
Plans afoot for Kwanza round

Angola is to offer five or six onshore blocks in the Kwanza region in a licensing round in 2012, bringing the source of the country's first oil production back into international focus. The move was announced last week by Sonangol's exploration director, Severino Cardoso, during a presentation at the 21st World Upstream Conference in Geneva. Cardoso said the Kwanza onshore basin contained an estimated 5 billion barrels of oil equivalent.

The onshore Kwanza region has not been explored for years, after the civil war and disappointing deepwater drilling in the offshore part of the basin prompted companies to exit the area. Although the government has recently acquired a 2,000-square km survey of the onshore area, it is not yet known which blocks will be offered.

Analysts have speculated that Kwanza onshore Blocks 10, 11, and 12 – which were among those offered in a previously planned onshore licensing round that never occurred – will probably be presented again.

During his address, Cardoso said Angola was producing 1.6 million bpd but that the government was hoping to ramp production capacity back up to the 2 million bpd high attained in 2008.

The Kwanza Basin's offshore blocks have already attracted attention for their potential subsalt oil resources. The geology of the Kwanza Basin shares characteristics with Brazil's Whale Park subsalt complex in the Campos Basin, where sizeable discoveries have been made.

It is expected that the proposed 2012 licensing round will be subject to open bidding, given that a high-ranking Sonangol official has publicly announced the plan. Luanda was pleased by the response to 11 deepwater blocks that were offered in January 2011, in a round that was not publicly announced after a four-year hiatus in licensing rounds. A small number of companies, mostly international majors already operating in Angola, were invited to submit bids for the offshore blocks. ■