U.S. Energy Information Administration

Equatorial Guinea

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Overview

- Equatorial Guinea's economy is heavily reliant on its oil and natural gas industry, which accounted for almost 95% of its gross domestic product (GDP) and 99% of its export earnings in 2011, according to the latest estimates from the International Monetary Fund. Equatorial Guinea's declining oil and natural gas production, coupled with a decline in global oil prices, is adversely affecting its economy, and has resulted in lower, and at times negative, GDP growth. Emphasis on the oil and natural gas industries has also led to the lack of development in non-hydrocarbon sectors.
- Equatorial Guinea held 1.1 billion barrels of proved crude oil reserves as of January 2015, making the country the eighth-largest crude oil reserve holder in Sub-Saharan Africa. Proved natural gas reserves were 1.3 trillion cubic feet (Tcf) as of January 2015, the tenth-largest in the region. Most of the reserves and operating fields are located offshore, near the Bioko Island.
- In 2014, total oil production averaged almost 270,000 barrels per day (bbl/d), well below Equatorial Guinea's peak production of 369,000 bbl/d in 2007.
- The Zafiro field, operated by ExxonMobil, is the country's most prolific oil field, but its current output has more than halved since its peak, leaving the country eager to start production from new fields. Despite the recent start of the Alen field, which produces natural gas condensate, new production is not enough to offset natural declines. Equatorial Guinea does not have any refining capacity. The country consumed 2,100 bbl/d of petroleum in 2014, all of which was imported. The government has announced plans to open a 20,000 bbl/d refinery in Mbini, but the project has been slow to develop.

Map of Equatorial Guinea

- Equatorial Guinea exports crude oil to markets in Asia, Europe, and the Americas. China is the largest destination for Equatoguinean crude oil. The United States use to be one of the top importers, but U.S. crude oil imports from Equatorial Guinea have decreased from an average of 41,000 bbl/d in 2012 to 4,000 bbl/d in 2014.
- National oil company, GEPetrol, manages the government's interest in production sharing agreements and joint ventures with international oil companies (IOCs). GEPetrol is also responsible for marketing, oil licensing, and hydrocarbon policy

implementation.

- The largest foreign investors in Equatorial Guinea are U.S. companies, particularly ExxonMobil, Hess, Marathon, and Noble Energy, although European and Chinese companies have started to play a role in Equatorial Guinea's hydrocarbon sector.
- Equatorial Guinea is a net exporter of natural gas. While dry natural gas production has increased rapidly from 1 billion cubic feet (Bcf) in 2001 to 222 Bcf in 2013, which is lower than dry natural gas production in 2012 (230 Bcf), domestic consumption has increased at a slower pace from 1 Bcf in 2001 to 53 Bcf in 2013. Recent discoveries in British IOC Ophir Energy's Fortuna Complex may boost future natural gas production.
- Most of Equatorial Guinea's dry natural gas production is exported as liquefied natural gas (LNG). The country has one LNG plant, the Punta Europa (ELNG), located on Bioko Island. The LNG plant came online in 2007 with one train and is fed with natural gas produced at the Alba field. Equatorial Guinea plans to build a second LNG train that would use natural gas feed from Equatorial Guinea, Cameroon, and Nigeria, but there has not been much progress on the project.
- Equatorial Guinea exported 180 Bcf of LNG in 2013, all of which went to Asia, according to BP's Statistical Review of World Energy. Japan was the main destination, receiving 60% of Equatorial Guinea's total LNG exports.
- Equatorial Guinea's other state-owned hydrocarbon company, Sociedad Nacional de Gas de Guinea Ecuatorial (Sonagas), manages the distribution, marketing, and exploration of the country's natural gas assets, as well as the industrial and residential gas markets.
- Many parts of the country rely on independent local generators for electricity as opposed to the national grid. The country has a national grid, but aging infrastructure and poor management has led to issues with reliability.
- The country has significant hydropower potential, and currently the vast majority of its total installed electricity capacity comes from hydropower. The Djibloho dam on the Wele River, which came online in October 2012, boosted Equatorial Guinea's total electricity capacity from 44,000 kilowatts in 2011 to 164,000 kilowatts in 2012. Electricity generation increased modestly by only 3 million kilowatthours to 100 million kilowatthours in 2012, but will likely experience a boost in 2013.