

**Flame LNG Day**  
**Amsterdam, May 8<sup>th</sup> 2017**

**Qatar**  
**End of the Moratorium on Further**  
**Development of the North Field**

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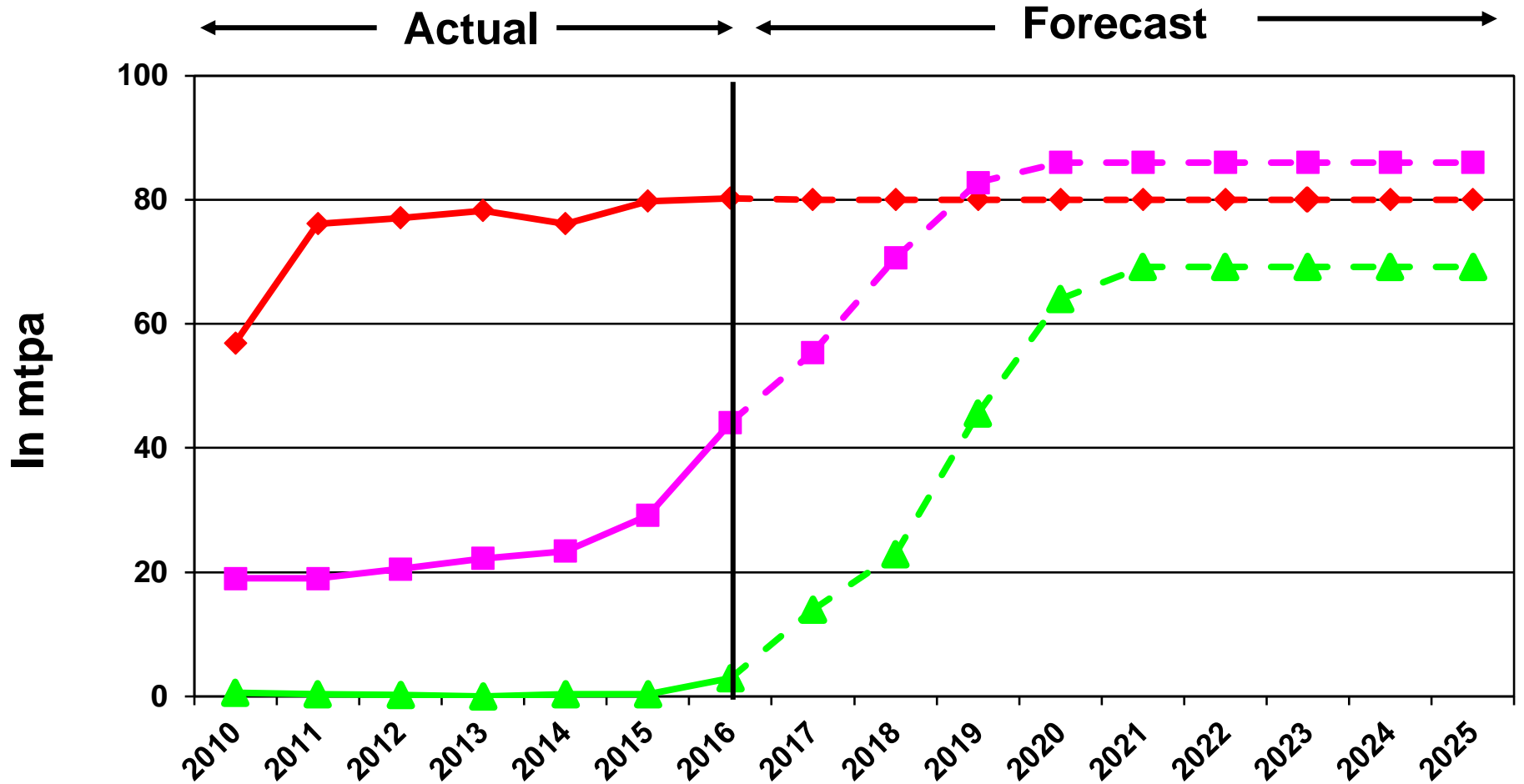


# Qatar's Moratorium on Further Development of Gas Production from the North Field

- **April 2005**
  - Qatar announces a 2-year moratorium on further development of production from the North Field to allow the performance of the reservoirs to be assessed as production increases
  - Several planned Gas-to-Liquids (GTL) projects cancelled but development of six 7.8 mtpa mega-trains continues
- **October 2009**
  - At the World Gas Conference in Buenos Aires the former CEO of Qatargas says that up to 2 mtpa of capacity can be added to each of the six mega-trains through debottlenecking
- **February 2011**
  - Start-up of Qatargas 4 takes Qatar's nameplate capacity to 77.5 mtpa of LNG
- **April 2017**
  - CEO of Qatar Petroleum announces the end of moratorium with plans to produce an additional 2 Bcf/d (sufficient to produce around 15 mtpa of LNG) from the undeveloped south part of the North Field
  - No indication was given on how the production will be used. Possible options include:
    - Supply to debottlenecked capacity in existing trains
    - Supply to new liquefaction trains
    - Additional pipeline exports and/or domestic demand



# LNG Production from Projects in Operation and Under Construction in Qatar, Australia and USA 2010 to 2025



—◆— Qatar

—■— Australia

—▲— USA

# Why has Qatar Ended the Moratorium?

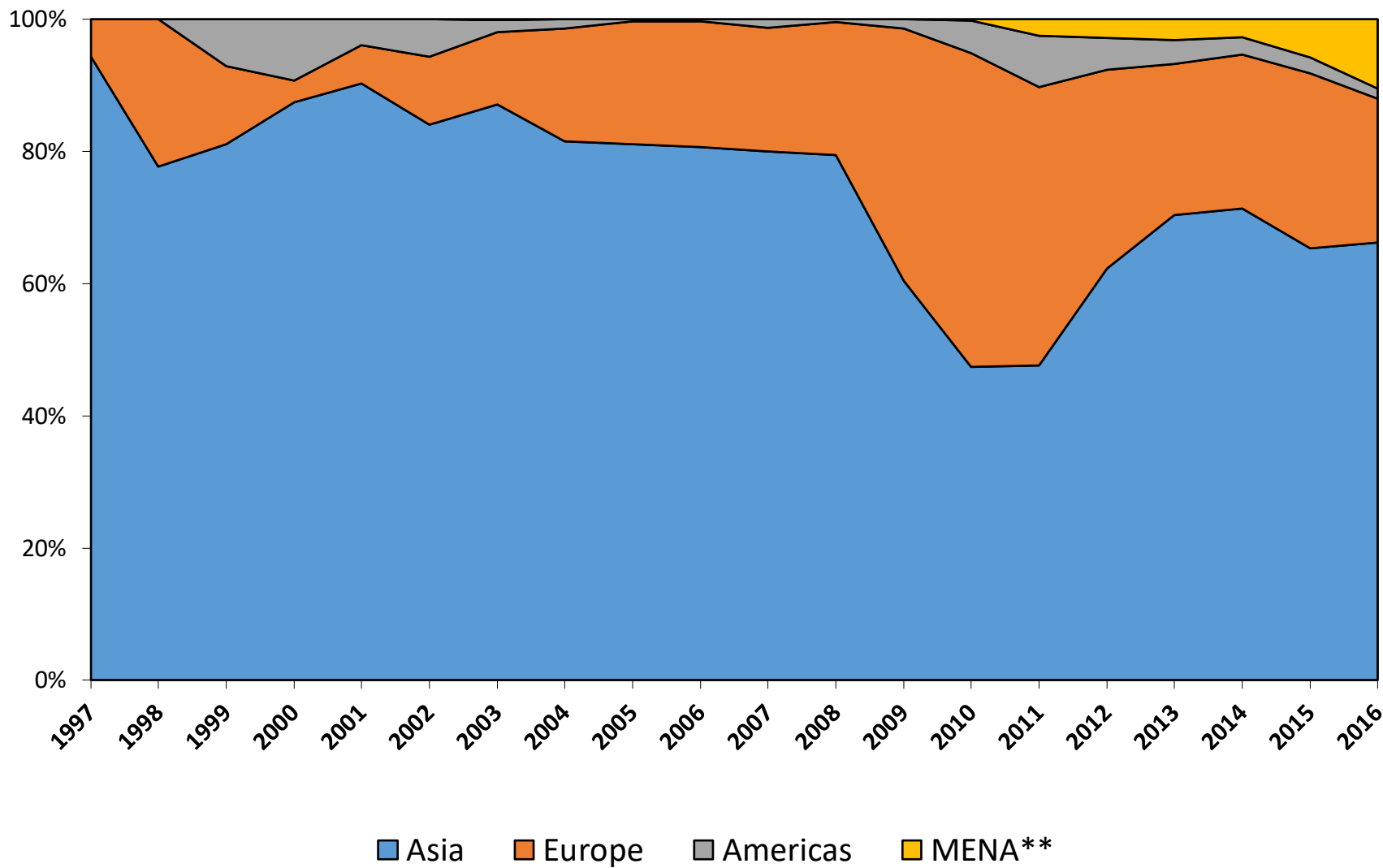
- Serious reduction in revenues because of drop in the oil prices
- Will be overtaken by Australia and the USA as largest LNG exporter
- It is concerned about competition from USA, Australia, East Africa and Russia in its core LNG markets
- Concerns that following the lifting of sanctions Iran will increase its production from South Pars (the part of the North Field in Iranian waters)

## How Competitive Will Qatar Be in LNG Markets?

- The high liquids content of the gas reserves means that upstream costs will be largely covered by condensate and LPG sales (although parts of the reservoir with highest liquid content were probably developed first)
- Debottlenecked capacity will be very low cost (around \$100/tpa of capacity?)
- New trains will have a relatively low cost since infrastructure in place (Ras Laffan Industrial City), port, storage tanks
- Geographically well placed to supply global markets and to switch cargoes between markets to meet buyers' seasonality and flexibility requirements
- Uncommitted capacity in existing trains means it can offer buyers early supplies and cover any delays in constructing new facilities



# Qatar LNG Exports by Region, 1997-2016



\*\* Middle East and North Africa

**Thank You**

