



SOUTH AMERICA COLOMBIA ONSHORE PRODUCTION

NG Energy expects “eight-fold” increase in Colombian natural gas production in 2024

Andrea Jaramillo, Bloomberg September 28, 2023

(Bloomberg) - NG Energy International Corp. expects an eight-fold boost in its natural gas production in Colombia after a new field begins production next year.

The Toronto-based company sees its natural gas production rising to 60 MMcfd in the third quarter of 2024 as its Sinu-9 block comes online in the Lower Magdalena basin, according to Chief Financial Officer Jorge Fonseca. NG Energy currently produces 7 MMcfd from its Maria Conchita field, in northern La Guajira province.

“This is just the beginning,” Fonseca said in a phone interview. “We have big potential in both blocks.”

Once production fully ramps up, NG Energy will be supplying about 6% of the Andean nation’s demand for natural gas. Fonseca said the company hopes it can raise that level to as much as 20% within three to five years as pipeline infrastructure is developed to get gas to market.

The company unveiled its production forecasts Thursday as Colombia looks to reverse declining gas reserves, which at an estimated 7.2 years are at their lowest since at least 2007. President Gustavo Petro has stopped awarding new oil and natural gas exploration licenses as part of a pledge to wean the nation off of its dependency on fossil fuels.

Companies are focusing their efforts on existing contracts as a result. State-owned **Ecopetrol** SA, the largest natural gas producer in the country, is looking to expand output off the Caribbean coast, its top executive said earlier this month.

NG Energy sees natural gas production at Maria Conchita rising to 20 MMcfd by the start of November, according to Fonseca. The Sinu-9 field is forecast to produce 30 MMcfd in the first quarter of 2024, and an additional 10 MMcfd in the third quarter.

The company’s Toronto-listed shares are up 20% this year to C\$1.14, compared to a 4.8% gain in the S&P/TSX Composite Energy Sector Index.

