

Press Release

Oil and gas in Africa: New IOGP indicators highlight declining export potential

FOR IMMEDIATE RELEASE

(London, 15 May 2018) As African prosperity grows, so does demand for oil and gas. While the region can still export about half of its oil production of 8 million barrels per day, this is significantly less than a decade ago, when Africa was able to export 70% of its production. Regarding gas, African production has plateaued in the past decade, while demand has increased by 50%. Exports are now down to one third of production.

Those are the main messages concerning Africa in a new *IOGP Global Production Report 2018* that looks at the world's seven main production areas. IOGP compiled the report using the latest *BP Statistical Review of World Energy* and insights from IOGP members from around the world.

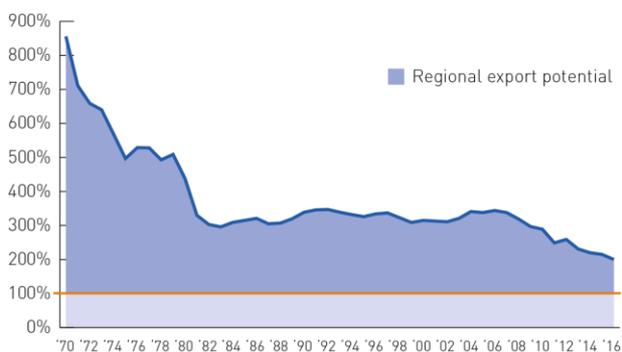
The report highlights the need for investment in responsible and sustainable oil and gas development that focuses on maximizing available energy while minimizing emissions to the atmosphere.

As IOGP Executive Director Gordon Ballard explains, “*The new IOGP Global Production Report 2018 launches an innovative way of interpreting existing data. It features the **IOGP Production Indicator**®, which balances a region's production of oil or gas against its indigenous demand.*”

A Production Indicator above 100% demonstrates the ability to export; below 100% shows the need to import.

A rapid decline in self-sufficiency

Oil: Production Indicator 1970-2016



Source: BP Statistical Review of World Energy 2017 and IOGP calculations

Africa's **PRODUCTION INDICATOR FOR OIL**

is down to

200%



While Africa can still export half of its production, this is a significant decline from just a decade ago

The graphic above shows Africa's Oil Production Indicator is now down to 200%. While Africa can still export half of its production, this is a significant decline from just a decade ago.

Yet there is significant potential for renewed growth, particularly in:

- Egypt, Africa's largest non-OPEC producer
- Morocco, where a more favourable fiscal regime could encourage investment in exploration and production
- Senegal, with significant offshore discoveries in recent years
- Uganda, which hopes to attract investment to explore the largest onshore sub-Saharan oil finds in decades

"If all of this potential is realized, it would have a positive impact on meeting Africa's growing indigenous demand as well as raising export opportunities," Gordon says.

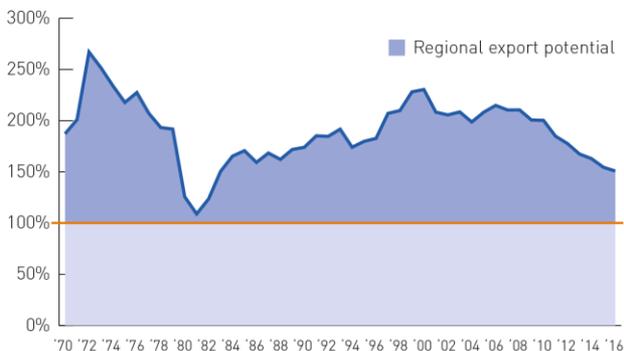
Sizeable gas reserves

Africa holds more than 500 trillion cubic feet of proven gas reserves, with three main producers: Algeria, Egypt and Nigeria.

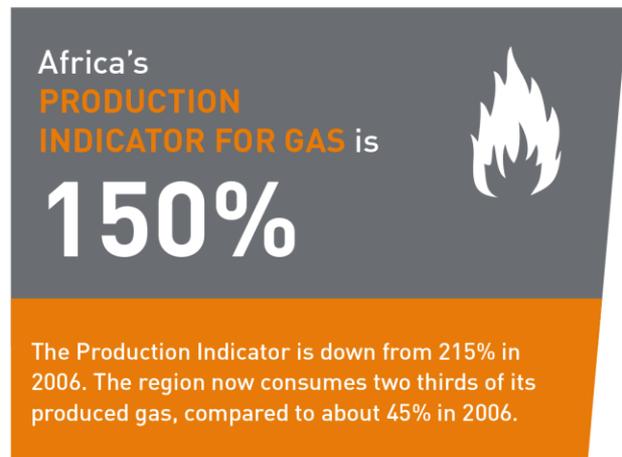
While production remains flat, indigenous demand for African gas continues to rise. As a result, the IOGP Production Indicator for gas is down to 150%, meaning that Africa now consumes about two thirds of its produced gas. In 2006, the region consumed only 45% of its own gas. This development is illustrated below.

Quickly falling export potential

Gas: Production Indicator 1970-2016



Source: BP Statistical Review of World Energy 2017 and IOGP calculations



Commenting on the future of gas in Africa, Antonio Vella, Chief Upstream Officer of Eni, says: *"As the largest oil and gas investor in the continent, ENI is producing gas across the region: from Ghana to Egypt from Congo to Mozambique, where offshore resources are very promising."*

In particular, he adds, *"The whole of West Africa is an area of interest for gas exploration and production. Gas is giving Africa a valuable opportunity to support economic growth by building a more sustainable energy mix. It can effectively help bring energy to the many people who still lack basic access to it, while triggering a real industrial development."*

To get a copy of the full *IOGP Global Production Report 2018*, which also applies the IOGP PI to oil and gas in Europe, Asia Pacific, the CIS, the Middle East, North America and Central & South America, visit: <https://www.iogp.org/production-report-2018/>

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About IOGP

The International Association of Oil & Gas Producers (IOGP) is the voice of the global upstream industry. Oil and gas continue to provide a significant proportion of the world's energy to meet growing demands for heat, light and transport.

Our Members produce 40% of the world's oil and gas. They operate in all producing regions: The Americas, Africa, Europe, the Middle East, the Caspian, Asia and Australia.

We serve industry regulators as a global partner for improving safety, environmental and social performance. We also act as a uniquely upstream forum in which our members identify and share knowledge and good practices to achieve improvements in health, safety, the environment, security, efficiency and social responsibility.