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\$500m of foreign partners' dues to be paid by end of 2015: Official source

By Mohamed Adel

The Ministry of Petroleum plans to repay \$500m of Egypt's dues to foreign partners by the end of 2015, making use of a \$1.5bn loan obtained from the African Development Fund (ADF).

The loan, which is being secured by the Ministry of International Co-operation, will help reduce dues to foreign companies that amounted to \$2.7bn in October.

An official source at the Ministry of Petroleum told Daily News Egypt that the ministry is coordinating with the Ministry of International Co-operation to set a date for the loan to be obtained.

He added that the ministry is working hard to repay its dues to foreign companies in the petroleum sector, with the aim of encouraging them to increase investments in oil and natural gas research and exploration.

Minister of Petroleum and Mineral Resources Tarek El Molla said in remarks at Bahrain's APICORP Energy Forum that foreign companies' dues had been reduced to \$2.7bn by the end of October last year, from \$2.9bn in September.

The official pointed out that the



AFP Photo

Date of the loan is yet to be identified

Ministry of Petroleum has been paying its foreign partners on a regular monthly basis for the oil and gas they produce.

Minister of International Co-operation Sahar Nasr said in a previous statement that negotiations with the World Bank are underway for a \$3bn loan, with an additional \$1.5bn expected from the ADF to support development programmes.

The Petroleum Ministry official said this sort of funding is provided on the spot if the government specifies how the money will be used in programmes and different development projects.

He noted that the value of oil and natural gas provided by foreign companies declined to \$650m per month in fiscal year (FY) 2015/2016, compared to \$880m in FY 2014/2015.

The share of foreign companies in crude oil is estimated at \$380m per month, compared to \$600m in FY 2014/2015, due to the continuous decline of the price of Brent oil in global markets.

El Molla added that the share of partners in gas will not be affected by the decline in Brent prices, where shares reached \$270m per month compared to \$280m in FY 2014/2015.