

ENERGY COUNTRY REVIEW

Gabon

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Country Review Gabon

One of the continent's most stable countries, Gabon is an upper-middle income country with per capita income four times the sub-Saharan African average (Oxford Business Group: The Report – Gabon 2010) and Central Africa's only tradable Eurobond. According to Standard Chartered (On The Ground 20.10.10 – Gabon, Diversification Needed) , Gabon has better development and governance indicators than any other oil producing country in sub-Saharan Africa.

Since taking office in October 2009, Gabon's President Ali Bongo Ondimba has started to implement important political and economic reforms to transform Gabon into a newly developed country by 2025, strengthening and diversifying the economy around three pillars:

- Gabon Vert (Green Gabon) to sustainably develop the country's natural resources: 22 million ha of forest, 1 million ha of arable land, 13 national parks, 800 km of coastline;
- Gabon Industriel (Industry Gabon) to develop local processing of primary materials, export of high value-added products;
- Gabon des Services (Services Gabon) to develop the Gabonese workforce to become a regional leader in financial services, ICT, green growth, tertiary education and health.

Country Key Facts

Official name:	République Gabonaise
Capital:	Libreville
Population:	1 744 776 (2016)
Area:	103,347 mi ² (267,745 km ²)
Form of government:	Republic
Language:	French, Fang
Religions:	Christian, indigenous beliefs
Currency:	Central African CFA franc
Calling code:	+241

Production & Reserves

Oil Reserves (2015 year-end):	2.0 billion barrels
Oil Production (2015)::	233,000 bpd

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History

Gabon (the Gabonese Republic) lies north and south of the equator and borders Equatorial Guinea and Cameroon (north), Congo-Brazzaville (east and south), and the Gulf of Guinea in the Atlantic Ocean (west).

Early Baka (pygmy) tribes were replaced by Bantus migrating to the area in the 14th century. The region was visited by the Portuguese in the late 15th century and other Europeans (mostly trading in slaves) in the 16th century but there was little contact with inland tribesmen who formed a kingdom known as Orungu in Gabon. In 1839 France established a protectorate along the coast under treaties with coastal chiefs. Captives released from an illegal slave ship founded Libreville near an American mission at the mouth of the Komo River in 1849.

France expanded its control from 1862, occupying the country in 1885, however, it did not administer until 1903. In 1910 Gabon became one of 4 territories of French Equatorial Africa all of which gained independence in 1960. After a coup in 1964 the country achieved stability, reforming, and introducing a multi-party system in the 1990s. Oil production and investment have made Gabon, with its low population, relatively wealthy, although significant parts of the population remain poor.

Geography

Gabon on the Atlantic coast of central Africa has 3 regions. Its coastal plains, extending between 20 and 300 kms from the shore, are forested and contain patches of mangroves in the north.

Inland highlands of the Cristal Mountains lie northeast of Libreville with the Chaillu Massif in the centre. In the east is a large area of African savanna. Gabon also has several karst areas in dolomite and limestones.

Oil production began onshore Gabon in 1957 after which the number of fields rapidly increased. Production from the onshore area again rose significantly in 1989 when the Rabi/Kounga field came onstream. However, onshore oil production is now in steady decline.

The offshore part of the Gabon Basin began producing in 1962 and had reached a peak by 1977, roughly matching that of onshore. This area is now also declining with deep

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water drilling turning up few new prospects. Some pre-salt potential may be present in both shallow and deep waters, however, Gabon lacks the large areas of deep water basin geology characteristic of neighbouring countries. Redevelopment of older fields cannot sustain output.

Most associated gas is flared or re-injected but onshore marketed production is forecast by GlobalShift to start increasing as new local markets are established.

Oil industry

Gabon has long been dependent on oil and gas as its main source of revenue. The country is presently the third largest producer of oil in Africa and has about 30 oilfields in production. Gabon is mindful of the limited lifespan of this resource, and is keen to pursue the pro-active and sustainable development of other sources of natural wealth.

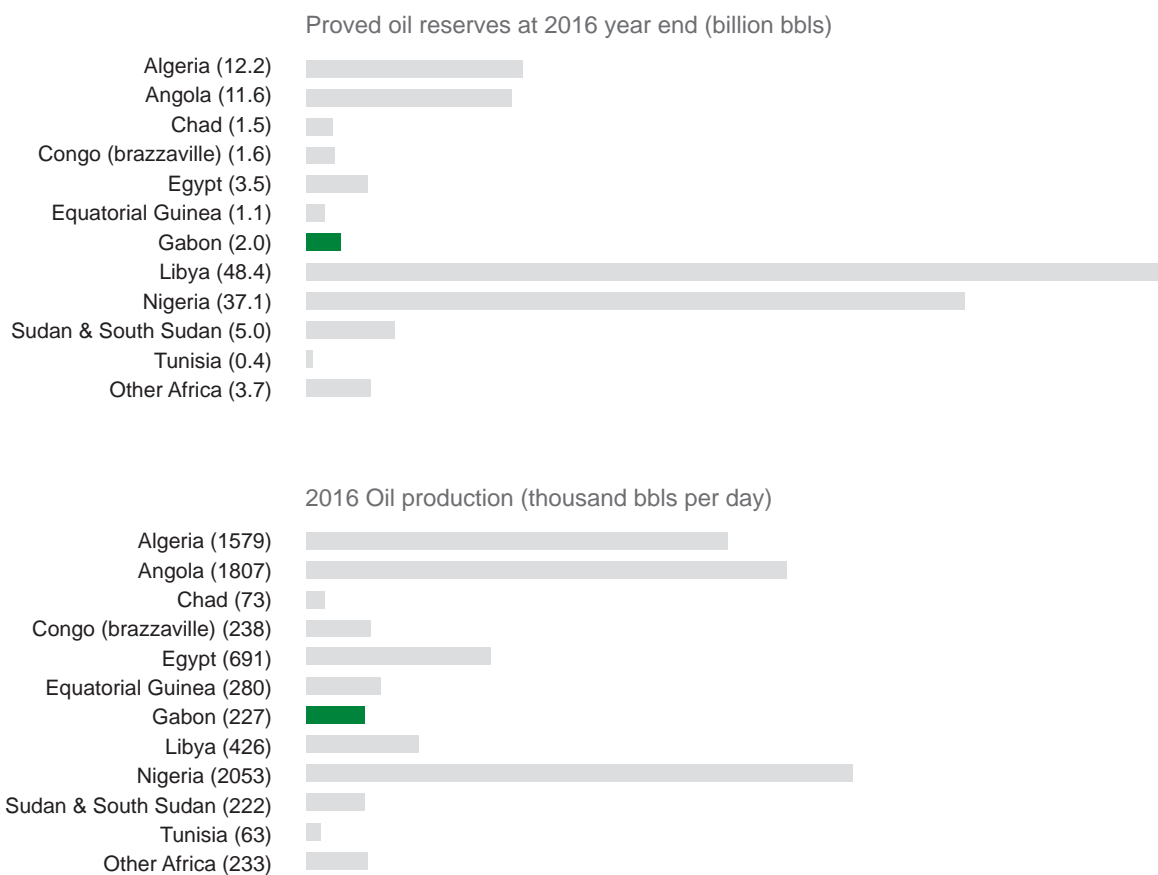
The Gabonese Government, at the end of October 2013, launched its bidding round for new oil blocks, representing a total area of 108,000 km² in offshore deep and very deep reserves, attracting not only traditional Gabon oil and gas players like Total, Shell, Perenco, Eni and Ophir but also new potential entrants like Exxon, Noble, Cobalt, Marathon Oil, Petronas, Repsol, Elenito and Impact. Eight new production sharing contracts have already been signed with Marathon, Petronas, Repsol, Noble and Woodside, Impact Oil & Gas and two others later in October with Ophir. They are all working on their exploration programs. A new code of hydrocarbons was promulgated on 28 August 2014 and a few production sharing contracts are in negotiations since the reduction of oil prices from the end of 2014. New oil and gas discoveries have been made in 2014 by notably Perenco, Vaalco and ENI in conventional domain while Shell and CNOOC declared a gas discovery in deep waters offshore in October 2014.

Major current oil operators in the upstream industry include Total Gabon, Shell Gabon, Perenco Oil & Gas Gabon, Addax Petroleum/Sinopec, Vaalco and Maurel & Prom.

A national oil company, Société Nationale des Hydrocarbures du Gabon, was established in August 2011, with the specific aim of holding and managing participations in the exploration and exploitation of blocks in coordination with the State.

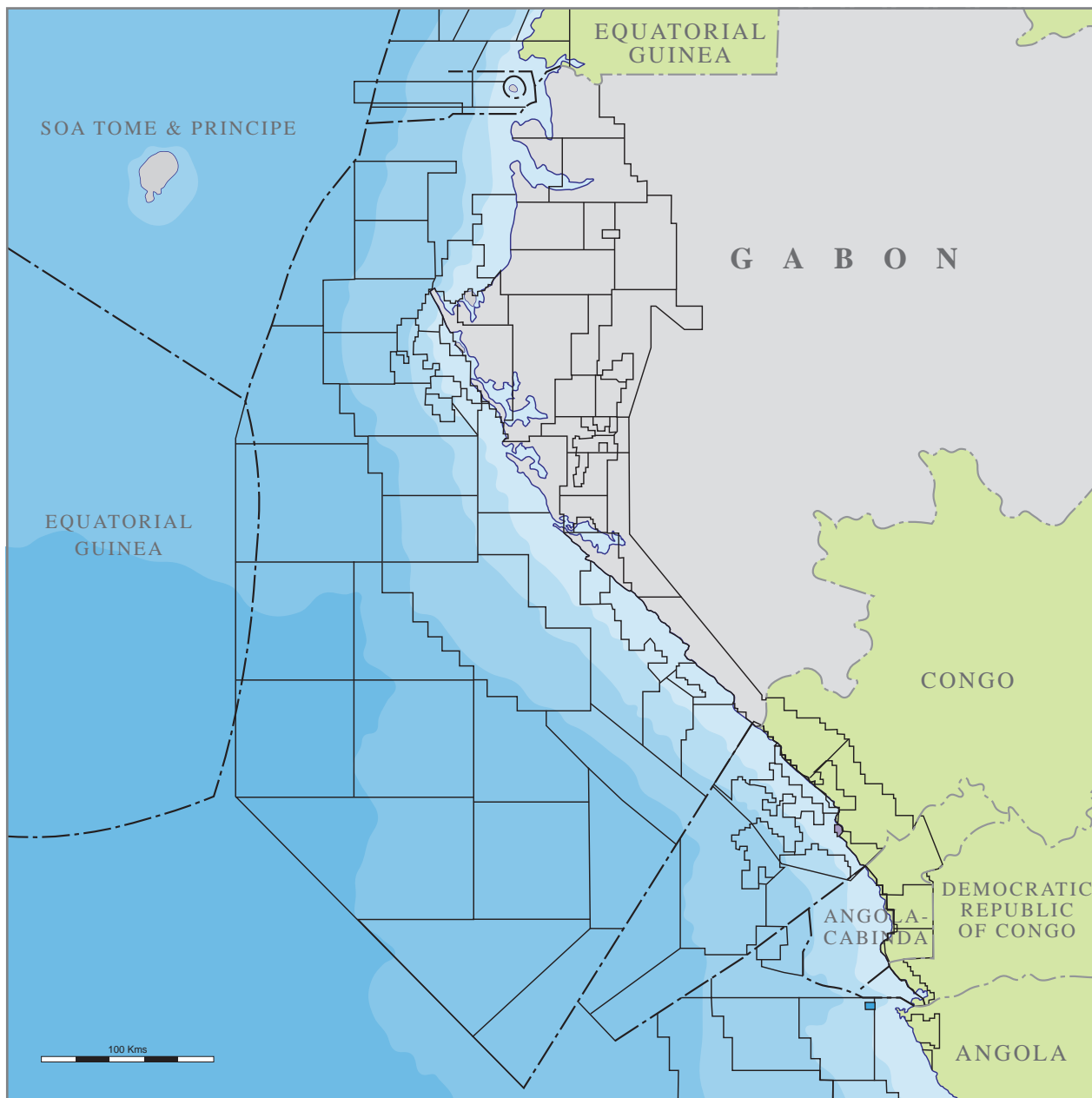
Source: GlobalShift, Energy Key Facts

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Source: BP Statistical Review

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Source: KeyFacts Energy