

IT'S IN COUNTRY'S INTEREST TO PROACTIVELY PURSUE OFFSHORE OIL AND GAS EXPLORATION

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The discovery of oil and gas has remarkably changed the fate of many countries. Not too long ago, people that used to live in abject poverty, are now reaping the benefits of the initiatives taken by their governments in oil and gas exploration. Accordingly, their living standards have been transformed. As a result, industries were established in these countries, roads and communications infrastructures substantially improved, housing sector boomed and business activity was revitalized.

It is believed that any breakthrough in oil and gas discovery is likely to change the fate of Pakistan as well, that is faced with enormous economic challenges.

Not very far from us, the exploration of oil and gas in the Gulf Countries started with the discovery of oil in Damam, Saudi Arabia. The other discoveries in neighbouring countries ensued. These discoveries would alter the geo-strategic, geo-economic and geo-political landscape of the region altogether and forever. Today the Gulf region remains in the limelight of global geo-politics and geo-economics primarily due to its preponderance in oil production.

Currently, 70 percent of the world's oil and gas comes from onshore sites, with 30 percent being produced offshore. However, reserves on land are quickly depleting. Consequently, the offshore exploration of huge and mostly untapped oil, gas and mineral resources, lying beneath the seabed, is gaining prominence.

Next door to Pakistan, in the Persian Gulf, significant quantities of oil and gas production come from drilling at sea. The Gulf countries are earning billions of dollars through export of petroleum products and their economies are booming. The quantum of petroleum production can be assessed from the fact that about 21.6 Mn barrels of oil passes through Strait of Hormuz daily. Reportedly, Saudi Arabia has earned US \$ 326 Bn in oil revenue alone for the year 2022. Likewise, the earnings of other Gulf countries, including the neighboring Iran, from oil and gas production is staggering.

Why can't Pakistan be amongst one of these countries? Is it because we

don't have any oil and gas reserves, especially offshore, or do we lack the initiative and commitment to make concerted efforts in oil exploration?

According to a December 2022 report by Petroleum Division, Pakistan has already consumed 79.8% and 66.6% of its total onshore oil and gas reserves respectively. Now we have to turn towards our 200 NM EEZ, plus another 150 NM of the Continental Shelf beyond the EEZ, which cumulatively cover an area of about 290,000 sq km, for oil and gas exploration.

Many parts of the country are already facing severe gas load shedding while we import most of the oil by spending huge amount of foreign exchange. Pakistan paid around \$13 billion to import oil for 80% of its needs in fiscal 2022-2023. In this scenario, discovery of offshore oil and gas reserves could be a blessing. But persistent efforts have to be made in this regard.

In 2019, high hopes were pinned on Kekra-1 platform to explore oil and gas off the Pakistani coast in Arabian Sea. But the drilling operations were soon abandoned within about four months after no oil and gas reserves were found. Official statements before plugging down of the Kekra-1 well were very optimistic. The project was being termed as "hitting an oil and gas jackpot". It was publicly announced that "We are very near to finding massive off-shore gas reserve and Pakistan would never have to purchase gas from outside". Nevertheless, detailed reasons and report on sudden shutting down of the drilled wells were not made public, which trigger many intriguing questions and theories.

It is less likely that the entire Pakistani EEZ and adjoining continental shelf are devoid of any oil and gas reserves, especially when oil is being extracted from Mumbai High in the East and Oman, Iran and other Gulf countries in the West. Indian Gujrat coast, including the adjacent Gulf of Kutch, and Gulf of Cambay are reported to have huge reservoirs of oil and gas.

Pakistan had gathered valuable data from about \$100 million Kekra-1 project, which can be used in future explorations. Moreover, experiences from over a dozen unsuccessful offshore oil and gas explorations off the Pakistani coast in the past should be utilized and mistakes not repeated.

While it is important to consider various perspectives, it is crucial to rely on factual information and evidence-based analysis without subscribing to conspiracy theories. Inimical forces with vested interests would continue to derail the process and not like Pakistan to get out of the economic abyss. However, it is essential for Pakistani leadership to remain determined and committed to making difficult decisions that can contribute to country's development.

It is in Pakistan's interest to proactively pursue offshore oil and gas exploration. Pakistan may consider collaboration with China and other friendly countries for capacity building, technology sharing and joint ventures. Ministry of Energy along with other relevant ministries, should join hands for synergetic efforts for a breakthrough in oil and gas exploration.