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# Congo Signs Amended PSC with China's Wing Wah, Signaling Start of Gas Development Project

April 12, 2024(<https://energychamber.org/2024/04/12/>)

5:26 pm

The Banga Kayo project will be developed in three stages, with production starting in August 2024.



The Republic of Congo's Minister of Hydrocarbons Bruno Jean-Richard Itoua signed an amended Production Sharing Contract (PSC) with China's Wing Wah Oil Company for the Banga Kayo block. The amended PSC marks the start of development at the block and signals a strong commitment by the country to maximize undeveloped hydrocarbon resources.

Representing the voice of the African energy sector, the African Energy Chamber (AEC) supports the move by the country to fast-track the development of this strategic asset in partnership with its global partner. The development of the project will be critical for enabling the Congo to achieve its goal of doubling its hydrocarbon production to 500,000 barrels per day (bpd).

Under the terms of the amended PSC, the partners have agreed to develop the project in three phases, with the first – featuring the start of production – kicking off in August 2024. The second stage, focusing on the commercialization of resources, will start in February 2025 while the third and final phase – comprising marketing and distribution – will start in December 2025. With the development, the country is expected to increase its national production capacity, thereby boosting export revenues and driving economic growth.

The structured development plan outlines a clear path to resource monetization and is a testament to the role public-private partnerships play in developing oil and gas projects in Africa. For the Congo, partnering with private companies and global E&P firms has already yielded positive results, with the country witnessing a strong pipeline of projects across the exploration and production space. Led by energy major Eni, the country awaits first cargo from its inaugural natural gas liquefaction project. The development comprises the installation of two FLNG vessels at the Marine XII concession.

Meanwhile, companies to the likes of independent explorer Perenco – which made a discovery at the PNGF Sud license in 2022 – and energy major TotalEnergies – set to drill the Niamou-1 well on the Marine XX block – are spearheading exploration efforts. The country's national oil company SNPC is expected to boost its own production capacity by 10,000 bpd this year, showcasing a commitment to production growth as well as the wealth of opportunity in the market.

“Spearheaded by its Ministry of Hydrocarbons, the Republic of the Congo is making great strides to develop its oil and gas resources, with the country's fast-tracked approach serving as a model for other resource-rich nations in Africa. With bold ambitions to double production capacity, the country is poised to unlock new opportunities for sustainable economic growth through oil and gas investment,” stated AEC Executive Chairman NJ Ayuk.



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