



AFRICA ENERGY FRONTIERS - CAMEROON

© Posted on January 19, 2016 (<http://africaoilandpower.com/index.php/2016/01/19/africa-energy-frontiers-cameroon/>) by Conference admin
(<http://africaoilandpower.com/index.php/author/Conferenceadmin/>)

THE FOLLOWING IS AN EXCERPT OF THE AFRICA ENERGY FRONTIERS, A SERIES OF REPORTS PRODUCED BY CENTURION LAW GROUP. [CLICK HERE \(HTTP://WWW.CENTURIONLAWFIRM.COM/AFRICA-ENERGY-FRONTIERS-CAMEROON/\)](http://www.centurionlawfirm.com/africa-energy-frontiers-cameroon/) TO DOWNLOAD THE COMPLETE VERSION.

Historically one of Africa's largest producers, Cameroon is now experiencing an uptick in production, revitalizing a previously declining sector. Dedication to gas development and an increase in oil production in 2014 point to a fresh round of opportunities in this mature province.

OVERVIEW AND BACKGROUND

Cameroon's petroleum history dates back to 1947, when the French Office of Oil Research began the area's first exploration campaign. The first commercial discovery was at the Betika oil field in 1972 and first commercial production was achieved in 1977 from the Kolé oil field in the Rio del Ray basin. Cameroon reached peak production of 186,000 barrels of oil per day in 1985. Twelve years later, fields in the Douala/Kribi-Campo basin were brought into production. Natural advantages have played to Cameroon's strengths, so that while oil production has declined from the 1985 peak, the country has managed to implement measures to develop its gas industry, build key regional infrastructure, as well as exploit its abundant hydropower resources. The 1,070-kilometer Chad-Cameroon pipeline, one of Central Africa's landmark projects, was completed in 2003 and carries Chadian oil across Cameroon from north to south, ending at the Kribi marine export terminal. The pipeline may soon be used to export oil from Niger. In 2006 the government signed its first deal for gas development with Perenco, now the largest oil and gas operator in the country. Cameroon has two gas producing fields, Logbaba and Sanaga Sud, and is using the gas to power new thermal power stations. Equatorial Guinea's national gas company SONAGAS and Cameroon's state oil and gas company Société Nationale des Hydrocarbures (SNH) signed a memorandum of agreement in 2007 for potential gas exports to Equatorial Guinea. The upstream segment in Cameroon is experiencing a resurgence due to production increases and new field operations. Production of 75,400 bopd represented an increase of 13.3 percent over 2013 oil production figures. Gas development continues apace, with new power generation facilities supplied by increasing production. A floating LNG facility is being planned. Output doubled from 5.4 billion to 10.8 billion standard cubic feet from 2013 to 2014. Cameroon has proved natural gas reserves of 4.8 trillion cubic feet and proved oil reserves of 200 million barrels.

GEOLOGY

Cameroon's geology is distinctive and volatile. The Cameroon Line, a 1,600-kilometer chain of volcanoes, extends from the mountainous border region with Nigeria through Mount Cameroon, West Africa's highest peak, to the volcanic islands of Bioko, Príncipe, São Tomé and Annobón. Five sedimentary basins belonging to three active African petroleum systems are present in the country's territory. Rio del Ray, a coastal sedimentary basin, covers 7,000 square kilometers offshore and produces around 90 percent of Cameroon's oil. The Douala/Kribi-Campo basin, a 19,000-square-kilometer coastal sedimentary basin of which 7,000 square kilometers is onshore, accounts for the remaining output. Logone Birni (27,000 square kilometers), Mamfe (2,400 square kilometers) and Garoua (7,800 square kilometers) are intracratonic basins with no current production.

	BLOCKS		GAS PRODUCTION		OIL PRODUCTION		HYDRO POWER
6 blocks offered for bidding in 2015		gas production doubled from 5.4 billion to 10.8 billion scf from 2013 to 2014		oil production increased by 13.3% to 75,400 bopd from 2013 to 2014		Cameroon has 12,000 MW of potential hydropower capacity	

LEGAL FRAMEWORK

Cameroon's decades of experience in the petroleum sector, and its need to promote an ageing energy industry to investors, have resulted in a stable and modern petroleum legislation system. **LEGAL FRAMEWORK** The petroleum sector is regulated by the Petroleum Code (Law no. 99/013 of December 22, 1999).

- The code establishes in Article 3 that all discovered or undiscovered hydrocarbons located in Cameroon are the property of the state.
- Section 6 of the Petroleum Code states that the government, either directly or through an intermediary, is entitled to acquire a portion of any petroleum operation, in accordance with the terms of an existing petroleum contract. The state's interest through SNH is negotiable up to 25 percent.
- The Petroleum Code and accompanying model production sharing agreement allow for special fiscal regimes for contractors in the event that a changing environment (particularly in the case of regulations introduced post-signing) is detrimental to the economic performance of a project. The contractor should bring these issues to the attention of the Ministry of Mines, Industry and Technological Development.
- Any transfer of a petroleum contract is subject to the approval of the minister. Said activity is subject to a flat fee, unless it is an exploitation authorization.

The Petroleum Code and Petroleum Regulations also require the minister's approval for transactions that result in a change of control of the contractor. The Petroleum Code was modified and augmented by the Petroleum Regulations (Decree 2000/465 of June 30, 2000). Law no. 96/12 of August 5, 1996 lays out the legal framework for environmental management.

A 2002 decree (Decree no. 2002/032/PM) establishes provisions for hydrocarbons fees and royalties. The Gas Code (Law no. 2012/006 of April 19, 2012) regulates the downstream gas sector, comprising transportation, distribution, storage, processing, import/export and marketing within Cameroon. Its aim is to create "an enabling legal framework" and to set up "an attractive gas sector environment for private national and foreign investors."

- Under the Gas Code, gas development plans must prioritize meeting national energy needs.
- Gas agreements do not exceed 25 years, but may be automatically renewed by up to 10 years.
- Section 6 of the Gas Code states that any foreign or Cameroonian person may undertake any activity in the downstream gas sector. Entities working in Cameroon are subject to OHADA regional legislation. The country was designated EITI-compliant in 2013.

 Posted in Centurion (<http://africaoilandpower.com/index.php/category/centurion/>)

AFRICA ENERGY FRONTIERS – SOUTH AFRICA (<http://africaoilandpower.com/index.php/2016/01/19/centurion-energy-frontiers-south-africa/>)

AFRICA ENERGY FRONTIERS – COMOROS (<http://africaoilandpower.com/index.php/2016/01/19/africa-energy-frontiers-comoros/>)

Leave a Reply

Your email address will not be published. Required fields are marked *

Name *

Email *

Website

Comment

Post Comment

Search ...

RECENT POSTS

Bambili Group: Discussions on Local Content in Africa (<http://africaoilandpower.com/index.php/2016/06/29/bambili-group-discussions-on-local-content-in-africa/>)

Frank Ene, RoyalGate Energy (<http://africaoilandpower.com/index.php/2016/06/15/frank-ene-royalgate-energy/>)

Africa Energy Series – Equatorial Guinea (<http://africaoilandpower.com/index.php/2016/06/13/africa-energy-series-equatorial-guinea/>)

Africa Oil & Power Press Conference – EG Ronda 2016 Announcement (<http://africaoilandpower.com/index.php/2016/06/13/africa-oil-power-press-conference-eg-ronda-2016-announcement/>)

Ophir and Fortuna FLNG (<http://africaoilandpower.com/index.php/2016/06/13/ophir-and-fortuna-flng/>)

RECENT COMMENTS

ARCHIVES

June 2016 (<http://africaoilandpower.com/index.php/2016/06/>)

May 2016 (<http://africaoilandpower.com/index.php/2016/05/>)

April 2016 (<http://africaoilandpower.com/index.php/2016/04/>)

March 2016 (<http://africaoilandpower.com/index.php/2016/03/>)

February 2016 (<http://africaoilandpower.com/index.php/2016/02/>)

January 2016 (<http://africaoilandpower.com/index.php/2016/01/>)

December 2015 (<http://africaoilandpower.com/index.php/2015/12/>)

CATEGORIES

Article (<http://africaoilandpower.com/index.php/category/article/>)

Centurion (<http://africaoilandpower.com/index.php/category/centurion/>)

Interviews (<http://africaoilandpower.com/index.php/category/interviews/>)

News (<http://africaoilandpower.com/index.php/category/news/>)

Presentation (<http://africaoilandpower.com/index.php/category/presentation/>)

Uncategorized (<http://africaoilandpower.com/index.php/category/uncategorized/>)

Whitepaper (<http://africaoilandpower.com/index.php/category/whitepaper/>)

META

Log in (<http://africaoilandpower.com/wp-login.php>)

Entries RSS (Really Simple Syndication) (<http://africaoilandpower.com/index.php/feed/>)

Comments RSS (Really Simple Syndication) (<http://africaoilandpower.com/index.php/comments/feed/>)

WordPress.org (<https://wordpress.org/>)

LEGAL NOTICE ([HTTP://AFRICA OIL AND POWER.COM/INDEX.PHP/LEGAL-NOTICE](http://africaoilandpower.com/index.php/legal-notice))



([MAILTO:INFO@AFRICA OIL AND POWER.COM](mailto:info@africaoilandpower.com))



([HTTPS://TWITTER.COM/AFRICA OIL POWER](https://twitter.com/africaoilpower))

in ([HTTPS://WWW.LINKEDIN.COM/COMPANY/10278398](https://www.linkedin.com/company/10278398))