

Tanzania opens talks on construction of natural gas processing plant

Written by Administrator

Tuesday, 20 September 2016 12:19 -



Tanzania is in talks with six oil companies on the construction of a natural gas processing plant in the country.

The Ministry of Energy held consultations with the six companies namely; Statoil ASA, ExxonMobil, BG Group, Royal Dutch Shell Plc, Ohir Energy Plc and Pavilion Energy Pte Ltd as well as Tanzania Petroleum Development Corporation (TPDC), Petroleum Upstream Regulatory Authority (Pura) and Tanzania Electric Supply Company (Tanesco) ahead of a stakeholders' meeting which is set for the end of November.

Initial talks which were held in September this year at the Ministry of Energy offices in Tanzania involved discussions on how the firms would execute the project mutually and how the different production sharing agreements would be harmonized and also introducing a new Petroleum Act that came into effect last year.

Apart from that, the government and oil firms talked about the modalities of the commercial production of natural gas reserves which are estimated to be 57 trillion cubic feet discovered offshore in the southern Tanzania region only for domestic use and export to Asia.

Energy Minister Sospeter Muhongo pointed out that Tanzania was very enthusiastic to see gas contribute to the expansion of other sectors in the country like power generation and fertiliser production.

"We would like natural gas to be one of the key drivers of economic growth in Tanzania. We can use natural gas to manufacture fertiliser, generate electricity and also earn foreign exchange by exporting LNG (liquefied natural gas)," said Mr. Muhongo.

Tanzania opens talks on construction of natural gas processing plant

Written by Administrator

Tuesday, 20 September 2016 12:19 -

The gas liquefier and the export terminal are projected to be constructed at Likong'o in Lindi at a cost of US\$ 30bn. It will have two processing units (trains) each with a capacity of 5 million tonnes per year.

The investment decision has so far been delayed since 2014. In July 2015, Tanzania's parliament passed the Petroleum Act.