



EQUATORIAL GUINEA: OPPORTUNITIES FOR GAS DEVELOPMENT PROJECTS

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AGENDA

- **INTRODUCTION**
- **GAS POTENTIAL IN EQUATORIAL GUINEA**
- **EXISTING GAS DEVELOPMENT ACTIVITIES IN E.G.**
- **MANAGEMENT OF THE EXISTING GAS RESOURCES IN E.G.**
- **FUTURE PROJECTS**
- **ABOUT THE NATIONAL GAS COMPANY OF E.G., SONAGAS G.E.: ROLE AND PROJECTS.**

INTRODUCTION

THE DISCOVERY OF GAS RESERVES WHICH HAVE PROVED ECONOMICALLY VIABLE TO DEVELOP CONSTITUTES ONE OF THE POSITIVE BENEFITS ARISING FROM THE DEVELOPMENT OF THE HYDROCARBON SECTOR IN OUR COUNTRY



GAS POTENTIAL IN EQUATORIAL GUINEA

- **PROVED EXISTING GAS RESERVES IN EQUATORIAL GUINEA ARE ESTIMATED AT APPROXIMATELY 8.5 TCF , FROM THREE MAIN PRODUCING FIELDS (Zafiro, Alba and Ceiba).**
- **THE MAIN GAS PRODUCING FIELD IS THE ALBA FIELD THAT PROVIDES THE FOUNDATION FOR A WORLD-CLASS GAS PROCESSING BUSINESS.**

EXISTING GAS DEVELOPMENT ACTIVITIES IN E.G.

- **PRODUCTION FROM ALBA FIELD**
 - Liquefied Petroleum Gas: 20,000 Bbls/D
(Butane and Propane)
 - Methanol: 20,000 Bbls/D
 - LNG by 2007: 75,000 Bbls/D
- **POWER GENERATION (Current daily consumption
5.3 MMSCF/d)**
- **MODIFICATION OF FORMER GAS PROCESSING
INFRASTRUCTURE IN THE ALBA PLANT.**



MANAGEMENT OF THE EXISTING GAS RESOURCES IN E.G.

MARKETING AND EXPORTATION

Methanol:

- On stream May 2001
- Capacity 1 MM tons per year
- 3% of 33 MM ton global market
- Primary markets - US & Europe

MANAGEMENT OF THE EXISTING GAS RESOURCES IN E.G. (Cont.)

LPG:

- On stream since 1996.
- Upgraded 2003 - 2005; cost 360 mm US \$.
- Main processing product: Wet Gas
 - Butane 8,000 Bbls/d
 - Propane 14,000 Bbls/d
 - Secondary Condensate6,600Bbls/d
- Primary markets: US and Europe

MANAGEMENT OF THE EXISTING GAS RESOURCES IN E.G. (Cont.)

LNG

- **Construction in progress.**
- **\$1.4 billion EPC project.**
- **3.4 MTPA capacity - 17 year offtake agreement with BG Group.**
- **First equity energy investment by SONAGAS.**
- **First shipment planned 3Q 2007.**

FUTURE PROJECTS

- **DEVELOP EQUATORIAL GUINEA AS A REGIONAL GAS PROCESSING HUB.**
- **CONSTRUCT GAS GATHERING SYSTEM FROM NIGERIA AND CAMEROON TO EQUATORIAL GUINEA.**
- **CAPTURE GAS THAT IS CURRENTLY BEING FLARED IN THE GULF OF GUINEA TO BE USED IN THE NEW LNG PLANT AND LPG FACILITIES.**
- **BUILDING OF ADDITIONAL POWER PLANTS.**



**ABOUT THE NATIONAL GAS
COMPANY OF E.G. SONAGAS G.E.:
ROLE AND PROJECTS.**

SONAGAS G.E.

- **SONAGAS G.E., IS THE NATIONAL GAS COMPANY CREATED UNDER PRESIDENTIAL DECREE NUMBER 45/2005 DATED JANUARY 24. IT IS THE STATE'S REPRESENTATIVE IN ALL ACTIVITIES RELATED TO THE DEVELOPMENT OF NATURAL GAS RESOURCES.**
- **SONAGAS G.E. IS RESPONSIBLE FOR THE DIVERSIFICATION OF GAS AS AN ENERGY BASE AND FOR THE REVENUES DERIVED FROM GAS UTILIZATION.**
- **IT PROMOTES OPORTUNITIES FOR THE DEVELOPMENT OF GAS PROJECTS THROUGHOUT THE COUNTRY, BUT IS ALSO ALLOWED TO PARTICIPATE IN PROJECTS OUTSIDE OF E.G.**

REASON FOR THE CREATION OF SONAGAS, G.E

- **DUE TO THE SURGE WORLDWIDE IN THE DEMAND FOR GAS, AND THE NEED TO REDUCED GAS-FLARING IN PRODUCTIVE FIELDS, THE NATIONAL GOVERNMENT CREAT SONAGAS AS A COMPANY IN RESPONSE TO THE LARGE RESERVOIRS OF HYDROCARBON GASES NATIONWIDE WHICH NEED TO BE EXPLOIT ECONOMICALLY AND PROFITABLE.**

OBJECTIVES

- **DESIGN, CREATE AND OPERATE, AS WELL AS CONTINUOUSLY EVALUATE ANY GENERAL PROCESSING, MARKETING AND EXPLOITATION PROGRAMS IN THE SUBSOIL OF THE REPUBLIC OF EQUATORIAL GUINEA.**
- **SERVE AS AN AGENT OF THE GOVERNMENT IN ORDER TO REVERT TO THE STATE ANY BENEFITS OBTAINED FROM GAS MARKETING AND PROCESSING.**
- **UNDERTAKE, EITHER INDIVIDUALLY OR IN PARTNERSHIP WITH OTHER ENTITIES, WITHIN OR OUTSIDE THE NATIONAL TERRITORY, ANY RELEVANT ACTIVITIES BY NATURE AND ESPECIALLY ANY GAS PROCESSING, MARKETING, BOTTLING AND REFINERING ACTIVITIES.**



PROJECTS INVOLVED

**SONAGAS G.E. REPRESENTS THE STATE IN
THE FOLLOWING INDUSTRIES AND
ACTIVITIES:**

METHANOL PRODUCTION

PARTNERS AND INTEREST:

- **MARATHON: 45%**
- **NOBLE: 45%**
- **SONAGAS G.E.: 10%**



LPG PRODUCTION (Butane and Propane)

PARTNERS AND INTEREST:

- MARATHON: 40%
- NOBLE: 40%
- SONAGAS G.E: 20%



E.G. LNG (Train 1)

PARTNERS AND INTEREST:

- **MARATHON: 60%**
- **SONAGAS: 25%**
- **MITSUI: 8,5%**
- **MARUBENI: 6,5%**

**INITIAL PRODUCTION:
MAY – JUNE 2007**



GEOGAM

(LOCAL COMPANY FOR THE DISTRIBUTION OF LPG)

- **INTEREST 25%**



THANK YOU VERY MUCH