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PUBLICATION:	Al Mal
DATE:	7-September-2015
COUNTRY:	Egypt
CIRCULATION:	145,000
TITLE :	Natural Gas Production Tops Strategy of Energy Sector for 2022
PAGE:	28
ARTICLE TYPE:	Competitors' News
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Natural gas production tops strategy of energy sector for 2022

Investment projections for gas projects mount to USD21.5bn out of a total USD70bn for energy schemes over the plan's duration.

Oil sector set target production at 3.6bn cubic feet of natural gas and 86.7 million barrels of crude over 7 years.

By NESMA BAYOUMI

The petroleum sector is working on an ambitious plan to invest some 70 billion dollars in new development projects until 2022. The plan includes projects to explore natural gas and upgrade the performance and productivity of the mining, petrochemicals and refining activities. Other projects will be about improving and expanding the infrastructure of the transport network of crude oil and derivatives.

Projects to develop natural gas top the list of plans of the petroleum sector with investments worth 21.5 billion dollars until 2022. Exploration investments come second with 17.5 billion dollars investment. Those projects are meant to produce about 3.6 billion cubic feet of natural gas, plus 86.7 million barrels of oil condensates and derivatives, Al Mal newspaper has learned.

Petrochemical projects are in the third position, according to a detailed plan, a copy of which Al Mal received. The Petroleum Ministry aims to implement a batch of new petrochemical projects

worth 16.9 billion dollars in order to increase the supply of a number of raw materials, such as ethylene, polyethylene, propylene and ethanol. Projects to upgrade refineries come in the fourth position with investments amounting to about 8.7 billion dollars.

Mining projects come fifth with 3.4 billion dollars worth of investments and are followed by projects to upgrade and improve the infrastructure and transport grid of fuel and its derivatives in the last position with investments totaling about 1.4 billion dollars.

Tareq el Molla, chairman of the Egyptian General Petroleum Corporation (EGPC), said some of the projects are currently being implemented, while the others are put up for grabs. The petroleum sector is seeking, through those projects, to increase Egypt's oil and gas wealth and upgrade transport and trading operations of fuel and its derivatives, Molla said. The projects should also increase local production of oil derivatives, he added.

For his part, engineer Khaled Abdel Badie, chairman of the Egyptian Natural Gas Holding Company (EGAS), told Al



Mal newspaper projects to develop natural gas, which are currently being implemented or those planned, are meant to add about 3.6 billion cubic feet of natural gas, not to mention 86.7 million barrels of oil condensate.

He touched upon some measures recently taken by the petroleum sector to encourage companies to quickly implement gas development projects. One such measure is paying a big part of the arrears of foreign companies, Abdel Badie said.

Indeed, those measures have contributed to expediting production of some projects, such as that of British Petroleum (BP) in northern Alexandria, whose production should start in 2017 as agreed, he noted. Abdel Badie also pointed to another agreement with British Gas to implement phase 9 "B" of a gas development project at 1.3 billion dollars investment.

A recent report by the Petroleum Ministry has put at 14.1 billion dollars the total investments of 11 being implemented and planned projects to develop natural gas.

The report, a copy of which Al Mal received, made it clear that those projects include one to develop northern Alexandria at a total investment of 11 billion dollars. The project is meant to produce about one billion cubic feet of natural gas per day. The report also mentioned a project to develop "Hydra" fields at investments worth 50 million dollars.

According to the report, the list of projects currently being implemented includes those to develop "Abu Qir" fields at 220 million dollars and the second phase of "North Sinai" at 9.5 million dollars. Gas development projects which are currently being implemented include the Central Delta, Ras el Bar and Dessouk fields.

Meanwhile, sources said that the EGPC and EGAS are planning to implement seven new projects in cooperation with foreign companies at a total investment of about 7.7 billion dollars.

Those include projects to develop gas in "West Brullus", "Seth", "Taout", "Rose", "North Port Said" and other fields in concession areas in the Delta and Mediterranean regions.