

PRESS CLIPPING SHEET

PUBLICATION:	Daily News
DATE:	25-June-2015
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE :	\$2.25bn cost of importing gas for FY 2015-2016
PAGE:	03
ARTICLE TYPE:	Competitors News
REPORTER:	Mohamed Adel

\$2.25bn cost of importing gas for FY 2015-2016

BP starts supplying 18 liquefied gas shipments to Egypt next month

By Mohamed Adel

The Egyptian Natural Gas Holding Company (EGAS) estimated the cost of importing 500m cubic feet of gas daily in the next fiscal year (FY) is at around \$2.25bn, instead of \$2.5bn. This is due to the continuous decline in Brent oil prices globally and its effect on gas prices.

EGAS Chairman Khaled Abdel Badie said in a statement to the Daily News Egypt that an agreement has been signed with British Petroleum (BP) for importing around 18 shipments of liquefied gas to Egypt in the next FY 2015-2016.

He stated that the delay in signing the agreement conflicts with one of the articles of the agreement, which allows for additional shipments of liquefied gas to be imported.

BP previously did not agree on this article and it was the reason for the delay for two months. However, the company recently agreed on it, according to Abdel Badie.

The EGAS chairman also pointed out that the number of shipments decreased from 21 to 18 due to the two month delay in signing the contract. In the last period, three shipments would have been imported.

"The first liquefied gas shipment from BP will be imported next

month," added the chairman.

It is of note that EGAS signed an agreement with Russian Gazprom to supply Egypt with 35 shipments of liquefied gas along five years, seven each year, to provide fuel for electricity stations.

The EGAS chairman affirmed that the agreements signed with the two companies for importing liquefied gas stipulate that there would be a grace period of 30 days from the arrival time to pay the value of the shipment.

It is said that EGAS has signed agreements to import 49 liquefied natural gas shipments in 2015 and 2016, within the international tender it offered, with the aim of fulfilling the additional needs of the electricity stations. There will be 33 shipments from Trafigura, nine shipments from Switzerland's Vitol, seven shipments from Noble Clean Fuels, and six shipments from the Algerian Sonatrach.

With the new agreement, EGAS would import a total of 90 shipments of liquefied natural gas.

Abdel Badie added that one shipment of liquefied gas will have around 140,000 to 170,000 cubic metres of liquefied gas, and it will be enough to provide roughly 500m cubic feet daily for six days to the electricity stations.