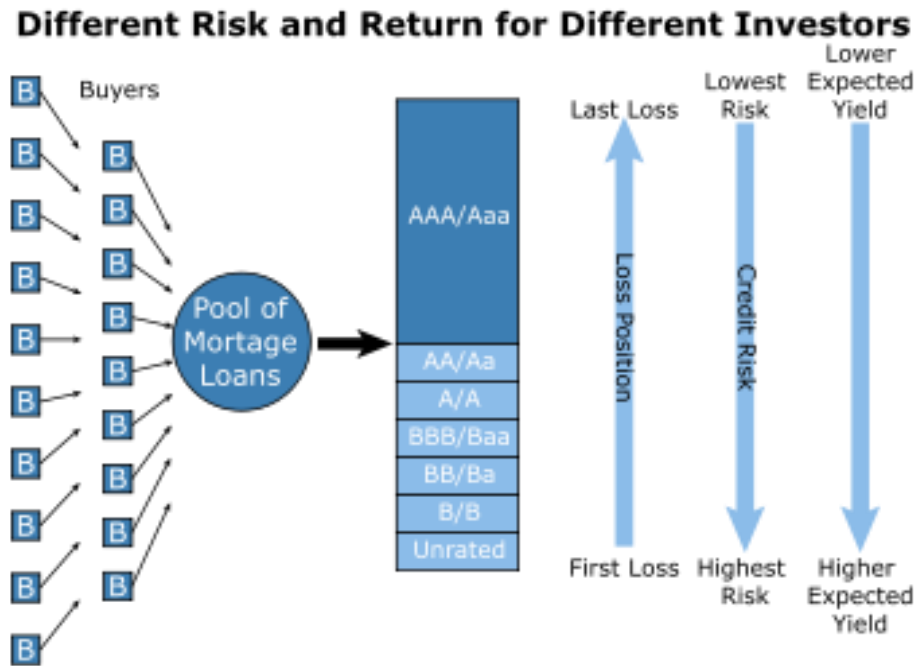


**Inglês I**  
**Época de Recurso**  
 31 January 2013  
 9h – 11h

**A. Writing** (13.5 points)

What is shown in figure 1? Explain the process and its role in the subprime crisis. (250-400) words.

Figure 1



Your text will be marked on content; discourse organisation; range and appropriacy of vocabulary and structures; and grammatical accuracy.

## B. Reading Comprehension (4.5 points)

Read the text, then answer the questions that follow.

### BP raises \$1bn from North Sea field sale

1. BP is to raise more than \$1bn through the sale of North Sea oil and gas assets to Taqa, Abu Dhabi's national energy group, bringing **the UK oil group** closer to its \$38bn asset disposal target set following the Deepwater Horizon disaster. The agreement extends Taqa's existing interests in the UK's North Sea and is the latest of a series of disposals in which state-controlled oil groups in the Middle East and Asia-Pacific have bought assets in the area from UK and other western operators.
 

In July, Chinese state-controlled oil group Sinopec struck a \$1.5bn deal with Talisman Energy to acquire a 49 per cent stake **in the Canadian-listed company's** assets in the UK sector of the North Sea. Other recent deals include an agreement between
10. EnQuest and Kuwait's national oil company in May to commit \$500m to fund the redevelopment of Britain's first producing, but now abandoned, North Sea oilfield. **That deal** involved the foreign investment arm of the Kuwait Petroleum Company acquiring a 35 per cent interest in the Alma and Galia oilfield developments at a cost of about £300m.
15. Carl Sheldon, chief executive of Taqa, said on Wednesday that **the \$1.06bn deal** would add 21,000 barrels of oil equivalent a day [boe/d] to its output and add 91m barrels to its reserve base, establishing the Abu Dhabi group "as a leading operator in the UK North Sea".
 

Mr Sheldon said Taqa already commanded output of about 45,000 boe/d after
20. enhancing output from fields acquired from Shell and ExxonMobil in 2008 for \$631m. He added that Taqa was keen to build on its expertise of extending the production of mature assets in the UK and elsewhere by exploiting smaller accumulations of oil and gas around existing infrastructure and, by using modern extraction techniques, extending the life of existing fields.
25. The sale to Taqa adds \$1bn to asset disposals negotiated by Bob Dudley, BP chief executive, since the Gulf of Mexico disaster 18 months ago, and brings the UK major within \$1bn of its \$38bn divestment target. In spite of the sell down of smaller projects and minority assets, BP has insisted that it remains committed to developing larger fields in the UK and Norwegian sectors of the North Sea. **These** include the \$4.5bn
30. Clair Ridge project west of Shetland. BP, which as operator holds a 29 per cent stake alongside its partners ConocoPhillips, Chevron and Shell, has described Clair Ridge as one of the group's biggest investments in the UK North Sea, which should continue producing oil until at least 2050.
 

North Sea assets recently sold include the sale in March of its southern North Sea
35. gas assets for \$400m to Perenco of France. Included in the latest deal is the sale to Taqa of an interest in the recently developed Devenick field in which BP holds an 89 per cent stake. Last month BP, along with minority partner RWE of Germany, announced the launch of full production at the Devenick that BP said would add 3 per cent to UK domestic gas output at an estimated development cost of £650m.

*The Financial Times*, 28 November 2012

Name: .....

Number: .....

**B. Reading comprehension** (cont.)

Write your answers on this page in the column marked **Answers**. [ e.g. 1 c)]

Choose the best answer to complete the sentence or to answer the question. (0.4 points each)

	Answers
1. The main purpose of the article is ... a) to explain why BP is selling some of its oil fields; b) to inform the public about recent changes in ownership in the oil industry; c) to warn the public that Middle Eastern companies and Asian companies are gaining greater control of North Sea oil fields.	1. <input style="width: 50px; height: 30px;" type="text"/>
2. Which statement is true? a) EnQuest has bought out the Alma and Galia oilfield developments; b) Britain stopped production of oil in the first field it ever exploited in the North Sea; c) The Kuwait Petroleum Company will invest about £300 in the redevelopment of the Alma and Galia oil fields.	2. <input style="width: 50px; height: 30px;" type="text"/>
3. What is implied about the reason why BP is selling some of its assets? a) It needs the money because of the Deepwater Horizon oil spill. b) It wants to restrict its operations to developing large fields in the North Sea. c) It is divesting itself of small unprofitable oil fields.	3. <input style="width: 50px; height: 30px;" type="text"/>
4. What does the chief executive of Taqa imply about Taqa's recent investments? a) They make Taqa a key player amongst companies that search for new oil fields in the North Sea. b) The purchase of BP's North Sea oil and gas assets will increase Taqa's oil production by a half. c) Taqa is used to working in older oil and gas fields whose production has declined.	4. <input style="width: 50px; height: 30px;" type="text"/>
5. Which statement is false? a) BP has sold its southern North Sea gas assets to a French firm. b) There has been speculation that BP might withdraw from oil operations in the North Sea. c) BP has sold its Devenick field to Taqua.	5. <input style="width: 50px; height: 30px;" type="text"/>
6. Oil production in the fields that Taqa bought from Shell and ExxonMobil in 2008 ... a) has declined over the last 4 years; b) has increased over the last 4 years; c) has remained constant over the last 4 years.	6. <input style="width: 50px; height: 30px;" type="text"/>
7. What is the general tone of the article? a) Positive and objective; b) Neutral and objective; c) Critical but objective.	7. <input style="width: 50px; height: 30px;" type="text"/>

What do the following reference items (highlighted in the text) refer to? (0.34 points each)

- 8. the UK oil group (line 2)
- 9. the Canadian-listed company (line 8)
- 10. That deal (lines 11-12)
- 11. the \$1.06bn deal (line15)
- 12. These (line 29)

**C. Vocabulary** (2 points)

Complete each sentence with an expression similar in meaning to the explanation in brackets. The first letter of the keyword is given to help you. You may need to add a preposition and you will need to conjugate verbs. (0.4 points each)

- 1. American self-confidence is back, consumers are spending, the stock market is *b*..... (rising and becoming prosperous)  
.....
- 2. The majority of adults have no problem obtaining credit, with just 3% of people claiming they cannot get a *l*....., research out today showed. (money borrowed)  
.....
- 3. The huge earnings enjoyed by the most successful *h*..... *f*..... was underlined today by a survey which found that the top 25 managers accrued over \$14bn (£7bn) between them last year. (funds, usually used by wealthy individuals and institutions, which are allowed to use aggressive strategies that are unavailable to mutual funds, including selling short, leverage, program trading, swaps, arbitrage, and derivatives)  
.....
- 4. British engineering firm Invensys is being stalked by international *r*..... considering a bid for the company which employs 8,000 people and is valued at £2.7bn. (firms that compete with your firm in the same market)  
.....
- 5. Housebuilders have largely shed the *d*..... acquired in the crash and become profitable again. (the amount of money owed)  
.....

**Inglês I**  
**Época de Recurso**  
31 January 2013

## **Answers**

### **A. Writing**

The process is securitization. It contributed to the subprime crisis because the Mortgage Backed Securities that underlay Collateralised Debt Obligations and many other derivatives relied on the mortgage repayments of subprime borrowers. When they stopped paying their mortgages, the derivatives lost value, became toxic and the whole system collapsed. Investment banks such as Lehman Brothers, who had dealt in this kind of derivative, went broke or made huge losses. Part of the problem was also that many other funds such as pension funds had invested in hedge funds that had bought these structured products.

A good answer will describe the process using impersonal language resources, e.g. past tenses, relational processes as well as appropriate vocabulary.

### **B. Reading Comprehension**

1. B
2. B
3. A
4. C
5. C
6. B
7. B
8. the UK oil group = BP
9. the Canadian-listed company = Talisman Energy
10. That deal = the agreement between EnQuest and Kuwait's national oil company in May to commit \$500m to fund the redevelopment of Britain's first producing, but now abandoned, North Sea oilfield.
11. the \$1.06bn deal = the sale of BP's North Sea oil and gas assets to Taqa
12. These = larger fields in the UK and Norwegian sectors of the North Sea

## C. Vocabulary

1. American self-confidence is back, consumers are spending, the stock market is *booming*.
2. The majority of adults have no problem obtaining credit, with just 3% of people claiming they cannot get a *loan*, research out today showed.
3. The huge earnings enjoyed by the most successful *hedge funds* was underlined today by a survey which found that the top 25 managers accrued over \$14bn (£7bn) between them last year.
4. British engineering firm Invensys is being stalked by international *rivals* considering a bid for the company which employs 8,000 people and is valued at £2.7bn.
5. Housebuilders have largely shed the *debts* acquired in the crash and become profitable again.