

Brent spot \$81.32 ▲ +0.85%	Brent futures (1 mo) \$81.24 ▲ +0.86%	WTI spot \$76.62 ▲ +1.12%	WTI futures (1 mo) \$76.54 ▲ +0.91%	UK Nat Gas (1 mo) 71.00p ▼ -4.44%	UK Nat Gas 71.70p ▼ -3.80%
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EXPLORATION

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More wells: Wael Sawan, chief executive of Shell. Photo: REUTERS/SCANPIX

Shell bullish on hunt for oil ‘sweet spots’ in Namibia

Two more wells will help define the most viable of the supermajor’s Orange basin discoveries

1 February 2024 16:28 GMT *UPDATED* 1 February 2024 16:30 GMT

By [Iain Esau](#) in London

Shell has discovered enough oil in Namibia to commercialise, but is still hunting down the exact ‘sweet spot’ which can be developed first, chief executive Wael sawan told analysts this afternoon.

Last month, Namibia’s petroleum commissioner Maggy Shino tempered expectations around the size of Shell’s Jonker and Graff discoveries in the Orange basin, suggesting they hold 300 million barrels and at least 200 million barrels of recoverable oil, respectively.

If there have been concerns about the scale of discovered resources in the basin, Sawan’s comments today attempted to put investor’s minds at ease.

“There’s no question around the volume of the resource,” he said, but pointed out that the key goal now is to “de-risk the opportunities” by establishing which are the best locations to develop first.

“The biggest question is around finding the sweet spots within that resource, within the rock, to be able to create the opportunities for exciting developments there. That’s what we have to ...find out,” Sawan said.

He cautioned that Shell will not rush this process because any development will be costly.

“We will take our time and be thorough in the way we look through that because these are significant capital investments. We want to make sure we are able to deliver a return for our shareholders,” Sawan said.

Sawan highlighted that exploration and appraisal drilling being carried out by TotalEnergies and Galp Energia in adjacent acreage will aid the “sweet spot” selection process.

“Of course, it helps that we’re not the only ones drilling there,” he said. “There are other activities in the basin, which will provide more data points that inform the broader picture around the prospectivity of the basin and our ability to create value from it.”

French supermajor TotalEnergies’ huge Venus discovery is just a few kilometres from Jonker while Galp’s recent Mopane discovery hit oil in two reservoir plays that could extend south into Shell’s licence. ([Copyright](#))

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