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Monthly value of foreign partners' share in oil, gas declines to \$650m

Value of crude obtained daily from foreign companies declines to \$380m

By Mohamed Adel

New Minister of Petroleum and Mineral Resources Tarek El Molla said, in his first statement to Daily News Egypt following his appointment, that the value of foreign partners' share of oil and gas declined to \$650m per month during FY 2015/2016, compared to \$880m in FY 2014/2015.

The foreign partners' monthly share of gas and oil declined by nearly \$230m in fiscal year (FY) 2015/2016, due to the continued decline of global Brent prices. The price per barrel of Brent oil amounted to \$48 on Friday.

He estimated the value of foreign companies' monthly share of crude oil at \$380m, compared to \$600m in FY 2014/2015. This came as the result of the continuous decline in Brent price in global markets.

El Molla added that the partners' share will not be strongly affected by the declining Brent prices, where the share reached \$270m

per month, compared to \$280m during FY 2014/2015.

He emphasised that the value of the partners' share of gas and oil is regularly repaid on a monthly basis, to avoid the increase in their financial dues to the Petroleum Ministry.

El Molla said the monthly fuel import bill has declined to \$550m, compared to \$880m last year. This was due to the decline in crude prices, which lead to a decline in the value of petroleum derivatives, namely gasoline, diesel, fuel oil and butane, which are imported.

El Molla noted that calculations of savings made due to the drop in petroleum prices during the first half of FY 2015/2016 are underway. Approximately EGP 62bn of the state budget is allocated to fuel subsidies, based on a price per barrel of \$70.

El Molla added that further dues to foreign partners are expected to be paid by the end of this year, as they decreased by the end of last August to nearly \$2.9bn, compared to \$3.5bn previously.