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Egypt plans to spend \$16bn importing petroleum products in FY 2015/2016

EGAS issues second international bid for foreign companies in July



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By Doaa Farid

The Egyptian government is planning to import 28.6mtonnes of petroleum products of crude oil, liquefied natural gas (LNG) and other products during the current fiscal year, with a value of \$16bn.

The Ministry of Planning said in a Saturday statement that Egypt will buy 7.79m tonnes of LNG worth \$3.55bn and 6.37mtonnes of crude oil worth \$3.51m

On 20 July, the Egyptian Natural Gas Holding Company (EGAS) issued a second international bid for foreign companies to supply 45 liquefied natural gas (LNG) shipments until the end of 2016.

According to EGAS head Khaled Abdel Badie, EGAS issued the second bid to supply 45 LNG shipments until December 2016, so that both bids would end at the same time.

In October, EGAS offered the first bid to supply LNG, and seven companies applied, including British Petroleum (BP), Vitol, Trafigura, and Golar, as well as three other companies.

The awarded companies were Vitol, Noble Energy, and BP, and they are set supply 75 shipments of LNG within two years, beginning last March. The contract is subject to renewal.

Norway's HOG Energi announced

last November that it signed a five year lease with EGAS to supply a re-gasification boat to receive LNG shipments, at an exchange rate of 31 cents for each 1m thermal units. The agreement stipulated that around 500m cubic feet of gas would be converted daily.

An initial agreement with Russian company Gazprom was reached in January to import 35 shipments of LNG over the next five years, according to Minister of Petroleum Sherif Ismail. Gazprom will import approximately seven shipments of LNG annually, starting from this year to 2020.

It has also agreed with Algeria's Sonatrach to supply six shipments of LNG during 2015. The volume of the shipments of Algerian gas is around 145,000 cubic metres, scheduled to be supplied between April and September 2015, with one shipment arriving each month.

Receiving LNG shipments means that the country will be able to meet the energy demands of power plants, to avoid the electricity blackouts in the summer when consumption reaches its highest rate.

Quantities of one gas shipment vary from 140,000 to 170,000 cubic metres of LNG, which would be enough to provide roughly 500m cubic feet a day for six days.