

## PRESS CLIPPING SHEET

<b>PUBLICATION:</b>	Daily News
<b>DATE:</b>	11-May-2015
<b>COUNTRY:</b>	Egypt
<b>CIRCULATION:</b>	10,000
<b>TITLE :</b>	Technical Studies for Cypriot Gas imports to be completed by June
<b>PAGE:</b>	06
<b>ARTICLE TYPE:</b>	General Industry News
<b>REPORTER:</b>	Mohamed Adel

## PRESS CLIPPING SHEET

# Technical studies for Cypriot gas imports to be completed by June

By Mohamed Adel

Technical studies of importing gas from Cyprus will be completed by end of June, according to Petroleum Minister Sherif Ismail.

Ismail added that the results of studies will determine the possibility for involving the private sector as a partner in the importing process.

The Egyptian Natural Gas Holding Company (EGAS) is preparing regulations for launching an independent body to control natural gas consumption. It would allow for the liberating of the energy market and make the private sector able to meet its fuel needs by itself.

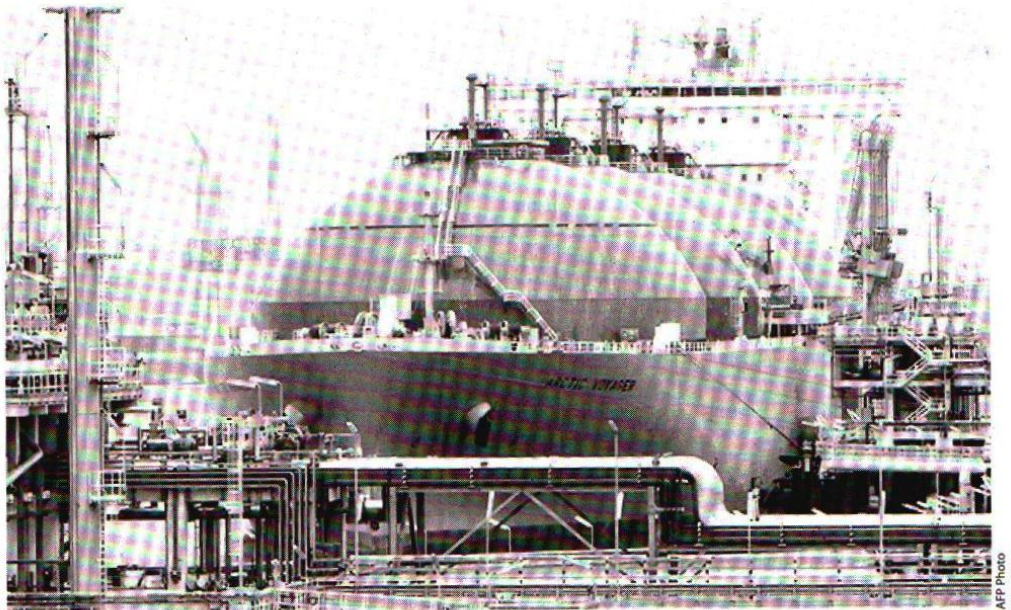
During the Economic Summit held in Sharm El-Sheikh last March, EGAS signed a Memorandum of Understanding (MoU) with Cypriot company, Hydrocarbon Cyprus, to share information about building a 400km pipeline to import gas from Cyprus.

A senior EGAS official announced that regulations and laws covering gas consumption will allow the private sector to submit a direct request to the authority to import fuel needs and obtain the necessary approvals.

He clarified that the government will acquire a share of the money in exchange for transferring gas through the national network, until it reaches the consumer.

The official expects the private sector will participate in the Cypriot gas import deal, because it will be the best and cheapest for the sector. Its price will not exceed \$6 per 1m thermal unit, compared to around \$10 for liquefied natural gas (LNG), without calculating the cost of receiving and converting it in the gasification ship.

He mentioned that the proce-



Studies for importing Cypriot gas to be completed by June

dures for launching the Gas Utility Regulatory Authority are expected to be finished before next October.

Ismail issued a decision to establish a temporary new management at EGAS that would manage the natural gas activities until the formation of a Gas Utility Regulatory Authority.

The official said the government liberated the energy market and allowed the private sector to secure its fuel needs by itself. This came after natural gas production declined to 4.5bn cubic feet a day in the current fiscal year (FY) 2014/2015, compared to 6.06bn cubic feet in FY 2009/2010.

He attributed the decline in Egypt's natural gas production in the past few years to the lack of linking major projects to production.

The new EGAS management will present recommendations and suggestions related to gas market regulation and putting a model forward for agreements on transport, distribution, storage, and licence of practice.

It will also state the mechanisms for calculating the tariff of transport, distribution and storage of gas, so that it would be of benefit to all the market players. General rules for suppliers, transporters, and distributors of the natural gas in Egypt will also be set.

Studies will also be conducted to help price natural gas for consumers, revise the draft natural gas law and the procedures for issuing the law, offer technical consulting services and recommendations to the concerned authority and important market players. The studies will also

help create the organisational structure, financial and management lists for the authority, to facilitate the work of the authority to be able to do the jobs assigned. Additionally, they will also help in forming the mechanisms and basics for organising the relations between the active players in the gas market as per the laws and regulations of Egypt.

Regulations will also be set to ensure a just competition, which will be of benefit to all the parties in parallel with the laws and regulations of competition and to prevent monopoly. The authority will create mechanisms to protect the rights of consumers and look into the complaints to be able to work on resolving them before escalating. It will also present regular reports on the progress of work to the concerned authority.