

## Opportunities for Investment in Gas Projects

Myanmar's Ministry of Electricity and Energy (MOEE) is expected to call a tender and proposal for LPG import project. Myanmar Oil and Gas Enterprise (MOGE), a state owned company, under MOEE plans to develop the oil and gas sector to meet domestic demand. Domestic demand for electricity heavily outweighs the current supply. Although the natural gas sector is underdeveloped, natural gas production has substantially increased over the past couple of years. The daily onshore gas production is reported to be 50.8 million cubic feet per day (mmcf/d) and offshore gas production is 1,927 mmcf per day.

The government is looking to liquefied petroleum gas (LPG) to meet the rapid growth of domestic power demand by 2020. As such, MOGE plans to establish three joint ventures with international services in 2017. The joint venture will focus on onshore seismic acquisition services, onshore drilling services, and onshore pipeline construction and maintenance services. A list of possible joint ventures and tender are available on <http://www.moep.gov.mm/>

MOGE started conversion projects to natural gas since 2011, and encourages people to convert their vehicles to compressed natural gas. However, the number of private fuel filling stations is now over 1,228 in the country. There are more than 406 private companies which have permits for importing petrol and diesel.

MOGE has an agreement with Singapore based Ava Kahyasi Investment Pte Co and SAME Sky and Guiding Star companies (owned by Myanmar nationals) to collaborate in importing, storage and distribution of liquefied petroleum gas (LPG). A tender for EOI for LNG facilities was issued in 2016, the possible floating, receiving and regasification facilities to address the current demand for gas has also been discussed.

MOEE has taken steps to expand the utilization of LPG as a household fuel. MOGE is responsible for transporting natural gas, and is overseen by MOEE. There are three LPG plants established by Mitsubishi Heavy Industry Co (Japan), Nyaung Don and Kyun Chaung under CMC Dong Fang International Co (China). The total design capacity of those three are between 42 and 50 mmcf/d. If a private company wishes to improve access to natural gas and the distribution of natural gas within Myanmar, it needs to negotiate with relevant government regulators and local government organizations.

MOGE currently requires that foreign contractors include a local partner for joint venture, who can hold a minority interest for both onshore and shallow water block projects. A deep water block project may be undertaken by a 100 per cent foreign-owned contractor. For offshore exploration, the government allows only three blocks for each company.

Since Myanmar's gas sector is in an early stage of growth, expertise in areas like logistics, impact assessment, infrastructure and equipment, service and human resources capacity building are in high demand for the replacement from fuel to natural gas.

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