

# Myanmar drilling market flourishes with growing number of global players

By Dr. A.L. Hunt, IADC president

THE OIL AND gas exploration business is booming in Myanmar. Known as Burma until it adopted the name of Myanmar in 1989, this often-overlooked country is nestled between India on the west, Thailand on the east, China to the north and the Andaman Sea in the south.

Two decades ago, Western multinational E&P companies were the predominant partners here. Today the story is very different. **Arco**, **Amoco** and **Texaco** have departed, and a growing list of new players are aggressively pursuing Production Sharing Contracts (PSCs) onshore and offshore.

Recently, state-operated **Myanmar Oil & Gas Enterprise (MOGE)** signed PSC agreements with **Daewoo**, **China National Petroleum Corp (CNPC)** and **Ribunan Petronas Ltd** of Malaysia for offshore blocks. All three of China's energy majors — **Sinopec**, **CNPC** and **CNOOC** — have stepped up their work in Myanmar. Their combined total exploration acreage in Myanmar is larger than their concessions in China's own Bohai Sea, according to Singaporean "The Straits Times." India's **Oil and Natural Gas Corp (ONGC)** is negotiating large offshore deepwater blocks, as well.

Onshore, **CNOOC**, **Sinopec** and India's **Essar Oil** were recently joined by Russian **SPUTNIK Petroleum Pte** and **Silver Wave Energy Pte Ltd of Kalmykia** in signing PSCs with **MOGE**. The Russian companies are drilling a test well in Myanmar's northwestern Sagaing division. Reports from Myanmar show that the block, B-2, is among six new inland blocks in the northern part and delta region, which the Myanmar authorities reserve for foreign engagement. Most onshore blocks are explored by the state.

This development comes after **JSC Zarubezhneft Itera**, the first Russian company that, along with **MOGE** and the **Sun Group of India**, initiated a PSC in September 2006 to explore oil and gas at block M-8 in the Mottama offshore area.

All of this is good news for drilling contractors. **Transocean's** **SEDCO 601** recently completed a contract for **Daewoo**. **Japan Drilling Co (JDC)** is returning to offshore Myanmar in the final quarter of 2007 for **Petronas**.

In the past four years, 11 offshore rigs have operated in these waters. Three deepwater drillships — **Energy Searcher** and **Galaxy Driller** from **JET Drilling** and **Frontier Duchess** from **Frontier Drilling** — have completed drilling programs. Five semisubmersibles have been absorbed by the Myanmar market: **Transocean's** **SEDCO 601**; **Atwood Oceanic's** **Southern Cross**; **JDC's** **Hakuru-III**; **China Offshore's** (**COSL**) **Nanhi-II**; and **Korean National Oil Co's** (**KNOC**) **Doosung**. Two jackups, **Atwood's** **Vicksburg** and **GlobalSantaFe's** **Constellation I**, as well as **Seadrill's** **T-8** tender assist, have worked offshore Myanmar.

To meet the challenges of these expanding E&P activities, plans for establishing a national training center are being studied. According to **K.K. Hlaing**, managing director of **SMART Technical Services**, a Yangon-based services company, "Providing local labor is a vital part of using Myanmar's energy resources to further develop and achieve the economic growth goals of the country." ♪



In recent years, more and more operating companies from around the world have entered Myanmar's booming E&P market.

No	Operator Company Name	Block	Contract Type
<b>Land Blocks</b>			
1	CNOOC	C-1, C-2, IOR-4, M	PSC
2	Chinnery Assets	IOR-3, RSF-3, RSF-2	PSC
3	Essar Oil	L	PSC
4	Focus Energy	MOGE-2	PCC
5	Gold Petrol	IOR-2, MOGE-1	IOR
6	MPRL	MOGE-2	PCC
7	SINOPEC	D	PSC
8	Silver Wave Energy of Singapore / Silver Wave SPUTNIK Petroleum Pte Ltd of Singapore	B-2	PSC
<b>Offshore</b>			
1	CNOOC	A-4, M-10	PSC
2	CNPC	AD-1, AD-8, AD-6	PSC
3	Daewoo E&P	A-1, A-3	PSC
4	Danford	Yetagun East	PSC
5	Essar Oil	A-2	PSC
6	JSC Zarubezhneft, Itera & Sun Group	M-8	PSC
7	MPRL	A-6	PSC
8	PCML	M-12, M-13, M-14	PSC
9	PCM II	M-15, M-16, M-17, M-18	PSC
10	PTTEPI	M-3, M-4, M-7, M-9, M-11	PSC
11	Ribunan Petrogas Ltd of British Virgin / UNOG Pte Ltd of Singapore	A-5, M-1	PSC
12	Silver Wave	A-7	PSC
13	Total E&P	M-5, M-6	PSC