

Brent spot  
\$55.60  
▼ -1.84%

Brent futures (1 mo)  
\$55.62  
▼ -1.42%

WTI spot  
\$50.96  
▼ -1.14%

WTI futures (1 mo)  
\$51.14  
▼ -1.04%

UK Nat Gas (1 mo)  
22.99p  
▼ -4.92%

# FIELD DEVELOPMENT

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Making progress: Black Sea Oil & Gas chief executive Mark Beacom Photo: BSOG

## Romanian player eyes Black Sea first gas next year

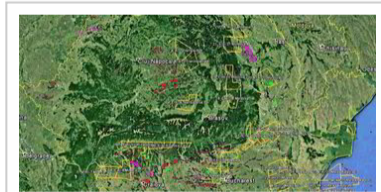
Black Sea Oil & Gas 'on time and on budget' at the \$400 million gas field development

3 February 2020 11:13 GMT *UPDATED 3 February 2020 12:19 GMT*

By [Anamaria Deduleasa](#) in London

Black Sea Oil & Gas (BSOG) is moving ahead with its \$400 million Midia gas field development plan off Romania, expecting production to begin next year, as the offshore law regulating activities is being altered.

The Romanian independent announced a [final investment decision](#) for the Black Sea project in February last year, and has since then been “advancing on all fronts”, it said.



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The Midia project is planned to consist of five offshore production wells — one subsea well at the Doina field and four wells drilled from the platform at the Ana field — and a subsea gas production system over the Doina well, which will be connected through an 18-kilometre pipeline with a new unmanned production platform located over the Ana field.

“The Ana platform is under construction at (local contractor) GSP’s Aggigea shipyard, the mobilisation works are under way at the Gas Treatment Plant site at Vadu, major fabrications efforts including the onshore and offshore pipeline, gas compressor, control units, umbilicals, wellheads are either completed or are well advanced,” a spokeswoman for BSOG told Upstream.

The company’s plans also include a 126-kilometre [gas pipeline](#) that will link the Ana platform to shore and to a new onshore gas treatment plant in the nearby town of Corbu, in Constanta county, with capacity of 1 billion cubic metres per annum.

“Pipelining operations and drilling are scheduled for later this year,” BSOG said, adding that production is expected to begin in the first half of 2021.

“We are currently about 15% of the way through our project and are anticipated to be on budget,” the company said.



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BSOG, together with its co-venture partners Petro Ventures Resources and Gas Plus International, delayed sanctioning the project after Romania passed an offshore oil and gas law that established new ground rules for operations in the Black Sea.

The so-called Offshore Law was criticised by investors for potentially having an impact on profitability, and also delayed a final investment decision for the giant nearby Neptun Deep project being developed by US supermajor ExxonMobil and Austria’s OMV.

Carlyle Group-backed BSOG, however, decided to [proceed with Midia](#), saying last year it would work under the assumption it will be able “to restore all of (its) rights with respect to the removal of any newly-imposed supplemental taxes and fees, as well as removing any restrictions on the free movement of gas on a fully liberalised market”.

BSOG’s patience payed off as the offshore law was altered earlier this year.

“A new EGO 1/2020 was recently passed that revokes the offending provisions that were found in EGO114 passed in December 2018. We are still seeking revocation of the supplemental tax and central market obligation that was imposed in the offshore law passed in November 2018 and believe that amendments to the law are being pursued by the current government in order to try and regain investor confidence in developing the Black Sea,” BSOG told Upstream.



[Pipeline work begins for Midia off Romania](#)

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Since the regulatory and fiscal changes were made in late 2018, [ExxonMobil started testing the market](#) for interest in its giant Neptun Deep project in the Black Sea.

ExxonMobil and project partner OMV Petrom, a subsidiary of Austria’s OMV, each hold a 50% share of the giant offshore block, home to the Domino discovery hailed to hold between 42 billion and 84 billion cubic metres of gas.

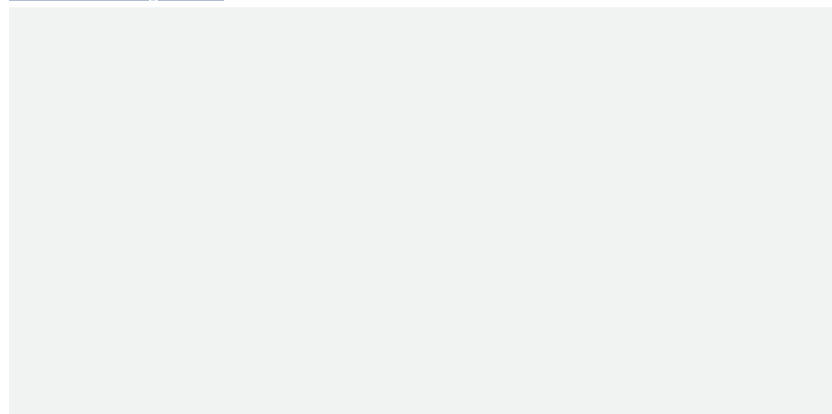
Reports speculating on which companies would buy out ExxonMobil pointed to the other operators in the Black Sea, including Russia’s Lukoil, Romania’s Romgaz and BSOG.

The latter would not comment on the reports, but said: “BSOG’s general mandate from our shareholders is to seek added value growth opportunities in the Black Sea region particularly those involving the development of offshore gas discoveries where our new Midia infrastructure could be best utilised.”

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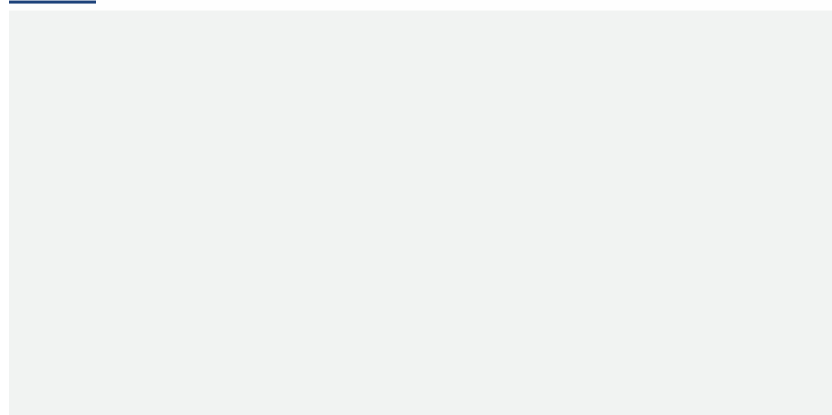
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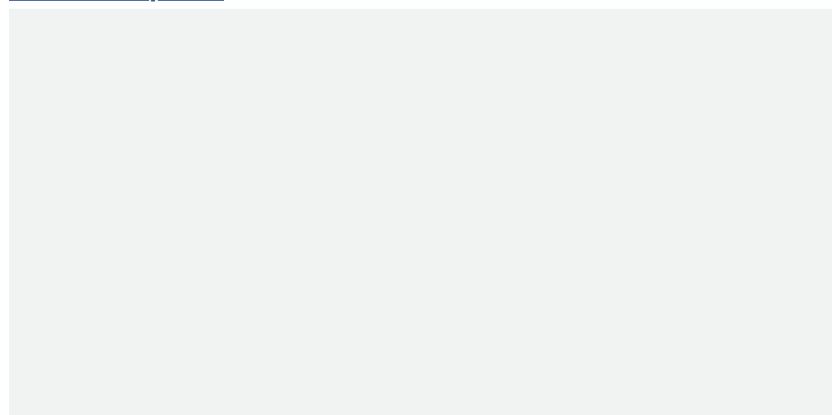
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