



Shale gas exploration: for GEECL at its Raniganj (South) block in West Bengal
Photo: GEECL

GEECL readies up to \$2bn in shale investments

UK-listed player set to begin shale gas exploration on Raniganj (South) block next year

Nishant Ugal

Singapore 29 Nov 2018 08:53 GMT

UK-listed Great Eastern Energy Corporation (GEECL) is gearing up to initiate a shale gas exploration campaign on its Raniganj (South) block in West Bengal, India during the first half of next year, as it aims to invest up to \$2 billion in development of shale resources.

GEECL said in a statement that 'exploration work of drilling core wells' is expected to start during the first half of 2019.

"Depending on the results obtained and analysed from the core wells, we thereafter intend to drill an optimum number of pilot production wells," the company said.

Based on results of the pilot production wells, "the total investment envisaged for the full development of shale resources in the block could be in the region of \$2 billion".

"These are exciting times for the company as we are at the cusp of taking the next big leap in our operations," chief executive Prashant Modi said.



GEECL to explore for shale

Read more



GEECL said that along with the company's "ongoing program for coal bed methane (CBM) development", it is "looking forward to undertake exploration and development of the shale gas resources in the Raniganj (South) block".

GEECL is presently engaged with Indian player Gail for either a gas offtake agreement or a gas transmission agreement through their upcoming pipeline that could provide a ready market for any future shale gas production from the block.

Modi said earlier this month that “shale gas resources can be explored and developed cost-effectively in tandem” with the ongoing CBM development programme through the sharing of surface and other infrastructure facilities.

Independent reserve engineers at Advance Resources International (ARI) have carried out an assessment for the Raniganj (South) block that gives a high estimate of shale resources of up to 6.63 trillion cubic feet of gas.

CBM resources in the block remain at up to 2.62 Tcf, according to the ARI report.

Modi had claimed that the most recent report by ARI increases the original gas in place at Raniganj (South) to up to 9.25 Tcf, “with an undiscounted value of \$13.78 billion and a discounted value of \$4.31 billion”.

GEECL in new CBM drill drive

[Read more](#)



The Indian government earlier this year allowed existing CBM producers to explore and exploit all forms of hydrocarbons, including shale resources.

The revamped policy by the Indian government has prompted private sector explorers such as GEECL to plan initial exploration programmes

for shale gas reserves.

The company is likely to earn a market-linked gas price for any potential shale gas from the Raniganj (South) acreage in the future.

The company also announcement its half yearly results for the 6-month period ending 30 September, where it reported a cash profit of \$7.07 million during the period.
