

GAIL shortlisted to bid for Ethiopian gas blocks

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State-owned gas utility GAIL has been shortlisted by the Ethiopian government to participate in the bidding process for two gas fields, even as the company tied up with one company each from Australia and Sweden for cooperation in extracting coalbed methane in India, Australia and third countries.

For the Ethiopian venture, GAIL is partnering Gujarat State Petroleum Corporation for Calub and Hilala gasfields in the Ogaden onland basin.

The two fields are estimated to contain about 4 tcf (trillion cubic feet) of gas. Preliminary data shows that further exploration will enhance the reserves.

The last date for submission of bids is June 10. The two gasfields on offer are remotely located, and therefore, commercial exploitation of gas reserves would need setting up of gas processing facilities and a long-distance gas pipeline to reach the potential markets.

For coalbed methane, GAIL has signed a MoU with Arrow Energy of Australia and Energy Infrastructure Group of Sweden. Arrow Energy is an experienced CBM player in Australia holding substantial acreages.

As a first step towards this cooperation framework, GAIL is exploring the possibility of its participation in CBM blocks of Arrow in eastern Australia which are different stages of exploration, appraisal and development.

GAIL has already received an offer from Arrow for joint participation in CBM projects in eastern Australia. GAIL is evaluating different mechanisms, including setting up a special purpose vehicle (SPV) along with Arrow for CBM projects in Australia.

GAIL has shown its interest to participate across the entire chain, i.e, from source to market, covering exploration & production, processing and transmission and marketing of CBM alongwith Arrow, to make it as an integrated and sizeable project.

The government has recently announced the third round of coal bed methane, where 10 blocks are under offer. GAIL intends to participate in the bidding round with technically competent CBM partners.

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