 Bcf (3 billion cubic metres) is gas, with PUN holding a claim to 12.36 Bcf (0.35 billion cubic metres) of the latter. Following the transaction's completion, the remaining stakeholders in the Idun Nord field will be Equinor with a 36.17% interest, Wintershall Dea Norge (28.08%) and operator Aker BP (23.84%). According to the news release, production will be carried out using facilities from the Skarv field, commencing in 2027.

PUN previously acquired a 10% share in the licence for the Adriana and Sabina discoveries in June of this year, with plans to confirm figures for recoverable resources through the drilling of an appraisal well in early 2024. According to preliminary estimates, the discoveries may hold 38–88 million barrels of oil equivalent (boe). PUN hopes that Adriana and Sabina can be tied back to the Ærfugl field facilities, linking them to the Skarv field infrastructure. The other partners in the licence after the deal is completed will be Petoro with 35%, Aker BP (15%) and

operator Wintershall Dea Norge (38.08%).

Daniel Obajtek, President of the Management Board and CEO, ORLEN: "The ORLEN Group stands prominently among the leading upstream companies operating on the Norwegian continental shelf. We have achieved this position through the strategic integration of our Norwegian companies, consistent organic growth, and successive acquisitions. We have a broad and attractive licence portfolio, which we can actively manage by swapping licence interests with other players in this market. Our overarching objective in these endeavours is to improve the ORLEN Group's production capabilities, particularly for natural gas. The agreement signed today with Wintershall Dea Norge is an important step forward, adding over 0.4 billion cubic metres to our gas resources on the Norwegian continental shelf, while also increasing efficiency. This milestone will help us maintain a stable level of volumes supplied to Poland in the upcoming years, thereby strengthening Poland's energy security."

ORLEN hopes to continue to expand its gas output from its Norwegian assets on an annual basis, achieving 211.9 Bcf (6 billion cubic metres) by the end of 2040. The group claims to have the capacity to send over 282.5 Bcf (8 billion cubic metres) of gas from Norway to Poland via the new Baltic Pipe project.

German BASF owns 72.7% of Wintershall Dea, with the remainder owned by a group of Russian investors, including Mikhail Fridman.

https://www.rigzone.com/news/orlen_to_swap_norway_upstream_assets_with_wintershall-28-dec-2023-175193-article/

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