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CHINA TO LEND UP TO \$2 BILLION TO SOUTH SUDAN FOR MINING AND OTHER DEVELOPMENT PROJECTS

China will lend South Sudan up to US\$2 billion to fund infrastructure, power and agricultural projects, according to a report from Reuters. The announcement was made by the South Sudanese petroleum and minister Stephen Dhieu Dau, speaking at a joint news conference with the Chinese ambassador Ma Qiang. The two countries will also conduct South Sudan's first geological survey, funded by a \$43 million loan from China.

In March, South Sudan signed a new mining act to ensure a stable and open regulatory environment and encourage foreign investment. However, industry insiders say it will take time to develop the sector because of the lack of almost any infrastructure or geological surveys.

Under the new mining law, mining companies can apply for a five-year exploration licences over a maximum area of 2,500 square kilometres. Exploration licences are renewable for two terms of five years each. Large-scale mining licences can be granted for a term of 25 years, extendable by a further 20 years.

South Sudan separated from Sudan in 2011 following decades of civil war but the land-locked state remains highly dependent on its neighbour to refine and transport crude oil exports. It is believed South Sudan also has unexplored deposits of gold, diamonds, copper, uranium, chromite, manganese and iron ore.

According to China's state-owned Xinhua news service, South Sudan is preparing an international investment conference in Juba for December 2013.

CNPC SIGNS GAS AGREEMENTS WITH GAZPROM AND NOVATEK

China National Petroleum Corporation (CNPC) has signed gas agreements with Gazprom and Novatek.

According to a press release from Gazprom, CNPC and Gazprom signed a "legally binding" agreement outlining the major terms and conditions of gas pipeline supply from Russia to China via the eastern route. Major terms agreed include export volume and starting date, the take-or-pay level, the period of supply buildup, the level of guaranteed payments, the gas delivery point on the border, as well as other basic conditions of gas offtake. The agreement follows a framework agreement signed in October 2009 that stipulated annual exports of up to 68 billion cubic metres of gas to the Chinese market, and a further MOU signed in March 2013.

According to a report in the Moscow Times, the price at which Gazprom will supply gas to China remains unsettled and it is not immediately clear if the deal marks a major breakthrough. Russia and China have signed numerous gas-supply agreements in the past, but differences on the price have stopped them from a final commitment. However, the statement from Gazprom does note that price conditions will not be linked to the Henry Hub index, which would have sent the price to "relative rock-bottom levels" according to the Moscow Times.

Meanwhile, CNPC and Novatek have concluded an agreement on the purchase of a 20% equity share in the Yamal LNG project by CNPC, according to a press release from Novatek. The deal is subject to regulatory approval and is expected to be completed by December 2013. Following completion of the deal, Novatek will own 60% of the Yamal LNG project company, while CNPC and Total will each own 20%. CNPC and a consortium of Chinese banks have also concluded a memorandum on project financing for the Yamal LNG project (as announced by Novatek).

The Yamal LNG project will involve the construction of an LNG plant with annual capacity of 16.5 million tonnes with feedstock from the South-Tambeyskoye field, which has proven and probable reserves of 907 billion cubic meters of natural gas. The project will also require the construction of transport infrastructure including a sea port and an airport located at Sabetta (north-east of the Yamal Peninsula).

THAILAND'S PTTEP FINDS GAS IN MYANMAR

Thailand's PTTEP has found gas in three of its four appraisal wells in its offshore block in Myanmar.

The wells were drilled between February and August. Three wells were confirmed to have gas flow rates of approximately 34.5, 9 and 14 million standard cubic feet per day (MMSCFD) respectively. The company plans to conduct additional drilling of appraisal well in 2014 for the planning of development and production.

SHIPPING EXCHANGE INDICATES SURGE IN CHINA'S COMMODITY TRADE

The London-based Baltic Exchange (Exchange) tracks the cost of moving commodities along more than 50 routes around the world. Among other commodities China dominates sea trade in copper, coal, nickel, lead and zinc. The Exchange has seen big gains in recent weeks. Capsize freight rates have also surged on the back of renewed Chinese demand for iron ore. China's imports of iron ore in August were 69 million tonnes, representing an increase of 11% from the same period last year.

Source: www.mining.com

U.S. OIL AND GAS PRODUCER APACHE CORP TO SELL STAKE IN EGYPT OIL AND GAS BUSINESS FOR \$3.1 BILLION TO THE SINOPEC GROUP

According to Reuters U.S. oil and gas producer Apache Corp is selling a 33 percent stake in its Egypt oil and gas business for \$3.1 billion to state-owned Chinese oil giant Sinopec Group, reducing its exposure in the country amid the recent political unrest.

Apache, which has been selling noncore assets globally to focus on U.S. onshore production and shore up its balance sheet, said it has also formed a global strategic partnership with Sinopec to jointly pursue upstream oil and gas projects.

The Egypt deal would be the first step of the joint venture with the Sinopec Group, parent of the Hong Kong listed Sinopec Corp.

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