OIL & GAS JOURNAL · NAMIBIA · SUBSEA

Chevron farms out Namibia block to QatarEnergy

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Chevron has signed a farm-out agreement with QatarEnergy covering a licence block offshore Namibia, with Chevron retaining operatorship upon completion of the transaction. Under the terms of the deal, Chevron will hold a 55% working interest in the block, with QatarEnergy acquiring the remaining stake being transferred. The agreement marks another entry by QatarEnergy into Namibia's offshore exploration landscape, where the state-owned Qatari producer has steadily expanded its Atlantic-margin portfolio in recent years.

Namibia has emerged as one of the most closely watched frontier basins on the African continent following a series of significant discoveries in the Orange Basin. International majors and national oil companies have moved aggressively to secure acreage, and farm-out transactions have become a primary mechanism for distributing exploration risk while keeping well-capitalised operators in control of technical programmes. Chevron's decision to bring in QatarEnergy while retaining a majority 55% interest and the operatorship role reflects a structuring approach common to high-cost offshore frontier exploration, where seismic acquisition, drilling and appraisal programmes carry substantial upfront capital requirements.

The source article does not specify the block name or number, its location within Namibian waters, water depth, or the precise interest percentage being transferred to QatarEnergy. Nor does it disclose a timeline for completion of the farm-out, any associated work programme commitments, or the financial consideration, if any, attached to the transaction. Regulatory approval from Namibian authorities would

typically be required before the deal is formally completed and operatorship arrangements take effect.

QatarEnergy has in recent years pursued an aggressive global acreage acquisition strategy, frequently entering as a non-operating partner alongside supermajors. Its presence in Namibia aligns with that pattern, and the farm-out positions both companies to participate in what analysts regard as one of the more prospective unexplored margins currently available to international capital. For Chevron, retaining 55% and operational control preserves decision-making authority over drilling schedules, well design and contractor selection — factors that carry significant commercial weight for the service and supply chain community watching the basin.

Namibia's upstream regulatory framework, administered through the Ministry of Mines and Energy and the national oil company NAMCOR, has generally been regarded as stable and accommodating of foreign investment, though farm-out completions remain subject to government consent processes that can influence timing. The pace at which blocks in the country move from exploration licence through appraisal to development planning will determine when large-scale procurement cycles for subsea equipment, drilling units, and offshore construction are initiated.

Why this matters to partners and clients of Saga

The farm-out is signed but not yet completed, and no work programme details, drilling timeline, or procurement activity have been disclosed — Norwegian service companies should monitor for block completion announcements and any subsequent well or appraisal campaign notices. Once the transaction closes and Chevron confirms a drilling or appraisal schedule, subsea and drilling contractors should initiate relationship-building with Chevron's Namibia asset team. No procurement outreach is warranted at this stage.

PARTNER ANGLES

- **Drilling:** Monitor for rig contract tenders once the farm-out completes and Chevron confirms an exploration or appraisal drilling schedule offshore Namibia.

- **Subsea/FPSO:** Track appraisal outcomes on the block; a commercial discovery would trigger subsea concept selection and FPSO studies where Norwegian contractors are strongly positioned.
- **Service:** Chevron's retained operatorship at 55% means a single decision-maker controls contractor selection — engage Chevron's Namibia supply chain team ahead of any work programme announcement.
- **Pipeline:** Subsea tie-back and export infrastructure planning will only begin post-discovery and appraisal; maintain watching brief on basin-wide development timelines.

Original source: Oil & Gas Journal →

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