

East Africa is a new frontier for gas

East Africa has emerged as the new frontier for natural gas production, boosted by offshore discoveries in Mozambique, Tanzania and Madagascar, an Ernst & Young report says.

According to the audit firm's report, the most recent developments in the African natural gas sector have been in East Africa.

In the last five years, energy firms including Italy's ENI and US group Anadarko Petroleum have reported several large-scale offshore gas finds in northern Mozambique's Rovuma basin and Mamba fields.

Recoverable gas reserves in Rovuma are estimated at three trillion cubic meters, the report said.

In Tanzania, BG Group, Ophir Energy, Statoil and ExxonMobil have all found major gas deposits. The report described east Africa as the "next epicentre" for global natural gas.

"With the huge discoveries offshore particularly in Mozambique and Tanzania, the future of African gas is expected to shift eastward according to the report.

Gas production in Africa since 2000 has been growing by about four percent a year, with exports destined for Asian markets.

"African gas production reached about 203 bcm (billion cubic metres) in 2011, with production led by Algeria, Egypt and Nigeria, collectively accounting for more than 88% of the continent's total," the report claimed.

The report noted that untapped shale gas resources in South Africa have been the focus of a controversial debate with environmentalists opposed to exploration of the semi-arid Karoo.

This prompted government to impose a moratorium on hydraulic fracturing but the ban was lifted last month.

Source: *AFP* via I-NET Bridge