

Tony Deighton

From: Jonathan Deighton
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To: Tony Deighton
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Welcome to today's Noon News, your daily digest of oil and gas related stories from around the world. If you enjoy staying on top of industry news with these daily emails without having to drill it yourself, we now offer Weekly News Digests covering almost the entire globe.

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Monday's NOON News

- BG says delays in Egypt, Norway to affect 2014 output,** (<http://uk.reuters.com/article/2013/09/09/bg-idUKL5N0H50GP20130909>)
BG Group said delays at projects in Egypt and Norway would reduce its 2014 production by around 30,000 barrels of oil equivalent per day (boed), equivalent to around 5 percent of this year's expected output. The delays follow a series of output downgrades late last year and early this year which rocked investor confidence. The company, which said that it was on track to meet its 2013 targets, blamed part of the downgrade to next year's production on ongoing political and social instability in Egypt.
- Rising cost of complex projects hits majors,** (<http://www.ft.com/cms/s/0/99622e42-13cd-11e3-9289-00144feabdc0.html#axzz2eNtQ88Hs>)
It is now three years since the devastating accident at BP's Macondo well in the Gulf of Mexico, and it is business as usual for the oil majors drilling in the area's lucrative waters. Apart from one thing: costs. Reporting Chevron's second-quarter results in July, George Kirkland, executive vice-president of exploration and production at the company, said the cost structure in the deepwater of the gulf had changed since the tragedy. The cost of wells is 20-25 per cent higher, he said.
- Public hostility threatens Pemex reforms,** (<http://www.ft.com/cms/s/0/99d3422a-13ce-11e3-9289-00144feabdc0.html#axzz2eNtQ88Hs>)
Plans by Mexico's president to open up its oil and gas industry to private and foreign investment have provoked calls for mass demonstrations in the country this weekend. Enrique Peña Nieto's agenda for reforming Mexico's nationalised energy sector is just one of a number of "transformational" reforms proposed to stimulate the country's stalling economic growth that have provoked a backlash from his political opponents.
- China inks \$30bn deals with Kazakhstan,** (<http://www.upstreamonline.com/live/article1336784.ece>)
China and Kazakhstan inked 22 agreements worth a total of about \$30 billion on Saturday, including a \$5 billion deal that gives China a stake in the giant Kashagan oil project. According to a Reuters report, a sale and purchase agreement was signed, in the presence of the two country's presidents, by the heads of Kazakh state oil and gas company KazMunaiGas and China National Petroleum Corp (CNPC) for the transfer of an 8.33% stake in the Caspian Sea oilfield. KazMunaiGas head Sauat Mynbayev told reporters that under the deal, CNPC would also pay up to \$3 billion to cover half of Kazakhstan's funding of the second phase of the Kashagan development, which is scheduled to start after 2020.

5. **Europe Needs Carbon Floor Price to Boost Gas-Fired Plant Profits,**
(<http://www.bloomberg.com/news/2013-09-05/europe-needs-carbon-floor-price-to-boost-gas-fired-plant-profits.html>)

Europe needs an emissions permit price floor as used in the U.K. to make gas-fired power a profitable alternative to more-polluting coal plants, Verbund AG (VER)'s chief executive officer said. Rising carbon prices will push up the cost of coal-fired power generation, boosting the incentive to operate cleaner gas-fed stations, Wolfgang Anzengruber, head of Austria's biggest utility, said in a Sept. 3 interview. Utilities from RWE AG (RWE) to EON SE have been shutting gas-fired generators as the falling cost of pollution makes coal plants more profitable to operate, even though they produce twice as much greenhouse gas. The cost of emitting a metric ton of carbon dioxide in Europe has slid 85 percent since 2008, reaching a record-low 2.46 euros (\$3.24) a ton in April.

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Noon News is your daily collection of current stories from the upstream oil and gas industry. The Weekly News Digest summarises these stories each week with issues focusing on particular countries. In addition to keeping you up to date with upstream news, the Weekly News Digest has extra sections on politics, economics, mid and downstream.

To receive additional Opinion sections (available as Weekly or Monthly reports), please contact us to find out more.

We would also love to hear from you if you are interested in contract management (we offer different levels depending on your needs and budget), contract negotiation, consultancy or interim management.

At Black Cat Energy Services, as well as offering services from our offices or coming into yours, we willingly travel to most parts of the world. We look forward to talking to you soon.

Regards

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