

NAMIBIA'S extensive mineral resources are widely known, but oil and gas production has not yet been part of the mix. Calgary-based **Ranger Oil** is among the international companies trying to fill that gap.

Ranger Oil has been active in Namibia since 1992 when it first acquired an offshore license area. Back in the 1970s the offshore Kudu natural gas field was discovered, and subsequent drilling by a number of companies over the last twenty years supports estimates of 2 to 4 trillion cu. ft. of reserves. The Kudu find, plus the extensive offshore oil fields in production from Angola to Gabon, indicates that Namibia's four large ocean basins could be hiding substantial oil and gas deposits.

Without a home-grown oil and gas sector to exploit this potential, Namibia needs to attract foreign investment for exploration activities. During the first four-year phase of off-shore licensing in 1992 Ranger was among companies like Shell, Chevron, and Norsk Hydro competing for prized though speculative license areas. As part of its global long-term strategy, Ranger seeks out areas for potential international expansion to complement its existing North American and North Sea production and reserves. Namibia, Angola, Algeria, and Cote d'Ivoire are all current Ranger prospects with tremendous potential.

How did Namibia end up on the radar screens of Ranger and other multinationals? After independence in 1990, Namibia's political stability, prudent economic policies, solid infrastructure, and vast oil and mineral potential combined to evoke the interest of many foreign companies. The closeness to Angola, a long-time major oil producer, did not hurt. As well, the regulatory environment was completely revamped and improved in 1991 with the passing of the Petroleum (Exploration and Production) Act and the Petroleum (Taxation) Act.

Ranger's first license area, after some preliminary work and one test well, did not prove promising enough to continue exploration efforts. But that did not prevent Ranger from acquiring three new blocks in the subsequent licensing round in September 1996. During the early part of 1997 work in these new areas included extensive seismic surveys. Once this phase is completed, a decision on where to drill the next test well can be made.

Operating in Namibia presents some challenges, such as the great distances involved and lack of a domestic oil and gas sector, but overall the Ranger office in Windhoek views Namibia as not a particularly difficult country to work in. Telecommunication and transportation links domestically and to the outside world are very reliable - Walvis Bay is an expanding and efficient port facility that can support offshore activities - the business language is English, the government is stable, the court system works, and, lastly and perhaps most importantly, the Ministry of Mines and Energy gets high marks for its approachability and support for international investment.

CONTACTS IN NAMIBIA:

Note: The Canadian Trade Office in Johannesburg (see page 22) officially handles Canada's business interests in Namibia. An Honorary Consul will eventually be appointed in Windhoek. The coordinates for the Namibia office of CABSAs can be found on the inside back cover.

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