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REPORTER:	Mohamed Adel

EGAS issues delayed payment to LNG suppliers

By Mohamed Adel

The Egyptian Natural Gas Holding Company (EGAS) made its first payment to suppliers of liquefied natural gas (LNG) since payment terms were extended in December.

After the payment, the rate of natural gas increased to 1 bn cubic feet per day instead of 900m cubic feet last week.

A senior official in EGAS said that 2.7bn cubic feet per days is allocated to power stations while 1,200m cubic feet is allocated for domestic consumption, including those to homes, cars, and medium and small consumption factories. There is 1 bn cubic feet allocated to large users of gas.

The EGAS official stated that power plants receive 24,000 tons of fuel and 3,000 tons of diesel daily in addition to the quantities of natural gas.

The official forecast is that EGAS will increase the quantity of imported gas via gasification ship to 1.2bn cubic feet per day by next summer.

EGAS signed contracts with suppliers to import 80 liquefied gas shipments at an estimated value of \$2.5 to \$3bn

during 2016 to meet the demand of the industrial sector and power plants. Each gasification ship can import 1.2bn cubic feet daily.

As a result of the tender put forward by EGAS in 2015, the gasification ships will include the Algerian SONATRACH, Russian GAZPROM, and Swiss VITOL among other international suppliers, official explained

He predicted that Egypt will continue to import nearly the same amount over the next year, despite additional supplies provided by the two gas fields in northern Alexandria that will supply 700m cubic feet per day and the Zohr field which will provide 900m cubic feet per day.

According to the official, the company expects that the increased quantity will help to offset the natural decrease in productivity of already existing wells and will supply the needs of new power plants, which will start operating in conjunction with the operations in the new natural gas fields.

The official added that Egypt's total gas consumption is currently estimated at 4.9bn cubic feet per day.