



# OVERVIEW OF VIETNAM GAS DEVELOPMENT

Petrovietnam

Vietnam Petroleum Institute

*Chengdu, September 2009*



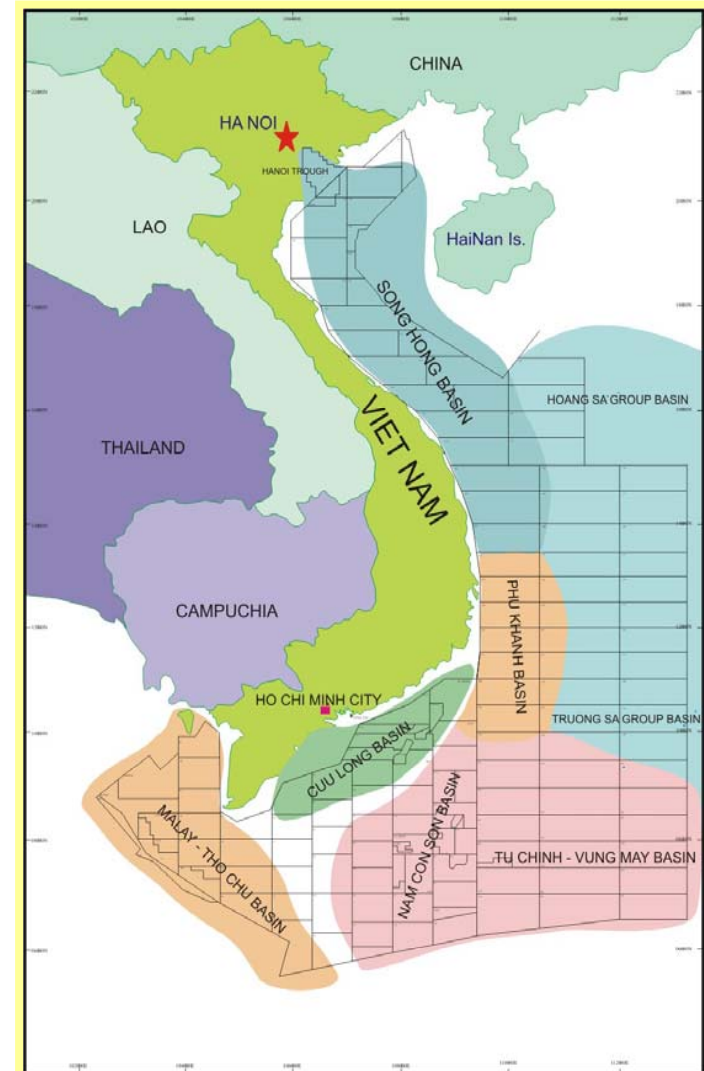
# CONTENTS

- Reserves and Production
- Infrastructure and Downstream
- Issues and solutions
- Conclusions



# Reserves

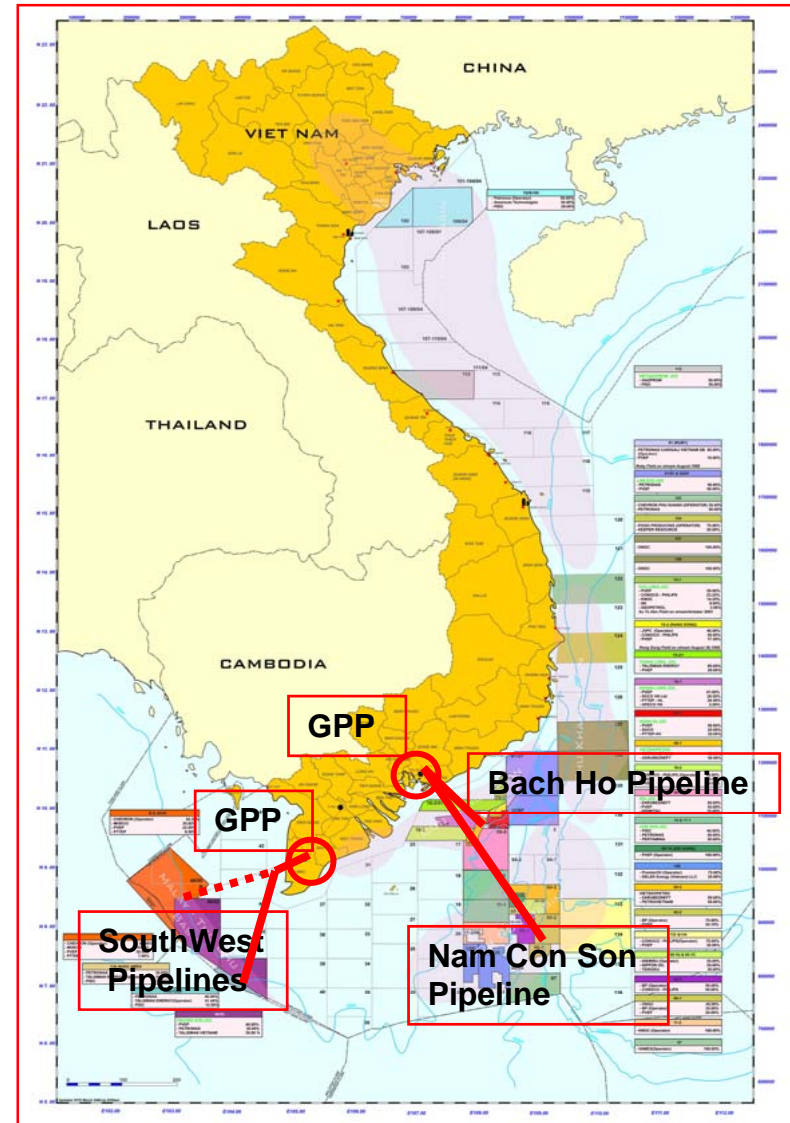
- Total Natural Gas Reserves: 0.2 Tcm (as of 2007)
- Offshore locations
- High CO<sub>2</sub> content of some fields





# Development History

- Since early 1970s: began offshore investigation & exploration activities
- 1981: 1st natural gas exploitation from a small onshore gas field.
- In mid 1990s: associated gas was transported onshore (~1.0 bcma).
- Early 2000s: natural gas was produced. Production gradually increases to ~8.0 bcma in 2009.
- In 2004, associated gas gathering from Rang Dong oil field was certified as a CDM project.



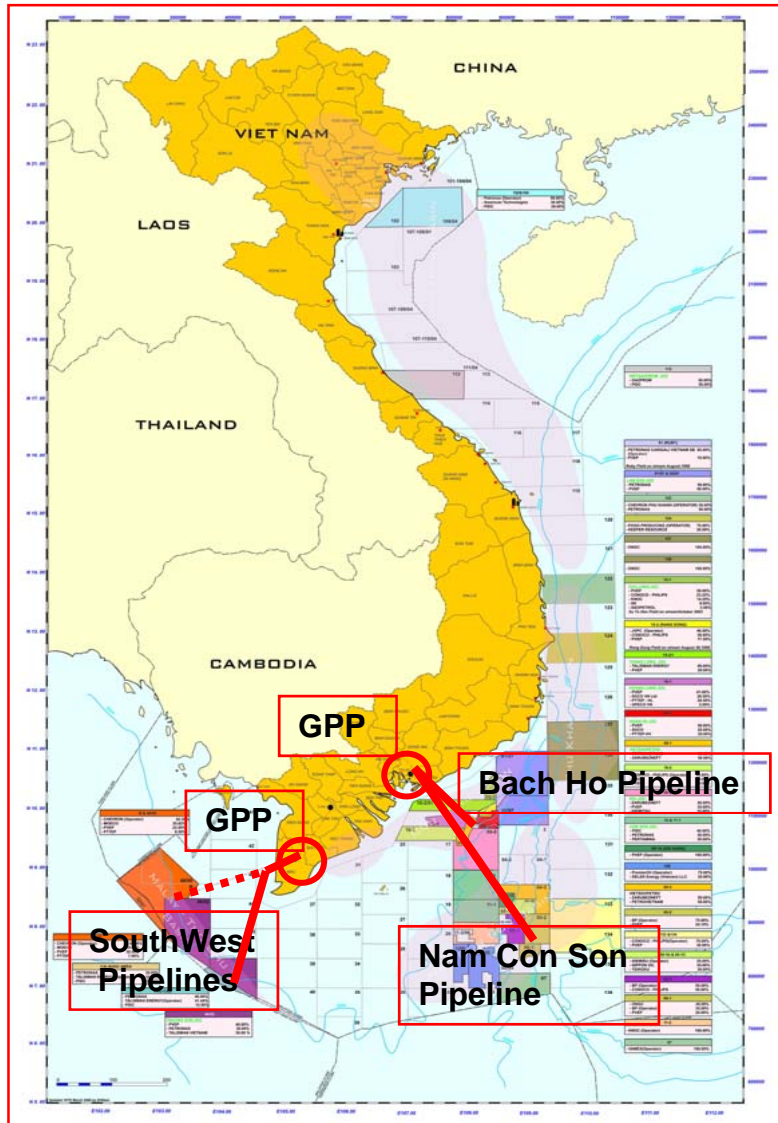


# Production Characteristics

- High demands for gas: 88% for power generation, 7% for fertilizer, 5% for others
- Seasonal change of gas utilization
- Associated gas takes big share
- Unfavorable conditions for new field exploration and development



# Infrastructure & Downstream



**Bach Ho Gas PL: (1997)100 bcf/year**

**Nam Con Son Gas PL: (2002)**

- 250 bcf/year
- 10 power plants
- 1 Fertilizer plant

**South-West Gas Project: (2014)**

- >500 km pipeline
- 9 power plants
- Fertilizer plant



# Market model & gas pricing

- PetroVietnam is the single buyer of gas from all PSC contractors to resell to consumers in VN
- Gas pricing for the majority of existing contracted gas supply is on the cost plus basis: different prices for different gas sources
- Low gas prices for power generation (3 – 4 USD/MMBTU) and fertilizer production (< 2.5 USD/MMBTU)



# Issues and solutions

- To 2025, gas demand is 20 bcma
- Big challenge for E&P
- Further develop the infrastructure
- Attract investment & advanced technology to speed up E&P activities
- Connect to regional pipelines to import gas





# Conclusions

- High Gas Reserve potential
- Not big proven reserves
- Difficult conditions for new field production
- High gas demand
- Moving toward attractive market & gas price



**THANKS FOR YOUR  
ATTENTION!**