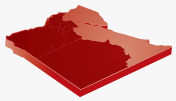
EGYPT OIL&GAS RESEARCH & ANALYSIS

Unlocking Egypt's Western Desert Untapped Investment Opportunities

March 2026

Unlocking Egypt's Western Desert
Untapped Investment Opportunities



By Nermeen Kamal & Abdullah Mostafa

The Western Desert continues to represent one of Egypt's most strategic hydrocarbon provinces. Its development directly supports the gradual rise in domestic output and reduces import dependence. The region remains the backbone of Egypt's crude oil supply, accounting for around half of the national production in 2025. This scale reinforces its role not only as a mature producing basin but also as a platform for additional reserve growth through intensified exploration and enhanced recovery activities.

Recent progress has been closely linked to the deployment of advanced drilling techniques, particularly horizontal and technology-driven operations. These applications have enabled operators to unlock new potential from formations that historically delivered at conventional rates, improving productivity and extending field life, according to the Ministry of Petroleum and Mineral Resources (MoPMR).

This report reviews the Western Desert's production trends and rig utilization, examining the contractual and operational landscape of the region. Additionally, this report also highlights key operators and identifies the pivotal mature assets and high-yield fields expected to define the sector's trajectory over the 2024–2025 period.

Subsurface Resources Potential

Egypt's Western Desert is contributing nearly half of Egypt's crude oil production and hosting extensive carbonate reservoir systems spread across thousands of square kilometers, many of which remain only partially evaluated. Despite long-standing development, significant subsurface upside persists, particularly within deeper Paleozoic and Jurassic plays, according to Egypt Upstream Gateway (EUG).

This potential is increasingly being translated into tangible gains, as demonstrated by a January 2026 redevelopment successes such as the Badr-1 field, where crude oil production increased by approximately 837% to more than 7,500 barrels per day (bbl/d) and recoverable reserves expanded to about 36 million barrels (mmbbl), according to MoPMR.

Against this backdrop, the MoPMR continues to emphasize the Western Desert's strong investment appeal, underpinned by the combination of established producing assets and large tracts of underexplored acreage, according to MoPMR.

Recent government-led seismic acquisition programs have expanded coverage to more than 100,000 square kilometers (km^2)—representing nearly 10% of Egypt's total area—across southern Western Desert basins such as West Assiut and Dakhla, enhancing subsurface understanding and reducing geological risk across these underexplored zones, according to MoPMR.

Inside the Bid Rounds

Egypt advanced its acreage offering program through successive competitive licensing rounds. The MoPMR introduced six offshore exploration areas across the Gulf of Suez and the Western Desert in March 2025.

In parallel, seven concession agreements were awarded in June 2025 by the Egyptian General Petroleum Corporation (EGPC) to Cheiron Petroleum, Apache, and IPR Energy, with total drilling commitments covering 17 wells, according to MoPMR.

Latest Awarded Blocks in Western Desert

Years
2024 -2025

No. of Blocks
7

International Bid Rounds Offered in the Western Desert

	EGPC		
Offered By			
No. of Blocks	5	4	3
Announce Date	April 2025	-	July 2025

Offered Brownfields in the Western Desert in 2025

Block
Abu-Sennan

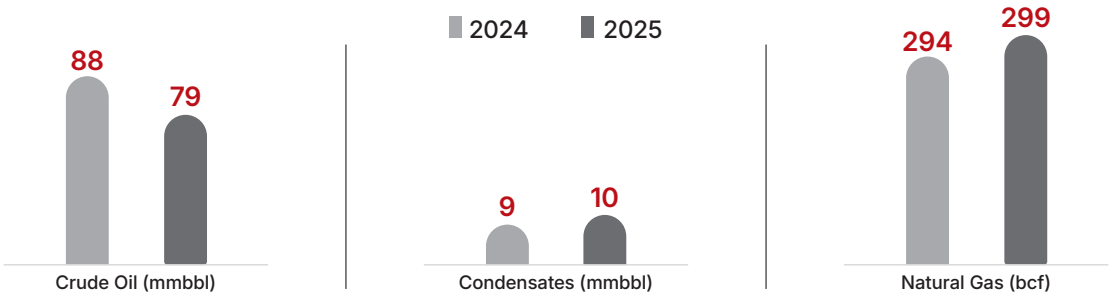
Upside Potential
177.8 bcf

Unpacking Production Output

Production Trend

Crude oil production in Egypt's Western Desert declined by 10% between 2024 and 2025, while natural gas output rose by 1.8% and condensate production increased by 12% during the same period. Overall, hydrocarbon production faced downward pressure in crude oil, primarily due to natural declines in brownfields and reduced exploration activity in recent years. Targeted drilling programs and renewed investment commitments, however, helped mitigate the pace of decline, according to MoPMR and EGPC.

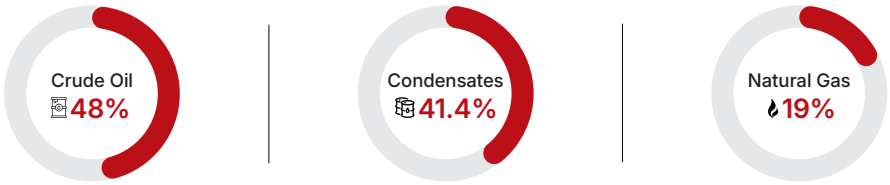
Region's Hydrocarbon Production



Contribution to National Production

The Western Desert remains Egypt's leading hydrocarbon-producing region. Recent discoveries have opened new productive layers, encouraging companies to explore deeper reservoirs and optimize resource extraction. The application of artificial intelligence (AI) technologies has further enhanced drilling efficiency, contributing to the success of several wells and reinforcing the Western Desert's critical role in sustaining and expanding Egypt's overall oil and gas production, according to MoPMR and EGPC.

Western Desert Shares in Egypt's Total Production



Western Desert Rig Activity

Most Egypt's drilling rigs are concentrated in the Western Desert, underscoring the region's central role in the country's upstream activities, with monthly rig activity generally ranging between 66 and 79 units, according to EGPC.

Average Rig Count in 2025

73

Share in Total Rigs in 2025

62.9%

Key New Discoveries & Added Wells

Wells drilled in the Western Desert accounted for 73% of Egypt's total drilling activity and overall oil and gas discoveries during the period from July 2024 to May 2025. The wells that were tied into production added approximately 21,200 barrels (bbl) of crude oil and condensates, in addition to about 62 million cubic feet (mmcf) of natural gas.

Western Desert's Exploration Results and Discoveries in Numbers*

Drilled Wells	Wells Evaluated	New Discoveries	Wells Connected to Production
55	50	29	26

*From July 2024 to May 2025

Recent Discoveries Highlights

	Discovery Name	Company	Crude Oil (bbl/d)	Natural Gas (mmcf/d)
2026	EZZ-1	DISOUCO	900	15
	Dorra-36 West Yasmine-3	TGIBA	1,650	19
	WKAN-X W-2X TAYIM W-13X TUT-29 (ST1)	Khalda	2,550	29
2025	SHAI-3X WD 33J-1X	Khalda	3,550	23
	Gomana-1		-	36
	NUT-1		-	50
	Three oil and natural gas Discoveries		2,750	20

Major Oil and Gas Fields in Egypt's Western Desert

The Western Desert hosts many strategic crude oil and natural gas fields. These assets span multiple producing basins, including Abu Gharadig, Faghur, and Shushan, and are operated through joint ventures between EGPC and international oil companies (IOCs). These fields represent long-standing production, alongside more recent discoveries that continue to reinforce the Western Desert's role as a core onshore hydrocarbon province.

Major Crude Oil Fields

Field Name	Location (Basin/Concession)	Operator
Meleiha	Merged Meleiha	GIBA
Qarun	Gindi	Apache
Badr El Din	Abu Gharadig	CHEIRON
South Ghazalat	Abu Gharadig	Vaalco Energy

Major Natural Gas Fields

Field Name	Location (Basin/Concession)	Operator
Abu Gharadig	Abu Gharadig	Apache
Obaiyed	Matruh	CHEIRON
The Qasr	Shushan	Apache

Behind Brownfield Progress

Following the integration of AI applications, the EGPC brought its first AI-supported well, SWS-55, onstream in October 2025. With steady reservoir pressure, cumulative output surpasses 0.1 billion cubic feet (bcf), according to the MoPMR.

Further reinforcing this momentum, the GPR-1X well discovery was achieved within the mature Abu Sennan fields. Adding an estimated 2 mmbbl of recoverable oil to reserves, according to MoPMR.

Following the drilling of three exploration wells—10-1X, 10-2X, and BED 15-31—which confirmed the presence of untapped gas-bearing reservoirs, production resumed from the field for the first time in four decades, according to MoPMR.

GPC Brownfields Upgrade

Operator

Well	Production Rate
SWS-55	~4 mmcf/d
GPR-1X	1,400 bbl/d | ~1 mmcf/d

WEPCO Brownfields Added Production

10-2X **20** mmcf/d

BED 15-31 **16** mmcf/d **& 750** bbl/d of Condensates

Western Desert Operating Companies

	Number of Companies
NOCs	+5
IOCs	+10

Badr El-Din Development and Production Target

No. of Total Wells **~44**

Monthly Target Oil Production **105,000** bbl

Monthly Target Natural Gas Production **1.2** bcf

Monthly Import Reduction Impact **~$25** million

Major Signed Agreements

Several new upstream agreements were signed in Egypt's Western Desert during 2024 and 2025, to attract international investment and sustain exploration activity across both mature and frontier onshore areas.

EGPC signed a new concession agreement for the Ras Qattara area in Egypt's Western Desert with Apex International Energy and INA -Industrija Nafte in May 2024. The agreement grants a five-year exploration and development term, with an option to extend for an additional five years.

The concession includes a minimum two-well drilling commitment, with the first well (Zarif-49) drilled during 2024, according to APEX.

Ganoub El Wadi Petroleum Holding Company (Ganope) signed a regional seismic survey agreement with Ardiseis Egypt Branch in June 2025 to acquire a large-scale 2D seismic survey across the Southern Western Desert.

The program covers approximately 103,000 km² across the West Assiut and Dakhla basins to support future exploration in underexplored areas, according to MoPMR.

EGPC signed an exploration and development agreement with Apache Corporation covering five new onshore exploration blocks within the integrated Western Desert area in September 2025. The agreement includes investments of up to $35 million, a drilling program of 14 wells, and a $25 million signature bonus, reinforcing Apache's long-term expansion strategy in Egypt's onshore upstream sector, according to MoPMR.

The EGPC awarded the North West El Moghra exploration concession to Terra Petroleum in December 2025, marking the company's first entry into the Egyptian upstream sector. The agreement commits Terra to a minimum investment of $6.5 million, including the drilling of three exploration wells and the execution of 2D and 3D seismic surveys, as announced by the MoPMR.

Key Upstream Technology Initiatives in Western Desert

Initiative	Operator / Company	Technology / System	Scope	Key Outcomes
Digital Oil Field Program	Khalda / Weatherford	Weatherford CygNet SCADA digital well-management system	Phase 1: 100 wells Phase 2 (approved): +150 wells	Real-time data acquisition and remote monitoring, improved decision-making, operational efficiency, and safety
Flare Gas Reduction Project	BAPETCO / Badr Petroleum Co.	Advanced gas capture and processing technologies	Field-wide flare gas utilization	Reduced carbon emissions by ~140,000 tons CO_2-eq annually; increased natural gas processing capacity by ~3.4 mmcf/d
AI-Driven Brownfield Development	General Petroleum Co.	AI models for subsurface data analysis and residual hydrocarbon identification	Depleted brownfields	New wells drilled: SWS-55 (4 mmcf/d natural gas) and GPY-25 (1,400 bbl/d oil + 1 mmcf/d natural gas)
Real-Time Operations Center (Digital Monitoring)	BAPETCO / Badr Petroleum Co. / EGPC	Integrated SCADA and remote monitoring systems	Centralized monitoring of drilling and production	Real-time operational oversight, enhanced efficiency, faster decision-making

Egypt's Western Desert remains the backbone of the country's onshore upstream sector, combining long-established production with significant untapped subsurface potential. During 2024–2025, the basin shifted toward a more execution-focused development phase, supported by concession consolidation, targeted exploration programs, and the accelerated deployment of digital and low-emissions technologies.

This momentum is reinforced by Egypt's five-year oil and gas exploration plan, which targets the drilling of around 480 wells backed by investments exceeding $5.7 billion. With approximately 101 wells scheduled for 2026—nearly two-thirds of them in the Western Desert—the region continues to rank as a top priority within Egypt's upstream strategy, positioning it as a key driver of production resilience, investment inflows, and long-term energy security, according to MoPMR.


EGYPT
OIL&GAS
RESEARCH & ANALYSIS