



Gas Crisis Likely To Persist Until 2030

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The current gas supply crisis, coupled with the rapid depletion of proven recoverable reserves in Bangladesh's producing gas fields, indicates that the country's energy challenges will continue to deepen over the remainder of the decade. At the current pace, neither BAPEX's exploration activities nor Petrobangla's initiatives to expand LNG import infrastructure are likely to deliver significant additional gas supplies before 2030.

Domestic gas production, which once peaked at 2,750 MMCFD, has now fallen below 1,750 MMCFD. Meanwhile, two floating storage and regasification units (FSRUs) anchored offshore near Moheshkhali supply between 1,050 and 1,100 MMCFD of regasified LNG (RLNG). Total gas supply currently ranges between 2,750 and 2,800 MMCFD against a coincident peak demand of 4,000–4,200 MMCFD, leaving a widening supply deficit of 1,000–1,200 MMCFD.



This chronic gas shortage has severely affected every major consumer category, including power generation, fertilizer production, industries, CNG stations, and residential users. Petrobangla's 50-well and 100-well drilling programs have so far failed to produce the expected results. Although exploration activities on Bhola Island led to several gas discoveries, Petrobangla has been unable to connect these reserves to the national gas grid for more than three decades. Gas was first discovered in Bhola in 1994.

Bangladesh made a timely decision in 2010 to begin importing LNG, and RLNG has been supplied to the national grid since 2018. However, despite growing demand, Petrobangla has yet to launch any major new initiative to expand



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RLNG imports through additional FSRUs or accelerate the development of the proposed land-based LNG terminal at Matarbari.

The interim government led by Dr. Muhammad Yunus canceled the contract with Summit Energy for a third FSRU without fully assessing its long-term implications. Had the project proceeded as planned, the facility could have been in an advanced stage of development and capable of supplying an additional 500 MMCFD of RLNG by mid-2027.

The interim government also discontinued negotiations with Excelebrate Energy for a deepwater floating LNG terminal off the coast of Kuakata. In addition, two advanced proposals to import RLNG from India through cross-border pipelines were abandoned.

As a result, Bangladesh's downstream gas supply chain—which is already under severe strain—faces an even

greater risk of crisis between 2027 and 2029. The situation demands the highest national priority, requiring an aggressive program of onshore and offshore gas exploration alongside immediate efforts to establish at least two additional FSRUs by 2029. Expanding the gas transmission network will also be essential to accommodate additional RLNG imports.

Present Situation of the Gas Supply Chain

According to Petrobangla's daily gas intake and offtake report for 24 hours in mid-July 2026, the total gas supply stood at 2,690 MMCFD. Domestic gas fields contributed 1,626 MMCFD, while RLNG imports added 1,044 MMCFD.

Bangladesh's own gas production once reached 2,750 MMCFD, with the prolific Bibiyana gas field alone producing around 1,200 MMCFD. Today, Bibiyana's output has declined to approximately 750 MMCFD. Wellhead pressure in several producing wells is showing alarming signs of depletion despite the installation of wellhead compressors.



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Experts predict that Bibiyana's production could decline below 500 MMCFD by 2030. Surprisingly, Petrobangla has yet to implement adequate contingency measures to prepare for this eventuality. At the same time, the gas reserves discovered on Bhola Island remain stranded because of the absence of a transmission pipeline connecting the island to the national gas grid.

The same Petrobangla report showed that gas supply to power plants was only 1,096 MMCFD against a demand of 2,525 MMCFD.

Fertilizer factories received just 120 MMCFD compared with a demand of 329 MMCFD. Consequently, nearly 48% of gas-fired power generation capacity remained idle, while only two of the country's seven fertilizer factories were able to operate.

Industries—including export-oriented textile, ready-made garment (RMG), and ceramic manufacturers—continue

to suffer from severe gas shortages throughout the national gas distribution network. Many small and medium-sized enterprises have already closed, while several large industries have been forced to reduce production.

The outlook beyond 2026 is even more concerning. Domestic gas production is expected to decline further through 2030, while neither major new gas discoveries nor substantial additional RLNG imports are likely to materialize before then.

What Can Be the Remedies?

Years of inadequate planning and delayed decision-making by the Energy and Mineral Resources Division (EMRD) and Petrobangla have created a situation that is unlikely to improve significantly before 2030, even if emergency measures are implemented immediately.

The immediate priority should be to sustain domestic gas production at no less than 1,800 MMCFD while reducing



system losses, theft, and pilferage to save at least 200 MMCFD of gas across the national distribution network.

In an emergency, gas supplies to fertilizer factories could be temporarily curtailed so that the saved gas can be redirected to industries, where the economic returns are significantly higher. The government should immediately invite tenders to construct a gas transmission pipeline connecting Bhola to the national gas grid through Khulna, abandoning impractical proposals to convert Bhola gas into LNG or CNG before transportation.

Every effort should also be made to commission the full 2×1,200 MW capacity of the Rooppur Nuclear Power Plant by the end of 2027 to reduce dependence on natural gas for electricity generation.

Petrobangla should deploy drilling rigs to Chhatak and Tengratila while accelerating exploration at Patharia, Patiya, Sitapahar, and Kashalong in the Chittagong Hill Tracts through experienced international drilling contractors.

The government should also launch a new production-sharing contract (PSC) bidding round for onshore exploration. If, by the end of 2027, at least 10 exploration rigs—including five operated by BAPEX—can work simultaneously, Bangladesh could potentially discover an additional 3–5 trillion cubic feet (TCF) of gas reserves by 2030.

The government should also reconsider the canceled contract for the third FSRU and simultaneously initiate bidding for a fourth FSRU. Every effort must be made to expedite the construction of the land-based LNG terminal at Matarbari.

These initiatives will require major expansion of GTCL's transmission network. Our assessment indicates that a parallel gas transmission pipeline from Feni to Bakhrabad should be completed by 2030 to evacuate additional RLNG from two new FSRUs.

Before the land-based LNG terminal becomes operational, however, a third pipeline from Moheshkhali to Faujdarhat will be essential.

A substantial portion of this pipeline should be constructed underwater to bypass the highly congested Anwara and North Patenga areas, where acquiring land for a new pipeline would be extremely difficult.

Conclusion

In the national interest, the recommended contingency measures should be treated as the country's highest energy priority. A dedicated task force of experienced energy professionals should be empowered to implement these initiatives with the authority, resources, and incentives necessary to achieve measurable results.

The conventional bureaucratic approach will not be sufficient to address the magnitude of Bangladesh's gas crisis. Only decisive leadership, accelerated project execution, and coordinated institutional reforms can prevent the country's energy security from deteriorating further before 2030. 

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