

## SECTOR UPDATE:

## OIL AND GAS

The oil and gas industry of Vietnam has been vigorously expanding to its full potential. In 1994, 7 million tons of crude oil is expected to be pumped out of the producing wells. Should existing difficulties be overcome and comprehensive investments be expedited as planned, crude oil production could be as high as 20 million tons each year by the year 2000. Until now, there have been 28 Production Sharing Contracts (PSC) signed between Petro Vietnam and foreign oil companies. Besides oil exploitation, Petro Vietnam is currently working with Mitsui - British Gas and TransCanada Pipeline on the Feasibility Study to bring gas from Bach Ho field on shore. While the whole project is being prepared, the pipeline from Bach Ho to shore has already been installed and as a result, by the end of this year, there will be available 1 million cubic metres of gas per day at Vung Tau for gas turbines.

Oil and gas have also been found in some of the new exploration wells, the most special of which is the Dawn field. Information from Mitsubishi reveals that this drill well has a capacity of 15,000 barrels per day. Specialists estimate that reserves of this structure can be equivalent to that of Bach Ho field.

Many foreign oil companies have come to Vietnam to participate in the oil and gas exploration and exploitation activity. So far, besides its J/V with the former Soviet Union, Petro Vietnam has joined hands with partners from the UK, Japan, India, Korea, Indonesia, Malaysia, Australia, Belgium, France, Norway, Austria, the Netherlands, Canada and the United States.

Petro Vietnam is doing its utmost to satisfy the needs for 1995 when oil from the Dragon and big Bear is added to production. It is estimated that from now until the year 2000, at least 4 to 5 new fields will come into production.

Special Note: A forecast of Ho Chi Minh City's need for energy.  
The need for gas will be from 17.5 to 43 million cubic metres in 2002 and from 204.7 to 493 million cubic metres by 2012.  
As for coal, the need will change from 2 to 2.2 million tonnes in 2012 and for power, 3,751 Gwh in 2002 and 13,900 Gwh in 2013.  
In the next two decades, the needs for petroleum will annually increase from 12 to 13%.  
(*Kinh te Saigon*, Sept. 15, 1994)