

# Sahara Group canvasses more investment in Africa's E&P business

*Oil and Gas businesses in Africa need to intensify exploration efforts to guarantee reserve replacement and enhanced capacity to meet growing demand*

PARIS, FRANCE, June 25, 2019 /EINPresswire.com/ -- Oil and Gas businesses in Africa need to intensify exploration efforts to guarantee reserve replacement and enhanced capacity to meet growing demand and global competition, Olajumoke Ajayi, Managing Director, Asharami Energy (A Sahara Group Upstream Company), has told participants at the Oil and Gas Council's Africa Assembly in Paris.

Ajayi noted that Africa's large volumes of undiscovered oil and gas make the continent a veritable frontier for investment, adding that operators need to adopt new technology, explore alternative cost saving measures, ensure sustainable community relations, and build diverse multidisciplinary teams to ensure successful exploration projects.



Managing Director, Asharami Energy (A Sahara Group Upstream Company), Olajumoke Ajayi, Director, EMEA, Oil and Gas Council, Pippa Brown and Head, Commercial and Business Development, Asharami Energy, Mariah Luciano-Gabriel

In her presentation, “Renewing Players Commitment to Exploration and the Importance of Community Engagement in Capital Intensive Projects”, Ajayi cited the downturn in global oil prices and the corresponding negative effect on investor funds and returns as factors that have made a good number of Exploration and Production (E&P) companies in Africa cut down on investments, delay Final Investment Decision (FID) or totally stop embarking on new capital projects.

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Sahara Group's exploration success story is being driven by a combination of technology, innovation and community management expertise”

*Olajumoke Ajayi, Managing Director, Asharami Energy*

“Consequently, producing companies continue to pump oil from operated mature fields thereby depleting existing reserves with non-corresponding efforts for reserve replacement via new exploration discoveries. The big question remains whether or not E&P players should

commit to exploration and how players can justify this commitment in the face of lower oil prices,” she stated.

According to Ajayi, the compelling case for the relevance of hydrocarbons in the future, in

addition to huge investments on new technology, responsible and intentional community engagement will play a significant role in creating a stable and conducive environment for exploration and production. "Sahara Group's exploration success story is being driven by a combination of technology, [innovation](#) and community management expertise. At Sahara, we are intentionally committed to creating a sustainable balance between our projects and host communities to ensure the creation of shared value for all stakeholders."

Going by the PwC Oil and Gas Review 2018, proven oil reserves in Africa have stayed at the same level of 7.5% of global reserves. The report also notes that exploration activity continued to decline in 2017. "The consequences of modest recovery in exploration spending and a continued decline in new discoveries are unavoidable and imminent. The International Energy Agency and various players in the oil industry have warned of demand exceeding supply as oil demand continues to grow and investment in projects is deferred," the report stated. The report adds that Africa's oil and gas consumption is predicted to increase by 45%, increasing its global share 5.1% by 2050.

Ajayi said strategic community engagements eliminate community interference in operations of capital projects that may lead to significant downtime; ensure that the host community understands its role as a project stakeholder and treats projects as commonwealth source for the people; reduce security breach as community representatives serves as infrastructure surveillance outfit; and promoting easy negotiations for Freedom To Operate (FTO) and Global Memorandum of Understanding (GMOU).

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