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DEA farms out part of West Nile Delta project

DEA Deutsche Erdoel AG has equalised its working interest and farmed out its stake in the West Nile Delta (WND) project in Egypt to its Joint Venture partner and operator **British Petroleum (BP)** in order to better balance its portfolio. The deal includes the sale of a portion of DEA's stake in the ongoing Phase 1 development of five trillion cubic feet of gas resources. With the remaining interest of 17.25 per cent in both concessions, WND will remain the largest project in DEA's portfolio. The closing of this agreement is subject to approval of the Egyptian General Petroleum Corporation (EGPC).

The \$12 billion West Nile Delta project, which is planned to start production in 2017, is expected to produce 1.2 billion cubic feet per day, which constitutes approximately 25 per cent of Egypt's current gas production.

Thomas Rappuhn, CEO of German-based DEA, commented on the decision: "We are one of the leading foreign investors in Egypt and have been committed to the country for more than 40 years. WND is a key part of our portfolio and a strategic project for Egypt, which we are committed to delivering with our partner BP. Recognising the world scale of the development, divestment is in line with

our strategy to manage risk through greater portfolio diversification." The farm down was also used by DEA to

work closely with partner BP to restructure the partnerships agreements to maximise the speed of decision making. By simplifying the DEA holdings to 17.25 per cent across the two concessions North Alexandria and West Mediterranean Deepwater, the efficiency of field cost management and allocation to different fields

were improved.

"We are very proud to be a partner in this project, which will be a very important source of energy for Egypt over many years to come. West Nile Delta remains a cornerstone project in DEA's portfolio. With our remaining interest of 17.25 per cent, we continue to be one of the largest investors in Egypt's energy future," said **Christoph Schlichter**, Senior Vice President Production North Africa of DEA Deutsche Erdoel AG.

DEA has been operating successfully in Egypt since 1974 as partner and operator. Since 1984, over 640 million barrels of crude have been produced by DEA as an operator in the Gulf of Suez. In addition, DEA's Disouq gas development project in the Egyptian onshore Nile Delta has recently allowed the company to double its daily oil and gas production in Egypt.

