

Anadarko chief executive Al Walker. Dated 2015, downloaded from company facebook page, February 2016. Photo: ANADARKO

# Anadarko's Walker upbeat on exploration future

Kathrine Schmidt

17 May 2017 19:14 GMT

Anadarko chief executive Al Walker has not given up on international exploration, but says companies have to be savvy about managing short-cycle and longer-cycle opportunities in their portfolios.

Over the long term, host countries aiming to attract oil and gas development will realise that their oil and gas opportunities will have to compete with the option of North American shale, Walker said. Given the need to attract global investment dollars, he predicts rents expected by governments will come down to match.

“As I look out to the next decade, I want option value through exploration... I’m very optimistic that exploration strategies can still work,” he told the annual conference of the Association of International Petroleum Negotiators (AIPN) in Houston.

“We as management just have to balance what we think is the right way to run the company for five to ten years, versus the demands the market puts on us” in the shorter term.

The US independent has continued to work through frontier exploration in places such as offshore Colombia and the Ivory Coast, even as it concentrates most of its capital on what it calls the “Three D’s” — the two onshore US plays of the Delaware and DJ, as well as deep-water with a focus on nearer-term opportunities like tiebacks in the US Gulf of Mexico.

While the company sees a flat market for natural gas, he expects the supply and demand equation in oil markets may swing back in favour of oil companies as inventories come down, given his view of global energy demand.

He added: “We’re going to need conventional oil.”

# Walker sees promise in international portfolio

Anadarko chief executive says companies must be savvy in managing short- and longer-cycle opportunities

Kathrine Schmidt

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Anadarko chief executive Al Walker has not given up on international exploration, but now says companies have to be savvy about managing short- and longer-cycle opportunities in their portfolios.

Over the long term, host countries aiming to attract oil and gas development will realise that their oil and gas opportunities will have to compete with North American shale, Walker reckons. Given the need to attract global investment dollars, he expects rents expected by governments will come down to match.

"As I look out to the next decade, I want option value through exploration... I'm very optimistic that exploration strategies can still work," he told the annual conference of the Association of International Petroleum Negotiators (AIPN) in Houston on Wednesday.



**Anadarko cheers new deep-water discoveries**

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Anadarko has engaged in frontier exploration in places like offshore Colombia and the Ivory Coast, even as it concentrates most of its capital on what it calls the "Three D's" – the two onshore US plays of the Delaware and DJ, as well as deep-water with a focus on nearer-term opportunities like tiebacks in the US Gulf of Mexico.

While the company sees a flat market for natural gas, Walker expects the supply and demand equation in oil markets may swing back in favour of oil companies as inventories come down as global demand picks up.

"We're going to need conventional oil," Walker said.

He also discussed potential innovations in technology in areas like automation, as well as the potential for innovations in subsurface processing to affect the exploratory sector.

"We have terabytes of data related to seismic. We might, on a really good day, use 5% of it," he said.

"If we ever could develop an algorithm that allowed our data scientists to look at our seismic data to be able to not just interpret the data, but have it be predictive of hydrocarbon phasing, this would be an entirely new industry, with whole new places in the world where we might think about exploring."

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