



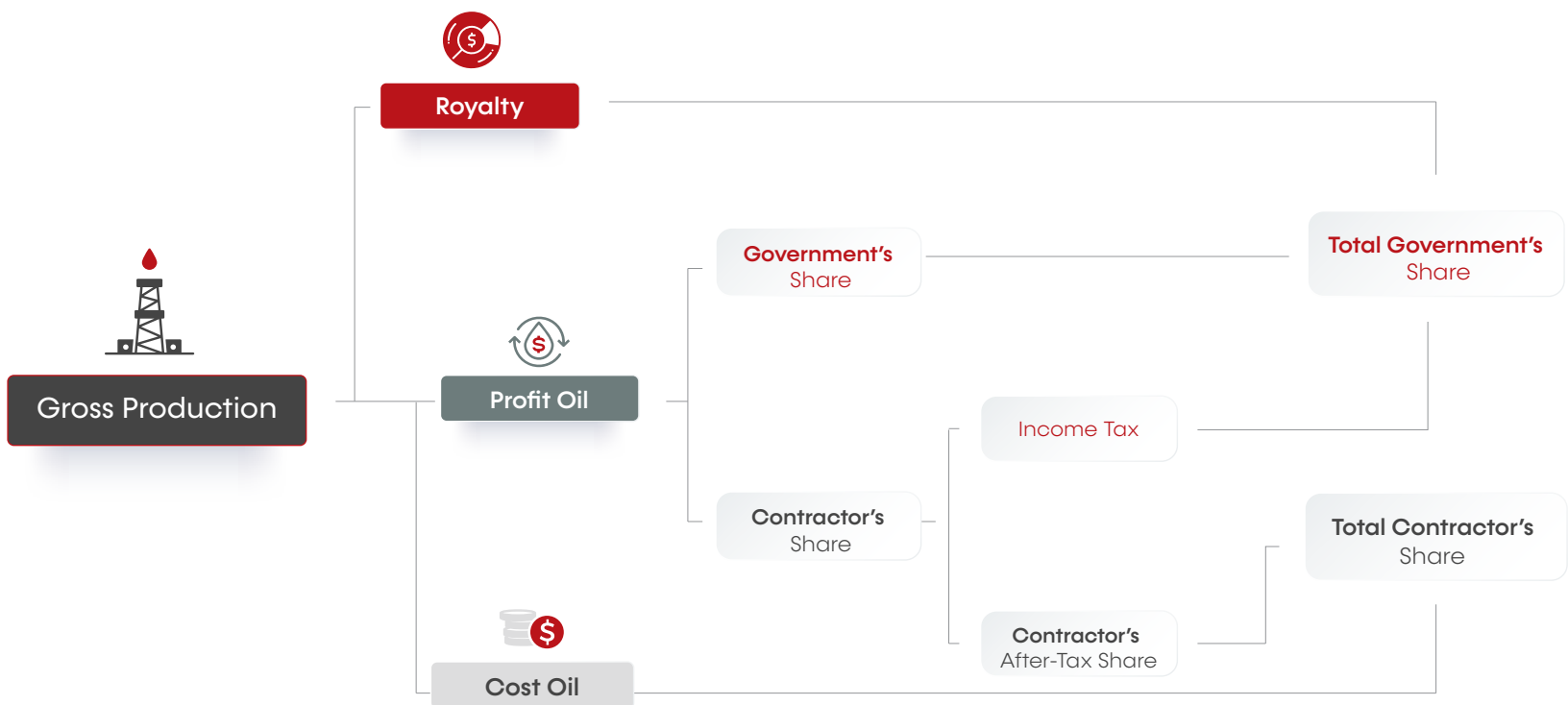
PETROLEUM AGREEMENTS:

THE PILLAR OF ATTRACTING INVESTMENT OVER 2020 & 2021

BY JOLLY MONSEF, MARIAM AHMED & YOUSTINA MOUNIR

The petroleum agreements are the backbone of the petroleum sector that aim at attracting more investments in oil and gas exploration activities. All oil and gas exploration and development agreements in Egypt are operating according to production sharing agreements (PSAs). Under PSAs, international oil companies (IOC)s sign agreements with national oil companies (NOC)s, which are represented in Egyptian General Petroleum Corporation (EGPC), Egyptian Natural Gas Holding Company (EGAS) and Ganoub El Wadi Petroleum Holding Company (GANOPE), according to the Egypt Upstream Gateway (EUG) website.





FRAMEWORK OF PSAs

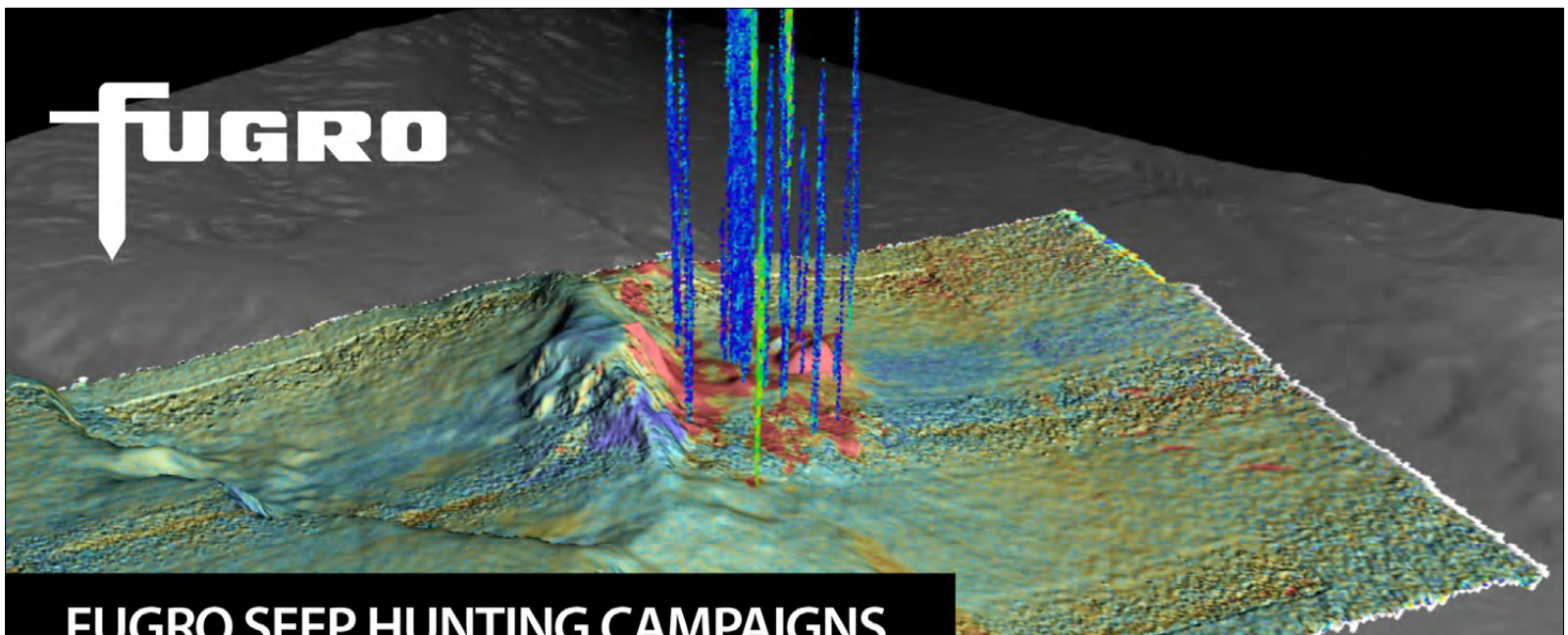


International Bid Rounds

The Ministry of Petroleum and Mineral Resources (MoP) is seeking to increase the petroleum agreements by offering new international bid rounds to encourage more IOCs to join the market. In February 2021, EUG was launched to become an essential tool for exploration and production (E&P) data preservation and to promote upstream opportunities within different regions. Within the same period, Egypt launched the first international digital bid round through the EUG website, offering 24 blocks, 9 in the Mediterranean Sea, 12 in the Western Desert, and 3 in the Gulf of Suez, according to the EUG website.

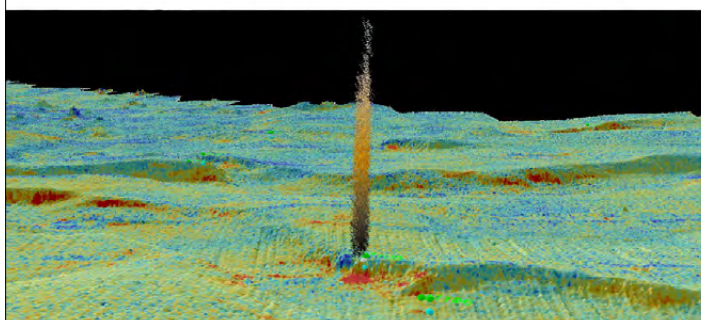
INTERNATIONAL BID ROUNDS SUMMARY

FY 2019/20		FY 2020/21
3	 Awarded Blocks	8
-	 Signature Bonus (\$ million)	23.7
326	 Minimum Investments (\$ million)	250
6	 Wells	33



FUGRO SEEP HUNTING CAMPAIGNS

Seep hunting and geochemical campaigns reduce offshore exploration risk and cost. Decades of experience and purposebuilt vessels with onboard expert scientists mean we provide reliable insights to thermogenic hydrocarbon potential, optimisation of future exploration work, and early development planning. Value-sensitive clients return to us time and time again, citing savings in the 1 O's to 1 OO's of millions of dollars.



SEEP HUNTING BENEFITS

Identifying and sampling sites where deep fluids have migrated to the seabed provides the highest quality geochemical data for understanding the deep reservoir. Seep hunting programs directly lower your exploration risks and costs by:

- Improving understanding of prospects
- Providing type and maturity data for actively migrating hydrocarbon reserves
- Guiding basin evolution models with robust heat flow and geochemical data
- Focusing additional exploration strategies and expenditures on high-graded areas

Petroleum Agreements





The oil and gas sector embarked on a modernization project to develop a modern and efficient oil and gas sector in 2016. The main pillar of the project is to promote investment opportunities in the activities of oil and gas exploration and concluding new partnerships with giant and major companies in the global petroleum industry.

Despite the challenges of the COVID-19 pandemic and the global crisis, the MoP succeeded in signing 52 petroleum agreements (29 signed - 23 in issuance phase) with \$9.923 billion minimum investments and \$421.3 million signature bonus to





drill 160 wells over the past 2 years. This is in addition to signing 29 development leases with \$13.5 million in the Western & Eastern desert and Nile delta in the same mentioned period, according to the MoP.

Signing these agreements reflected the confidence in the investment climate in the sector where more than 60 IOCs are currently operating in the petroleum exploration and exploitation field within 183 areas in the Mediterranean Sea, Western Desert, Eastern Desert, Nile Delta, Sinai and Upper Egypt under supervision of the MoP's affiliated companies, explained by the MoP.

SIGNED AGREEMENTS

	2020	2021
Total Number 	22	7
Minimum Investments (\$ billion) 	1.6	1.223
Signature Bonus (\$ million) 	139	16
Drilling Commitment 	74 Wells	14 Wells

IN ISSUANCE PHASE AGREEMENTS

	2020	2021
Total Number 	12	11
Minimum Investments (\$ billion) 	1.8	5.3
Signature Bonus (\$ million) 	89	177.3
Drilling Commitment 	33 Wells	39 Wells

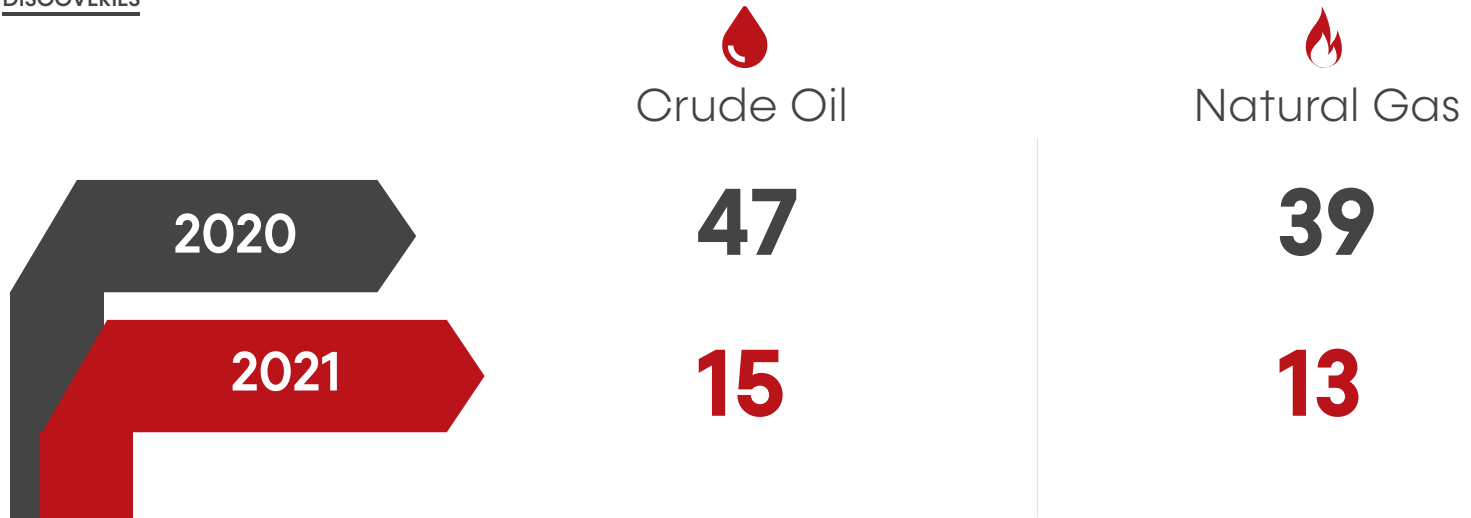
DEVELOPMENT LEASES

Year	Number	Location	Signature bonus (\$ million)
2020	12	Western Desert Nile Delta	6.5
2021	17	Western Desert Eastern Desert	7

Exploration Activities

Over 2020 and 2021, the MoP achieved 114 new discoveries to boost oil & gas production in the Nile Delta, Western & Eastern Desert, Gulf of Suez, Mediterranean Sea, and Sinai; 86 of which were natural gas discoveries and 28 were crude oil discoveries, as stated by the MoP.

DISCOVERIES



The MoP is seeking continuously to launch more international bid rounds in different areas to attract more investments. This is in addition to increasing the number of seismic surveys which pave the way in exploring new areas. The development of investment models and the clauses in petroleum agreements also contributed strongly to supporting Egypt's competitiveness as an attractive destination for investments in the field of research and exploration, motivating investors and attracting new companies to the Egyptian oil and gas sector.

**Inspired by nature.
Perfect by ABB.**

ABB Adaptive Execution™

