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<b>REPORTER:</b>	Mohamed Adel

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# Multi-company drilling for gas in Mediterranean will occur: Ismail

By Mohamed Adel

In light of the government trend to stimulate investments in various sectors and solve problems faced by the state, Daily News Egypt spoke with Minister of Petroleum and Mineral Resources Sherif Ismail.

Are there other foreign companies currently researching or exploring the deep water in the Mediterranean, other than Eni?

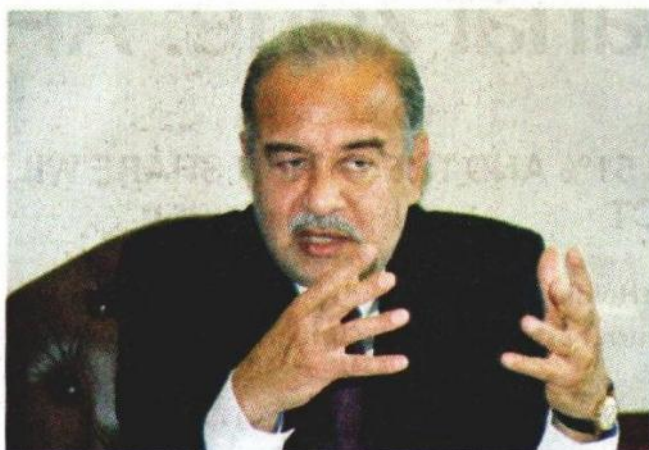
Companies including Edisor, Total, BP, RWE, and Kuwait Energy are all currently working in the research and exploration of natural gas in the deep Mediterranean water, in addition to Italy's Eni, which announced a discovery at its concession area, Shorouk.

### What are the target oil and gas production rates?

Our production of crude oil amounted to approximately 700,000 barrels per day, which is more than the targeted production planned in the ministry's plan of 695,000 barrels of crude oil and 4.7bn cubic feet of gas per day.

### Will there be any bids for oil and gas research and exploration in the upcoming period?

The Petroleum Authority aims to put bids for research and exploration of oil and natural gas in new locations in the Gulf of Suez and the Western Desert. There is a current Egyptian Natural Gas Holding Company (EGAS) bid at different locations, which is under adjudication by the Ganoub El Wadi Petroleum



Minister of Petroleum and Mineral Resources Sherif Ismail

**WE HAVE REACHED AN AGREEMENT WITH ENI OVER NORAS FIELD GAS, WITH PRODUCTION ESTIMATED AT 500M CUBIC FEET DAILY**

Holding Company. Five petroleum agreements will be signed.

### Are there current negotiations with any of the companies over pricing?

It was agreed with Italian company Eni to price the newly discovered Noras field, and procedures are underway to obtain legal approvals with the competent authorities. The ministry agreed with British Gas (BG) on the prices of the gas to be produced from phase 9B, with investments worth \$1.6bn. Completing all technical details and obtaining approvals is also underway from all specialised authorities. The modification of gas prices in new projects

has been completed with a number of foreign partners, including RWE, BP, Shell, Apache and Edison. There is a different view regarding the pricing of gas with foreign partners, where the gas pricing has to be suitable in order to achieve revenues that are consistent with the amount of risks and investments in the gas and petroleum research and exploration field.

### How much are the Electricity Ministry's dues to the Petroleum Ministry?

The dues are estimated at EGP 75bn for gas, fuel oil, and diesel obtained to be used for operating stations.

### What are the recent developments in terms of importing gas from Cyprus?

Economic studies to import gas from the Aphrodite gas field in Cyprus are underway. This came after ENPPI completed all technical studies. It is planned that we start importing after 2017.

### When will the third gasification ship reach Egypt?

The third gasification ship is expected to reach the Safage Port in September 2016, to meet the needs of power plants affiliated to Siemens Co., which will enter into service afterwards. The capacity of the three boats will range from 750m to 1bn cubic feet of gas per day, to meet part of the needs of the industrial sector and power plants.

The number of liquefied gas shipments we need for the second gasification ship will be estimated according to the needs of power plants that enter into service during the next year. The ministry is planning to rent a fourth gasification ship to provide gas to the power plants that will enter into service over the next year. The ship will reach Sumed Port at the end of 2016.

### Have any companies come to EGAS regarding private sector gas imports?

A number of private sector companies have come to EGAS about importing gas for the benefit of the private sector.