

GAS IS NEW ENERGY

The gas discoveries off South Africa's coast could be 'gas-changers'

Following the Brulpadda gas discovery announced in February 2019, the recent Luiperdd gas discovery, also off the south coast of Mossel Bay, has been widely reported and celebrated in the local upstream oil and gas industry.

These discoveries have been described as '**GAS-CHANGERS**' for the South African economy but it is important to understand why this is the case, says law firm Cliffe Dekker Hofmeyr.

"The discovery of gas condensate fields during 2019 and 2020 are significant and they have the potential to expedite the government's much touted energy transformation," the firm said.

"Whilst studies are still being conducted, early estimates are that the two gas fields may hold in excess of 1 billion barrels of gas condensate each. If these estimates are accurate, these discoveries could be huge for South Africa as a non-producing country, which is heavily reliant on oil and gas imports.

Oil and gas production would dramatically reduce South Africa's current reliance on imports, create employment opportunities in various sectors and provide an alternative to the current coal dominated energy sector.

Currently, the majority of South Africa's gas demand is supplied by the Pande-Temane development in Mozambique.

However, energy demand in the country has been growing at a much faster rate than can be supplied.

This has necessitated a development of the country's energy pool and capacity, and if the early estimate of the recent Brulpadda and Luiperd discoveries are accurate, the gas produced from Brulpadda and Luiperd would be sufficient to meet more than half of the countries current energy demands.

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| ENERGY SOURCES | |
|----------------|----------------|
| ENERGY TYPES | POWER STATIONS |
| COAL | 2500 |
| NUCLEAR | 436 |
| SOLAR | 2700 |