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EGPC, Rosneft sign agreement for oil products, LNG shipments

By Mohamed Adel

The Egyptian Natural Gas Holding Company (EGAS) and the Egyptian General Petroleum Corporation (EGPC) signed an initial agreement with Russian company Rosneft to supply oil products and liquefied natural gas (LNG) shipments.

Minister of Petroleum Sherif Ismail said that signing the two agreements is a mutual cooperation between public companies in Egypt and Russia. He added that it will support vital cooperation in the oil and natural gas sector.

From his part, EGPC Chairman Tarek El Molla said the initial agreement includes the supply of quantities of oil products (diesel, benzene, mazut, and bitumen). This comes in light of the procedures taken by EGPC to ensure various sources of supplying the local market with fuel.

In a similar context, EGAS Chairman Khaled Abdel Badie clarified that the

agreement stipulates the supplying 24 LNG shipments for two years, starting from the fourth quarter (Q4) of 2015.

He said that these shipments will meet the local markets' needs for natural gas, to fill the current gap between production and local consumption until the new projects developing gas fields are finalised.

EGAS signed contracts for 90 shipments of LNG in two years, within an international bid and direct agreement with Gazprom and Sonatrach, to secure the additional needs for power stations.

Abdel Badie said the LNG shipments contracts allow a grace period of 30 days to pay-off the price of the delivered shipment, starting from the date of arrival to the country.

He added that one shipment of LNG will contain 140,000 to 170,000 cubic metres and will be enough to provide roughly 500m cubic feet of gas daily for six days.