Nawara Gas Project, The Umbilical of Tunisia

The Nawara Gas Development Project is a key strategic infrastructure project to unlock South Tunisia’s gas resources and as such has been designated a Project of National Interest. For OMV, this joint project with ETAP, the national oil company, is a substantial part of its growth story in Tunisia, and a key part of its international portfolio.

History
In 2003, the exploration permit Jenein Sud in South Tunisia (Tataouine Governorate) was granted to ETAP and OMV. The permit required that the exploration costs, including the drilling of exploratory wells, were funded by and at the sole cost to OMV.

The Nawara concession was granted to ETAP and OMV in 2006, on a 50:50 basis, by the Tunisian Ministry of Industry, Energy and Mines.

In January 2006, the Nawara gas/condensate discovery was made. Following the discovery eight more successful wells were drilled during two drilling campaigns in 2008 and 2010.

The Nawara Gas Development Project called “STGP, South Tunisia Gas Project” was launched in 2008 by ETAP, OMV, ENI and Pioneer to transport and process the future gas/condensate.

In January 2011 OMV bought Pioneer’s Tunisian assets and in 2012 ENI left the consortium.

In March 2014, the Government announced, independently from the Nawara Project, the construction of the Tataouine Gas Plant project with a spur line from Nawara to Tataouine. The Tataouine plant will have a gas processing capacity of 600,000 Sm3/d and an LPG bottling unit.

Construction started in 2015 and first deliveries of gas were made to STEG, the national electricity and gas company in March 2020.

Final commissioning and start up activities continued through the Covid-19 pandemic and the Nawara system is currently undergoing final performance tests.

Concept
The Nawara Development Project consists of three components:

- Central Processing Facility at the Nawara field (capacity of 2.7 mn Sm3/d potentially expandable): constructed by Max Streicher and Bouchamaoui Industries.

- Gas Pipeline (24”, 370km) from Nawara to Gabès: constructors Bouchamaoui Industries and Max Streicher consortium (BIMS).

- Gas Treatment Plant (GTP) at Gabès to produce LPG products and commercial gas: implementation through a consortium between ABB Italy and TDE Canada.
**Objectives**
- Bring southern Tunisian hydrocarbon resources to the local Tunisian market and export to markets in Europe.
- The project will produce approximately 11% of Tunisia’s estimated gas consumption during the project life.
- Develop the Nawara Concession to provide for commercial gas sales of 2.4 mn Sm3/d to STEG together with the production of condensate and LPG (extracted at the GTP) for delivery to both domestic and international markets.
- Extend the Nawara production plateau by further exploration and appraisal work within the Jenein Sud permit and adjacent permits.
- Facilitate further exploration activity in the south of Tunisia and provide transportation and processing services to 3rd parties.

**Benefits for the Tunisian economy**
- Created roughly 2,000 temporary jobs of skilled and unskilled labor during the construction phase.
- Will bring significant financial rewards on the Tunisian budget resulting from the gas revenues and taxes will be substantial.
- Will reduce Tunisia’s dependency on energy imports and increase the GDP.
- Will develop the national resources. The production from new gas discoveries in South Tunisia can be expedited via the Nawara gas pipeline, which has a design capacity potential up to 10 mn Sm3/d.
- OMV has spent over EUR 9 million and generated nearly 1,000 sustainable jobs via Corporate Social Responsibility projects.

**Challenges**
- Project progress has been negatively affected as a result of the recent low oil price environment.
- Other challenges have been due to continuing social unrest in southern Tunisia and the Covid-19 pandemic both of which impacted progress.
- These issues have resulted in increased project costs and delays in first commercial production.

**Facts**
- The project was granted OMV internal Final Investment Decision in March 2014.
- The main commercial agreements were signed in March 2014: Gas Sales Agreement with Tunisian STEG and LPG Sales Agreement with Tunisian STIR.
- Since January 2017 16.6 million man-hours have been worked without a lost time injury.
- EPCC contracts awarded in August 2014 following a successful international transparent tender.
- The European Investment Bank co-financed the project by granting a loan of EUR 150 mn to ETAP and a loan of EUR 230 mn to OMV.
- The project is expected to achieve project completion and full commercial operation in Q3 2020.