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As linking projects stall, energy companies see production rates fall

By Mohamed Adel

Egypt's average production of natural gas declined to 3.8bn cubic feet per day in 2016 from the rate of 4.4bn cubic feet per day in 2015.

A report published by the Ministry of Petroleum disclosed Egyptian gas fields' average productivity in 2016, which has significantly decreased due to delays in plans to link gas fields to production sites managed by international companies.

The report pointed out that the Khalda Petroleum Company—a joint venture company between Egyptian General Petroleum Corporation (EGPC) and Apache Corporation—produced an average 850m cubic feet of gas per day, compared to 851 in 2015. The Italian energy company Eni, operating in Egypt through its subsidiary Petrobel, produced an average of 800m cubic feet of gas per day, down from 978m last year.

According to the report, Royal Dutch Shell subsidiaries' production in the Borollos and Rashid fields declined to be about 650m cubic feet per day from the previous figure of to about 841m cubic feet per day in 2015. The Pharaonic Petroleum Company (PhPC) in conjunction with the British petroleum (BP) produced an average of 325m cubic feet gas per day, down from of 482m in 2015.

Egyptian wells are declining in productivity at a rate of 110m cubic feet of gas per

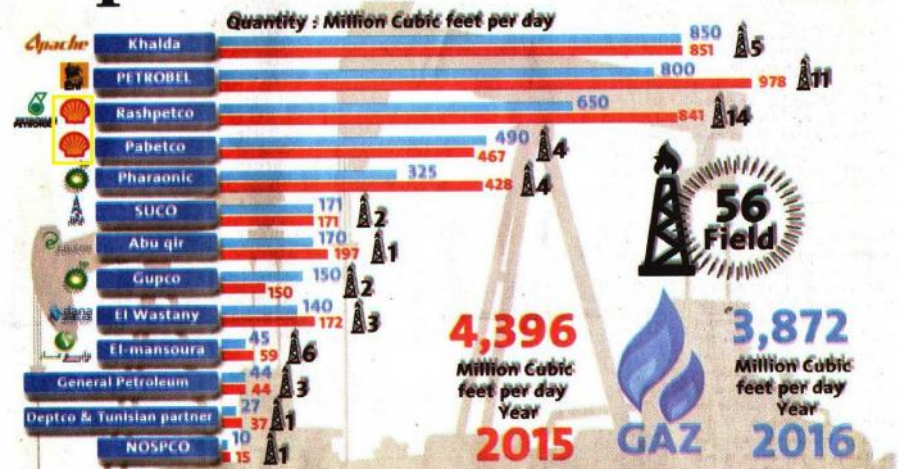
EGYPT'S AVERAGE PRODUCTION OF NATURAL GAS DECLINED TO 3.8BN CUBIC FEET PER DAY

ROYAL DUTCH SHELL SUBSIDIARIES' PRODUCTION IN THE BOROLLOS AND RASHID FIELDS DECLINED TO BE ABOUT 650M CUBIC FEET PER DAY

month, according to the report. As a proscriptive measure, the report suggested energy companies should begin plans to dig developing wells to offset the rate of decline.

Badr El Din Petroleum Company and Shell have increased their average production in 2016 to about 490m cubic feet per day from 467m last year, according to the report.

Abu Qir Petroleum Company—a subsidiary of the Italian energy company Edison—produces 170m



EGYPTIAN WELLS ARE DECLINING IN PRODUCTIVITY AT A RATE OF 110M CUBIC FEET OF GAS PER MONTH

cubic feet gas per day, compared with the 177m cubic feet. The Al-Wastani Petroleum Company produces 140m cubic feet per day, down from 172m cubic feet.

SOCO International—a subsidiary of the German energy company Lydia—produces approximately

171m cubic feet per day. Gulf of Suez Petroleum Company (GUPCO) produces about 150m cubic feet, up from 82m during 2015.

Mansoura Petroleum Company's subsidiary Dana Gas produced 45m cubic feet gas per day, compared to 59m in 2015. General Petroleum

Company (GPC) produced approximately 44m cubic feet per day.

South Dabaa Petroleum Company's production declined to 27m cubic feet per day compared to 37m cubic feet per day in 2015. The North Sinai Petroleum Company (NOSPCO) produces an average

of 10m cubic feet per day in 2016. Egypt's domestic demand for natural gas is estimated at 5.3bn cubic feet per day. It is divided into nearly 3bn cubic feet per day for electricity, 1.2bn cubic feet for cars and homes, and 1.1bn cubic feet for the industrial sector.



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