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# Government studies importing gas from Israeli Tamar field

SECURITY BODIES TO APPROVE IMPORTING GAS FROM TEL AVIV, SAYS GOVERNMENT OFFICIAL

By Mohamed Adel

Israel's Tamar Group, owner of natural gas fields, will start importing gas to Egypt by 2017. Negotiations are still taking place with Spanish Unión Fenosa, owner of Damietta liquefaction plant, to finalise the agreement of pumping gas.

A senior Egyptian government official said in a statement to Daily News Egypt that the study is being conducted to import gas from Israel for Edku and Damietta liquefaction plants. This would occur in return for achieving revenues for the government and dropping an arbitration suit against Egypt.

The approval for importing gas from Israel will soon be granted by security entities, the official added, which are working on the political dimensions of the agreement. A possible deal with Israel is sensitive, as the Egyptian public generally holds a hostile attitude toward Israel.

The official said the two liquefaction plants cannot re-operate without the supply of Israeli gas, because of the continuous annual decrease of Egypt's natural gas production, and the general gas shortage, amounting to a gap of 3bn cubic feet of gas per day.

He mentioned that Israel needs the two liquefaction factories affiliated to both of the British Gas and the Spanish Union Fenosa in order to be able to import its gas production to Europe.



Security bodies are involved in a possible gas import deal with Israel, due to the sensitivity of the issue. The Egyptian public generally holds a hostile attitude toward Israel.

In case Israel decides to build a liquefaction factory to import the production to abroad, it will need investments of no less than \$3bn and a time period of over three years, the official clarified.

He added that these talks are not the first of their kind, as officials from the Ministry of Petroleum and EGAS have met with officials from Tamar Group on several occasions.

Israeli economic newspaper Cal-

calist reported that Tamar Group has conducted talks during the last week in London with Union Fenosa over funding the gas pipeline linking Tamar gas field to Egypt. The talks were attended by representatives of invest-

ment banks and the Egyptian Natural Gas Holding Company (EGAS).

The newspaper estimates the cost of the gas pipeline that will extend between Tamar field and Egypt at about \$500m.