



How Is the UAE Expanding with Natural Gas?

The UAE is planning to launch an offshore bid round next in the emirate of Sharjah, even as onshore drilling continues in the same authority. The Sharjah National Oil Company (SNOC), working in partnership with Italian energy major Eni, made the first major discovery of reserves in 2020 and began drilling operations a year later – but now, SNOC wishes to expand upon that promising development.

It intends to do so by launching a new round of bidding in 2023, which will follow in the footsteps and in the same format as the international licensing round of 2019. This, alongside the ongoing onshore developments at Mahani, will expand SNOC's capabilities and shore up the UAE's position as one of the foremost producers of natural gas in the Middle East and North Africa (MENA) region and indeed the world.

A ground-breaking discovery

The ink was barely dry on the contract between SNOC and Eni when they announced their first major discovery at the beginning of 2020. The Mahani reservoir is located in the Sharjah emirate and early indications revealed that it could yield flow rates of up to 50MMcf/d of gas and condensate. One year on, operations began on producing the gas at Block B in earnest.

That signified the first time that drilling had taken place at a freshly discovered site in the Emirates for 37 years. Again, the early signs were highly encouraging, though SNOC has indicated that it intends to limit production at the wells in order to collect data, allow for [condition monitoring to take place](#) and delineate the full size and scope of the reserve.

However, it's clear that SNOC and Eni will not rest on their laurels at Mahani. They are planning to drill two new wells at the already discovered site, as well as a further exploratory well at a second prospect. If it yields the same results as the first, drilling is expected to continue well beyond next year.

Further expansion on the horizon

Besides the exciting developments at Mahani, the UAE has other irons in the fire. For starters, SNOC is expecting to deliver a new round of bids in 2023, which could open



up the door for more offshore expansion in the very near future. However, the potential for more natural gas production is not limited to the third largest emirate.

In nearby Abu Dhabi, another significant discovery was made last year. The biggest energy supplier in the country Abu Dhabi National Oil Company (ADNOC) found a new gas reservoir along its border with Dubai last year. It is aiming to begin production on the reservoir, which is believed to hold up to 80 trillion cubic feet of the commodity, in the near future.

Given that natural gas has a smaller carbon footprint than oil, it is seen as a facilitator in the transition to a cleaner energy profile. As a whole, the UAE are aiming to become carbon neutral by 2050 and the developments at Mahani and elsewhere are crucial to realising that ambition.