

<http://uk.reuters.com/article/2012/01/09/bangladesh-gas-pipeline-dUKL3E8C97PO20120109>

**Jan 9 (Reuters) - Bangladesh will build a new gas pipeline to bring output from Chevron Corp fields to the capital Dhaka and to western regions as it combats shortages.**

State-run Gas Transmission Company Limited (GTCL) on Monday signed an agreement with MAN Industries (India) Limited to construct a 137 km (86 miles) gas transmission pipe line, a senior official said.

"To meet growing gas demand of power plants and manufacturing firms, we will implement the project by the middle of 2013 with a cost of \$201 million," said Aminur Rahman, managing director of the GTCL.

He told a news conference that all the resources would be funded by the Bangladesh government.

"The pipeline will be used to transport additional gas to be produced by U.S. oil firm Chevron at Bibiyana and Jalalabad gas fields as well potential new gas reserve at Sunetra," Rahman said.

All these fields are located at Sylhet region, 280 km (175 miles) north east of Dhaka.

Last year the Bangladesh energy authority asked Chevron to raise gas production by 500 million cubic feet (mmcft) a day to offset shortages.

The new pipeline is designed for a total capacity of 850 mmcft and will ensure additional gas supply to Dhaka and Western regions of the country.

Bangladesh produces about 2,000 mmcft gas a day against the demand of more than 2,500 mmcft a day, the official said.

Due to acute shortages the state-run Bangladesh Oil, Gas and Mineral Corporation, or Petrobangla, has stopped new gas connections to industrial and manufacturing firms across the county since July 2009, ultimately affecting the growth of the economy.

Natural gas connections to households also remained suspended since July 2010. The government is trying to cope with the supply shortfall by gas rationing and keeping the compressed natural gas filling stations shut for six hours a day.

The energy official said that Chevron was now carrying out exploration and drilling activities to enhance gas production.

The proposed pipeline will run through several districts, river and vast haor (low-lying) areas. (Reporting By Serajul Quadir; Editing by Anis Ahmed and William Hardy)