

18 years of service to Tanzania

By JAY LYONS

CHIEF EXECUTIVE OFFICER, ORCA ENERGY



JAY LYONS

took on the role of Chief Executive Officer in June 2021. He has considerable experience in the oil and gas industry in both Canada and the United States having worked in a range of roles for both private and public companies in the upstream and downstream sectors.

Orca Energy Group, through its subsidiary PanAfrican Energy Tanzania Limited operates the Songo Songo natural gas field and associated production and processing facilities. Following 10 years of negotiations, the licence was granted in 2001, with natural gas production commencing in 2004. The Songo Songo gas to electricity project is an integrated project operating from the reservoir to the downstream customer. Gas processed on Songo Songo island is transported by a 207km onshore pipeline and a 25km offshore pipeline to Dar es Salaam where it contributes to a significant percentage of all the electrical power generated in Tanzania and sustains a number of major industries.

On arrival in Dar es Salaam the majority of the processed natural gas is delivered directly via a high-pressure line to Songas and TANESCO (Tanzania Electric Supply Company) power generation plants, while the remainder of the gas enters a low pressure 50km downstream gas distribution network via two Pressure Reducing Stations.

Growing production and sustaining a reliable supply to meet demand is a core focus for the Company, and in doing so we are committed to working with our partners and stakeholders to ensure that affordable gas remains a significant proportion of the energy mix for Tanzania's expanding population and economy. Recently, the Company completed installation of a US\$42 million compression project to return gas production potential through the Songas gas processing facility to its 110MMcfd capacity. The project was delivered early to meet increased demand, which has been vital in sustaining power generation and industrial expansion. We also recently undertook a workover of three onshore wells on Songo Songo Island, at a cost of approximately US\$21.4 million.

Our future plans include investing US\$22 million on acquisition of 182km² of 3D seismic data which will be vital in confirming the long-term viability of the field and future development options.

We have always worked closely with the Government of Tanzania. Our Production Sharing Agreement with the Tanzanian Petroleum Development Corporation has enabled such development in the upstream, midstream and downstream ensuring the project is able to deliver the widest possible effect. Our commitment to Tanzania means that of our employees in country, 99 per cent are

Tanzanian nationals, occupying roles across all disciplines at all levels. Training, development and skills transfer to expand local capability has underpinned all we do. In terms of our social responsibility we have focused on improving the educational opportunities in the district in which we operate (building kindergartens, investing in teacher training, English language programmes and community schools with additional facilities) as well as funding the construction of health facilities, and financing scholarships and life skills programs. While we are of course committed to supporting Tanzania with the provision of gas for power, we also believe that making a positive impact to the economic and social fabric is an important part of our commitment to the country.

This year, we launched our maiden sustainability report which sets out the Company's ambition both from a corporate and environmental perspective. While Orca recognises it is a greenhouse gas emitter, the company believes it can, and indeed does, play an important role in transitioning Tanzania away from more carbon intensive energy sources, such as coal, and refined petroleum products.

We saw with the 2021 United Nations Climate Change Conference (COP26) that climate change and reducing dependency on carbon intensive energy sources are at the forefront of the minds of global leaders. However, we also recognise that Tanzania is a growing economy, in need of energy to support its population and industrial growth and development. Therefore, while we acknowledge the need for global economies to transition to low carbon energy sources, we are also appreciative of the fact that Tanzania is in need of a reliable supply of domestic power in order to meet the country's growth and development targets.

We highly commend President Samia Suluhu Hassan's commitment to achieving middle income status for Tanzania by 2025, and we are proud to be part of that story through this project. We have been part of the backbone of Tanzania's energy sector since 2004, providing a sustainable supply of natural gas to Tanzanian industries. Indeed we were the first project of its kind in Sub-Saharan Africa and the first natural gas developer in Tanzania. The Songo Songo project stands today as a major achievement for the Government of Tanzania and its project partners, and we look forward to many more years of working hand in hand with the Government of Tanzania. F