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RESEARCH & ANALYSIS

EGYPT-JORDAN ENERGY INTEGRATION:

FROM AGP, TO POWER EXCHANGE AND FSRUs

STRATEGIC APPROACH
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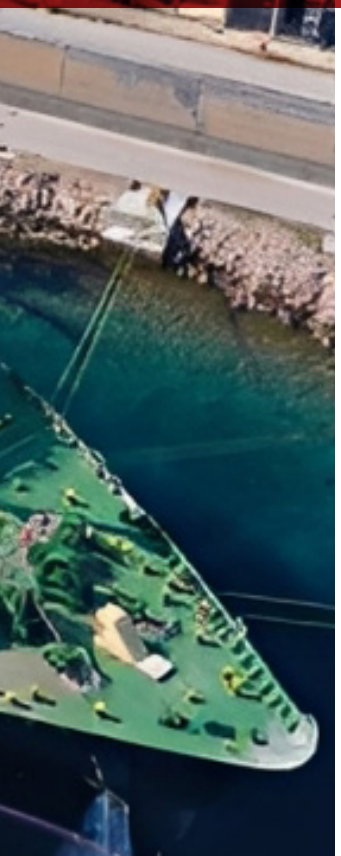

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Introduction

Egypt continues to consolidate its position as an energy hub in the Eastern Mediterranean region, with energy cooperation—most notably with Jordan—emerging as a cornerstone of this role. Leveraging liquefied natural gas (LNG) export terminals, cross-border pipelines, and shared infrastructure, both countries have strengthened energy security, enhanced supply flexibility, and regional integration. Recent market fluctuations and growing domestic demand have reinforced the importance of such resilient partnerships.

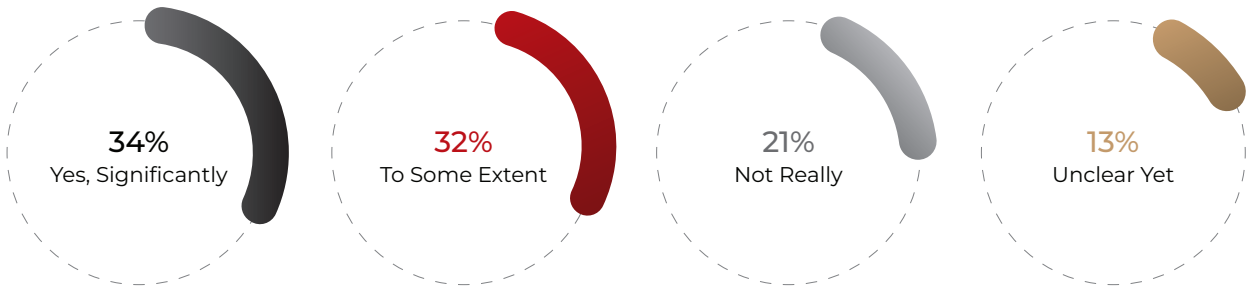
Between 2022 and 2024, Jordan accounted for 9.8% of Egypt's total LNG export volumes, valued at more than $306 million, according to Egypt's Central Agency for Public Mobilization and Statistics (CAPMAS).

The Arab Gas Pipeline (AGP) remains a critical conduit for bilateral and regional natural gas flows, according to the Jordanian Ministry of Energy and Mineral Resources (MEMR).

Recent infrastructure agreements, such as the December 2024 floating storage and regasification unit (FSRU) capacity-sharing arrangement, have strengthened supply flexibility and cut Jordan's annual LNG import costs by up to 85%, MEMR data shows.

These developments position both nations to enhance supply security, reduce costs, and reinforce their roles in the Eastern Mediterranean energy network.

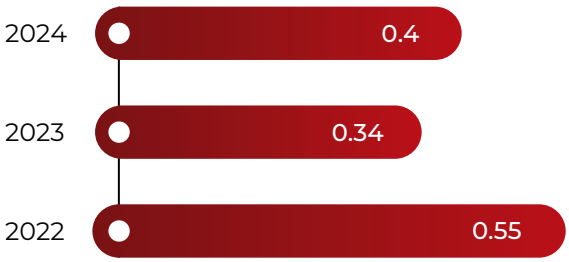
Can the Egypt-Jordan Natural Gas Partnership Enhance Supply Security Amid Current Instability?



Current Situation Analysis

Between 2022 and 2024, Jordan became one of the major destinations for Egyptian LNG, accounting for 9.8% of Egypt's total LNG exports, valued at over $306 million. During the same period, LNG made up more than 14.28% of Egypt's total exports to Jordan, according to CAPMAS, highlighting the central role energy plays in their trade relations.

Egypt's LNG Exports to Jordan (mmt)



Exports in First 5 Months of 2025

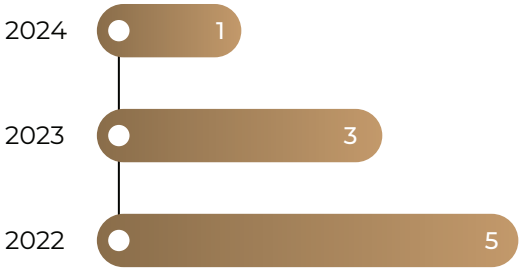
0.11 mmt

In 2022, LNG exports to Jordan rose by 30%, on the back of a surge in LNG consumption in Jordan from 0.43 mmt to 0.48 mmt, according to the MEMR annual report.

In 2023, and despite Jordan's LNG consumption increasing from 0.48 to 0.5 mmt, exports to Jordan fell by 38% .The decline was primarily driven by limited natural gas availability in Egypt, a shortage that persisted into 2024 and constrained export growth, according to the MEMR annual report.

In 2024, Egypt's LNG exports to Jordan rebounded, increasing by 18% with a value of $95.79 million accounting for 43% of total LNG exports. This increase is attributed to the signed agreement between Egypt's EGAS and the Jordanian-Egyptian Fajr Company in June 2023 to supply natural gas for Jordan's industrial sector and advance plans to deliver gas to the country's industrial cities.

Jordan's Position Among Countries Importing LNG from Egypt (Rank)



Rank in First 5 Months of 2025

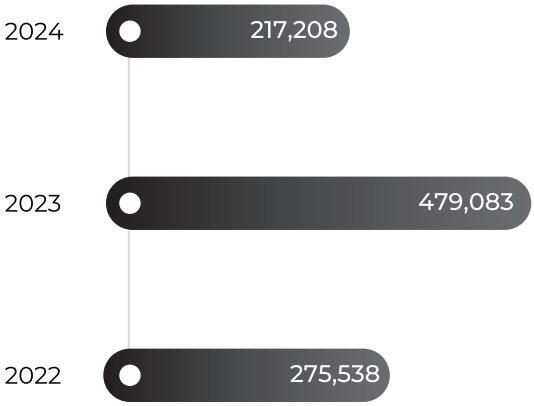
1

Between 2022 and 2025, Jordan rose from the fifth- to the top-ranked importer of Egyptian LNG, despite overall decline in exports from Egypt. Its ranking improved due to reduced shipments to other major buyers and stable import volumes supported by long-term agreements, underscoring Jordan's growing reliance on Egyptian LNG amid regional energy uncertainty, according to CAPMAS.

Electricity Interconnection Trade

As part of their long-standing cooperation on electricity interconnection, Jordan and Egypt have been exchanging electricity since 1999. The Jordanian grid is linked to the Egyptian grid through a 400-kilovolt (kV) submarine cable across the Gulf of Aqaba, with a transmission capacity of 500 megawatts (MW). This connection forms a key component of a broader eight-year electricity interconnection initiative, according to MEMR.

Electricity Exports to Jordan (kWh)



Exports in First 5 Months of 2025

86,285 kWh

Signed Electricity MoU

Partners

Date

January 2025

Objective

Electricity exchange between the two countries

In January 2025, the Jordanian National Electric Power Company (NEPCO) and the Egyptian Electricity Transmission Company (EETC) signed a renewed electricity exchange agreement. The contract extends bilateral cooperation through December 31, 2025, reinforcing both countries' commitment to regional energy integration, according to MEMR.

In August 2025, during the 33rd session of the Egyptian-Jordanian Joint Committee, Egypt and Jordan agreed to explore raising the capacity of the power line linking the two countries to 2,000 MW.

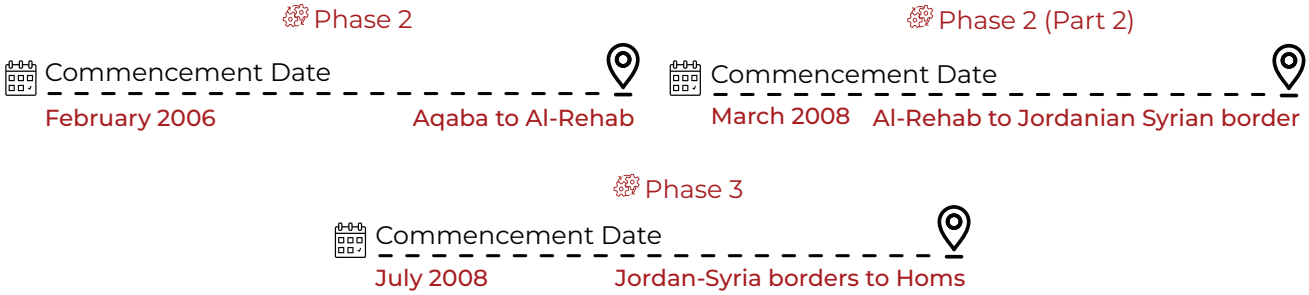
Cross-Border LNG Synergy

Egypt and Jordan's collaboration in the oil and gas activities dates to the early 2000s, built on cross-border infrastructure, institutional and governmental coordination, and joint ventures. These pillars underpin bilateral supply security, market integration, and operational resilience, forming the basis for the projects, agreements, and investments.

LNG Cross-border Infrastructure (AGP)

The AGP serves as a critical infrastructure enabling the continuous flow of Egyptian natural gas to Jordan and supporting wider regional energy integration, according to Jordan's MEMR. To strengthen bilateral energy cooperation, Egypt and Jordan signed a natural gas supply agreement for the Jordan Gas Transmission Pipeline (JGTP) in January 2004 with Al Fajr Company. This agreement formed part of a broader regional strategy that materialized through the AGP.

Phases of AGP Development



FSRU and the Aqaba LNG Terminal Dynamics

In December 2024, Jordan and Egypt signed a two-year agreement allowing Jordan to use the gas regasified by Egypt's FSRUs to be pumped later via the AGP to Jordan until the end of 2026. While there have been earlier cooperative arrangements involving FSRUs between Egypt and Jordan—such as the 2023 agreement allowing Egypt to access the Aqaba-based floating unit during emergencies—the 2024 deal marked a more structured and cost-efficient framework. The agreement, signed by the Jordanian National Electric Power Company (NEPCO) and EGAS, allocates 350 million cubic feet per day (mmcf/d) to Jordan, representing 50% of the capacity of one FSRU or 25% of two.

The agreement adopts a pay-as-you-use model, with estimated costs of $3 million per LNG shipment and $5 million for pipeline transportation.

This flexible setup reduces Jordan's annual LNG costs to a maximum of $10 million, compared to $70 million under the existing Aqaba LNG port operations, according to MEMR's official statements. For Egypt, the deal generates additional revenue from infrastructure usage fees, optimizes the utilization of its FSRUs and gas network, and reinforces its role as a regional energy hub.

In August 2025, the Energos Force FSRU, with a capacity of 750 mmcf/d, arrived at Aqaba Port under a strategic cooperation between Egypt and Jordan.

The vessel is connected to the AGP to serve as an additional LNG import route, especially during peak demand periods, according to the MoPMR.

A joint ministerial visit to the Aqaba port on August confirmed the unit's operational readiness, according to the MoPMR.

Egypt is scaling up its offshore regasification capabilities to reinforce LNG delivery infrastructure and support regional energy integration.

In May 2024, EGAS entered into a lease agreement with the Norwegian company Höegh Evi for the operation of the Hoegh Galleon FSRU at the Ain Sokhna Port, with operations expected to continue through 2027.

In May 2025, EGAS signed a ten-year lease agreement with Höegh Evi for the Höegh Gandria vessel, which is scheduled to replace the Hoegh Galleon at the Sumed Port in Ain Sokhna during Q4 of 2026, according to a Höegh Evi press release.

Also, the MoPMR has contracted the deployment of two additional FSRUs, Energous Eskimo and Energous Power, to be connected to the Sumed and Sonker berths in Ain Sokhna.

In addition, the Energos Winter unit will be linked to the United Gas Derivatives Company (UGDC) berth in Damietta. These units feature flexible injection capacities that can be dynamically adjusted based on demand fluctuations. Egypt's total regasification capacity is expected to reach 2,700 mmcf/d through the operation of four FSRUs at full capacity, according to the MoPMR.

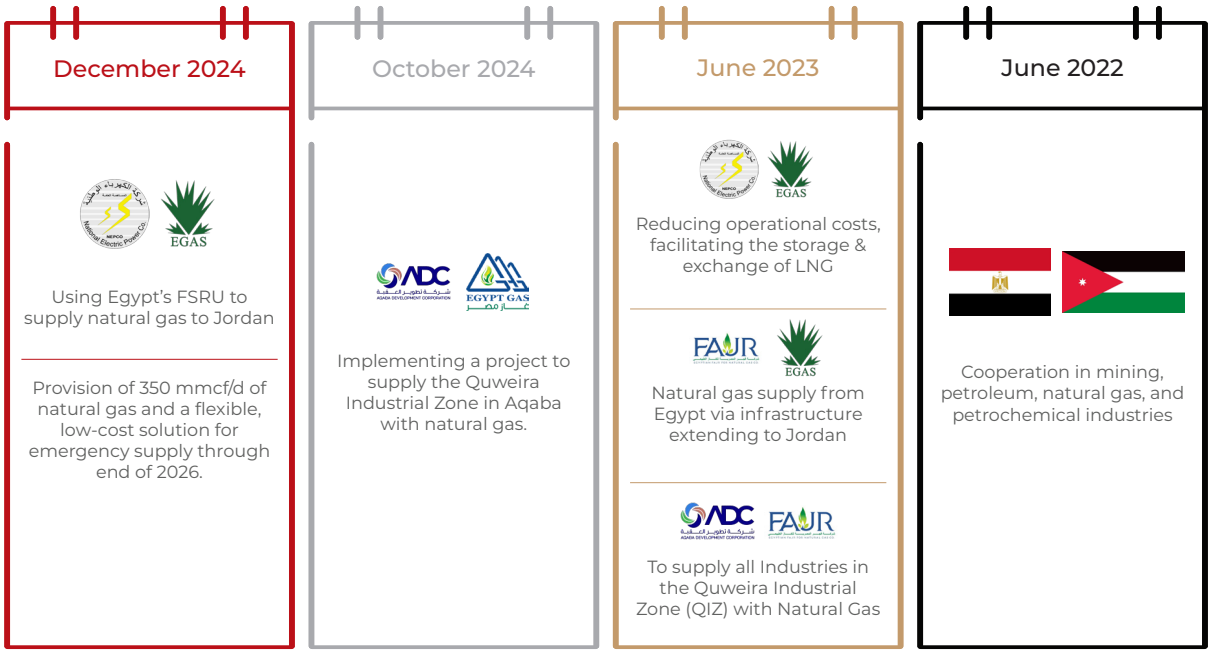
Construction of Jordan's new onshore LNG terminal at the port of Aqaba began in December 2024, with commissioning expected by the fourth quarter (Q4) of 2026. During this transition, the agreement ensures uninterrupted supply, according to MEMR.

Institutional and Governmental Roles in Facilitating Cooperation

Egypt and Jordan have strengthened their energy partnership through several agreements focused on expanding natural gas supply, connecting infrastructure, and providing gas to industrial zones.

Egypt's Gas Regulatory Authority (GasReg) and Jordan's Energy and Minerals Regulatory Commission (EMRC) facilitated essential regulatory frameworks, covering licensing, technical standards, and tariff systems, according to a GasReg official statement.

Egypt–Jordan Cooperation Frameworks and MoUs



JVs as a Driver of Egyptian Jordanian LNG Cooperation

The Jordanian Egyptian FAJR for Natural Gas Transmission and Supply Company has served as the backbone of bilateral natural gas cooperation between the two countries. The company was established in 2003 under the Build-Own-Operate-Transfer (BOOT) framework. Under the terms of this model, FAJR holds a 30-year operating concession, with a possible 10-year extension, to manage the Jordanian section of the AGP, which spans 393 kilometers (km) inside Jordan, according to the Jordanian Egyptian FAJR Co website.

The AGP's Jordanian segment has a design throughput capacity of 10 billion cubic meters per year (bcm/y), forming a critical artery for regional energy flow. FAJR's operational management of this infrastructure has ensured the secure and continuous transmission of Egyptian natural gas to Jordan, according to MEMR.

To enhance operational performance and technical autonomy, Fajr established the Technical Gas Services Company (TGS) in 2018. TGS became fully responsible for the operation and maintenance (O&M) of the pipeline by March 2019. Its ownership structure is split between Jordanian-Egyptian FAJR (51%), the Egyptian Natural Gas Company (GASCO) (40%), and Egyptian FAJR (9%), reflecting a deeply integrated institutional model between the two countries, according to the TGS website.

Between 2023 and 2024, FAJR expanded its industrial gas activities by signing at least two major supply agreements targeting key economic zones. The first was signed with Classic Fashion Apparel Industry, Tanmia Gas, and ProGas, enabling the supply of compressed natural gas (CNG) to production facilities in Hashimiyah. This included the development of a new CNG mother station, serving as a hub for industrial gas delivery across the region, according to MEMR.

In parallel, the Aqaba Development Corporation (ADC) signed an agreement with the Egypt Gas Company to supply the Quweira Industrial Estate, covering an area of approximately 1,800 acres, with Egyptian natural gas via the AGP.

While FAJR was not a direct party to the initial agreement, it signed a complementary contract with ADC in 2023 to implement a pressure reduction station (80–40 bars) and a measuring unit with a starting capacity of 30,000 cubic meter per hour (m^3/h), expandable to 90,000 m^3/h, connected through a dedicated branch line to the AGP. Technical execution was carried out jointly with Egypt Gas using hot tapping technology, aimed at securing gas supply from the closest point on the main network, according to MEMR.

Regional Natural Gas Integration via EMGF

Egypt has played a central role in fostering regional energy cooperation, launching in 2018 the initiative to establish the East Mediterranean Gas Forum (EMGF) as a structured platform for political dialogue on natural gas activities. The forum's goal is to develop a sustainable regional gas market and fully unlock the Eastern Mediterranean's resource potential.

Jordan, as one of the founding members alongside Egypt and neighboring countries, quickly embraced the initiative. It recognized its value in enhancing regional connectivity, market integration, and multilateral trade in natural gas.

Risha Field Trade Potential

Between 2022 and 2024, Jordan laid the groundwork for expanding the Risha gas field in the northeastern desert. Operated by the National Petroleum Company (NPC) under a 50-year concession, the field is central to Jordan's energy independence efforts.

Securing Output

In late 2024, incremental well tie-ins allowed output from the Risha field to rise steadily. A medium-term expansion plan was introduced by NPC and would later evolve into the full-scale 2025 strategy, aiming to enhance the production capacity of the Risha field, with a portion of the output allocated to the Risha Power Plant, according to MEMR.

By mid-2025, production reached 62 mmcf/d, reflecting early gains from the planned expansion phase, according to NPC's official field development study.

Risha Field Production Development*

November 2024

45 mmcf/d

2029

150 mmcf/d

* Announced in November 2024

Expansion Strategy and Infrastructure Roadmap

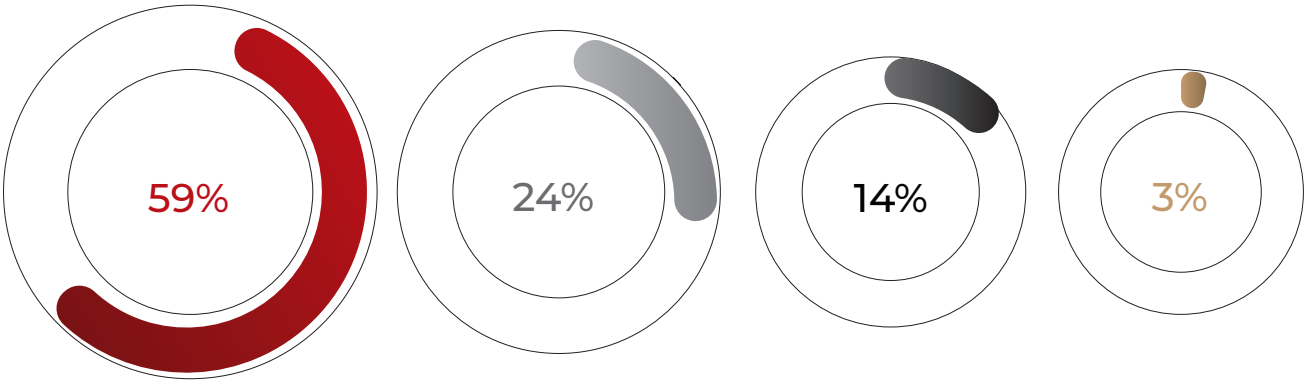
In June 2025, NPC announced an updated Risha Gas Field strategy to boost output to 418 mmcf/d by 2030. The plan includes linking the field to regional networks, notably the AGP, via a proposed 300 km link, according to NPC's press release.

The strategy aligns with regional cooperation efforts discussed at ADIPEC 2024. Egypt and Jordan explored linking Risha Field to the AGP and broadening joint efforts in the natural gas sector.

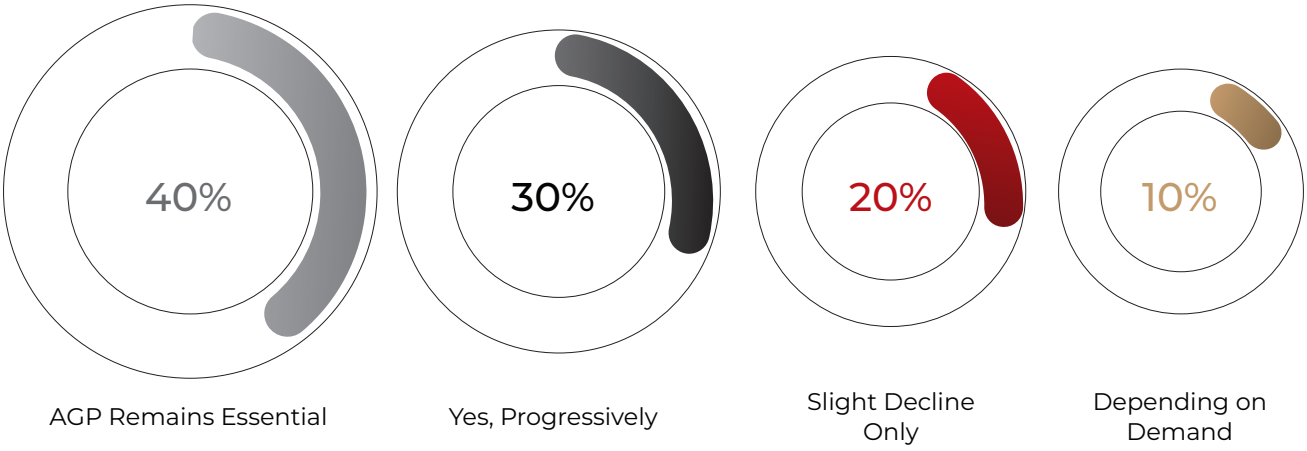
Notably, the Jordanian MEMR and the EGPC agreed to initiate technical collaboration to support oil and gas development in Jordan's open areas, according to MEMR.

Outlook and Strategic Recommendations

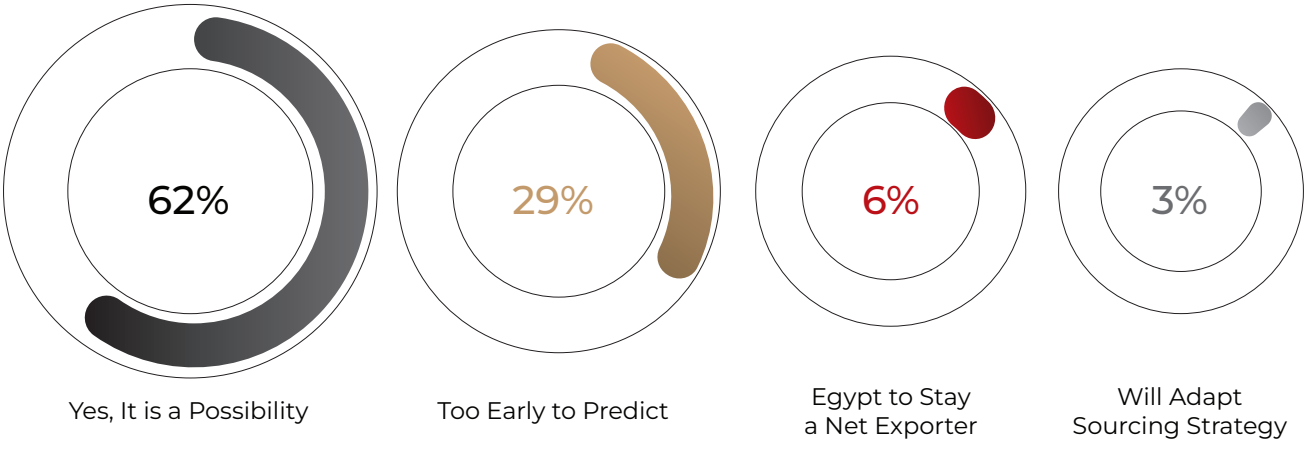
What Development Would Benefit Egypt-Jordan Natural Gas Energy Flows?



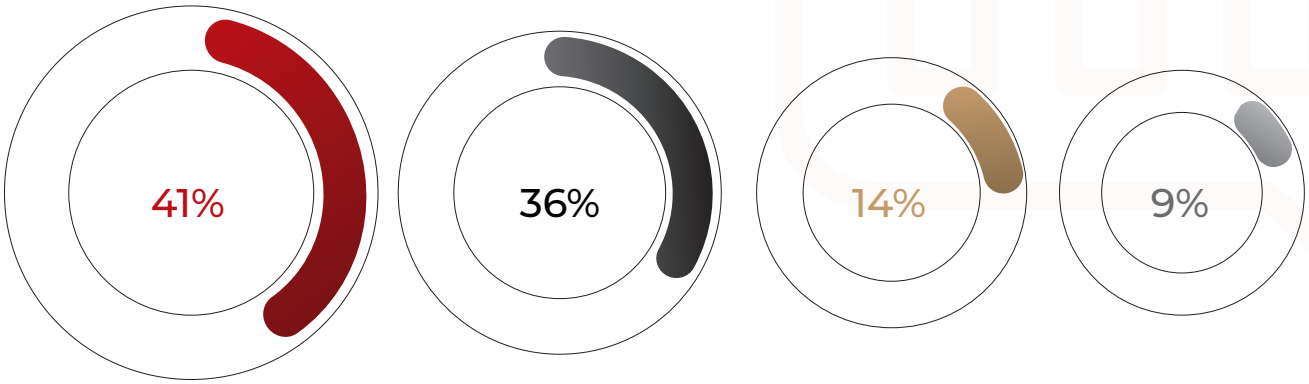
Could Jordan's FSRU and Upcoming LNG Terminal Reshape its Future Reliance on the Arab Gas Pipeline?



Could Egypt Become an Importer of Jordanian Natural Gas Once the Risha Field Hits Full Production?

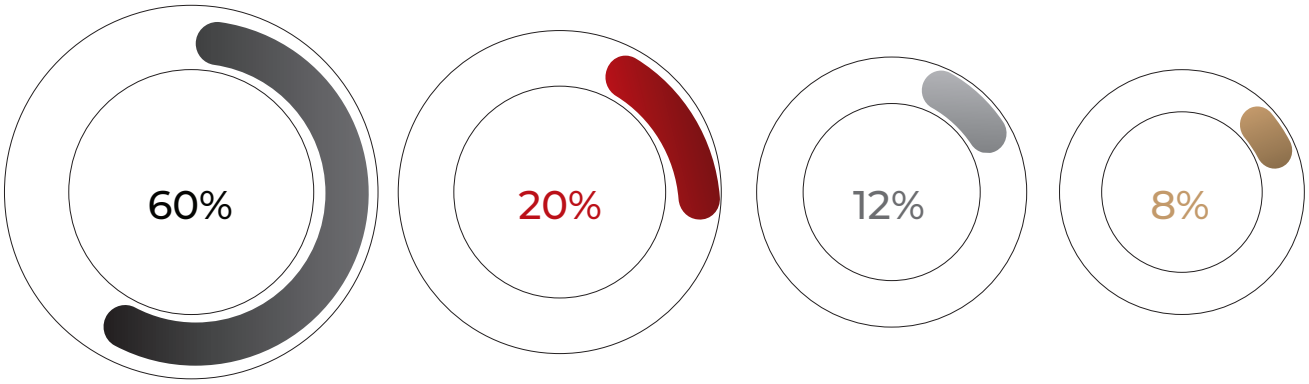


Could Egypt and Jordan Co-export LNG to Regional Markets Using Shared Infrastructure?



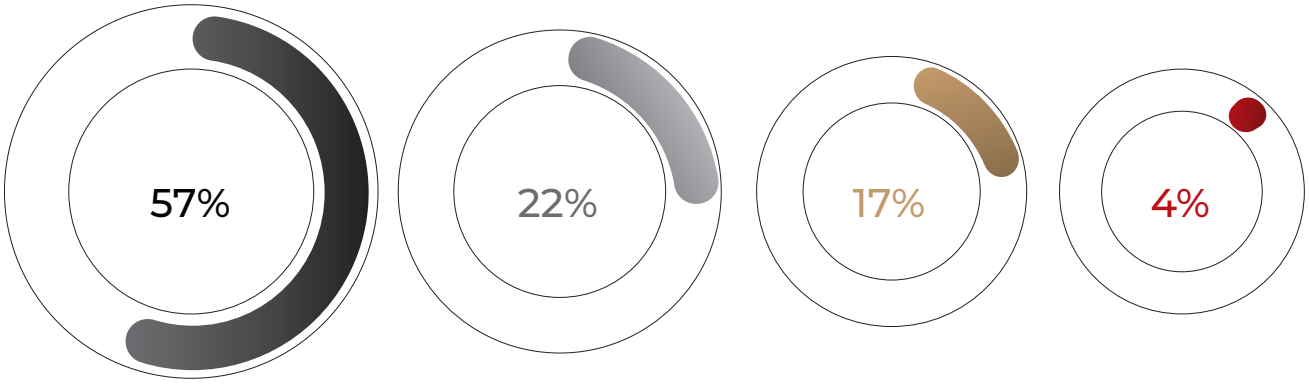
Possibly with Long-term Plans | Yes, Using Joint Facilities | Outcome Remains Uncertain | Unlikely Limited Capacity

Can Egyptian Expertise and JVs Help Jordan Advance its Energy Capabilities and Key Infrastructure Projects?



Yes, Significantly | In Selected Areas | Limited Impact | Too Early to Tell

Can Egypt–Jordan Gas Collaboration Evolve into Cross-border Industrial Energy Zones?



Yes, with Targeted Investment | Unlikely due to Regulatory Gaps | Outcome Remains Uncertain | Possibly, in Limited Pilot Areas

Conclusion

The Egypt–Jordan energy partnership demonstrates effective regional integration through the AGP, FSRUs, and electricity interconnections. The 2024 FSRU agreement reduced Jordan's LNG import costs by 85%, highlighting the economic impact of shared infrastructure. By aligning Egypt's export capacity with Jordan's distribution network, both countries mitigate supply volatility and strengthen the Eastern Mediterranean's position as an energy hub.

Looking ahead, integrating Jordan's Risha field into the AGP and expanding power links to 2,000 MW could enhance supply security, market flexibility, and cross-border trade.

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