RECENT DEVELOPMENTS AND BUILDING LOCAL CONTENT IN EQUATORIAL GUINEA

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MAJOR INVESTORS IN EQUATORIAL GUINEA

Upstream Producers
- ExxonMobil
- Amerada Hess
- Marathon

Upstream Explorers
- ExxonMobil
- Marathon
- ChevronTexaco
- Petronas
- RocOil
- Atlas
- Fruitex
- Devon
- Noble
- PetroSA
- Ophir Energy
- CNOOC

Downstream
- LPG – Alba LLC
- Methanol - Ampco
- LNG – EGLNG
- Retail - Total

Estimated Capital Investment 2002-2005 ~ $8 billion
RECENT PRODUCTION SHARING CONTRACTS

BLOCK R: OPHIR ENERGY

BLOCK S: CNOOC
Ministry of Mines, Industry and Energy

EQUATORIAL GUINEA

ALBA FIELD
Up to 900 mmcfd
Up to 68,000 bcpd

ZAFIRO FIELD
245,000,000bopd
220mmcfd

CEIBA FIELD
40,000bopd
20mmcfd

NBG DEVELOPMENT
60,000bopd, 2007

PRODUCTION SITUATION 2006
Annual Oil Production Growth

Average Daily Production in kbpd

YEAR


0 50 100 150 200 250 300 350 400 450

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The Equatorial Guinea Solution: Gas Utilisation

- Zafiro: EGLNG
- Ceiba / Okume Complex: Power Generation
- Block O: EGLNG
- Block P: LPG / Power Generation

- Government policy is to eliminate flaring within the next three years
FLARING IN THE GULF OF GUINEA
OPPORTUNITY FOR FLARING REDUCTION

MAIN FLARE CENTERS:
- NIGERIA: 700 BCF/Y
- CAMEROON: 45 BCF/Y
- EQUATORIAL GUINEA: 70 BCF/Y
Value proposition:

- Monetize otherwise flared or injected gas
- Capture Area: 100 – 160 km around Punta Europa
- Start up: Third quarter 2007
- Additional value: Monetize Stranded Gas

Requirements:

- Regional Governments agreements on:
  - Cross Border Exports
  - Appropriate legal and fiscal regulatory framework
INVESTMENT OPPORTUNITIES

- EGLNG TRAIN 2
- ENERGY SECTOR
- MINERALS SECTOR
State investment in infrastructure.....

LUBA PORT DEVELOPMENT

EQUATORIAL GUINEA
Ministry of Mines, Industry and Energy
State investment in infrastructure.....
State investment in infrastructure.....

NEW BATA-MONGOMO ROAD
State investment in infrastructure.....

New Malabo Air Terminal 2002

New Malabo Air Terminal 2003
State investment in infrastructure.....

NEW BATA AIR TERMINAL 2004

2002

2004
State investment in infrastructure.....

OFFICE AND APARTAMENTS CONSTRUCTION
State investment in infrastructure.....

HOTEL CONSTRUCTION
State investment in infrastructure.....

SOCIAL HOUSING CONSTRUCTION
GOVERNMENT ACTION

Government Action:
• Social Sector Reforms
• Health Sector Investment
• Education and Training
BUILDING LOCAL CONTENT

SEPTEMBER 2004: FIRST FORUM ON NATIONAL CONTENT IN THE PETROLEUM INDUSTRY OF EQUATORIAL GUINEA

Recommendations:

Transfer of Technology to State Companies (GEPetrol and SONAGAS)

Formation of National Institute of Technology
CREATION OF THE NATIONAL INSTITUTE OF TECHNOLOGY
Ministry of Mines, Industry and Energy

EQUATORIAL GUINEA
Licence Map showing exploration wells, February 2006

2006 LICENSING ROUND
ALL OPEN ACREAGE AVAILABLE

EQUATORIAL GUINEA
Ministry of Mines, Industry and Energy
Recommendations

1. Doors are open for all Oil Companies with the good intention to invest in Equatorial Guinea and, of course, GEPetrol is willing to work together helping in great amount for the success of those Companies.

2. I would like to conclude this report inviting all companies in order to participate in our Licensing Round at the end of this year, 2006.
Thank you very much for your attention.