

BSOG's Beacom says company has no war risk insurance for Black Sea gas projects

Black Sea Oil and Gas (BSOG) does not have war risk insurance for the Ana and Doina natural gas fields, which have recently started production, but the project moves forward, BSOG CEO Mark Beacom said on Tuesday.

He participated in a ceremony at Vadu, Constanta County, to mark the start of natural gas exploitation under the Midia project operated by BSOG. The first gas from these blocks entered the national grid on June 15.

According to Beacom, there is no war in Romania's economic zone, but there is an impact. Mines have been detected near the platform, there were warships around, planes flying over the platform. Serpent Island, he said, is not far away, and they have witnessed Crimean platforms being bombed and everything is so close. But he added the company will carry through its project.

Asked if the project is insured against such events, he said no. He said you can't have insurance when you're operating near a war, so the company has to take up the risks.

Asked if BSOG will drop the lawsuit filed against Romania over some provisions in the Offshore Drilling Law that are still in force, he replied that he has not yet made a decision.

In his turn, Gabriel Comanescu, CEO of Grup Servicii Petroliere (GSP), the company that built the project, pointed out that this is the largest infrastructure project carried out in Romania in the last 30 years.

"It was a complicated project. The first engineering works started in 2019, laying the pipeline on land and under the sea took 90 days, and training started a year before. The offshore platform has no human operators, there is only maintenance and emergency response," Comanescu said.

According to him, the BSOG project is a huge step forward towards reducing Romania's dependence on natural gas imports.

"It is a project made 95% by GSP. From my point of view, it is the largest infrastructure project of the last 30 years, a brand new, tailor-made one. It is made by our strength, made by a Romanian company. It's like we started with a Trabant and ended with a Mercedes S Class," added Comanescu.