

Upstream M&A Quarterly Report

Deal Advisory
Q3 2024

January 2025



O&G deals in Q3 2024: key highlights



In Q3 2024, 23 deals valued at over USD 1 bln were announced. The largest was an unexpected proposed acquisition of the Japanese convenience store chain Seven & i by Canada-based Alimentation Couche-Tard, a leading operator of filling stations and convenience stores, for USD 47 bln



In Sub-Saharan Africa, international supermajors Chevron and Eni were actively expanding their offshore operations in West Africa. Two smaller affiliated companies with a regional focus, Africa Oil and Impact Oil and Gas, announced a series of strategic acquisitions in Namibia and South Africa



In the US and Canada, the unconventional sector continues to see a significant number of deals. In Europe, ExxonMobil and Shell divested their jointly developed assets in the UK and Dutch sectors of the North Sea, selling them to RockRose Energy for USD 800 mln and Tenaz Energy for USD 180 mln, respectively



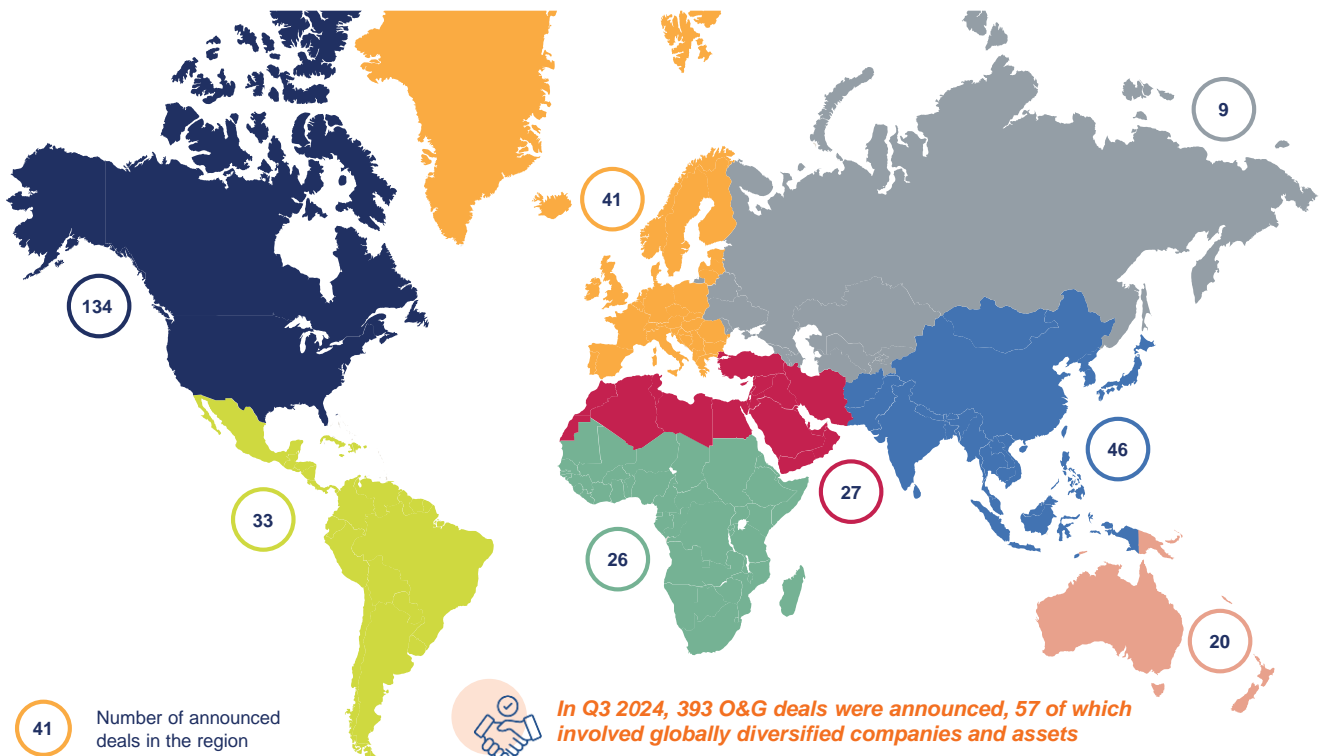
In Asia, the majority of deals were focused in Malaysia and Indonesia, where local, Chinese, Middle Eastern, Australian, and UK investors were granted or extended offshore licenses and PSCs. A notable development is Sinopec's announcement of its plans to implement CCUS initiatives in Malaysia



In the MENA region, investors were driven by the strategic expansion of their businesses, whether in upstream, LNG, downstream, or OFS. A significant milestone was the IPO of Omani state energy company OQ E&P, the largest in the country's history



In the CIS region, the majority of deals were in Azerbaijan. The largest deal was BP's sale of its 20% stake in the Trans Adriatic Pipeline, for USD 1 bln. Furthermore, international supermajors and mid-sized companies showed interest in exploration and production projects in the country

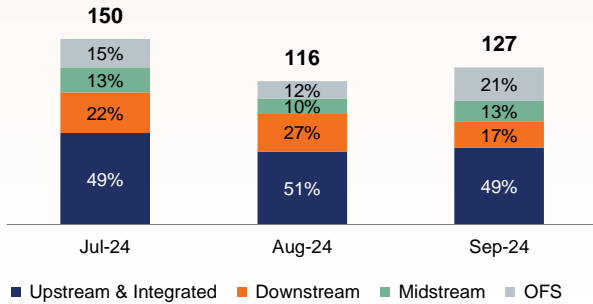


Source: (1) Data from international analytical agencies, (2) Open sources, (3) Tenet analysis

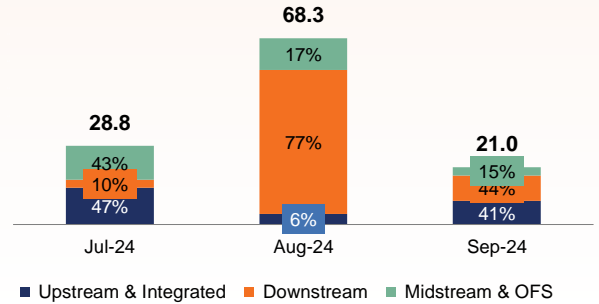
Global deals in the O&G sector

- The US and Canada led in terms of the number of deals, while the largest share of the announced deal value was attributed to transactions involving globally diversified companies and assets
- Of the top 10 deals, only three were in the upstream sector: two involving US unconventional assets and one relating to the sale of a 40% stake in offshore Brazilian heavy oil fields
- Alimentation Couche-Tard, a Canadian multinational operator of fuel retail stations and convenience stores, submitted an initial bid to acquire the Japan-based convenience store giant Seven & i. The Canadian company later raised its offer to USD 47 bln
- A group of investors, led by Elliot Management, agreed to pay USD 7.3 bln to acquire the parent company of Citgo Petroleum, a US-based refining and fuel distribution company owned by PDVSA
- ONEOK, a US-based O&G midstream operator, acquired stakes in EnLink Midstream and Medallion Midstream for total cash considerations of USD 5.3 bln and USD 2.6 bln, respectively
- Devon Energy completed the strategic acquisition of Grayson Mill Energy for USD 5.0 bln, enhancing its presence in the Williston Basin
- US drilling company Helmerich & Payne agreed to acquire the UK-based international OFS company for USD 4.0 bln, expanding its operations in the Middle East
- Brazilian company PRIO agreed to acquire from Sinochem a 40% interest in the Peregrino and Pitangola heavy oil fields offshore Brazil for USD 1.9 bln
- In Canada, Tourmaline Oil acquired Crew Energy and its unconventional gas-producing assets, thereby bolstering its position in the Montney Basin in British Columbia

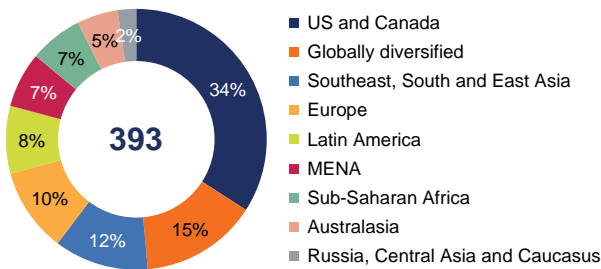
Number of deals



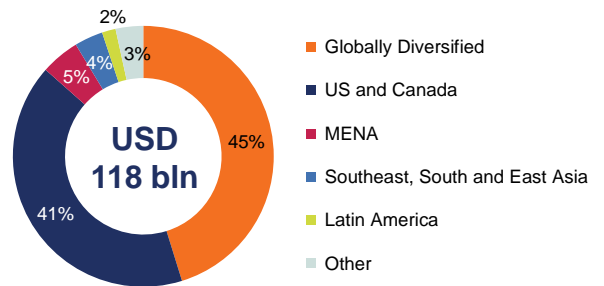
Deal value (USD bln)



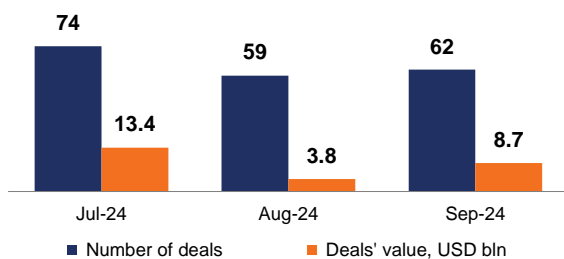
Distribution of deals by regions



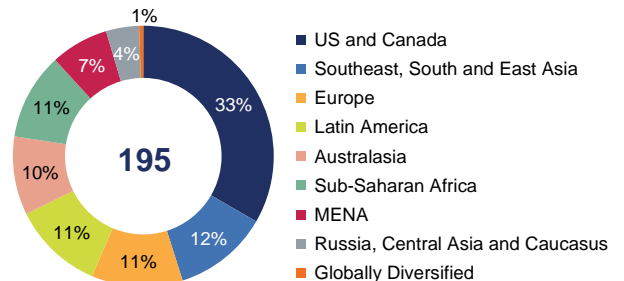
Distribution of deal value by regions



Upstream deals



Distribution of upstream deals by regions

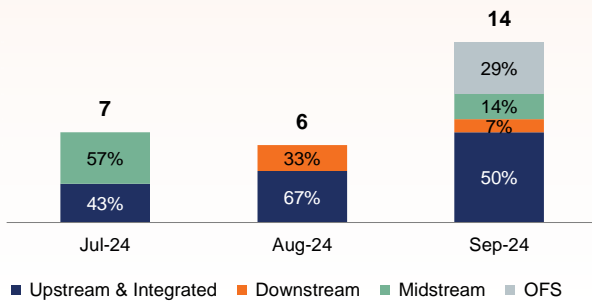


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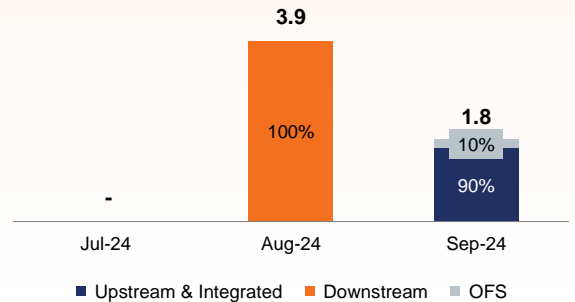
O&G deals in the Middle East and North Africa

- The MENA region experienced subdued M&A activity compared to Q2, mainly driven by Saudi Aramco's acquisition of a stake in Petro Rabigh and the IPO of Oman's OQ E&P
- Following the acquisition of an additional 22.5% stake from Sumitomo, Saudi Aramco will become the majority shareholder in Petro Rabigh, an integrated refining and petrochemical complex in Saudi Arabia
- OQ Exploration & Production raised approximately USD 1.4 bln by selling 25% of its share capital, which marked the largest IPO in Oman's history
- Australia-based Roc Oil announced an offer to acquire the Sweden-based, Oman-focused Tethys Oil, whose core assets include the onshore oil-producing Blocks 3 and 4, for USD 179 mln. Tethys Oil's board recommended accepting the offer
- BP signed a MoU with the Government of Iraq to negotiate an integrated redevelopment programme for the Kirkuk region, including gas expansion projects and a drilling programme at the Kirkuk fields
- BP, Shell, TotalEnergies, and Mitsui agreed to invest in ADNOC's 9.6 MMtpa Ruwais LNG project in Abu Dhabi, each acquiring a 10% participating interest
- In Abu Dhabi the joint venture between Bharat Petroleum and Indian Oil was awarded a production concession license for Onshore Block 1, while Petronas secured an exploration concession for Onshore Block 2
- ExxonMobil was awarded exploration contracts for two shallow water blocks offshore Morocco
- TPAO extended three onshore production licenses in the Southeast Turkey Zagros Fold Belt, for periods ranging from four to 12 years

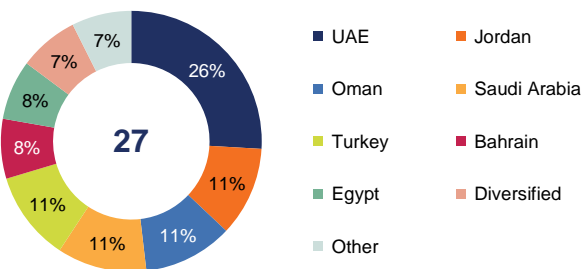
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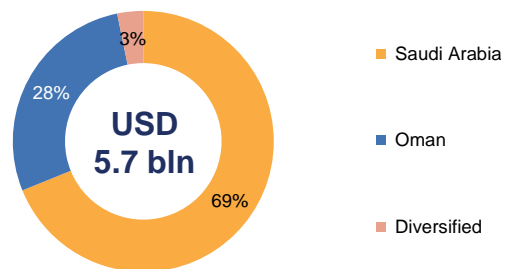
Deal value (USD bln)



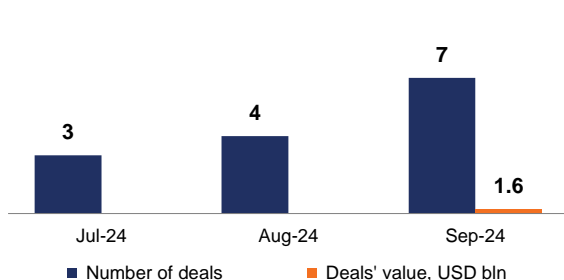
Distribution of deals by regions



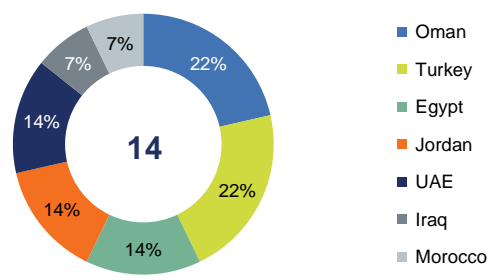
Distribution of deal value by regions



Upstream deals



Distribution of upstream deals by regions

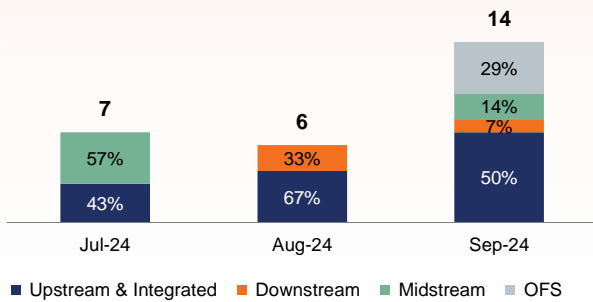


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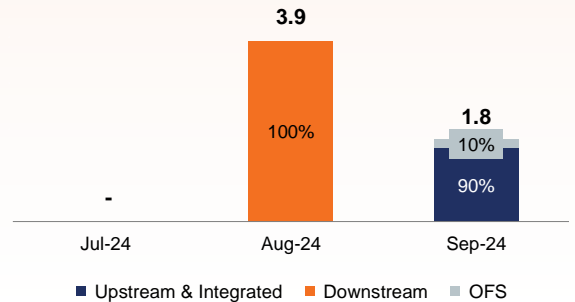
O&G deals in Sub-Saharan Africa

- During the period M&A activity in the region was chiefly driven by the upstream sector, including the acquisition of TotalEnergies' 10% stake in Shell Petroleum Development Company of Nigeria (SPDC) by Chappal Energies
- Nigerian upstream player Chappal Energies agreed to acquire TotalEnergies' 10% interest in SPDC, a JV that holds 15 onshore licenses and three shallow water offshore licenses, for USD 860 mln
- In Zimbabwe the MUTAPA Investment Fund committed USD 10 mln in funding for Invictus Energy's Cabora Bassa project
- Côte d'Ivoire signed four PSCs with Eni for the exploration of new deepwater blocks and three PSCs with US-based independent company Elephant Oil and Gas for the exploration of new onshore blocks
- Africa Oil signed a call and put option agreement to acquire a 7% interest in Impact Oil & Gas for USD 60 mln. If exercised, the agreement will raise Africa Oil's shareholding in Impact to 39.5%
- Impact Oil & Gas agreed to acquire the remaining 10% interest in South Africa's offshore Area 2 from Silver Wave Energy. Upon completion, Impact will have 100% ownership and operating rights over Area 2
- A consortium of investors, including TotalEnergies, QatarEnergy, Canadian Natural Resources, and Africa Energy, plans to relinquish their licensing rights for South Africa's offshore Block 11B/12B
- Petronas withdrew from its operations in South Sudan after the termination of a planned USD 1.25 bln sale of its oil and gas business in the country to UK-based Savannah Energy

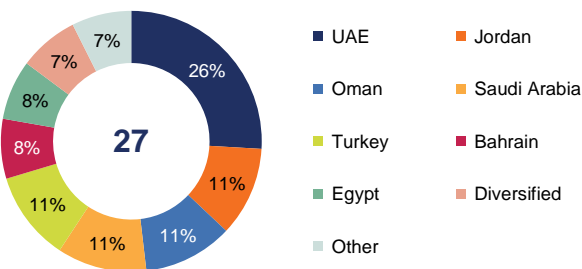
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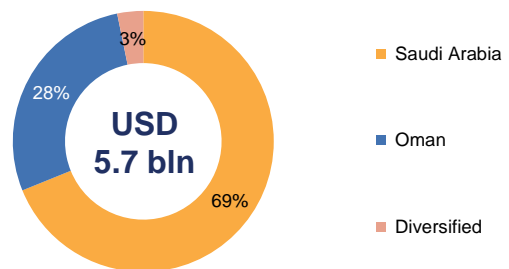
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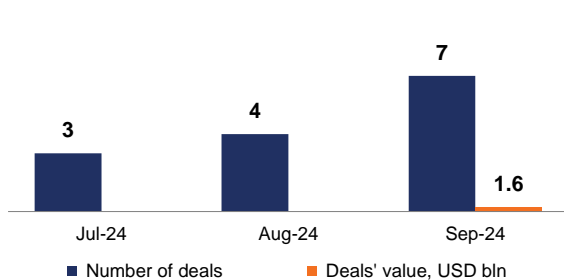
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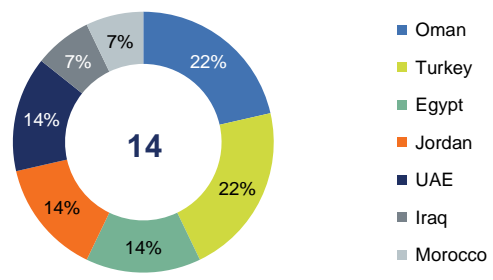
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Upstream deals



Distribution of upstream deals by regions

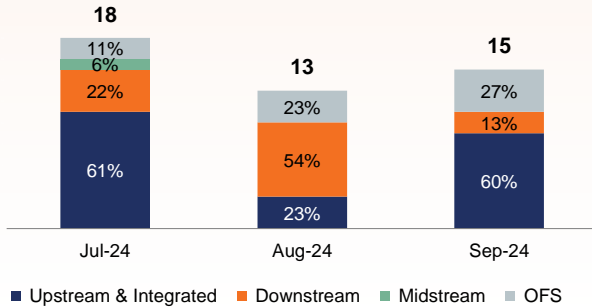


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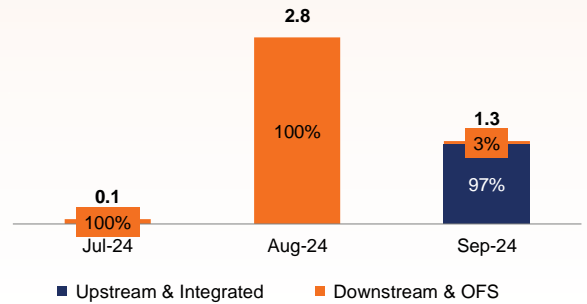
O&G deals in Southeast, South, and East Asia

- M&A activity in Asia demonstrated growth compared to Q2 figures, driven by Indian ONGC's investment in the petrochemical sector and Malaysia-based Harta Global's funding round
- India's state-owned ONGC is set to invest USD 2.2 bln in ONGC Petro additions Limited, a petrochemical complex with a production capacity of 2.0 MMtpa, raising its equity stake to 95.7%
- Harta Global secured USD 1.2 bln in funding from Touchstone Capital Partners and AM Capital Partners to support the development of the Ular, Bunga Tanjung Merah, and Kuda gas fields in Malaysia
- Mitsubishi reached an agreement with Petronas to invest in Malaysia's LNG terminals Dua and Tiga. The agreement includes increasing the 10% stake in Dua and reinvesting a 10% stake in Tiga
- Harbour Energy and Mubadala Energy signed an agreement with the Indonesian government to develop the Central Andaman oil and gas block
- A CNPC subsidiary signed a MoU with Pakistan's state-owned Oil and Gas Development Company to explore oil shale and tight gas prospects in the country
- Sinopec and the state-owned Indonesian SKK Migas signed a MoU to explore farm-in and exploration and development opportunities, including initiatives for enhanced oil recovery and efforts in carbon capture, utilization, and storage (CCUS) for Sinopec's operations in Indonesia
- Global energy group Vitol reached an agreement to acquire the commodity trading firm Nobel Resources, for USD 209 mln

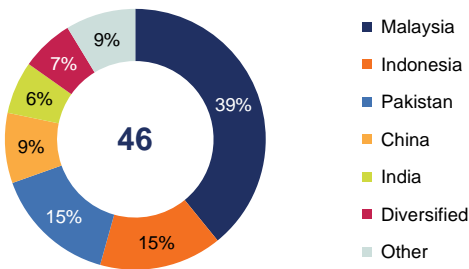
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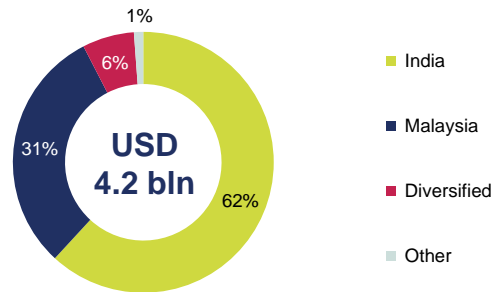
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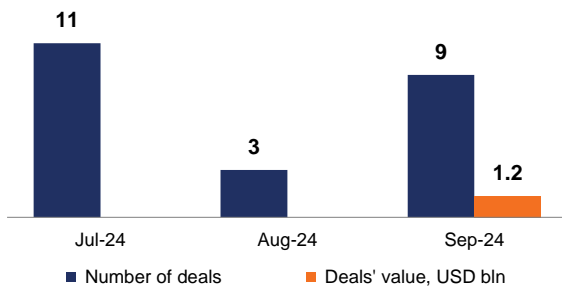
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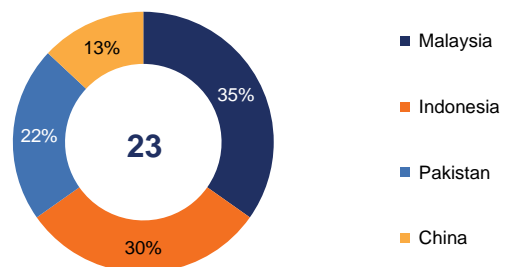
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Distribution of upstream deals by regions

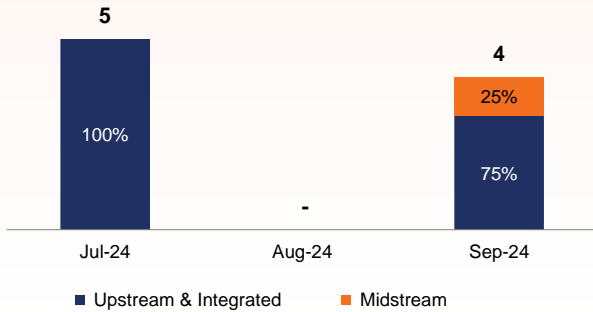


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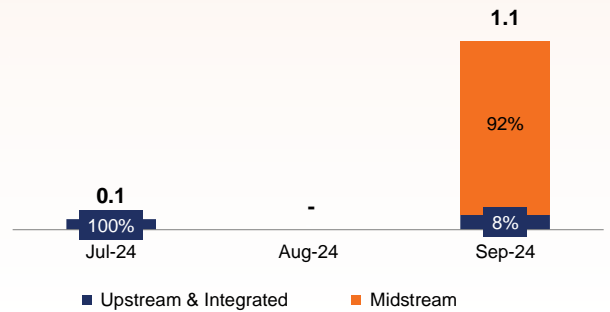
O&G deals in Russia and the CIS

- In the CIS region, most deals were in the upstream sector, however, the largest deal was the acquisition of a minority stake in the Trans Adriatic Pipeline from BP
- The US-based asset management firm Apollo Global Management acquired a 20% stake in the Trans Adriatic Pipeline, which transports hydrocarbons from Azerbaijan to Europe, from BP for USD 1.0 bln
- ONGC has agreed to acquire approximately 0.6% of the Azerbaijan offshore field Azeri-Chirag-Gunashli (ACG) and around 0.7% of the Baku-Tbilisi-Ceyhan pipeline from Norway-based multinational supermajor Equinor for USD 60 million
- Hungarian MOL Group has entered into MoU with SOCAR to evaluate potential E&P cooperation opportunities in Azerbaijan Shamakhi-Gobustan region
- BP, ExxonMobil, Equinor, MOL, INPEX, ITOCHU, ONGC and TPAO have entered into commercial agreements with SOCAR for the development of the gas reserves in the ACG field
- Eni and SOCAR have signed a MoU to explore potential collaboration in hydrocarbons exploration and production (E&P), energy security initiatives, gas transportation and environmental projects
- Tatneft is considering forming a JV with the SOCAR for the development of Azerbaijan Bibiheibat oil field
- In Kazakhstan, Caspian Sunrise has agreed to divest its shallow structures to another domestic player Absolute Resources for USD 88 mln
- Chevron has entered into a cooperation agreement with NC JSC QazaqGaz to explore potential geological opportunities at the Zhalibek site in Aktobe region

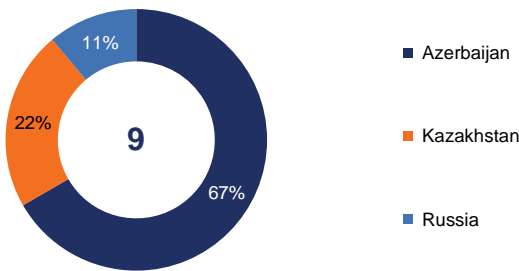
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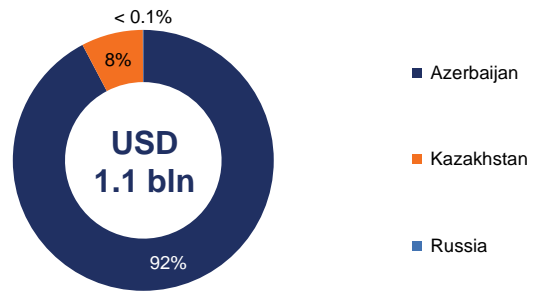
Deal value (USD bln)



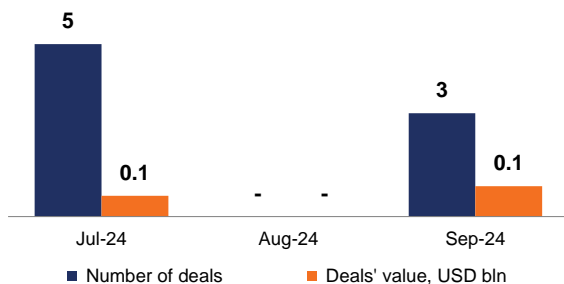
Distribution of deals by regions



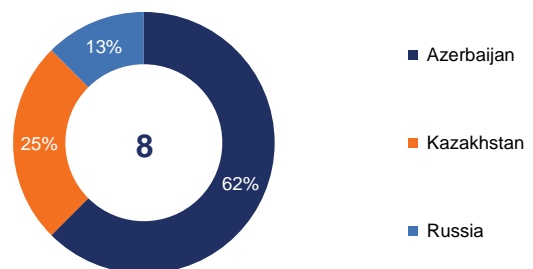
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Upstream deals



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Contacts



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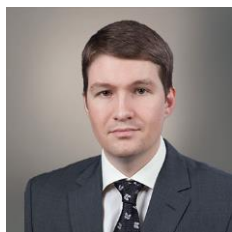
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