

Anglo-Dutch supermajor Shell is reportedly ending a \$700 million exploration push in Bosnia, citing a changed energy environment.

In 2011, Shell and the government of Bosnia's autonomous Bosniak-Croat Federation signed a memorandum of understanding (MOU) aimed at reaching a deal on a petroleum license, according to Reuters.

The memorandum was extended in 2013 and 2014 to enable the parties potentially to negotiate the license but "such negotiations have not started and the MOU expires" on 4 November, Shell said in a notice to the government seen by the news wire.

Shell said it would not seek to extend the deal further "following an internal portfolio review and in the light of the current oil and gas environment", Reuters reported.

The news comes after Shell earlier this week said it would abandon its search for Arctic oil off Alaska.

Shell's investment in Bosnia was due to range between \$300 million and \$700 million, depending on the number of drilling sites, the government had said earlier.

A Shell spokeswoman in Houston did not have an immediate comment.

The area awarded to Shell is thought to contain up to 500 million tonnes of oil reserves, Reuters said.

Shell said its decision was based on a global portfolio review and not on the potential of the area.

source: upstreamonline.com