

Gas development: Nigeria targets 300tncf in 10 years

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The Federal Government hopes to increase Nigeria's gas reserves to at least 300 trillion cubic feet in the next 10 years.

The revelation came from the Executive Director, Exploration and Production, Nigerian National Petroleum Corporation, Mr. Chris Ogiemwonyi, during a recent visit to key ministers in the Iranian Ministry of Petroleum, in Tehran.

The minister was quoted as saying that although the nation had not commenced gas exploration in full, it was optimistic of achieving the target in view of the numerous ongoing gas development projects Nigeria had embarked on.

He said the project had been given a boost with the signing of the Gas Master Plan by President Umaru Yar'Adua, in line with the gas monetisation policy, which seeks for Nigeria to derive as much revenue from gas as from oil.

Ogiemwonyi said, "Our gas reserve is about 180tncf, but very soon, when we go into specific explorations, we hope to achieve twice that amount and rank close to Iran in gas reserves. "We hope to achieve 300tncf when we commence gas exploration in full and earn as much revenue from gas as we do from oil."

He said the country's confidence of achieving the new target was reinforced by the five liquefied natural gas projects, in addition to the West African Gas Pipeline and the Trans-Sahara Gas Pipeline projects.

Ogiemwonyi noted that while these projects have high export potential, especially as the Nigeria LNG in Train 7, with Brass LNG to come on stream

in 2015 and Olokola in 2016, government was interested in “establishing parity between the export and domestic markets.”

He added, “In the last 15 years, we have concentrated so much on the export market, that is why we have now asked the international oil companies to devote some of the gas to the domestic market.”

He told his hosts that he was leading a delegation of NNPC to inspect the capacity of the Iranian Offshore Engineering Company to deliver on its joint venture projects with an indigenous oil and gas firm, the Chrome Group.

He said such a partnership would not only help Nigeria to learn from the Iranian experience in terms of self sufficiency, but also help to develop local capacity in the industry, which government hoped would peak at 70 per cent by 2010.

He stated that in view of the new gas monetisation policy, opportunities abounded for companies like IEOC to take advantage of these and invest in gas-to-power, gas piping, pipeline laying and gas gathering among others.

Ogiemwonyi said such investments would assist Nigeria in eliminating routine flaring in the process of oil exploration, adding that among countries with high oil and gas reserves, Nigeria also faced the challenge of high flaring rate, which he put at 36 per cent currently.

The NNPC delegate explained that this was one of the reasons the government was reducing its dependence on the IOCs, and looking for other partners that would assist it to achieve the new gas reserves target and boost local content development.

According to him, “Our coming is to look at the various value chains from the upstream, midstream and the downstream, and look for partners that will help us to add value instead of wasting our resources through gas flaring.”

In a statement from the Chrome Group, the Technical Director, Mr. Adebajji Babarinde, said the indigenous firm had signed an exclusive Memorandum of Understanding with IEOC on gas pipeline laying in Nigeria.

He said the partners had already started working on a project, the 107-kilometre Adanga Calabar Gas Pipeline, which would supply gas to the National Integrated Power Plants in the Niger Delta, and were looking forward to working on more projects. The Iranian Deputy Minister, International Affairs, Ministry of Petroleum, Mr. Noghrehkar Shirazi, expressed confidence in the IOEC's ability to deliver on projects, saying that the group was an expert in gas pipe laying with 10 years experience and topped the list of other Iranian firms in that area.