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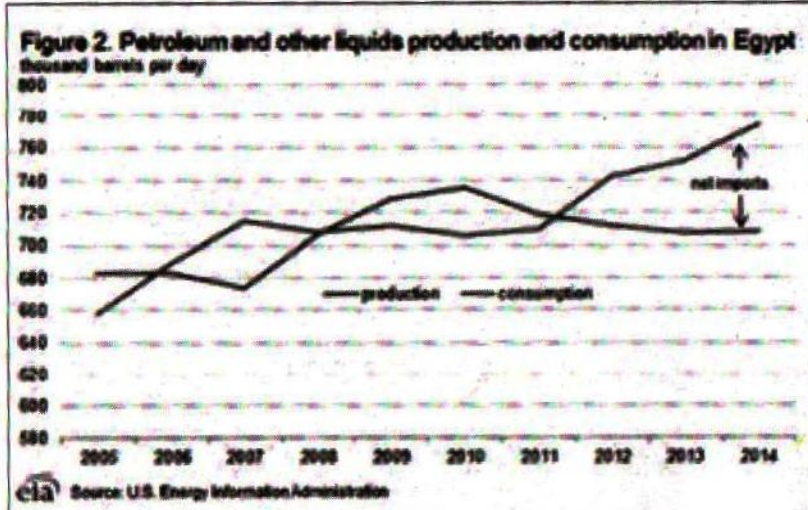
OIL PRODUCTION AND CONSUMPTION IN EGYPT

Egypt held 4.4bn barrels of proved oil reserves as of 1 January 2015, according to the Oil & Gas Journal (OGJ). The EGPC places Egypt's official oil reserve estimate slightly lower at 4bn barrels, of which 2.8bn barrels is crude oil and 1.2bn barrels is condensate. However, Egypt's reserve has been boosted by new oil discoveries, over the past few years, where 86 discoveries of mostly oil were made in 2013, according to the EGPC.

In 2014, petroleum and other liquids production was in the same average as 2013, amounting to approximately 708,000 b/d. Approximately half of Egypt's oil production comes from the Western Desert with the rest comes from the Gulf of Suez, the Eastern Desert, Sinai, the Mediterranean, the Nile Delta and Upper Egypt, according to EIA's report.

The report added that Egypt's oil consumption currently surpass its oil production, with the consequence that one of Egypt's main challenges is to satisfy increasing domestic oil demand amid falling production. Total oil consumption annually increased by 3% over the past ten years, averaging 775,000 b/d in 2014.

Regarding refined oil prod-



EGYPT'S RESERVE HAS BEEN BOOSTED BY NEW OIL DISCOVERIES

ucts, the report shows that Egypt has the largest oil refining capacity in Africa, where estimates differ among publications: the Arab oil and Gas Directory estimates its capacity by 704,000 b/d; while the OGJ estimates it is higher at 726,250, although Egypt operates below capacity.

Egypt's refining capacity is expected to increase in late 2015 or 2016 when a new 85,000 b/d refin-

ery begins operations. The refinery is under construction and is being developed by the Egyptian Refining Corporation (ERC), a public-private partnership financed by Qalaa Holdings and EGPC.

Moreover, Egypt imported about 145,000 b/d of petroleum products in 2014, according to Global Trade Information Services, whereas it also exported about 60,000 b/d of petroleum products that same year.