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Further gas shipment deals with companies that acquired first bid: Petroleum minister

By Mohamed Adel

The Ministry of Petroleum intends to launch a second bid to import 500m cubic feet of gas daily for power plants, after awarding the bid of supplying the second gasification ship.

Minister of Petroleum Sherif Ismail told Daily News Egypt that the offers of companies who acquired the bid of supplying 84 shipments of liquefied gas included additional amounts. The offers will be signed as soon as the bid of the second gasification ship is awarded.

He mentioned that the offer by Russia's Gazprom included supplying more than 35 shipments of liquefied natural gas (LNG) that have been agreed upon for the first ship. Ismail added that his ministry will conclude another deal with the company on other shipments for the second ship. Ismail clarified that the second bid will include the rest of the shipments needed for the second ship, which were not offered by the companies that won the first bid.

The Egyptian Natural Gas Holding Company (EGAS) launched a bid last October to import LNG, with four companies acquiring the bid: British Petroleum (BP), Vitol, Trafigura and Noble Clean Fuels. The bid aimed at providing around 40 LNG shipments annually, starting from this month.

An initial agreement with Gazprom

was concluded to supply approximately 35 LNG shipments annually over the next five years, in addition to six shipments from Algerian Sonatrach during 2015.

Moreover, Gazprom will provide Egypt with around seven LNG shipments annually, starting this year until 2020. In the same context, EGAS would finish awarding the bid for supplying the second gasification ship a month after receiving offers from the competing companies.

EGAS chairman Khaled Abdel Badie mentioned that they work hard on awarding the mentioned bid, saying: "We settled a full schedule to award the bid and obtain the ship by August." Moreover, roughly 500m cubic feet of gas will be imported daily to be used as additional fuel for power plants.

Abdel Badie added that the 1 bn cubic feet that will be imported will be directed to meet the needs of power plants as well. He added that price of liquefied gas will be according to international prices at the time of supply, not specified priced only, because of the changeable nature of market prices.

The third LNG shipment reached Ain Sokhna Port last week, and it was unloaded into the gasification ship to pump gas in the national network. One LNG shipment is supplied every week, and the gasification ship converts them to the gaseous state in order to facilitate pumping it into the national network.