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<b>PUBLICATION:</b>	Daily News
<b>DATE:</b>	16-August-2015
<b>COUNTRY:</b>	Egypt
<b>CIRCULATION:</b>	60,000
<b>TITLE :</b>	Petroleum Authority seeks cabinet approval to take over Ministry of Electricity loan interest
<b>PAGE:</b>	Front page
<b>ARTICLE TYPE:</b>	General Industry News
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### Petroleum Authority seeks cabinet approval to take over Ministry of Electricity loan interest

*“We will receive EGP 7.3bn after subtracting bank loan interest,” says El Molla*

**By Mohamed Adel**

The Egyptian General Petroleum Corporation (EGPC) will seek cabinet approval to take over the total interest on a loan obtained by the Ministry of Electricity.

The amount, which comes to a total of approximately EGP 2.7bn, was obtained by the Ministry of Electricity to pay off part of its debt to the EGPC.

EGPC CEO Tarek El Molla said in a statement to Daily News Egypt that EGPC's Board of Directors has agreed to take over the interest of the EGP 10bn loan. To do so, however, cabinet approval is required to avoid legal accountability.

He added that the loan will be granted from the banks in a single payment, but the interest will be deducted before it is received, and only EGP 7.3bn will be given.

The Ministry of Petroleum announced that the total dues owed by the Ministry of Electricity at the end of 2014 amounted to approximately EGP 44bn.

These dues are the value of fuel

from natural gas, oil fuel, and diesel, in addition to about EGP 36bn that the Ministry of Finance is bearing on behalf of the Ministry of Electricity.

El Molla explained that the value of the loan will be used to import shipments of petroleum or pay off part of debts to foreign partners.

An official revealed that the EGPC is not aiming to borrow directly from banks for the time being, as it has reached the credit ceiling for borrowing.

It is reported that a 10-bank coalition, led by the National Bank of Egypt (NBE), has agreed to indemnify the Ministry of Electricity. This will be to raise financing worth a total of EGP 10bn for EGPC, after the Ministry of Finance refused to provide bail for the loan.

The coalition for the loan comprises of: the NBE; Banque Misr; Banque du Caire; the Arab African International Bank; QNB Al-Ahly; the Commercial International Bank (CIB); Bank Audi; Ahli United Bank; the Arab Bank; and the National Bank of Abu Dhabi.

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