THE MINERAL INDUSTRY OF

EQUATORIAL GUINEA

By Philip M. Mobbs

The Republic of Equatorial Guinea comprises Rio Muni on the African mainland and a number of islands and islets, which include the island of Bioko in the Gulf of Guinea. The petroleum sector has dominated the country's economy since 1996. Annual gross domestic product (GDP) growth has declined to 15% compared with 22% in 1998 and 76% in 1997; in 1999, the GDP was estimated to be about \$696 million. Population of the country was estimated to be 442,700 in 1999 (World Bank, July 2000, World Development Indicators database, accessed September 24, 2000, via URL http://www.worldbank.org/data/countrydata/countrydata.html).

BoMc G-E Ltd. of the British Virgin Islands held the rights to evaluate the nonfuel mineral resources of Equatorial Guinea for a 2-year period (Battlefield Minerals Corp., May 6, 1999, Major acquisitions and capital raising, Press Release, accessed October 27, 1999, at URL http://www.battlefield.ca/news/9990506.htm). Previous mineral and geologic surveys of Rio Muni had identified occurrences of gold and titanium-bearing sands.

The joint venture of the American firms Axem Resources Inc., CMS Oil & Gas Co., Globex International, and Samedan Oil Corp. was producing condensate, natural gas, and natural gas liquids from the Alba Field in the Gulf of Guinea, which is 36 kilometers (km) northwest of Bioko. A program to increase production from the Alba Field was underway. A second platform was built in 1999 and scheduled to be installed in 2000. The partnership planned to drill an additional four development wells and begin gas reinjection. About 1.2 billion cubic meters per year of natural gas produced from the Alba Field will feed the 2,500-metric-ton-per-day-capacity methanol plant that Atlantic Methanol Production Co. has under construction (Noble Affiliates Inc, March 17, 2000, Form 10-K-1999, accessed September 19, 2000, at URL http://www.sec.gov/Archives/edgar/data/72207/0000950134-00-002033.txt).

Offshore on block B, which is about 60 km west of Bioko, the joint venture of Mobil Equatorial Guinea Inc. (71.25%), which is a subsidiary of Exxon Mobil Corp. of the United States, Ocean Energy Inc. of the United States (23.75%), and the Government (5%), continued development of the Zafiro Field. Four development wells and two delineation wells were drilled. Renovations to extend the usefulness of the Zafiro Producer, which is the 80,000-barrel-per-day-capacity floating production,

storage, and offloading vessel that serviced the Zafiro Field, were underway (Ocean Energy Inc., July 22, 1999, Ocean Energy announces second quarter financial results and operational highlights, Press Release, accessed September 19, 1999, at URL http://www.shareholder.com/oceanenergy/news/19990722-13342.htm). Also on block B, the Jade platform was under construction and scheduled to be installed in 2000 and on block C, Mobil (47%) joined the joint venture of Ocean Energy (37.6%), SK Corporation of the Republic of Korea (9.4%) and the Government (6%) (Ocean Energy Inc., May 4, 1999, Ocean Energy announces partner on Equatorial Guinea block C, accessed May 4, 1999, at URL http://biz.yahoo.com/prnews/990504/tx_ocean_e_2.html).

While drilling the Mbini-1 exploration well on block G in 670 meters (m) of water, Triton Energy Ltd. of the United States farmed out 15% interest in block F and block G to Energy Africa Ltd. of South Africa. Triton and Energy Africa subsequently confirmed the Mbini-1 (renamed Ceiba-1) oil discovery with the Ceiba-2 well that was drilled in 715 m of water (Triton Energy Ltd., November 22, 1999, Triton confirms significant West African oil discovery, accessed November 22, 1999, at URL http://www.prnewwire.com/cgi-bin/sstories.Y=/www/story/11-22-99/0001-080633&EDATE=).

Oilfields are not constrained by international frontiers. In November, Angola, Cameroon, Republic of the Congo, Gabon, Equatorial Guinea, Nigeria, and Saõ Tomé and Principe set up a Gulf of Guinea Committee to resolve disputed maritime borders (Africa Energy and Mining, 1999).

Reference Cited

Africa Energy and Mining, 1999, Gulf of Guinea: Africa Energy and Mining, no. 264, November 24, p. 4.

Major Source of Information

Ministerio de Minas y Energia Departmento de Minas y Hydrocarburos B.P. 778 Malabo, Equatorial Guinea Telephone (240) 9-2086

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${\bf TABLE~1} \\ {\bf EQUATORIAL~GUINEA:~ESTIMATED~PRODUCTION~OF~MINERAL~COMMODITIES~1/} \\$

(Thousand 42-gallon barrels unless otherwise specified)

Commodity 2/		1995	1996	1997	1998	1999
Crude oil and condensate		2,300	6,300	21,000	30,000	37,000
Liquified petroleum gases 3/				450	660	800
Natural gas 4/	million cubic meters			44	78	83

⁻⁻ Zero

^{1/} Includes data available through September 19, 2000.

^{2/} In addition to the commodities listed, Equatorial Guinea presumably produced a variety of crude construction materials (clay, gravel, and sand). There also is artisanal production of gold, but output is not reported, and available information is inadequate to make reliable estimates of output levels. 3/ Production began in January 1997.

^{4/} Total natural gas production is estimated at about 3 billion cubic meters per year. Prior to January 1997, all produced natural gas was flared. Since January 1997, produced natural gas is processed to recover liquified petroleum gases.