

ENERGY COUNTRY REVIEW

Chad

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Country Review Chad

Transparency Initiative ("EITI")

EITI recognizes the possibility of poverty, corruption, and conflict associated with weak governance and aims to counter this with transparency and accountability. As a candidate country, the Republic of Chad has met initial requirements and has committed to publishing all payments of taxes, royalties, and fees it has received from its extractive sector. Similarly, all extractive companies operating in the Republic of Chad are required to publish amounts paid to the government.

The Republic of Chad is divided into three major geographical regions: a desert zone in the north, an arid Sahelian belt in the centre and a savanna zone in the south. Lake Chad is the largest wetland in Chad and the second largest in Africa. Chad is home to over 200 different ethnic and linguistic groups. Arabic and French are the official languages. It is bordered by Libya to the north, Sudan to the east, the Central African Republic to the south, Cameroon and Nigeria to the southwest, and Niger to the west.

At the local level, the Republic of Chad is divided into 22 regions, with each region further divided by department (of which there are 61), sub-prefectures (of which there are 200) and then cantons (of which there are 446). A process for decentralization began in 2003, but regions remain governed through presidentially-appointed governors.

The Republic of Chad became a World Trade Organization Member in 1996, providing full autonomy in the conduct of its trade policies, and has been a United Nations member since 1960. Most recently, the Republic of Chad became a candidate country of the Extractive Industries

Country Key Facts

Official name:	Republic of Chad
Capital:	N'Djamena
Population:	13.47 million (2015)
Area:	1,284,116 million sq km (495,800 sq miles)
Form of government:	Republic
Languages:	French (official), Arabic (official); local languages
Religion:	Islam, Christianity
Currency:	CFA franc
Calling code:	+234

Operational Key Facts

2016 year end oil reserves	1.5 billion barrels
2016 production	73,000 barrels per day

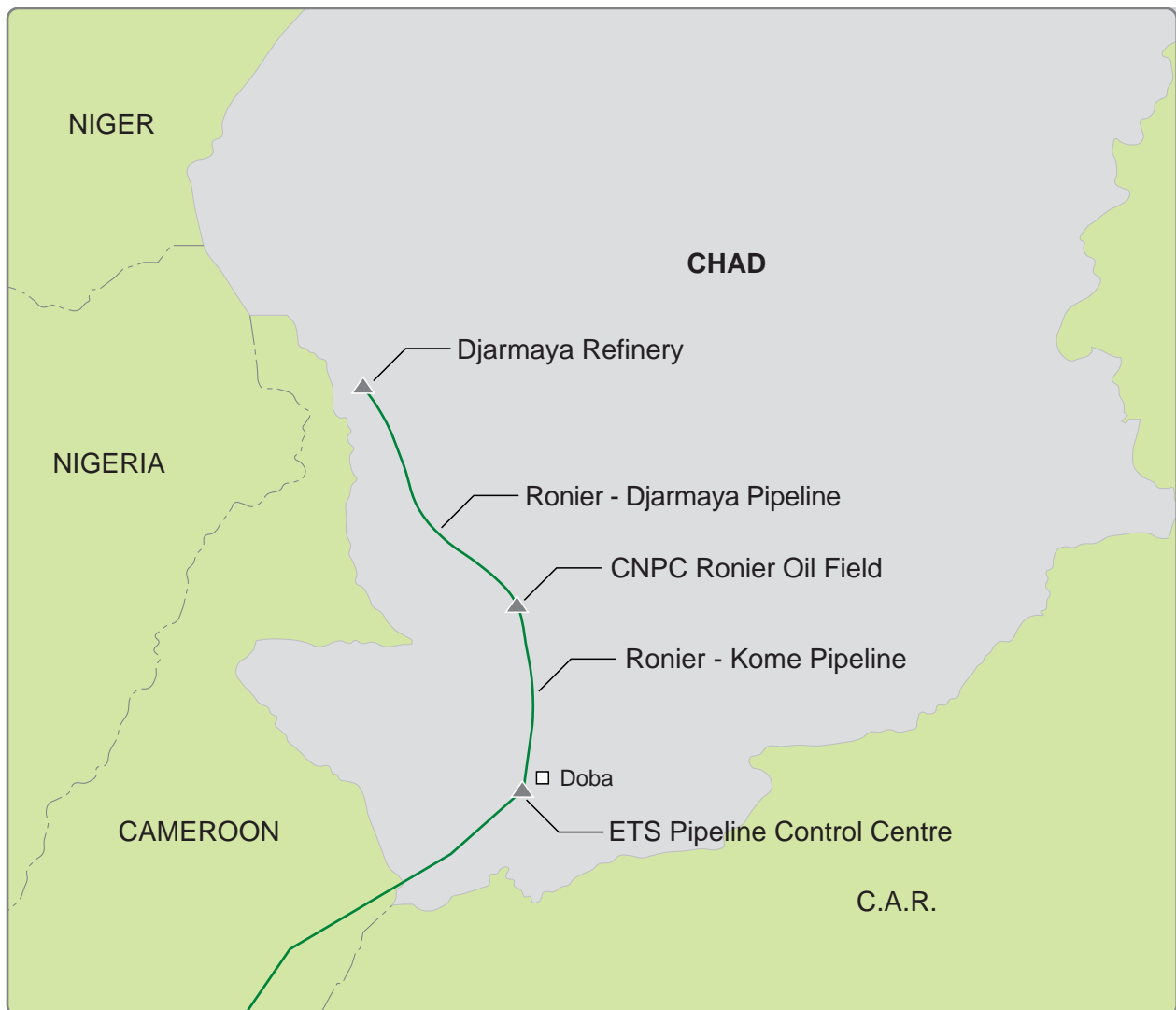
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Oil & Gas History

Chad first began producing oil in 2003 from three fields delivering through a pipeline to a terminal in Cameroon. Oil has become Chad's primary source of export earnings, superseding the cotton industry.

Exploration along the path of the pipeline has yielded several further discoveries and output is growing from both the Doba and Bongor Basins.

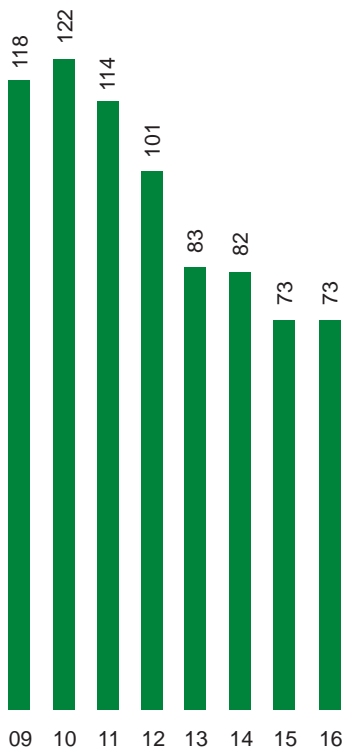
Chad has no gas production and none is forecast due to the remoteness of the area, although the country may have gas prospects.



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Chad Oil Production

Thousand barrels per day



Hydrocarbon Sector

Chad's oil industry, which is a net exporter of oil and has been producing for more than a decade, boasts valuable oil and gas infrastructure assets, including the 50,000 barrel per day Djarmaya refinery and the Chad-Cameroon pipeline, which is situated in close proximity to ERHC's BDS 2008 Block.

The hydrocarbon sector is under the supervision of the Ministry of Energy and Petroleum of Chad and works closely with Société des Hydrocarbures du Tchad SA (SHT), the national oil company of Chad. Hydrocarbons remain the leading segment of the economy of Chad.

With current proven reserves over 1.5 billion barrels, exploration for oil in the Republic of Chad dates back to the 1960's with first discoveries being made by the mid '70's by the Esso Chad Consortium (ExxonMobil, Chevron, Petronas) and China National Petroleum Corporation (CNPC). The Consortium discovered six fields that have combined reserves of almost a billion barrels of oil. In 2003, the Chad-Cameroon export pipeline was completed. Production from Esso Chad peaked at 220,000b/d and is currently around 115,000b/d or 50% of capacity. Over 400 million barrels of oil have been produced from Chad in the last eight years.

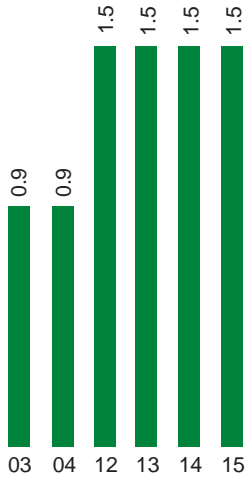
History

- 2003 - The Bolobo, Miandoum and Kome fields, which began production
- 2005 - The Nya Field, achieved first oil
- 2006 - The Moundouli Field began production
- 2007 - The Maikeri Field began production
- 2007 - CNPC and the Chadian Ministry of Petroleum signed an agreement for the establishment of a joint venture refinery
- 2011 - The N Djamena Refinery Project was commissioned by CNPC

Source: A Full Barrel, Global Shift

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Chad year end oil reserves
Billion barrels



Source: BP Statistical Review

Petroleum Industry in the Republic of Chad

The Republic of Chad began efforts to develop its oil resources in 1969. Although exploration wells revealed the existence of oil by 1975, a civil war in Chad that began in 1979 caused a halt in exploration in 1981. Following a cessation of conflict, exploration resumed and the legal foundation for the first major commercial project was put into effect in 1988. A "Convention Agreement" signed in 1988 (the "Convention") granted a consortium of petroleum companies (the "Consortium") a long term concession of 30 years to develop the oilfields at Doba in southern Chad and to produce and transport oil to market. Under the Convention, the Consortium was granted an initial exploration permit to 2004.

By 1993, oil resources had been confirmed in the Doba basin of southern Chad, within the original exploration territory designated in the original Convention. In 1997, an amended Convention was enacted by the Chadian National Assembly, which set out the relationship between the Consortium and the Republic of Chad, including protocols for environmental protection, land acquisition and compensation, as well as royalty and tax payments.

Part of the project (the "Project") undertaken by the Consortium included the construction of the Export Pipeline to carry crude oil produced from the Republic of Chad across Cameroon to a marine shipping terminal 11 kilometres offshore of the coast of Cameroon near Kribi.

From the original development efforts in the 1970s to the start of construction in 2000, several oil companies were at different times involved in the early funding and planning of the Project.

Oil production from the Project commenced in late 2003. By the end of 2010, the Project had sent a total of 376 million barrels of crude in 414 tanker shipments to world markets, with average daily production in 2010 of 122,500 Bbls/d.

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Chad - Main Basin Features

Source Rocks & Seal (seal and effective source rock)

- Infracambrian
- Early Silurian Shades

Reservoir Rocks

- Think Cambro-Ordovician & Devonian sands can act as good reservoir rocks

Cap Rock

- Marine shales: Silurian (for Cambro-Ordovician Res.Rock)
- Marine shales: Late silurian (for Unconventional Traps?)
- Fluvial Shales: Tadarat Formation (for Devonian Res.Rock)

Traps

- Seismically tilted fault block
- Stratigraphic

Industry Organisations

Ministry of Energy & Petroleum of the Republic of Chad

The Ministry of Energy and Petroleum is responsible for the design, coordination, implementation and monitoring of government policy in the field of hydrocarbons and energy. As such, it provides the organization and control of research, exploration and transportation of hydrocarbon liquids and gases, refining, storage and distribution of petroleum products, inputs and energy activities on the national territory. The Ministry of Petroleum and Energy also initiates laws and agreements relating to oil, gas and energy.

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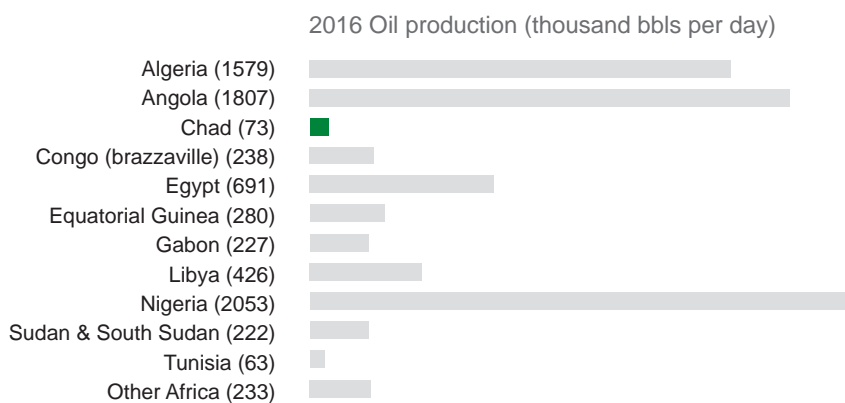
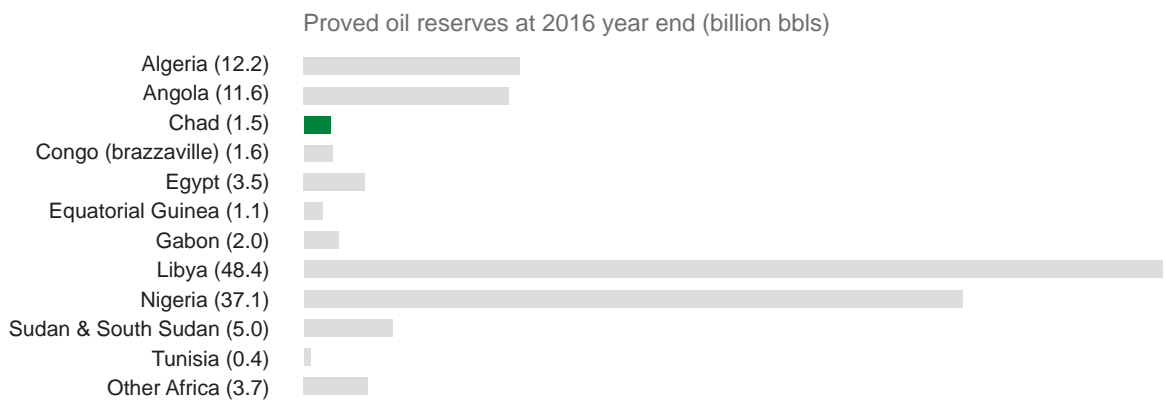
Website: <http://mpme-tchad.org/>

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Ministry of Mines & Geology of the Republic of Chad

The Ministry of Mines and Geology is responsible for the design, coordination, implementation and monitoring of government policy on mining and geology.

As part of this mission, the Ministry of Mines and Geology is responsible for organizing and executing the work on geological research, mining and related works connected therewith on the territory. It also establishes the legislative and regulatory texts and research and mining conventions.



Source: BP Statistical Review

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