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Petroleum ministry signs contract with Gazprom for 35 gas shipments

SONATRACH DELEGATION TO VISIT EGYPT BY END OF WEEK TO NEGOTIATE SUPPLY QUOTA FROM 2015 TO 2020

By Mohamed Adel

The Ministry of Petroleum and Mineral Resources will sign a commercial contract by the end of this month with Russian company Gazprom for 35 liquefied natural gas (LNG) shipments.

Minister of Petroleum and Mineral Resources Sherif Ismail disclosed that a delegation from Gazprom visited Egypt last month, in relation to the shipments, which will take place over five years. The details of the deal and schedule of supplying the gas shipments are being determined, in addition to the prices and the terms of contract between the Russian and Egyptian parties.

In a statement to Daily News Egypt, Ismail said that Russian President Vladimir Putin's visit has no relation to signing the commercial contract with Gazprom. He noted that the company will supply seven LNG shipments annually to Egypt, starting from 2015 until 2020.

Ismail added that a delegation from Algerian company Sonatrach will arrive in Egypt and complete negotiations over the shipments supplied to Egypt. The company postponed its visit that was scheduled to take place at end of January.

The final contract with Sonatrach was signed last December to import six LNG shipments between April and September this year. The contract comes in accordance with the

government's efforts to provide the required energy for power plants.

He confirmed that the shipments will be supplied according to the global prices during the time of delivery.

Vitol, Nobel Energy, Travigora and BP have won the supplying tender of 75 LNG shipments to be supplied over two years starting from next March. The contract duration will be two years, subject to renewal.

"We are working on finalising all procedures of importing LNG before the end of the month," the minister said.

Last November, Hoegh announced that it had signed a lease contract with Egyptian Natural Gas

Holding Company (EGAS). The contract will see the Norwegian company provide EGAS with the first floating station to receive LNG shipments and convert it into natural gas. The unit will be activated by the end of March.

A government official previously said that a deal was signed with Hoegh to rent the ship for a commission of 31 cents per converted million therms. The official clarified that the other companies that applied for the tender offered higher prices than Hoegh. It was added that Citadel, the representative of international Excelsior, reduced its offer to 45 cents for million therms, instead of \$1 in the first tender.