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CHINESE REGULATORS APPROVE SINOPEC'S PLAN FOR GRASSROOTS REFINERY

China's National Development and Reform Commission (**NDRC**) has approved plans by Sinopec Beijing Yanshan Petrochemical Co. Ltd., a subsidiary of China National Petroleum Corp. (**Sinopec**), to build a grassroots refinery in the Caofeidian Industrial Zone, Tangshan, Hebei Province. The US$4.3billion refinery will have a crude oil processing capacity of approximately 12 million tonnes per year and will have additional processing units for residual fluid catalytic cracking, hydro-treating, hydrocracking, isomerization, alkylation, and desulfurization. A firm timeline for the project, which initially included a 200,000-b/d refinery scheduled to be commissioned by 2015, has not yet been disclosed.

(Source:http://www.ogj.com/articles/2015/02/chinese-regulators-approve-sinopec-s-plan-for-grassroots-refinery.html, 5 February 2015)

LME EXTENDS PUBLICATION OF LIVE FORWARD PRICE CURVES

The London Metal Exchange (**LME**) has extended its live forward price curves for each metal as part of its commitment to further enhance the transparency of the price discovery process following last year's review of the 'Ring', the LME's open outcry trading platform. The forward price curves, which were previously published for the Ring's afternoon "kerb" trading session only, now cover all trading times in the Ring. Peter Childs, Head of Price Discovery at the LME said "The extension of the live forward curves provides a comprehensive transparency tool for use across the whole date structure, allowing users to track real-time indicative prices throughout the day via their data vendor service". Caroline Porter, the LME's Head of Data Sales added "This is a key addition to our market data offering – the result of increased investment in data services – providing our customers with a fuller service at no extra cost". In addition to the new price information, the LME is providing extra granularity by publishing monthly prompt dates between three months and one year forward. The LME also proposes to assess whether there is a demand to extend this price-transparency tool outside of Ring hours.

(Source:https://www.lme.com/news-and-events/press-releases/press-releases/2015/01/lme-extends-publication-of-live-forward-price-curves/, 20 January 2015)

HONG KONG'S GENERAL NICE GROUP ACQUIRES GREENLANDIC IRON ORE MINE

According to the Greenlandic government, Hong Kong's General Nice Group (**General Nice**) has acquired the Isua iron-ore mine from debt-stricken London Mining Co. Ltd (**London Mining**). The Isua project is expected to cost US$2.3 billion to develop. General Nice has interests in iron-ore mines in Shanxi, Shandong, and Inner Mongolia in China, among other places. A 2011 study conducted by London Mining suggested that Isua has the potential to generate US$2.5 - 4.5 billion, although this profit outlook is in need of revision in light of the fall in global iron-ore prices which has taken place since 2011. General Nice faces significant exploration challenges in Greenland. Frozen soil greatly complicates mining operations, meaning special equipment is required. Additionally Greenland faces a shortage of local manpower and lacks suitable harbour and other infrastructural facilities.

(Source: http://www.wantchinatimes.com/news-subclass cnt.aspx?id=20150116000131&cid=1205, 16 January 2015)

Asian energy companies tighten their belts as oil prices plunge

Plunging oil prices have prompted some of the Asia's largest energy companies to cut spending. CNOOC Ltd (**CNOOC**), the Hong Kong listed subsidiary of the China National Offshore Oil Corporation, has announced that it plans to cut capital spending by between 26% - 35% in 2015 compared with 2014. According to J.P. Morgan, CNOOC may be facing write-downs of more than U.S$5 billion related to its 2013 acquisition of Canadian upstream oil and gas company Nexen Inc. Separately, a joint venture between China National Petroleum Corp's wholly owned UK subsidiary Addax Petroleum UK Ltd and Talisman Energy Inc. of Canada, is seeking several hundred redundancies at its North Sea operations. Other Asian majors are also cutting costs. Malaysia's Petroliam Nasional Bhd., (Petronas), has warned of double-digit cuts in capital spending in 2015 while Indonesia's Pertamina said it may cut its planned investments by as much as 50%.

(Source:http://www.wsj.com/articles/chinas-energy-companies-tighten-their-belts-as-oil-prices-plunge-1422958964 (subscription required), 3 February 2015)

Shell and Mitsui Oil execute PSCs for three Myanmar offshore blocks

Royal Dutch Shell plc (**Shell**) and its partner Mitsui Oil Exploration Co., Ltd. (**MOECO**) have executed exploration and production sharing contracts (**PSCs**) with Myanma Oil and Gas Enterprise for three deep-water blocks. Pursuant to the PSCs Shell will evaluate the potential of deep-water blocks AD-9 and AD-11 off Arakan State and MD-5 off Tenasserim Division. Shell will use leading deep-water exploration technologies including advanced tools for acquiring, processing and interpreting seismic data. Combined the three blocks cover approximately 21,000 square kilometres and are located approximately 300 kilometres offshore in water depths ranging from 1,800 to 2,700 metres. Shell is the project operator and has a 90% interest in the three PSCs with MOECO holding the remaining 10%. According to Graeme Smith, Shell's VP Exploration Asia and Australia, "The three blocks offer an exciting frontier exploration opportunity to apply the advanced deep-water technical capabilities we have built up around the world over the past three decades".

(Source:http://www.irrawaddy.org/business/shell-inks-contract-explore-3-offshore-oil-gas-blocks.html, 6 February 2014)

Indonesian Government to ease permits for oil and gas sector

The Indonesia Energy and Mineral Resources Ministry (**EMRM**) has announced it plans to streamline Indonesia's oil and gas licensing procedures. The EMRM is considering simplifying the issuance of 10 types of business permits in the upstream and downstream oil and gas sector, including permits previously issued by SKKMigas (Indonesia's Upstream Oil and Gas Regulatory Special Task Force). Indonesia currently issues around 50 permits directly related to oil and gas. In addition, there are also other 200 permits that cover cross-sector issues, including those related to the forestry, the environment, and local administration. The EMRM is aiming to gradually transfer the processing of permits to a new Investment Coordinating Board before the end of 2015. At present domestic and foreign investors are required to make applications to a number of different ministries to procure business licenses. The process has been blamed for the slow realisation of investment. The Government has made the simplification of the bureaucratic process a priority. Indonesian Petroleum Association's president, Craig Stewart, said the oil and gas industry welcomed any move to simplify the permitting process in the sector.

(Sources:http://www.thejakartapost.com/news/2015/02/11/govt-ease-permits-oil-gas-sector.html#sthash.wNgychuY.dpuf,11 February 2015)

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