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Harbour/Wintershall-Dea deal is set to create European production giant

Harbour Energy is set to create a European production powerhouse with significant positions in the UK and Norway after agreeing to acquire Wintershall-Dea's exploration and production assets outside Russia in a deal worth \$11.2 billion.

The UK-listed operator, in a statement on 21 December, said the "transformational" acquisition will add more than 1.1 billion barrels of oil equivalent in reserves to the company and more than 300,000 boed in production based on first-half 2023 output.

The Wintershall-Dea business includes around 170,000 boed of production in Norway as well as positions in Algeria, Argentina, Denmark, Egypt, Germany, Libya and Mexico. Assuming the deal is completed, which is targeted for the fourth quarter of this year, output of the enlarged company will be more than 500,000 boed and proved and probable reserves will be around 1.5 billion boe.

Harbour will have a 2P reserve life of eight years after the deal, up from six years for its current portfolio. It will also benefit from the lower emissions intensity of Wintershall's portfolio, which is kept down by its high Norwegian content and higher share of gas production. Emissions intensity for the enlarged company will be around 25% lower at 15 kilogrammes per barrel of oil equivalent, down from the current Harbour total of around 20kg per boe, the company said.

CEO Linda Cooke said the agreement "marks Harbour's fourth major acquisition and the most transformational step yet in our journey to build a uniquely positioned, large-scale, geographically diverse independent oil and gas company. She added that: "The addition of Wintershall-Dea's assets will increase our production to over 500,000 boed, extend our reserves life and enhance our margins and cashflow."

Cooke also highlighted the importance of the deal in advancing Harbour's energy transition aims by "shifting our portfolio towards natural gas, lowering our greenhouse gas emissions intensity and expanding our carbon capture and storage (CCS) interests into new European markets." (Continued on page 2)