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TNK-BP Plans $3.8Bln Gas Investment

By The Moscow Times

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TNK-BP said Monday that it would invest $3.8 billion in its gas business over the next three years as it aims to more than double production to 30 billion cubic meters by 2020.

“The most significant element is associated gas. It will give over half of that production level, or 15 bcm,” said Alastair Ferguson, the head of TNK-BP’s gas business.

TNK-BP, half-owned by British major BP, will invest $1.8 billion between now and 2013 on developing the associated gas from its oil deposits to meet a government target of increasing associated gas utilisation to 95 percent by 2012.

“Critical to achieving this [95 percent utilisation rate] is getting associated gas priority access to the gas pipeline. But you also need to have customers for it, so access to the power market is another important element,” Ferguson said.

The firm will also invest $2 billion on regular gas extraction projects over the next three years.

TNK-BP, which is set to produce 13 bcm of gas this year from 143 fields, already processes 85 percent of the associated gas that it extracts from the ground together with oil. The rest is flared into the atmosphere.

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