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Namibia Expects Explorers to Drill Up to 5 Oil Wells in 2016

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Namibia sees as many as five oil exploration wells being drilled in 2016 as companies searching for deposits off the southwest African coast are undeterred by 19 dry wells.

Tullow Oil Plc (TLW) and Royal Dutch Shell Plc, which has two exploration blocks in the Orange River Basin, will probably sink wells in 2016, Namibia's Petroleum Commissioner Immanuel Mulunga said. Murphy Oil Corp. (MUR) may drill toward the end of 2015 or early 2016, he said. The basin is off the country's southern coast.

"In 2016 we might have three to five wells being drilled," Mulunga said in a phone interview in Windhoek yesterday. "There could be some other players which might also drill during that same time," he said, citing HRT Participacoes em Petroleo SA (H RTP3), Serica Energy and Chariot Oil & Gas. (CHAR)

Basins off Namibia have attracted attention from the world's biggest oil explorers on a bet the nation's coastal shelf may mirror that of Brazil across the Atlantic and its northern neighbor Angola, Africa's second-biggest oil producer. The government may revoke some of the 46 exploration licenses it has awarded if the holders haven't met their obligations, said Mulunga.

Tullow Oil is planning to drill a well in 2016, George Cazenove, a spokesman for the London-based company, said in an e-mailed statement. Shell is conducting a seismic survey in its license area 250 kilometers (155 miles) off the Namibian coast and once that data has been analyzed, the company will make a decision on whether to proceed with an exploration well, said spokeswoman Kayla Macke.

Murphy Oil, which has two exploration blocks in the Luderitz basin, said on Nov. 7 that it's proposing to drill as many as two possible exploration wells to appraise the potential of the geological structure.

"We are not panicking even after all these dry wells," said Mulunga. "I know a discovery will come."

To contact the reporter on this story: Felix Njini in Windhoek at fnjini@bloomberg.net To contact the editors responsible for this story: Antony Sguazzin at asguazzin@bloomberg.net Dylan Griffiths, Tony Barrett