

## Canadian Company in ASEAN

# Bow Valley Industries: A Success Story of Canadian Investment in Regional Development of Natural Resources

After nearly 13 years of direct involvement in Southeast Asia, Bow Valley Industries looks forward to a healthy future in this part of the world. Bow Valley is a Canadian natural resource company engaged in diversified activities, including exploration for and development of oil and gas, coal and minerals in twelve countries world-wide.

Indonesia is the site of most of the current Bow Valley activities in Southeast Asia. Through the acquisition of Syracuse Oils Limited in 1971, the company acquired interests in the Mentawai Block on the southwestern coast of Sumatra, as well as interests in the Karimata Strait east of Sumatra. These lands were explored without success and subsequently relinquished.

In 1972, Bow Valley was awarded a one-hundred percent interest in the Suban Jerigi onshore contract area containing 68,000 acres, in the south Palembang Basin of southern Sumatra. After drilling a number of successful but non-commercial wells, the Suban Jerigi property was surrendered in 1976 and the Jakarta office was closed.

In 1979, Bow Valley returned to Indonesia by obtaining a 40 percent interest in the Tempino and Corridor Blocks, which are near to the Suban Jerigi property previously held in south Sumatra. A commitment was made to spend approximately \$25 million, using modern seismic and stratigraphic techniques to seek new sources of oil and gas. These properties had already produced significant amounts of oil earlier this century.

In 1982, two significant new oil discoveries were made: the Ramba and the Tanjung Laban fields. Pertamina has approved a plan to develop the central portion of the Ramba field. Currently, approximately 9,000 barrels per day are being produced from both these fields, with the potential of 15,000 barrels per day by the end of 1984. In 1984, Bow Valley expects to invest \$37 million in south Sumatra for production facilities, as well as exploratory, development and delineation wells.

Much of the production will be transported by pipeline to the Plaju refinery, located at Palembang 75 miles southeast of the oil fields. Excess production may be directly exported.

Initial stages of facility and pipeline installation at the Bentayan field began

in 1983, and development will proceed if current testing proves successful. This field is also located in the Corridor Block north of the city of Palembang.

Under a twenty-year production sharing contract recently approved by Pertamina, a commitment was made to spend U.S. \$10 million per year on exploration work for six years to explore undeveloped acreage in the Corridor Block.

In 1983, the company acquired a 25 percent interest, and became the operator of a 3.2 million-acre exploration territory in the Java Sea. Over the next three years, Bow Valley will invest U.S. \$22 million in association with others to explore this block. As a result of the growing success and interest in Southeast Asia, Bow Valley established an office in Jakarta in April 1983.

In addition, other opportunities in Indonesia are currently being actively considered. As one example, Bow Valley Resource Services, a subsidiary of Bow Valley Industries, is presently drilling in Indonesia as an independent contractor in association with Indonesian partners.

Singapore has been the location of a permanent Bow Valley office since 1976, although a smaller base had been established there in 1973 for exploration in Vietnam. Bow Valley first acquired an interest in offshore blocks in Vietnamese waters in 1973. After two dry wells were drilled in 1979, Bow Valley allowed the

leases to expire.

With the expanded facilities in Singapore, Bow Valley was able to expand operations in Southeast Asia, and look at many opportunities in other countries.

During the 1976 to 1980 period, Bow Valley acquired offshore properties in the Philippines, in association with Filipino and Australian companies, and these lands are currently being explored by other companies. In addition, interests in properties in eastern Australia were acquired during the same period, and those are also being explored by other parties. With the recent discoveries on the Australian northwest shelf, there may be opportunities for further activity.

Bow Valley continues to monitor developments in Thailand. It is also observing the scene for opportunities that may appear in the People's Republic of China.

In general, through continuity and perseverance, Bow Valley has met with success in Southeast Asia. Building on that success, Bow Valley has hired as many ASEAN nationals as possible for administration in Singapore and Jakarta as well as operations in other centres. Currently 13 salaried employees are on staff in Southeast Asia. Bow Valley is committed to investing in long term prospects, and ensuring that ASEAN nationals will have a good opportunity with the company in the future.

