

CHINESE OIL FIRM TO UNDERTAKE SEISMIC SURVEY IN EAST ETHIOPIA

May 11, 2006

Xinhua (New China News Agency)

Addis Ababa, 11 May: The Chinese oil firm, Zhongyuan Petroleum Exploration Bureau (ZPEB), is to start undertaking seismic survey in east Ethiopia's Ogaden basin next month, the management said Thursday [11 May].

ZPEB and the Malaysian oil giant Petronas have agreed on the petroleum exploration project to be launched in the Ogaden basin next month, said Li Jianjun, chief representative of ZPEB's Ethiopia office.

ZPEB is contracted by Petronas, which was awarded three blocks in the Ogaden basin. The three blocks in the Ogaden basin are located in the Fer Fer, Warder and Genale localities. The total area covers about 93,000 sq km.

The Chinese firm will at first start undertaking the seismic survey in the Genale locality, some 1200 km east of the capital Addis Ababa, Li said.

ZPEB conducted the well completion work in the Calub gas field in the Ogaden basin. In 1998, ZPEB was contracted by the Ethiopian government and made eight gas wells in Calub ready for production. The company was paid 5.6 million US dollars for the job.

According to geological data, Ogaden and other four sedimentary basins in Ethiopia are endowed with oil and natural gas. The country's current natural gas reserves are estimated to be 24 million cubic meters.