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Shell inks 3 contracts with Petronas

OFFSHORE OIL AND GAS

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KUALA LUMPUR: Sabah Shell Petroleum Company Ltd (SSPC), Shell Sabah Selatan Sdn Bhd (SSS) and Sarawak Shell Bhd (SSB) have signed three production sharing contracts (PSCs) with Petroliaam Nasional Bhd (Petronas) to explore oil and gas offshore Sabah and Sarawak.

Shell, in a statement yesterday, said SSPC and SSB would operate the exploration initiatives.

The three PSCs will comprise exploration of blocks SK439/SK440 in shallow water off the coast of Sarawak and exploration of blocks SB-2W and SB-X in deep water off the coast of Sabah.

Shell Executive vice-president For Conventional Oil And Gas Upstream Peter Costello said the PSCs marked another growth milestone for the group in Malaysia.

"Our long and successful partnership with Petronas in Malaysia continues, as together we seek to provide today's energy while funding tomorrow's energy."

"I look forward to furthering this successful collaboration on growing the sustainable energy industry in Malaysia," he said.

Shell Malaysia Chairman and Senior Vice President Of Upstream Malaysia Ivan Tan signed

the agreement on behalf of Shell.

For Petronas, the PSCs were signed by Malaysia Petroleum Management President Mohamed Firouz Asnan.

Shell also signed the joint operating agreements with its co-venturers Petronas Carigali Sdn Bhd for the deepwater offshore blocks SB-2W and SB-X and separately with Petroleum Sarawak Exploration and Production Sdn Bhd for the SK439/SK440 block.

Apart from securing new exploration PSCs, Shell continues to invest in its existing fields in Malaysia.

SSPC, the operator of the Gumusut-Kakap semi-submersible floating production system offshore Sabah, has commenced work on Phase 3 of the Gumusut-Kakap development.

The final investment decision was taken in August 2020.

Phase 3 involves drilling a four-well tie back to the GK-Semi FPS.

The project, which involves drilling two producer wells and two water injection wells, is expected to achieve the first oil this year.

Tan said the PSCs and commencement of Phase 3 of the Gumusut-Kakap development have demonstrated Shell's continued commitment to the country.