

PRESS CLIPPING SHEET

PUBLICATION:	Daily News
DATE:	23-November-2015
COUNTRY:	Egypt
CIRCULATION:	60,000
TITLE :	Gas production declines to 4.15bn cubic feet per day
PAGE:	05
ARTICLE TYPE:	General Industry News
REPORTER:	Mohamed Adel

Gas production declines to 4.15bn cubic feet per day

EGYPT LOST 500M CUBIC FEET OF DOMESTIC PRODUCTION IN A YEAR

By Mohamed Adel

The daily production rate of natural gas declined to 4.15bn cubic feet, compared to 4.25bn cubic feet last month, a report issued by the Egyptian Natural Gas Holding Company (EGAS) revealed.

The report, which Daily News Egypt obtained a copy of, pointed out that Egypt's production rate declines naturally by 1.2bn cubic feet per year, and total compensatory wells connected to production lines since 2014 provide no more than 700m cubic feet annually.

The report also stated that total losses of Egypt's production of gas are estimated at 500m cubic feet per year, where total production by the end of last year reached 4.65bn cubic feet per day, compared to 4.15bn cubic feet currently.

The monthly decline in the production from Egyptian fields is estimated at 100m cubic feet of gas per day.

The report also said the main

reason compensatory wells were not connected to production is that no new petroleum agreements for gas and oil research and exploration were signed between the 25 January Revolution in 2011 and until 2013.

The report expected that domestic production of gas will increase by 2017 with the beginning of connection between the wells of the North of Alexandria project and the Zahr field in the Mediterranean Sea.

The North of Alexandria agreement stipulates that there will be a trial operation of the project that begins on 1 July 2017, and ends on 30 December 2017, with average daily gas production of 200m cubic feet.

Production is set to increase to nearly 400m cubic feet per day starting from October 2017 until December 2018, and production rates will increase to 550m cubic feet in January 2019 until the end of the year.

The production plan agreed upon



Decline in production from Egyptian fields is estimated at 100m cubic feet of gas per day

includes raising the rates of produced gas from the North of Alexandria concession area to 1bn cubic feet per day in January 2020 for a period of five years.

Production rates will fall to 900m cubic feet per day by January 2025 un-

til the end of June 2026, according to the production plan.

The daily amount of gas agreed upon in the contract can be modified in agreement with the authority and the contractor, which are BP Global and RVVE.

The report added that the total amount of natural gas production pumped into the domestic market is estimated at 4.9bn cubic feet per day.

Production is divided into 4.15bn feet of domestic production and 750m cubic feet imported

gas through the Ain Sokhna Port on two gasification ships.

Power plants are currently obtaining 2.85bn cubic feet of gas per day, compared to an average of 3.5bn cubic feet over the past months of last summer, according to the report.

About 1.15bn cubic feet of gas are provided to homes, cars and low-consumption factories, while the industrial sector is provided with nearly 900m cubic feet per day.

The Mediterranean area produces 66% of total produced gas in Egyptian fields, followed by the Western Sahara with nearly 25% and the Delta with 7%, while the Suez Gulf and Sinai produce 2%, according to the report.

The report added that local production is not enough to meet the needs of electricity, homes, cars and the industrial sector, whereby EGAS began importing gas last March to fulfill the needs of plants, while halting pumping to intensive-consumption factories, such as cement and iron factories.