

## **Petronas in Ethiopia gas ventures**

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PETROLIAM National Bhd (Petronas) and Ethiopia's Energy Ministry have signed two production-sharing agreements (PSAs) to develop natural gas reserves in the Calub and Hilala localities in the Somali Regional State.

A Petronas spokesman said the parties signed the PSAs last month: one for the development of Calub and Hilala gas fields; and the other for blocks B11 and B15.

However, the spokesman declined to elaborate on the potential of the fields as well as Petronas' development plan, saying it was too preliminary.

News reports from Africa said both Petronas and Ethiopia signed the deals in Kuala Lumpur. Petronas was represented by its president and chief executive officer Tan Sri Mohd Hassan Marican, while Ethiopia was represented by Minister Alemayehu Tegenu.

According to an AllAfrica online report, Petronas won the tender for the gas fields a year ago.

In July 2006, Ethiopia sent an award letter to Petronas, and since then, the parties have been negotiating the details of the project.

Petronas has also secured two exploration blocks - B11 and B15 - in the Ogaden basin. These blocks are found within the vicinity of the Calub and Hilala gas fields.

According to the report, Petronas plans to build a gas processing plant and a gas pipeline that stretches from the gas fields to a seaport.

The Calub and Hilala natural gas fields are located 1,200km south-east of Addis Ababa, while the total area of the gasfields is 285 sq km.

According to the report, the gas reserve, estimated at 113 billion cu m, was first discovered by an American company, Tenneco in 1972. Later, the reserve gas was confirmed by the Soviet Petroleum Exploration Expedition. Ten wells were drilled in Calub and four in Hilala.