

# Newsweek Polska

## Business

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The article is devoted to oil and gas exploration and production in Poland by both **Polish Oil & Gas Company (POGC)** and western companies.

Some excerpts translated from the Internet Article:

### Guys on Gas

#### Energy companies from USA, UK, and Germany are digging Polish land in hope to reach the untapped oil and gas fields

... the higher oil and gas prices the more they (western companies) are convinced that it is possible to take out much from the Polish hole.

... foreign companies as FX Energy, **Aurelian Oil & Gas** or RWE Dea AG possess knowledge and modern technologies.

The recent Caucasus war showed that there is not much hope for the Caspian oil and that Russians will charge us much.

According to Polish Geological Institute the reserves of gas in Poland are 139 billion m<sup>3</sup> and of oil 23 million tons. We can expect increase of gas reserves 600 million to 1.3 billion m<sup>3</sup>.

66% of the wells drilled in Poland are successful at the time.

In the area of Gorzow Wielkopolski British **Aurelian** sent the huge vibrators for seismic investigations. This equipment makes the minimum vibrations, but gives the 3-dimensional picture, showing where to drill wells.

It is important to continue the explorations. The Ministry of Environment has issued 23 exploration and 10 production concessions for oil and gas last year. In total there are now about 360 such concessions. Around the half – and the best – concessions belong to **POGC**. It produces almost all gas. Last year it produced 4 billion m<sup>3</sup> of gas and 0.5 million tons of oil. It is planned that in 2012 **POGC** shall produce 5.5 billion m<sup>3</sup> of gas and 1.4 million tons of oil. However recently it announced that decreases the prognosis for this year from 4.6 to 4.2 billion m<sup>3</sup>.

Unlike **POGC**, the foreign companies are feeling good. FX Energy from Salt Lake City has accumulated already 16 Polish concessions. It produces together with **POGC** during 7 years from the well Kleka-11, and 2 years ago has invested 25 million dollars, borrowed from Bank of Scotland, into exploitation of gas fields in Podpoznański Zaniemyśl. They produce 280 thousand m<sup>3</sup> a day. FX Energy earns there a net profit of 3 million dollars a year. The Americans together with **POGC** have discovered a new field near Środa Wielkopolska in July. FX Energy produces there from the depth of 2.5 km 30 thousand m<sup>3</sup> of gas a day.

Zbigniew Tatys, regional director of FX Energy, is optimistic and says that they are drilling now much deeper (average 5 thousand meters) and invest 70 million Zloty a year.

Not only Americans as FX Energy or CalEnergy Resources showed their interest in Poland. There is a queue of companies wishing to get a concession, among them German RWE and British Celtique Energie, and Romanian Romgas.

In Poland there are many attractive fields, which have not been exploited because of lack of technical possibilities, said *Frank Jackson*, member of the Board of British company **Aurelian Oil & Gas**, which makes oil and gas prospecting in **Bieszczady** and in Western Poland. They just found a big gas field in Wielkopolska, but before gas is produced the company shall invest into wells and infrastructure about 1.3 billion Zloty till 2013. For **Aurelian**, which is not a big company, being 2 years on LSE, this will be a huge investment. So far the company has invested into the field in Wielkopolska over 70 million Zloty.

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