EGYPT OIL&GAS NEWSPAPER

PROUDLY THE OFFICIAL PUBLICATION

EGYPES
EGYPT ENERGY SHOW
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CAIRO, EGYPT

EGYPT BETS BIG ON PETROCHEMICALS:

Expanding Production, Powering Export

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Egypt's Leading Oil And Gas Monthly Publication

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Editor's **Letter**

Dear reader,

Petrochemicals remain one of Egypt's fastest-growing economic sectors, driven by an ambitious national expansion plan and rising export potential. In this issue of Egypt Oil & Gas, we bring you a comprehensive look at how the sector aligns with the country's localization strategy and where it stands competitively amid intense regional and global market pressures.

We also spotlight Egypt's growing commitment to producing environmentally friendly fuels—bioethanol, green ammonia, and sustainable aviation fuel (SAF)—marking a new chapter in the petrochemical landscape.

Our Technology feature explores an innovative solution that repurposes rice straw to produce various types of wood, successfully curbing the harmful effects of open field burning. Additionally, we examine how the sector, heavily reliant on gas supplies, is adapting to successive fuel price hikes.

This issue also covers the latest developments from both international and local oil and gas companies, offering timely insights and in-depth analysis.

We hope you enjoy this rich and informative edition.

Warm regards,

Sherine Samir
Editor in Chief

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EGYPT'S LEADING OIL & GAS
MONTHLY PUBLICATION

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TOP 5

Egypt Boosts Zohr Gas Production

Putting the Zohr-6 well into production has added 65 million cubic feet of gas per day (mmcf/d) , said Karim Badawi, Minister of Petroleum and Mineral Resources (MoPMR) during the general assembly meetings of Belayim Petroleum Company (Petrobel) and Petroshorouk to approve the results of the fiscal year 2024/2025.

Throughout the year, Petroshorouk -a joint venture between Eni and the Egyptian Natural Gas Holding Company (EGAS) has made new investments amounting to $569 million. It is also preparing for further operations on the Zohr-9 well, as well as the drilling of two new development wells in the current fiscal year.

For its part, Petrobel -joint venture between Eni and the Egyptian General Petroleum Corporation(EGPC)-has allocated investments amounting to over $460 million to production and exploration. The company recorded crude oil production of around 56,000 barrels per day (bbl/d) from the Nile Delta and Sinai, despite challenges from aging fields, some reaching 70 years in operation.

Furthermore, the company has added three new wells in the Sinai fields, contributing 4,700 bbl/d. It also carried out an intensive well maintenance program on 96 wells, improving productivity by about 6,000 bbl/d using different technologies.

A New Agiba Western Desert Exploration Well to Add 3,100 (boe)

The exploration activities in the North Lotus Deep-1 well in Western Desert yielded positive results and it will add about 1,835 barrels of crude oil per day (b/d) and 7 million cubic feet of natural gas daily (mcf/d), which is equivalent to 3,100 barrels of oil equivalent (boe). With estimated reserves of about five mmboe, the well has already been put on the production map.

Tharwat El Gendy, Agiba's chairman, noted that the company's investments in 2024/2025 came at $404 million, adding that it maintained stable production rates, with an average output of more than 26,000 b/d of crude oil, while the average natural gas production was 77 mcf/d, bringing the total to more than 40,000 boe/d.

WEPCO Increases Onshore Gas Production from the Western Desert

The Western Desert Operating Petroleum Company (WEPCO), an Egyptian state-Owned energy firm, has raised its natural gas output to 8,300 barrels of oil equivalent per day (boe/d) following the integration of the 5st-10 development well at the Badr-1 field onshore the Western Desert.

The new well was drilled at a depth of 5,000 meters from the lower Kharita formation, a geological formation commonly found in the Western Desert, and it reached an initial output of 25 million cubic feet per day (mmcf/d) of natural gas, equivalent to 5,000 barrels of oil equivalent (boe). It is currently operating at a controlled rate of 12 million cubic feet (mmcf/d) of gas and 300 barrels of condensates per day, to maintain reservoir integrity and ensure sustainable production.

Through drilling exploratory and development wells, WEPCO has transformed the Badr-1 field from a crude oil-only site into a promising oil and gas produce. Accordingly, the new well raised the company's total gas output to 20 mcf/d, directly boosting the overall daily production to 8,300 boe.

SCZONE Signs Two Cooperation Agreements with Japanese Partners in Green Energy

Suez Canal Economic Zone (SCZONE) has signed two cooperation agreements in green energy with Japanese partners during the 12th session of the Egypt–Japan Business Council and the Egypt–Japan Investment Forum, held in Tokyo.

The first agreement was signed with Japan's ITOCHU Corporation and Orascom Construction to jointly design, develop, and operate integrated facilities for supplying ships with ammonia as a marine fuel (bunker fuel) at the SCZONE ports of Sokhna and East Port Said.

This agreement will contribute to reducing emissions and supporting the Zone's transition toward sustainable energy in maritime transport.

The second agreement was signed with Tokyo Metropolitan Government (TMG) to cooperate in the field of green hydrogen for ship bunkering through knowledge-sharing, boosting demand, and promoting future clean energy applications.

As a whole, the two countries signed 12 agreements and letters of intent during the forum with the aim of providing investment returns and contributing to deepening local production and adding value, supporting supply chains, and developing exports and trade to markets in neighboring countries.

Egypt's Natural Gas Production to increase by 2027: Madbouly

The government's regular monthly payment of accumulated arrears for foreign partners would encourage them to return to produce at the previous high levels, boosting Egypt's natural gas supply by 2027, said Prime Minister Moustafa Madbouly, during the cabinet's weekly meeting on Wednesday.

The increased production capacity of the Zohr field is another factor Madbouly cited for the expected recovery in production level.

Egypt's production volume had been low, dropping from more than 6.6 billion cubic feet per day (bcf/d) to 4.1 bcf/d over the last 2-3 years, said the Prime Minister.

A BLAST FROM THE PAST

The history of Egypt's petrochemical industry can be traced back to ancient times, when the Pharaohs unknowingly used chemical substances.

The sector evolved steadily from the late 1940s. It gained momentum in the mid-seventies with the establishment of two urea fertilizer plants in Talkha and Alexandria, marking Egypt's first major steps into industrial-scale chemical production.

By the 1980s, the sector expanded with the founding of the Egyptian Petrochemicals Company (EPC) in Alexandria, established with a capacity of 80,000 tons per year of polyvinyl chloride (PVC)—a key material used in construction, packaging, and consumer goods. Around the same time, Amerya Petroleum Refining Company (APRC) began producing 40,000 tons annually of linear alkyl benzene (LAB), the main ingredient in industrial detergents.

The turn of the millennium brought a major development: Sidi Kerir Petrochemicals Company (SIDPEC) began operations with an impressive output of 300,000 tons of ethylene and 225,000 tons of polyethylene per year. Both are essential components in plastic production. This positioned Egypt as a regional player in the global plastics market.

However, the sector's true turning point came with the launch of the national petrochemical master plan in 2000—the same year the Egyptian Petrochemical Holding Company was established.

The master plan comprised three phases. The first phase (2002–2008) attracted around $6 billion and saw to the establishment of five operational facilities, producing key products such as alkyl benzene, polypropylene, propylene, ammonia, and polystyrene. These petrochemicals are used in the production of household and industrial cleaning agents, automotive components, and textiles.

The second phase (2009–2015) brought in an additional focused on higher-value products including purified terephthalic acid, polyester, and latex. The third phase (2016–2022) targeted advanced production capacities alongside expansions in propylene and polypropylene.

In 2024, the master plan was updated and extended to 2040, adding new projects across the country.

UNDER THE Limelight

Current Crude Oil Storage Capacity in El Hamra Petroleum Port **2.8** MMBBL

El Hamra Petroleum Port Boosts Storage Capacity

The expansion plan of El Hamra Petroleum Port is progressing towards its short-term goal of increasing crude oil storage capacity by 5.3 million barrels (mmbbl) and establishing integrated facilities for the storage, handling, and loading of petroleum products with a total capacity of 130,000 tons (t) by the first half (H1) of 2026. These enhancements mark milestone in the Port's long-term plan to increase the capacity to 20 mmbbl of crude oil and 400,000t of petroleum products by 2030.

To achieve the 2026 targets, the northern region of the port is adding four new crude storage tanks—two scheduled for commissioning by the end of 2025 and another two by the first quarter (Q1) of 2026.

In the southern region, an integrated petroleum products facility is being constructed in two phases: the first, to be completed by the end of 2025, will add two diesel tanks; the second, scheduled for completion in the second quarter (Q2) of 2026, will add six tanks for gasoline, diesel, and jet fuel, according to the Ministry of Petroleum and Mineral Resources (MoPMR).

PRODUCTION

WASCO Revives Abandoned Well, Boosts Gas Production

A team from El Wastani Petroleum Company (WASCO) restored production from the Balsam-3 well, which had been slated for permanent abandonment. The well yielded approximately 5 million standard cubic feet of gas per day (mmscf/d), adding 4 billion cubic feet (bcf) of natural gas to the company's reserves.

The results from the Balsam-3 well provided a positive incentive to continue operations and explore similar opportunities within the Kafr El Sheikh formation. This is expected to contribute to increased production in the near term with low costs and high economic viability.

The company's team successfully drilled the appraisal well, Begonia-2, onshore the Nile Delta, which yielded a daily production rate of around 7 mmscf/d and approximately 200 barrels of condensate.

ANRPC Produces 1.6 M Tons of High-Octane Gasoline in FY 2024/25

Alexandria National Refining & Petrochemicals (ANRPC) maintained high productivity during the fiscal year FY 2024/2025 producing 1.6 million tons of high-octane gasoline, in addition to other high-value products, ANRPC Chairman Sayed Al Rawy said.

Al Rawy presented the company's experience to convert the main boiler to operate on hydrogen, a development which contributed to utilizing 12,000 tons of hydrogen-rich gases annually. This resulted in a reduction of natural gas consumption by about 20,000 tons per year.

Al-Rawi underscored the development work carried out by the company to improve the efficiency of the production units and increase storage capacity through the construction of a new warehouse with a capacity of 10,000 tons.

Wadico Adds 5.4M Tons of New Phosphate Reserves

The New Valley Company for Mineral Resources and Oil Clay's (Wadico) successfully added 5.4 million tons of new phosphate to its reserves during 2025, as part of the company's plans to maximize its reserves and add value to mineral ores, especially phosphates, according to Chairman Amgad Ghoniem.

WADICO is also working on a project to improve the quality of low- and medium-grade phosphate ores, which will double the high-quality stock and enable the company to enter into partnerships for producing phosphate fertilizers. The company is focusing its efforts on maximizing green mining operations. It is also preparing to launch the first environmentally friendly phosphate crusher at its work site in Aswan, according to Ghoniem.

The production lines for the crusher will be powered by solar energy, and heavy machinery operating on electricity will be brought in to save approximately one million liters of diesel annually, Ghoniem noted.

APRC Produces 3M tons of Petroleum Products in FY 2024/25

Mohamed Sobhi, the chairman of Amreya Petroleum Refining Company (APRC), said that the company produced about three million tons of petroleum products throughout fiscal year (FY) 2024/25. It exported products valued at $36 million, including crude wax, alkyl benzene, and distillates. The company also supplied 1.1 million tons of industrial operational needs to other petroleum companies to maximize added value.

Sobhi highlighted the projects implemented to increase the production capacity of gasoline and benzol at the company's aromatics complex. These projects also include expanding storage capacities, improving the efficiency of production units, and implementing energy rationalization programs. These programs have contributed to a significant reduction in natural gas consumption and overall energy use within the company.

AGREEMENTS

EGAS Signs Four New Exploration Deals Worth Over $340M

The Egyptian Natural Gas Holding Company (EGAS) signed four new agreements to explore for gas and oil in the Mediterranean and the Delta.

The agreements cover the drilling of 10 wells with a total minimum investment of more than $340 million.

The first agreement with Shell Egypt involves $120 million investments and the drilling of three wells in the Mediterranean's Merneith offshore area.

The second agreement with the International Egyptian Oil Company (IEOC), ENI's subsidiary in Egypt, is in the East Port Said offshore area of the Mediterranean Sea, with investments of $100 million and the drilling of three wells

The third with Zarubezhneft, is for the North Khatatba onshore area in the Nile Delta, with investments of up to $14 million and the drilling of four wells.

The fourth agreement was signed with ARCIUS Energy, a partnership between bp and ADNOC Group 's XRG. The agreement is in the North Damietta offshore area of the Mediterranean Sea, with investments amounting to approximately $109 million.

Egypt, UAE Ink New MoUs in Mining, Petroleum Sector

Egypt has signed two memoranda of understanding MoUs with UAE-based International Resources Holding (IRH) in the fields of mining and finance.

The first MoU was signed between the Egyptian Mineral Resources and Mining Industries Authorities and IRH. It focuses on providing technical support services for Egypt's aerial survey project to identify mining opportunities at various stages and the launch of a digital platform to enable efficient access to survey results.

The second MoU was signed between the Egyptian General Petroleum Corporation (EGPC) and IRH, and aims to provide commercial financing facilities for the trade of crude oil, liquefied natural gas (LNG), and other petroleum products. It also establishes a framework to reduce financing costs for petroleum products at competitive rates.

ESAC Seals $490M Financing Deal for New Alamein Soda Ash Plant

The Egyptian Soda Ash Company (ESAC) and several national and regional financing institutions signed an Agreement in Principle (AIP) for financing a Soda Ash production project with an estimated investments of $490m. The ESAC project's goal is to produce 600,000 tons of soda ash and its derivatives annually within the industrial zone of New Alamein City.

The signing took place in presence of Minister of Petroleum and Mineral resources, Karim Badawi, and financial advisors from the National Bank of Egypt (NBE) and the African Export-Import Bank (Afreximbank).

The Minister stated that the project aligns with Egypt's vision and the Ministry of Petroleum and Mineral Resources' strategy. The goal is to boost the national economy by producing soda ash and its derivatives, which are crucial for achieving sustainable development in new urban communities. This will also satisfy local market needs and reduce the country's import costs for these essential products.

ACHIEVEMENTS

EUG Attracts Over $1.2Bn in Investments Since Launch

Mohamed Radwan, Ganoub El Wadi Petroleum Holding Company's (Ganope) Vice Chairman for Agreements and Exploration and Egypt Upstream Gateway's (EUG) Project Manager, revealed that the gateway, now comprising 47 member companies, has attracted investments worth over $1.2 billion for the purpose of drilling 127 wells in 51 areas since its launch in February 2021.

The figures were mentioned in his review of the gateway's achievements, in partnership with the international company Schlumberger, in a meeting with MoMPR Minister Karim Badawi. He also reviewed the team's efforts in supporting investors' decisions

ETHYDCO Boosts Domestic Sales, Expands Exports to 35 Countries in 2024

The Egyptian Ethylene and Derivatives Company (ETHYDCO) has fully met its production target for 2024, leading to a rise in domestic sales as well as increasing its export destinations to 35 international markets, particularly Europe and Turkey, in addition to Latin America, where export volumes increased by 130%, according to its Chairman, Hesham Riyad.

The company also focused on growth in African markets and worked on maximizing the value of its by-products, marketing them both locally and internationally.

ETHYDCO has produced 314,000 tons of ethylene and 320,000 tons of polyethene, generating sales worth approximately EGP 7.9 billion in the local market and $211 million in exports, Riyad noted, adding that local market sales increased by 8%.

Alexandria Petroleum Company Refines Over 3.5M Tons of Crude Oil in FY 2024/25

Reham Mohamed, chairperson of Alexandria Petroleum Company's said that the company refined more than 3.5 million tons of crude oil in fiscal year (FY) 2024/25 to produce various petroleum products and petroleum solvents for local industries.

The company also supplied petroleum refining and petrochemical companies with essential materials such as mazut, naphtha, asphalt, turbine oil, and kerosene, to be converted into high-value products to cover local consumption and demand in export destinations. This contributes to providing foreign currency and reducing the import bill.

CORC Refines 7M Tons of Crude Oil in FY 2024/25

The amount of crude oil refined at the Mostorod and Tanta refineries of the Cairo Oil Refining Company (CORC) reached nearly seven million tons in the fiscal year (FY) 2024/25, enough to cover the local market's need for various petroleum products, according to Chairman El Sayed Youssef Abbas.

Abbas reviewed the company's top projects that are currently implemented to develop the infrastructure, including the project to construct 12 containers for crude oil and petroleum products in the company's new expansion area, in addition to projects that are focused on digital transformation, energy rationalization, and the reduction of carbon emissions.

AMOC Reports 17.3% Increase in Standalone Net Profit for FY 2024/25

Alexandia Mineral Oils Company (AMOC) posted a 17 per cent increase in its standalone net profits during 2024/2025 to reach EGP 1.49 billion. This came on the back of Sales of EGP36.9 billion, marking a 10.8 % gain over its value in 2023/2024.

Total investments stood at EGP 5.1 billion, with total equity around EGP 4.9 billion. Meanwhile, the company's gross profit saw a 17.5% drop YoY, to EGP 1.79 billion.

MIDOR Boosts Refining Capacity to 160,000 Barrels Per Day

Middle East Oil Refinery (MIDOR) has raised its operating capacity to 160,000 barrels per day (bbl/d), driven by its new expansion plans aiming at boosting local production and reducing reliance on imports.

MIDOR Chairman and CEO Amr Lotfy boasted the production rates and operating conditions in light of the recent expansions, confirming the refinery's capability to provide products that comply with European Euro five European emission standards for fuels that dictate limits on pollutants like sulfur, benzene, and other harmful compounds.

MINING

SMRC Increases Gold Production

The total gold production of Shalateen Mineral Resources Company (SMRC) from the Iqat mine has increased to more than 900 kilograms during 2024. The increase is attributed to adopting the artisanal and small-scale mining system (ASM)—a framework that regulates individuals and small groups extracting minerals with limited tools and machinery, according to chairman Hany Mustafa.

SMRC is implementing the Dahmit Industrial Complex project in Aswan, spanning 1,422 feddans, with the aim of ending informal drilling and exploration activities and scientifically managing all mining activities in the area in an environmentally friendly manner.

Additionally, studies are ongoing in cooperation with AFAQ Mining Company to increase and confirm gold and mineral reserves in the West Gebel Elba area by more than 300,000 ounces, in preparation for announcing a new commercial discovery.

ECMR Expands Operations to Include Tin Ore, Targets Production Boost

The Egyptian Company for Mineral Resources (ECMR) targets increasing production to a total of 593,000 tons of various ores, especially phosphate, along with other minerals like quartz and talc in addition to expanding the scope of targeted ores at the Wadi Al-Shaghab site to achieve higher production rates, and start working on tin ore for the first time, according to the company's chairman, Amr Hassan during ECMR's general assembly meeting chaired by Minister of Petroleum and Mineral Resources, Karim Badawi.

Hassan added that the company is seeking to improve product quality to achieve added value and increase its marketing and competitive capabilities to meet the needs of the local market.

Egypt and Sudan Explore Mining Cooperation

Egypt and Sudan explored means for cooperation in the mining sector and value-added industries during a meeting between Karim Badawi, Egyptian Minister of Petroleum and Mineral Resources; Nour El-Daim Taha, the Sudanese Minister of Minerals; and Omar El-Farouq, the Sudanese Deputy Ambassador to Cairo, and representatives from leading Sudanese mining companies and institutions.

Badawi emphasized the significant opportunities for partnership between Egypt and Sudan, highlighting the prospects of cooperation to utilize the rich mining resources in Sudan to support value-added industries and export to international markets.

The minister added that Egypt is considering building specialized mining schools, and that is in parallel with expanding in research and studies to serve the development of the mining industry in Egypt.

Meanwhile, Taha confirmed Sudan's commitment to building a stronger strategic partnership with Egypt in the minerals sector.

During the meeting, it was agreed to form joint working groups to exchange ideas and explore avenues for future cooperation. This includes training, exchanging expertise and technologies, and establishing a timeline and mechanism for effective collaboration to serve the interests of both countries and the companies operating in this sector.

COMPANY OF The Month

SLB (formerly Schlumberger) was founded in 1926 in France and is currently headquartered in Houston, Texas. The company provides oilfield services and technology solutions for the oil and gas industry and operates in more than 120 countries. The company recorded revenues of $8.55 billion in Q2 2025, posting a 1% increase from its level at the previous quarter, despite a 6% decrease Year-on-Year (YoY). The company recorded $2.99 billion in revenues from its activities in the Middle East and Asia, marking a 0.3% sequential decrease, despite being 9% lower YoY.

SLB's Activities in Egypt

SLB began its operations in Egypt in 1939 and since then has maintained a continuous presence, participating in multiple projects within the country's oil and gas sector. One of SLB's most significant contributions in Egypt is the launch of the Egypt Upstream Gateway (EUG).

SLB collaborates with a wide range of partners in Egypt, including international oil companies such as Eni and Apache, and local contractors such as the Petroleum Projects and Technical Consultations Company (Petrojet). It operates offices, laboratories, and logistics facilities in the country.

SLB ACHIEVEMENTS IN EGYPT

Year	Project
2013	Meleiha & Qarun Fields in Western Desert: Advanced drilling (directional, MWD/LWD) and reservoir evaluation
2017	Zohr Gas Field in Mediterranean sea: Gas flow management and multi-stage modeling
2020	Egypt Upstream Gateway(EUG): National digital subsurface data platform (GAIA/DELFI)
2024	Carbon Storage: Screening and ranking carbon storage sites in Western Desert and Nile Delta

Source: SLB's Website

EKH Posts 32% Revenues Increase in H1 2025 on Across-the-Board Gains

Egypt Kuwait Holding Company (EKH), a leading investment company in the Middle East and North Africa (MENA) region, reported a 32 % increase in its revenues to reach $397 million in the first half (H1) of 2025, compared to the corresponding period of 2024, driven by growth across its various investments in Egypt.Net profit increased by 1% year-over-year to $101 million in the same period.

The company's North Sinai Concession ONS, its Petrochemical asset Sprea Misr and the Fertiliser producer Alex Fert reported 9 % ,21 % ,11% increases in revenues in H1, respectively.

ONS performance was supported by the expansion of production capacity following the reopening of old wells and the commissioning of two new wells at the end of 2024. Meanwhile, Sprea Misr, EKH's petrochemical unit, benefited strategy to enhance market share with local prices stabilizing and demand continuing to benefit from the ongoing recovery in construction activity. As for AlexFert, the increase in revenues stemmed from a 19 per cent rise in global urea prices, averaging $396 per ton.

Aramco Inks a $11Bn Deal with Consortium Led by GIP

Aramco, a global leader in integrated energy and chemicals, has signed a $11 billion lease and leaseback agreement for its Jafurah gas processing facilities with a consortium of international investors, led by Global Infrastructure Partners (GIP)

Under the agreement, a newly established entity named Jafurah Midstream Gas Company (JMGC) will assume the development and operating rights for the Jafurah Field Gas Plant and the Riyas NGL Fractionation Facility, which it will then lease back to Aramco for 20 years. In return, Aramco will pay JMGC a tariff, securing exclusive access to process, treat, and receive raw gas from the Jafurah field. Jafurah is Saudi Arabia's largest non-associated gas development, holding an estimated 229 trillion standard cubic feet tscf of raw gas.

ADNOC Gas to Supply 0.5 mmtpa of LNG to India for 10 Years

ADNOC Gas, a world-class integrated gas processing and sales company, has signed an a 10-year agreement with the Indian key energy player, Hindustan Petroleum Corporation Limited (HPCL), to supply it with 0.5 million metric tons per annum (mmtpa) of liquefied natural gas (LNG).

The LNG will be pumped from ADNOC Gas' Das Island liquefaction facility. It is the world's third longest-operating LNG plant, with a production capacity of 6 mmtpa. It has shipped over 3,500 LNG cargoes worldwide since it started operations.

VAALCO's Egypt Sales Exceeds $112 million in the first half (H1) of 2025

Oil sales from VAALCO Energy's Egyptian operations amounted to $112.844 million for the six months ending June 30, 2025. Meanwhile, net revenues reached $67.177 million during the same period, according to a recent press release.

Overall, the company reported a net income of $16.1 million for H1 2025. VAALCO's total commodity sales for the quarter were $96.9 million, 17% less than its level in the second quarter of 2024 and 12% less than the first quarter of 2025, primarily attributed to lower average prices. The company announced a quarterly cash dividend of $0.0625 per share, payable on September 19, 2025.

Chevron Returns to Iraq, Develops Exploration Blocks in Nasiriyah

Chevron, the American oil giant, has signed a Principle Agreement with the Iraqi Oil Ministry to develop the Nasiriyah Project, including four exploration blocks, the Balad oil field, as well as other producing fields and exploration blocks, according to a press statement by the office of the Iraqi Prime Minister, Mohammed Al Sudani.

During his meeting with Chevron Vice President Frank Mount and the accompanying delegation, Al Sudani commended Chevron's role in bringing advanced oil technology to Iraq, supporting local communities, and implementing responsible environmental practices in its projects. He hailed its decision to resume its activities in Iraq, emphasising his country's new approach to engaging with major international oil companies, particularly the American firms.

Sinopec to Supply Engineering Services to Saudi Arabia's ACWA Power

China's Sinopec, one of the world's largest state-owned energy and chemical companies, signed an agreement to deliver engineering services for ACWA Power in Yanbu, Saudi Arabia, supporting the development of what will be the world's largest integrated green hydrogen and green ammonia facility in the country, Reuters reported.

The project will harness wind and solar energy to produce about 400,000 metric tons of green hydrogen and 2.8 million tons of green ammonia each year.

Under the agreement, the company's subsidiary, Sinopec Engineering Group, will handle the front-end engineering design as well as the convertible engineering, procurement, and construction work for the project.

Baker Hughes Completes $540M Acquisition of Continental Disc Corporation

Baker Hughes, an energy technology company, has completed its $540 million acquisition of Continental Disc Corporation (CDC) from investment partnerships managed by Tinicum Incorporated.

The acquisition will immediately contribute the company's earnings and cash flow per share and Industrial and Energy Technology's segment margins.

The transaction brings a complementary portfolio of products to Baker Hughes' existing valves product line with the addition of CDC's well-established critical pressure management solutions.

ExxonMobil Begins Production from Yellowtail Project Offshore Guyana

ExxonMobil has commenced production from Yellowtail, its fourth oil development in Guyana's offshore Stabroek block, four months ahead of schedule. The company reported an initial average production of 250,000 barrels per day (bbl/d) of oil throughout the year, and a storage capacity of two million barrels from the operating vessel.

The project involved ONE GUYANA, the largest floating production, storage, and offloading (FPSO) vessel on the Stabroek block to date, alongside the Destiny, Unity, and Prosperity FPSOs, thereby raising the country's total installed capacity to over 900,000 bbl/d. Oil from the vessel will be marketed as Golden Arrowhead crude.

Nigeria LNG Secures Contracts to Deliver Natural Gas for 20 Years

Nigeria LNG Ltd (NLNG) has signed agreements with NNPC Ltd and several oil companies to deliver 1.29 billion cubic feet per day (bcf/d) of gas for 20 years in support of its liquefaction plants and expansion projects, Reuters reported.

The contracts, which include options for extension, involve partners such as Shell Nigeria, Oando Group, Aradel Holdings, and First E&P. They are aimed at addressing persistent upstream gas supply gaps while driving Nigeria's energy transition and industrialization goals.

The gas volumes will be ramped up progressively to feed the $10 billion Train-7 project on Bonny Island in Rivers State, which is currently 80% complete.

TotalEnergies Sends First CO_2 Vessel to Norway's Northern Lights' Facilities

TotalEnergies, along with its partners Equinor and Shell, has successfully sent the first CO_2 volumes by a vessel from Heidelberg Materials' cement factory in Brevik to Northern Lights, the world's first cross-border CO_2 transport and storage facility, in Øygarden, Norway.

In a statement, TotalEnergies said that these volumes were injected 2,600 meters below the seabed into the storage facilities, 100 km away from the coast of Western Norway. Northern Lights' initial phase of the project offers a storage capacity of 1.5 million tons of CO_2 per year, fully booked by customers across Norway and continental Europe. In March 2025, the partners approved the second phase of the project, which will expand capacity to over 5 million tons annually from 2028.

Halliburton to Provide Well Simulation Services to ConocoPhillips

ConocoPhillips Skandinavia AS, a US. -based multinational energy corporation, has contracted Halliburton, one of the world's major energy solutions providers, to supply integrated well stimulation services designed to increase efficiency and maximize reservoir production. According to Halliburton's statement, the contract's term is five years, with the option to extend it for three additional periods.

Under the agreement, Tidewater's vessel, North Pomor, will be converted into an upgraded stimulation vessel able to supply offshore well stimulation services in the North Sea. These upgrades will feature Octiv® digital fracturing services to optimize the stimulation equipment performance and operational efficiency.

Eni Sells half of its CCU unit to GIP

Eni signed an agreement with Global Infrastructure Partners (GIP), a leading global infrastructure investor, according to which the Italian energy giant would sell of 49.99% Eni CCUS Holding, a leading global player in the CCUS sector (Carbon Capture, Utilization and Storage).Eni created Eni CCUS Holding to fully leverage the industrial opportunities and increase the value of its carbon capture, utilization, and storage (CCUS) projects.

In addition, GIP holds the option to acquire Eni's 50% stake in the Ravenna CCS project in Italy and has the opportunity to integrate other potential projects into a wider CCUS platform over the medium to long term.Closing the transaction is pending legal approvals, Eni said. CCUS plays a crucial role in the energy transition, offering the most reliable and efficient means of decarbonization available today, particularly in helping hard-to-abate industries cut their emissions.

Drydocks World Secures Contract to Construct the World's largest Floating LNG Facility

Drydocks World, a DP World company, was awarded a major Engineering, Procurement, and Construction (EPC) contract by Mexican joint venture AMIGO LNG. The project involves creating the world's largest Floating Liquefied Natural Gas (FLNG) liquefaction facility.

To be carried out at Drydocks World's yard in Dubai, the project involves converting two LNG carriers into Floating Storage Units (FSUs) and constructing two new FLNG barges. Once operational in the second half of 2028, the four-vessel facility will provide more than 4.2 million tons per year of liquefaction capacity, surpassing any existing floating LNG development worldwide.

The EPC project will use a modular build strategy. This method allows for precise fabrication, seamless system integration, and pre-commissioning to be done in a controlled environment. By adopting this approach, the project can ensure rigorous quality control, shorter delivery times, a reduced environmental footprint, and reliable long-term performance.

Rosneft's H1 2025 Revenues Fall 17.6% Amid Lower Oil Prices

Rosneft's revenue inthe first half (H1) of 2025 declined to RUB 4,263 billion (around $52.88 billion), marking a 17.6% decrease compared to the same period last year. This reduction was mainly due to falling oil prices and a stronger ruble.

Net income attributable to Rosneft's shareholders was RUB 245 billion during this period (approximately $3.04 billion), a 68.3% decrease from last year, adversely affected by the high key interest rate imposed by the Central Bank of the Russian Federation, along with one-time and non-cash charges. Despite the lower net income, Rosneft maintained positive free cash flow at RUB 173 billion (around $2.15 billion).

Meanwhile, capital expenditures totaled RUB 769 billion (around $9.54 billion), primarily allocated to the ongoing investment program in the company's upstream assets. Rosneft's financial leverage remains solid, with a net debt-to-EBITDA ratio of 1.6x at the end of the period, well below the minimum covenant thresholds set in its loan agreements.

AngloGold Ashanti Doubles its Earnings, Cash Flows in Q2 2025

The global gold mining company, AngloGold Ashanti, reported more than a 100 per cent increase in both its earnings and free cash flow in the second quarter of 2025 (Q2 2025) compared to the same period last year. This was driven by a hike in average gold price, continued cost discipline and a 21% increase in gold production, according to a company statement.

The company, which operates Egypt's Sukari Gold Mine, reported a 151% year-on-year surge in headline earnings, reaching $639 million in Q2 2025. Free cash flow also jumped by 149% YoY to $535 million. AngloGold said that its managed operations drove the outperformance for Q2 2025, with gold production up 25% YoY to 729,000 ounces (oz), compared to 581,000oz in Q2 2024. The aforementioned operations are Obuasi, in Ghana, and Geita, in Tanzania, and Egypt's Sukari gold mine.

The Sukari gold mine posted an increase in production to reach 129,000 oz in Q1 2025, compared to 120,000oz during the same period last year, "firmly establishing its role as one of the top producers in the portfolio," noted the statement.

Barrick Gold Posts hike in Gold and Copper production in Q2 2025

The second quarter (Q2) 2025 operation results of Barrick Gold company showed a gold production surge by 5% and copper by 34% compared to the first quarter (Q1) 2025. The strong performance was supported by a strong contribution from Lumwana, a large open-pit copper mine in Zambia, owned and operated by the company.

The company said that it produced 204 ounces of gold in Q1 2025 with guidance production of 820-910 ounces for 2025.

Additionally, the results indicated an increase in the net earnings per share to $0.47 in Q2 2025. It also revealed higher operating cash flow during the first half (H1) 2025 reaching $2.5 billion, 32% higher than the same period in 2024. It added that the free cash flow totaled $770 million, increasing by 107% in H1 2025, compared to H1 2024, supported by stronger commodity prices.

EGYPT'S PETROCHEMICAL PUSH:

A NEW ERA OF INDUSTRIAL GROWTH

BY SARAH SAMIR

Egypt is actively reshaping its petrochemical industry into a high-value, globally competitive manufacturing hub. This transformation is guided by the National Petrochemical Plan, a strategic blueprint designed to localize production, diversify the economy, reduce dependence on imports, and significantly boost exports. At its core, the plan is driven by the goal to utilize Egypt's abundant natural gas and oil reserves, turning it to value-added products.

To achieve this vision, the government is spearheading a series of ambitious, large-scale projects and specialized industrial zones across the country.

The Rationale for Localization

Egypt has finalized a comprehensive National Petrochemicals Plan through 2040. The Egyptian government is moving forward with a multi-billion-dollar plan to modernize its petrochemical industry in collaboration with leading global companies. This strategic initiative aims to boost the value of the country's oil and gas products and reduce import costs for essential industrial materials, while also allowing for the export of a portion of the production.

The new wave of petrochemical projects represents a cornerstone of Egypt's strategy to localize and strengthen its industrial base. As part of this national effort, ten major projects are currently underway, collectively projected to add seven million tons to the country's annual petrochemical production capacity. These initiatives are not only expanding output but also introducing 20 new industrial products to the local market for the first time, products that were previously imported. This shift is expected to generate over $8 billion in import savings, significantly boosting economic self-sufficiency.

As of March 2025, the Egyptian Cabinet reported that the sector's existing annual production capacity stood at 4.5 million tons, underscoring the transformative scale of the upcoming developments.

Flagship Projects and Products

Egypt is making significant strides in localizing and expanding its petrochemicals sector through several key flagship projects. These initiatives are designed to maximize the value of the country's natural resources, reduce import dependency, and support a wide range of local industries. "These projects don't just add tons of production to the market but also elevate the local economy by creating thousands of jobs and opening new horizons for business opportunities, including business to consumers (B2C) industries. They also strengthen Egypt's position globally, presenting the country as a safe and attractive destination for investment and showcasing its readiness in terms of talent and capabilities." Mohamed Esmael, Operational Excellence Engineer at TCI SANMAR Chemicals and Petrochemicals, told Egypt Oil & Gas.

One of the cornerstones of this strategy is the Ethylene and Polyethylene Complex in Alexandria, operated by the Egyptian Ethylene and Derivatives Company (ETHYDCO). This facility is one of Africa's largest ethylene plants producing 460,000 tons per year (t/y) along with a 20,000 t/y year butadiene extraction unit. Ethylene is the most important chemical industryand is used to produce Polyethylene, the world's most used plastic.

Further expanding Egypt's capabilities is the Alamein Petrochemicals Complex, a massive $7 billion investment led by Shard Capital and Al-Qahtani Group. Located in New Alamein, this project focuses on producing advanced petrochemical derivatives using sustainable technologies. Its output will serve key industries such as automotive, construction, and packaging, while also supporting the broader goal of making the most of Egypt's natural resource wealth.

Besides, the Egypt's Soda Ash Project, led by the Egyptian Soda Ash Company (ESAC) in New Alamein, is set to produce 600,000 t/y of soda ash and its derivatives. Also known as sodium carbonate, soda ash is a vital input for numerous industries. It's used in glass manufacturing to lower the melting temperature of sand, and it's a key ingredient in detergents, soaps, paper, and water treatment. This project is particularly impactful as it will eliminate Egypt's need to import approximately 450,000 t/y of soda ash, thus fostering new industrial growth and self-sufficiency.

In this regard, Esmael explains that petrochemical products like soda ash, PVC, caustic soda, and polyethylene "reduce reliance on imports, increase domestic production, and accelerate supply chains for large-consuming industries. These products support a stronger national economy by saving substantial amounts of foreign currency during this critical stage where economic growth and preserving foreign reserves are essential."

The new wave of petrochemical projects represents a cornerstone of Egypt's strategy to localize and strengthen its industrial base. As part of this national effort, ten major projects are currently underway, collectively projected to add seven million tons to the country's annual petrochemical production capacity. These initiatives are not only expanding output but also introducing 20 new industrial products to the local market for the first time, products that were previously imported. This shift is expected to generate over $8 billion in import savings, significantly boosting economic self-sufficiency.

Egypt's Strategic Advantages in the Petrochemical Sector

The Suez Canal Economic Zone (SCZONE) plays a vital role in localizing several industries in Egypt, including petrochemicals. This comes as SCZONE is seamlessly connected to Egypt's new, modern road network. Its direct links to the new Suez Canal tunnels significantly improve transportation between the zone's two banks.

In July 2025, Egypt and China sealed an agreement to implement the Red Sea Petrochemical Project in SCZONE.

The Red Sea Project holds significant competitive advantages that make it highly appealing for investment. Its strategic location near the Suez Canal, the availability of production unit licenses, and a ready-to-implement plan set it apart. These factors are especially crucial given the increasing global demand for products like polyethylene and polypropylene.

The future of localizing the petrochemicals industry in Egypt looks promising. This comes as Egypt's strategic location makes it well-positioned to become a regional petrochemical hub. Its proximity to major markets in Europe, Asia, and Africa streamlines export operations. By being a part of regional trade blocs, Egypt also gets preferential access to neighboring countries. The country's commitment to adhering to international quality and safety standards ensures its products meet global market requirements. By leveraging these factors, Egypt aims to increase its share in the global petrochemical market, according to Anchorage Investments' article 'Egypt's Vision 2030: A Blueprint for Industrial Growth'.

Yet for Egypt—across its government, public sector, and private enterprises—to firmly establish itself as a regional petrochemical powerhouse, it must prioritize the completion and scaling of key projects, secure a consistent and competitively priced feedstock supply, and invest in robust infrastructure to support export growth, according to Esmael.

"Equally important is developing downstream industries that can convert these raw materials into higher-value products, while also fostering skilled talent and not only look for reliable operations but to go to operations excellence. Together, these steps will strengthen Egypt's industrial base, attract further investment, and position the country as a leader in the regional petrochemical market," Esmael points out.

With Egypt's ambitious projects, the country is strategically positioning itself to become a key player in the global petrochemical market. The government's proactive National Petrochemical Plan, combined with the country's strategic location and flagship industrial zones, is driving economic diversification and reducing reliance on imports. By focusing on completing these large-scale projects, securing a consistent supply of feedstock, and developing a skilled workforce, Egypt is on track to not only meet domestic demand but also to significantly boost its export capacity.

Towards Efficient Energy Use in Egypt

Policies, Technologies, and Pathways

By Nermeen Kamal & Abdullah Mostafa

Energy efficiency is called the first fuel in clean energy transitions, as it provides some of the quickest and most cost-effective CO_2 mitigation options while lowering energy bills and strengthening energy security.

Egypt's pursuit of energy efficiency is anchored in the Integrated Sustainable Energy Strategy 2035 (ISES 2035), which targets an 18% reduction in national energy demand by 2035. Achieving this target depends on modernizing power generation and transmission infrastructure and deploying advanced technologies.

Policy momentum is evident through the ongoing preparation of the third National Energy Efficiency Action Plan and the petroleum sector's dedicated 2022–2035 strategy aimed at large energy consumers.

Institutional frameworks are also evolving, with specialized energy efficiency units being established across ministries and a digital monitoring system under development to track performance at the sector level. Yet, substantial untapped potential remains—particularly in transportation, where minimum fuel efficiency standards and vehicle rating systems could drive notable gains, and in the residential sector, where stricter efficiency standards could unlock further savings.

This report provides an assessment of Egypt's energy consumption landscape and production patterns alongside fuel utilization during the first nine months of fiscal years (FYs) from 2020/21 to FY 2024/25. It further outlines major efficiency initiatives and technologies, evaluates industrial efficiency programs, and explores financing mechanisms available to advance energy efficiency improvements.

Trends in Egypt's Energy Landscape

Egypt's performance in global energy efficiency benchmarks demonstrates both progress and remaining challenges. In 2025, the country ranked 20th in the Climate Change Performance Index (CCPI), which assesses mitigation efforts across four categories: GHG emissions, renewable energy, energy use, and climate policy—with energy use accounting for 20% of the index weight.

This marks an improvement from 22nd place in 2024, reflecting efficiency gains.

Similarly, Egypt ranked 74th in the 2025 Energy Transition Index (ETI), which evaluates both current energy system performance and the readiness of the enabling environment, up from 75th the year before.

Egypt in Some Global Rankings in 2025

	CCPI	ETI
RANK	20	74
SCOPE	67	118

Fossil Fuel Dynamics

Egypt's total fossil fuel production during the first nine months of FY 2024/25 contracted by approximately 20.8% compared to FY 2020/21; a decline largely driven by a sharp 30.6% drop in natural gas output. This decline accelerated after FY 2021/22.

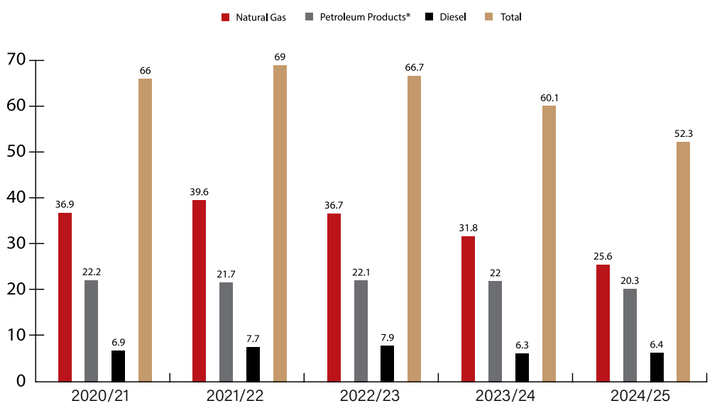
This downturn aligns with emerging challenges at the Zohr field, Egypt's largest offshore natural gas field, which began encountering reservoir pressure depletion, water infiltration, and well shutdowns in 2022. As a result, natural gas' share of total hydrocarbon production fell from 55.9% in FY 2020/21 to 49% in FY 2024/25, according to the Central Agency for Public Mobilization and Statistics (CAPMAS).

On the other hand, petroleum products experienced a milder contraction of 8.6% over the same five-year period, while diesel production exhibited more fluctuations.

The decline in petroleum output is primarily driven by the natural depletion of aging oil fields, coupled with reduced exploration and production activity due to the buildup of the International Oil Companies' (IOCs) arrears.

In response, the Ministry of Petroleum and Mineral Resources (MoPMR) has introduced a comprehensive strategy built on six pillars. A key pillar of this framework is increasing domestic production by extracting maximum value from mature fields. Another vital pillar emphasizes creating a more attractive investment climate—through measures such as settling outstanding IOC arrears on clear schedules, ensuring timely payments to partners, and reinforcing commitments to safety, energy efficiency, and emissions reduction—to restore and strengthen investor confidence, according to the MoPMR.

Hydrocarbons Production in the First Nine Months (mmt)



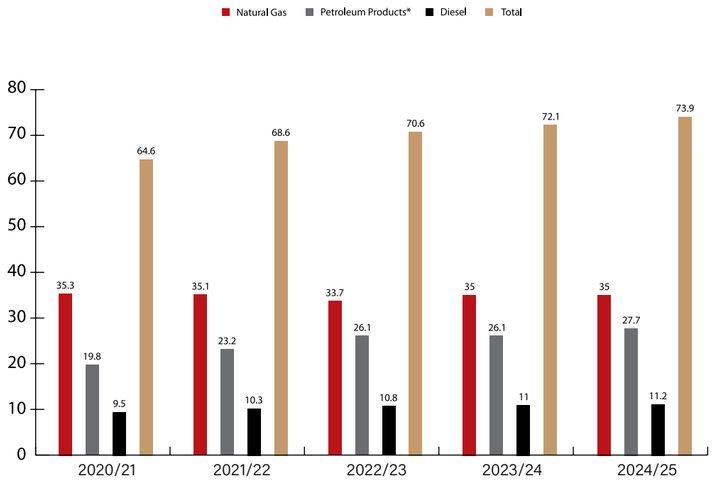
*Including crude oil, condensates & butane

Source: CAPMAS' Monthly Informatics Bulletin

During the first nine months of FY 2024/25, Egypt's fossil fuel consumption marked a 14% increase compared to the same period of FY 2020/21. The growth was primarily driven by higher demand for petroleum products, which expanded by 40% over the five years. Similarly, diesel consumption increased by 18%, reflecting the growing reliance on liquid fuels to meet domestic needs, according to CAPMAS.

By contrast, natural gas consumption remained broadly stable, with only a marginal decline of 0.8% over the five fiscal years. This stability highlights natural gas's entrenched role in the fuel mix, maintaining its position as the largest single fuel source, although its share of total fossil fuel consumption declined from 54.6% in FY 2020/21 to 47% in FY 2024/25 due to the faster rise in petroleum-based fuels, according to CAPMAS.

Hydrocarbons Consumption in the First Nine Months (mmt)



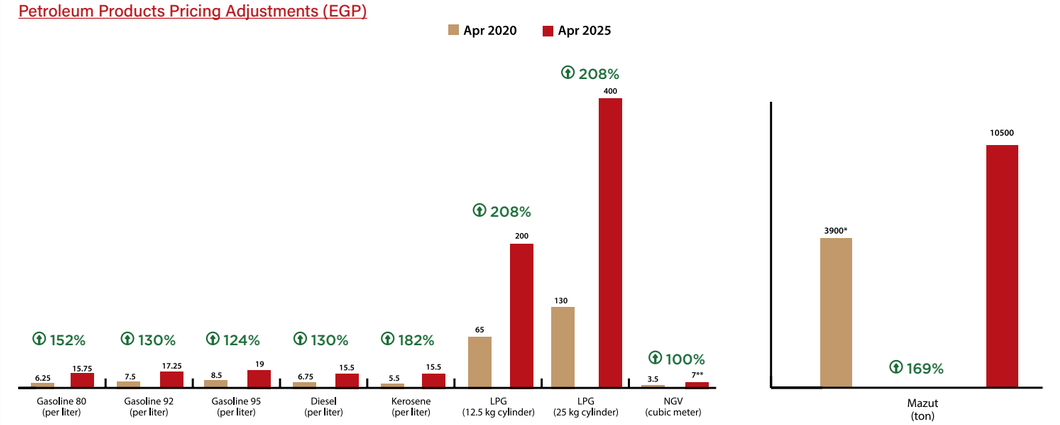
*Including crude oil, condensates & butane

Source: CAPMAS' Monthly Informatics Bulletin

Egypt has been implementing a gradual program to reduce petroleum product subsidies by increasing prices as part of its efforts to enhance energy efficiency and ease the burden on the state budget. The International Energy Agency (IEA) affirms that broad fossil fuel subsidies lead to excessive energy consumption and limit investments in efficiency and clean energy. Similarly, the International Monetary Fund (IMF) notes that fuel subsidies diminish economic incentives to adopt energy-saving technologies, hinder sustainable growth, and increase fiscal pressures.

Accordingly, Egypt's approach to restructuring the subsidy system—by aligning petroleum product prices more closely with global levels—come in line with the recommendations of these international institutions, as reducing subsidies contributes to more rational consumption and encourages investments in more energy-efficient sectors.

Petroleum Products Pricing Adjustments (EGP)



** October 2024

* October 2020

Renewable Energy Generation Expansion

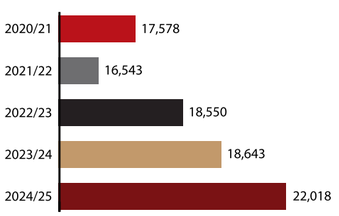
Egypt's renewable sources output expanded by nearly 25% over the last five fiscal years. Hydropower remained the backbone of the mix, consistently supplying about 53% of the total renewable generation in the first nine months of FY 2024/25. Its growth was around 12.7% across the five years, as highlighted in the New and Renewable Energy Authority (NREA) reports.

Wind energy displayed the sharpest acceleration, increasing by roughly 51% in the last five years, lifting its share of total output by 25% in the first nine months of FY 2024/25.

Solar PV followed with an output gain of nearly 30%, though its share remained steady at about 19% of the mix in the first nine months of FY 2024/25, according to NREA.

These dynamics underscore Egypt's gradual diversification within renewables. Renewable energy and energy efficiency are complementary strategies for achieving a sustainable energy system in Egypt.

Production in First Nine Months (TWh)



Source: NREA annually and quarterly reports

A significant share of Egypt's fuel mix and a small contribution of renewable energy sources are directed toward power generation. This allocation underscores the country's reliance on conventional fuels to meet growing electricity demand, with natural gas accounting for 57.5% of electricity generation during FY 2023/24, according to the Egyptian Natural Gas Holding Company (EGAS) annual report.

National Energy Efficiency Action Plan

Strategic Frameworks

Egypt's current energy efficiency direction is guided by the Integrated Sustainable Energy Strategy 2035 (ISES 2035), which outlines the framework for reducing energy demand and expanding renewable generation as part of Egypt's long-term transition plan.

In parallel, the Petroleum Sector Energy Efficiency Strategy 2022–2035, formally launched by the MoPMR at COP27, sets phased savings targets through 2027 and 2035 and provides a roadmap for applying energy management systems, audits, and technology upgrades, according to the Egyptian Petroleum Sector Energy Efficiency (EE) Strategy 2022-2035.

Regulatory & Legislative Initiatives

Egypt's energy efficiency framework is set under Electricity Law No. 87 of 2015, which mandates the Electricity Regulatory Authority (EgyptERA) to oversee electricity use efficiency through annual plans covering demand management, efficiency improvement, renewable promotion, and awareness raising, according to EgyptERA's Official Website.

Recent Actions to Improve Energy Efficiency & Transition

	Initiative	Actor	Objective
2023	Decree No. 51	Presidential	Allocation of ~26,000 Km² Land for Renewable Projects
	Decree No. 415	Government	Established National Measurement, Reporting, and Verification (MRV) System for GHG Emissions
2024	Certification of Origin System	MERE	Enhance Transparency for Renewable Electricity Producers
	Circular Enabling Direct Supply Agreements	EgyptERA	Allow Producers to Sell Directly to End-Users Via Grid
	Annual Loss-Reduction Plans	EEHC	Set Measurable Targets for Distribution Efficiency

Energy Efficiency Measures & Initiatives

Electricity Sector

During FY 2023/24, the Egyptian Electricity Holding Company (EEHC) implemented a dual-track strategy combining operational upgrades in distribution networks with the deployment of smart meters and high-efficiency transformers. These measures were part of the national loss-reduction program, which sets measurable annual targets approved by EgyptERA to reduce technical and commercial losses in the electricity grid, according to the EEHC Annual Report 2023/24.

Additionally, EEHC initiated in 2024 the Grid Digitalization and Innovation Hub, aimed at establishing a national supervisory system for real-time distribution monitoring and control. This facility is designed to accelerate smart-grid integration and enhance overall network efficiency, according to the EEHC official project announcement.

In July 2025, the Ministry of Electricity and Renewable Energy (MoEE) and the Ministry of Public Business Sector (MPBS) agreed on protocols to boost efficiency in power-intensive plants and to improve operations in heavy factories (steel, petrochemicals, etc.), according to the Egyptian Cabinet Media.

In August 2025, the MoEE launched the 'Guide to Rationalizing and Improving Energy Efficiency in the Industrial Sector,' which provides practical steps for factories to optimize energy use while supporting Egypt's broader climate and sustainability goals, according to the Egyptian Cabinet.

Oil & Gas Sector

As part of the Petroleum Sector Energy Efficiency Strategy (2022–2035), the MoPMR, in cooperation with the European Bank for Reconstruction and Development (EBRD), has launched several initiatives, including ISO 50001-based energy management systems and a sustainable financing mechanism for efficiency projects.

The Ministry also established a Center of Excellence to institutionalize best practices, with the overall goal of reducing consumption and improving operational efficiency, according to MoPMR and the Petroleum Sector EE Strategy 2022–2035.

The MoPMR and affiliated companies implemented several flare-gas recovery projects. They launched collaborations with the World Bank (WB) to reduce fuel losses and enhance efficiency in upstream and midstream operations, according to the MoPMR.

In April 2025, the ministry announced completing 340 energy efficiency projects that collectively avoided 1.1 mmt of carbon dioxide emissions per year. In parallel, 100 renewable energy projects with a combined capacity of 21 megawatt (MW) were deployed, while 35 additional flare-gas recovery projects helped prevent nearly 2 mmt of emissions. Methane monitoring campaigns at 60 sites also presented new opportunities for mitigation.

During FY 2024/25, the Egyptian General Petroleum Corporation (EGPC) implemented energy transition projects, of which 18 entered full operation while 20 remain under advanced execution.

These projects collectively delivered an annual financial saving of EGP 5.2 billion and prevented nearly 470,000 tons of CO_2 emissions. EGPC advanced renewable projects in the Western Desert and Alexandria through innovative financing, while upgrading its digital platform to monitor the energy transition with geospatial data and standardized reporting, according to the MoPMR press release.

Renewable Energy Sector

While energy efficiency typically refers to reducing energy consumption at the end-use level, projects such as battery storage and solar-plus-storage primarily enhance system or grid efficiency. By reducing renewable curtailment, improving asset utilization, and enabling a cleaner energy mix, these projects strengthen overall sustainability and grid resilience.

In February 2025, Egypt signed Capacity Purchase Agreements (CPAs) with AMEA Power to develop the country's first standalone Battery Energy Storage Systems (BESS) with a combined capacity of 1,500 MWh.
Unlike storage facilities tied to a specific solar or wind farm, these projects are designed as independent grid-scale stations to support the national electricity system.

The agreements, signed by the Egyptian Electricity Transmission Company (EETC) in the presence of the Minister of Electricity and Renewable Energy, aim to enhance grid stability and facilitate the integration of both wind and solar generation, as reported by AMEA Power's official press release.

Moreover, in July 2025, Egypt commissioned its first utility-scale solar-plus-storage project, integrating a 500 MW solar PV plant with a 300 MWh BESS. This milestone marks a major step toward strengthening grid resilience and accelerating renewable integration, as confirmed by AMEA Power's official press release

Utility-Scale Solar PV & Battery Storage Project

Location: Aswan

PV Capacity: 500 MW

Storage Capacity: 300 MWh

Access to Financing for Efficiency Upgrades

Access to financing for energy efficiency development in Egypt has become a key driver for achieving the country's sustainability and energy transition goals. In recent years, the government, international development institutions, and private sector partners have introduced green financing mechanisms, loans, and incentive programs to support projects that reduce energy consumption and enhance energy efficiency.

Government Financing

Improving the quality and efficiency of services and providing a transparent and fair regulatory environment are priorities in the Electricity and Renewable Energy Sector Action Plan. The MoEE has issued qualification certificates to companies eligible to contract under the P2P system for the production and consumption of electricity. Four solar and wind energy projects with a total capacity of 400 MW and a total investment of $388 million are underway.

These programs aim to bridge financing gaps, attract investment, and encourage industries, businesses, and households to adopt energy efficiency.

The company is building the plant and selling the electricity produced directly to industrial consumers, according to the MoEE.

International Partners Support

The energy sector ranked second in total development financing directed to the private sector, supported by key international partners such as the EBRD, the European Investment Bank (EIB), and the German Development Bank (KfW).
These institutions played a pivotal role in advancing the energy pillar, with the sector also ranking third in development finance for technical assistance, largely provided by the European Union (EU).

This progress has been fueled by the growing momentum of renewable energy and resource efficiency initiatives, according to the Ministry of Planning, Economic Development, and International Cooperation.

International Finance in the Energy Sector

Share in Total Development Finance for Technical Assistance*: 25%

Share in Total Development Finance to the Private Sector *: 14.5%**

*From 2020 to mid-2025 **Directed to Energy & Electricity

The United Nations Industrial Development Organization (UNIDO) has advanced Egypt's energy efficiency agenda by supporting industrial energy management programs. Through initiatives such as the Industrial Motors Energy Efficiency Programme, UNIDO, with the Egyptian Environmental Affairs Agency (EEAA), allocated around $3 million of the climate change STAR allocation in 2016 to work with the Ministry of Trade and Industry on developing a program for promoting energy efficiency for industrial motors. The project is 98% complete and is expected to be fully delivered by the end of August 2025, according to UNIDO.

In January 2025, the EBRD invested $100 million in Arab African International Bank (AAIB's) inaugural $500 million sustainability bond, with about 75% of proceeds allocated to green projects, including energy efficiency, renewables, and green buildings.

The EIB provided €271 million in July 2024 to boost industrial energy efficiency, renewable adoption, and environmental standards, which will also help Egyptian companies comply with the EU's Carbon Border Adjustment Mechanism when the carbon tax is imposed from 2026 onwards.

In December 2023, the Ministry of Planning, Economic Development, and International Cooperation signed €76 million in soft financing and grants with the KfW to modernize Cairo's smart grid, expand renewable capacity, and support energy efficiency projects, according to the Ministry of Planning, Economic Development, and International Cooperation and EIB.

Dive into the full report
Scan the QR code to read it all

Egypt's progress in energy efficiency reflects a coordinated effort across the electricity, petroleum, and renewable energy sectors. Through regulatory reforms, technological innovation, and targeted investments. Initiatives such as loss-reduction programs, flare-gas recovery, and renewable energy hubs are not only enhancing efficiency but also contributing to emissions reduction and climate resilience. To sustain this momentum, Egypt must expand sector-wide programs, strengthen monitoring and evaluation systems, and deepen private-sector participation. By embedding efficiency across industries, accelerating the adoption of smart technologies, and aligning investments with climate objectives, Egypt is well-positioned to advance its energy efficiency agenda.

EGYPT'S PETROCHEMICAL SHIFT:

GREEN FUELS SHAPE ENERGY DIPLOMACY

BY RANA AL KADY

In the shifting landscape of global energy politics, fuels are no longer judged solely by price or availability. Increasingly, they are measured by carbon intensity, sustainability, and their alignment with international climate agendas. For Egypt, this reality is shaping a new chapter in its petrochemical sector, where diversification into bioethanol, green ammonia, and sustainable aviation fuel (SAF) is as much a strategic decision as it is an economic one.

Energy as Diplomacy

The global demand for cleaner fuels has created a new playing field. Europe's Carbon Border Adjustment Mechanism (CBAM) and international airline emissions standards are not just technical regulations; they are political levers that determine who gains access to lucrative markets. For Egypt, maintaining its role as a trusted energy partner requires adapting quickly to these shifts. By investing in next-generation fuels, the country is sending a message to both regional neighbors and global buyers: Egypt intends to remain relevant, competitive, and aligned with the net-zero future. This political dimension is not lost on policymakers. As one senior official put it, "Green fuels are our new passport to global trade. Without them, we risk being locked out of tomorrow's markets."

Green Ammonia: Strategic Leverage

Ammonia has long been central to Egypt's petrochemical production, primarily for fertilizer exports. Transitioning to green ammonia, produced from renewable hydrogen, is more than an industrial upgrade—it is a geopolitical tool. Europe and Asia are positioning ammonia as a hydrogen carrier and maritime fuel of the future. By producing and exporting green ammonia, Egypt can secure influence in these emerging supply chains while leveraging its strategic location between continents.

The project in Damietta, for example, is being developed with a clear eye toward export markets, offering Egypt a foothold in one of the most contested areas of global energy diplomacy. The landmark green ammonia facility has an annual Production of 150,000 tons of green ammonia with overall investments of $890 million.In a region where Gulf states are investing heavily in hydrogen and ammonia, Egypt's entry ensures it is not sidelined in this critical competition.

Agriculture and Energy Security

Bioethanol offers another avenue, rooted in Egypt's agricultural wealth. By converting sugarcane byproducts and crop residues into fuel ethanol, Egypt can simultaneously advance energy security, create rural jobs, and reduce environmental pressures from agricultural waste. Politically, this integration of agriculture and energy resonates with Egypt's development strategy: aligning local economic growth with sustainability and social equity.

At a time when food and fuel security are increasingly intertwined in global negotiations, bioethanol gives Egypt a dual advantage: strengthening domestic resilience while offering an export product compatible with international blending mandates.

Aviation Matters

The aviation sector presents perhaps the most politically charged opportunity. With airlines under growing pressure to cut emissions, Sustainable Aviation Fuel (SAF) has emerged as a compliance tool for meeting international climate agreements. Egypt's planned SAF facility positions the country not only as a regional pioneer but also as a partner in Europe's decarbonization agenda.The facility is expected to cut CO_2 emissions by up to 400,000 tons per year

This matters politically: aviation is tied to tourism, trade, and diplomacy. By supplying SAF, Egypt strengthens its integration into global air transport networks while bolstering its own aviation industry. In effect, SAF is not just a fuel. It is a geopolitical asset that ties Egypt more closely to global mobility systems.

Challenges of high costs and competition

Still, Egypt's diversification into green fuels is not without hurdles. Production costs remain high, technologies require significant investment, and competition from regional players is intense. Yet these challenges underscore why Egypt's strategy is fundamentally political: to attract international financing, secure partnerships, and shape narratives about Egypt as a sustainable energy hub.

If Egypt succeeds, the payoff will extend beyond economics. It will reinforce the country's energy diplomacy, enhance its negotiating power with Europe and Asia, and diversify its export portfolio at a time when traditional hydrocarbons face declining political currency.

In many ways, Egypt's push into bioethanol, green ammonia, and SAF reflects a broader balancing act: between old and new markets, between hydrocarbons and clean fuels, and between national interests and international obligations. As the global energy map is redrawn, Egypt is ensuring it has a seat at the table, not only as a gas hub in the East Mediterranean, but as a regional leader in petrochemicals especially low-carbon fuels.

For Egypt, the calculation is clear: in a world where energy is diplomacy, green fuels are the next instrument of statecraft. By embracing this shift, Egypt is not merely adapting to external pressures. Egypt is positioning itself as a decisive actor in the politics of the energy transition.

The global demand for cleaner fuels has created a new playing field. Europe's Carbon Border Adjustment Mechanism (CBAM) and international airline emissions standards are not just technical regulations; they are political levers that determine who gains access to lucrative markets.

BURNING NO MORE: EGYPT TURNS RICE WASTE INTO WOOD

BY DOAA ASHRAF

Each autumn, as rice harvests season wrap up in Egypt, a thick blanket of smoke descends over Cairo and the Nile Delta. Farmers, with few disposal options, would set fire to leftover rice straw. The result: a suffocating haze known as the "black cloud." First reported in 1997, it grew into a national crisis, and by 2017 was responsible for nearly half of the country's air pollution.

But what if that smoke could be transformed into something valuable? What if the waste fueling Egypt's pollution could instead fuel its industry?

Rethinking Rice Straw

In 2019, the Wood Technology Company (WOTECH) was established as a partnership between the Egyptian General Petroleum Corporation (EGPC), Egyptian Petrochemicals Holding Company (ECHEM), Sidi Keriri Petrochemicals Company (SIDPEC), and Petrojet to build and operate a plant in Idku, Beheira Governorate, dedicated to producing medium-density fiberboard (MDF) from rice straw.

WOTECH partnered with Petrojet, the state-owned oil company, to manage construction, and with Germany's Siempelkamp to supply advanced technology and engineering design. Siempelkamp's expertise covers every stage of the process—from raw material handling and refining to pressing, cooling, sanding, and packaging.

The project attracted total investments of around €210 million, with an initial planned production capacity of 205,000 cubic meters of MDF annually.

Importantly, the MDF is manufactured using a formaldehyde-free resin system, a safer alternative to traditional adhesives that often release harmful emissions into indoor air.

Former Minister of Petroleum and Mineral Resources, Tarek El Molla, described the project as part of Egypt's broader strategy to expand petrochemical industries and support local manufacturing sectors such as furniture, construction, and interior design.

Jürgen Philipps, Managing Director of Siempelkamp Maschinen- und Anlagenbau GmbH, at the time commented on the project, stating: "We have been pursuing research into the raw material and the development of a market-ready plant for processing rice straw for many years. In this respect, we are very pleased about the order from our Egyptian partner who is breaking new ground in sustainable wood-based products production with us."

From Vision to Reality

Despite disruptions caused by the COVID-19 pandemic, construction continued in 2022 through close collaboration between German engineers and Egyptian specialists, both onsite and remotely.

By 2024, the plant had entered its experimental operation phase—making Egypt the second country worldwide, after the United States, to adopt this advanced rice-straw MDF technology.

During a field visit in 2025, WOTECH Chairman Ahmed Baraka announced that the plant's capacity is projected at 460,000 tons of MDF annually. Most of the output will serve the local market, with surplus volumes targeted for export, particularly to European Union countries.

Green Technology and Safer Products

So how exactly does rice straw become sleek wooden panels?

The process begins in the fields with the collection of rice straw, which is baled, cut, and cleaned to remove dust. The material is then ground into fine fibers, refined, and treated with eco-friendly glue. To guarantee quality, fibers are carefully weighed, tested for moisture, and screened to eliminate clumps.The treated fibers are formed into mats of various thicknesses and densities, then pressed into MDF or HDF boards ranging from 3 to 40 millimeters thick. After pressing, the boards are cut to standard sizes, cooled to stabilize bonding, and stored for 8 to 24 hours to ensure strength, durability, and uniformity. Environmental protection is embedded throughout the process. All industrial emissions are purified before release, ensuring compliance with global sustainability standards.

Supporting facilities play a critical role in the process. The plant includes a 25-megawatt gas-fired power station for electricity, a water desalination and treatment unit, gas regulation and metering systems, and advanced firefighting systems for safety.

For decades, rice straw was seen as nothing more than troublesome waste. Now, it's the backbone of a project that tackles pollution, creates jobs, and supplies Egypt with a sustainable material for its growing furniture and construction industries.

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EGYPT BETS BIG ON PETROCHEMICALS: EXPANDING PRODUCTION, POWERING EXPORT

BY FATMA AHMED

Egypt's petrochemicals sector became of increased importance as the country seeks to leverage its natural gas reserves and industrial capacity to drive economic growth. As global demand for plastics, fertilizers, and other downstream products continues to rise, Egypt is positioning itself as a regional hub for petrochemical production and investment. The sector not only supports domestic economy but also contributes significantly to exports.

Buoyant Exports Performance

The petrochemicals sector constitutes approximately 12% of Egypt's total industrial output, generating around $7 billion annually, and it contributes 3% of Egypt's Gross Domestic Product (GDP), according to the Information and Decision Support Center (IDSC). The Chemicals and Fertilizers Export Council stated, that the sector's exports surged by 23% in 2022, reaching $8.629 billion.

Moreover, the Council Chairman Khaled Abu Al-Makarem said during the Seventh Green Economy Forum that fertilizers and chemicals exports increased by 12% during the first five months of 2025, recording about $4 billion. "This increase came on the back of the establishment of new production facilities in addition to the high global demand on the plastics, chemical, medicine, fertilizers, and rubber products, as well as a mild recovery in the global trade and supply chain" Mustafa Shafie, the Head of Research at Al Arabiya Online, an online securities brokerage firm, said to Egypt Oil and Gas (EOG).

Also, Abu Al-Makarem told EOG that the Egyptian government has provided various incentives to support exports, including export burden rebate program, facilitating shipping and logistics procedures, and providing competitively priced energy for strategic projects.

The country targets exports of chemicals and fertilizers sector to exceed $11 billion at the end of 2025.

Pursuing Self Sufficiency

Egypt has been expanding petrochemical production to reduce $8 billion worth of production inputs imports annually and boost self-sufficiency. The overall production capacity in the petrochemical industries currently stands at approximately 4.5 million tons per year (mmt/y) The sector's output soared from 2.1 million tons (mmt) in 2015/2016 in to over 4.3 mmt in the fiscal year (FY) 2021/22. This surge in production is driven by projects' expansion supported by the government's efforts to strengthen the petrochemical industry and lessen reliance on imports.

Additionally, Egypt aims to increase petrochemical production capacity by 170% compared to current levels. "New investments under the National Petrochemicals Plan are expected to double production and export capacity within 5–10 years, strengthening Egypt's role as a regional hub," the Chairman of Chemicals and Fertilizers Export Council added.

The National Petrochemicals Plan, announced in March 2025, includes setting up 10 major new petrochemical projects, this will add seven mmt of annual production capacity by 2035 and introduce 20 new industrial products manufactured locally, with the aim of reducing imports. The most important petrochemicals produced by Egypt, currently, are polyethylene, polypropylene, methanol, and urea. In the FY 2022/23, Egypt produced 275,000 tons of polypropylene tons, 552,000 tons of polyethylene , one million tons of methanol of and two million tons Urea, a report released by the Information and Decision Support Center revealed.

Robust export advantages

"Egypt has great petrochemicals export potentials due to its distinguished geographic location between Asia, Europe, and Africa, the availability of modern ports on the Red Sea and the Mediterranean, and free trade agreements that grant Egyptian exports preferential access

to major markets," Abu Al-Makarem said. Top export destinations for the Egyptian chemicals and fertilizers include Turkey followed by Italy and Saudi Arabia in the third place, according to a report released by the Chemicals and fertilizers Council.

Some of these markets are competing markets to Egypt such as the Gulf states, Turkey, and some Asian countries, Abu Al-Makarem noted. He also explained that Egypt's competitive advantage lies in its abundant raw materials, relatively low production costs, advanced infrastructure, and geographical proximity to consumer markets. Shafie said "the Egyptian petrochemical sector is very attractive for the foreign investments due to incentives provided by the government especially in the economic zones. This will be reflected on the local production and exports growth."

On the global level, China represents the largest producer as well as exporting country of petrochemicals in 2025, recording exports of $3.51 trillion, according to Worldostats ranks. It is followed by US which exported petrochemicals valued at $3.05 trillion.

A positive outlook

The Egyptian petrochemicals sector continues to offer promising investment prospects. "[Egypt's] promising products include polyethylene, polypropylene, nitrogen fertilizers, and methanol, products with growing global demand," the Chairman of Chemicals and Fertilizers Export Council elaborated. He recommended that Egypt can address the competitiveness by focus on quality, enhancing added value, diversifying markets, and intensifying cooperation with supply chains.

A report by the international rating agency, Fitch, forecasts an increase in Egyptian petrochemical production capacity in 2027, compared to 2022, by 826.9%, for polypropylene, polyethylene by 532.8%, ethylene by 460.5%, methanol by 74.9%, polyethylene terephthalate by 38.6%, polyvinyl chloride by 33.1%, and ammonia by 8.6%.

> The overall production capacity in the petrochemical industries currently stands at approximately 4.5 million tons per year, compared to 2.1 million tons produced in 2015/16 to over 4.3 million tons in the fiscal year 2021/22. This surge in production is driven by projects' expansion supported by the government's efforts to strengthen its domestic petrochemical industry and lessen reliance on imports.

ARGONAUT DELIVERS CUTTING-EDGE SOLUTIONS ACROSS OIL & GAS, VENTILATION, FIRE SAFETY, AND ENERGY TECH

Since its establishment in 2004, Argonaut for Mechanical & Electrical Works has become one of Egypt's most versatile contractors, delivering integrated solutions across industrial, construction, and oil and gas projects. With expertise in mechanical, electrical, and HVAC systems, Argonaut is a trusted partner in projects where integrity, reliability, and innovation are essential.

Electromechanical Expertise and Integrity

Argonaut's solutions are rooted in a philosophy of product integrity and engineering excellence. From HVAC and low-voltage panels to fire-fighting systems and energy-saving technologies, every solution is designed to meet international standards while maintaining long-term reliability. This uncompromising commitment to quality has cemented Argonaut's reputation among oil and gas operators, consultants, and contractors.

Exclusive Partnerships and Reliable Products

To support Egypt's oil and gas ecosystem, Argonaut partners exclusively with leading global manufacturers:

- Halton – A global leader in indoor air and ventilation solutions, Halton is renowned for its advanced technologies in air quality, energy efficiency, and safety. Through its collaboration with Argonaut, Halton brings cutting-edge ventilation and HVAC solutions tailored for Egypt's oil and gas facilities, commercial projects, and transportation hubs, strengthening Argonaut's mission to deliver world-class systems to the local market.
- Pitsan – With a legacy of 40+ years and exports to more than 50 countries, Pitsan provides a wide range of ventilation solutions, including tunnel fans, car park systems, and ATEX-certified explosion-proof fans. Argonaut's exclusive representation of Pitsan ensures that Egypt has access to a global portfolio trusted across industries worldwide.
- VOLUTE – A UL-approved, India-origin brand manufactured in the UAE, VOLUTE offers reliable pumps with the advantage of zero customs and competitive pricing, while maintaining the highest quality standards and durability.
- REDSHIELD – A non-listed fire pump solution, available with UL motors and valves and Civil Defence approval, ensuring compliance and safety for mission-critical facilities.
- GERPAAS – A global leader in cable management systems, serving sophisticated industries ranging from oil and gas and data centres to conventional large-scale infrastructure projects.

Energy-Saving Innovations

Argonaut also delivers state-of-the-art energy-saving technologies, including solutions from ENPOSS, a Korean innovator with patents in more than 16 countries and installations across five continents. Proven to reduce energy consumption in heavy industries by more than 15%, ENPOSS systems are already showing success in Egypt, with official case studies soon to be revealed. These solutions demonstrate Argonaut's forward-looking commitment to sustainability and cost efficiency for industrial clients.

Showcasing leadership

A major milestone for 2025 is the "Engineering the Future of Air & Energy" Seminar, hosted by Argonaut on September 17, 2025, at Le Méridien Cairo Airport. With global partners such as Halton and ENPOSS present at the event, advanced HVAC, energy efficiency, and air-quality innovations for industrial and oil and gas applications were spotlighted. It also reaffirmed Argonaut's role as a convener of international expertise for Egypt's energy sector.

Looking Ahead

Argonaut's mission goes beyond delivering systems and products—it is about serving stakeholders and customers with dedication, transparency, and long-term value. By combining exclusive partnerships, innovative technologies, and a proven legacy in complex industries such as oil and gas, defence, and transportation, the company is committed to supporting its clients' success at every stage.

With every project, Argonaut strives to be closer to its customers, listening to their needs, providing tailored solutions, and ensuring performance that endures. This customer-first mindset, backed by global innovation, positions Argonaut as a partner of choice for companies shaping the future of Egypt's energy and industrial infrastructure.

BETWEEN REFORM AND RESILIENCE:

EGYPT'S PETROCHEMICAL GAMBLE

BY REEM HOSSAM EL-DIN

Since 2016, and as a part of the IMF-backed reform program, Egypt opted to reducing fuel subsidies, driving up energy prices and reshaping not only household spending but also the costs incurred by key industries—most notably petrochemicals, one of the country's most strategic and fastest-growing sectors.

The petrochemicals industry accounts for roughly 12% of Egypt's industrial output and generates annual revenues of around $7 billion (approximately EGP 354.76 billion). It contributes nearly 3% to the national GDP, according to data from the Information and Decision Support Center (IDSC).

Covering a wide range of products-from plastics and rubber to detergents, paints, fertilizers, and glass- petrochemicals form a critical backbone of Egyptian industrial sector. But with rising fuel costs, the question now is: how will this vital sector adapt to subsidy cuts, and what key challenges lie ahead in the future.

Surviving Fuel Subsidies Cuts

Hit by soaring debt, spiraling inflation, and a shortage of foreign currency, Egypt turned to the International Monetary Fund (IMF) in 2016 for support in stabilizing its economy through a series of prescribed reforms. That November, the IMF approved a $12 billion loan under a three-year Extended Fund Facility. But the deal came with tough conditions—chief among them, a commitment to phase out fuel subsidies by 2025.

Originally, the agreement set 2019 as the deadline for completing subsidy reforms. However, the government adopted a gradual; elimination of subsidies with an accelerated pace since 2022 when the government signed a new deal with the IMF. In the fiscal year (FY) 2025/26 budget, the sum allocated to fuel subsidies was halved to EGP75 billion compared to the previous fiscal year. According to government sources, Egypt now aims for full elimination of fuel subsidies by December 2025, sparking concern over the potential impact on industries and households.

Still, former Petroleum Minister Osama Kamal remains unconcerned.

Unlike exploration and production (E&P), which are protected by agreements ratified by Parliament, petrochemicals' deals fall under general legislation that can change frequently, making the sector vulnerable to tax hikes and regulatory shifts.

OSAMA KAMAL

former minister of petroleum

He argues that the sector is largely shielded from the impact of subsidy reforms. "The government does not subsidize fuel for value-added industries, including petrochemicals, and instead sell gas to these industries according to a unified tariff," he explained. As a result, the price of gas supplies remains mostly insulated from fluctuations in international oil markets, since tariffs are based on rates set by the government for industrial use.

Not only is the sector protected, but it's also expanding. According to the IDSC, petrochemical production capacity reached 4.2 million tons (mmt) annually in FY 2022/23, up from 4.1 mmt in FY 2018/19.

The Unclear Policies Hurdle

While fuel subsidy cuts may not hit Egypt's petrochemicals sector as hard as other industries, investors face a different set of challenges. "The real issue lies in investment laws and incentives," said former Petroleum Minister Osama Kamal. "Unlike exploration and production (E&P), which are protected by agreements ratified by Parliament, petrochemicals fall under general legislation that can change frequently, making the sector vulnerable to tax hikes and regulatory shifts."

Petrochemical projects are by nature large-scale and capital-intensive, yet both local and foreign investors have long found the legal framework governing the sector unclear and inconsistent. This ambiguity, persisting for over two decades, often causes hesitation among investors before committing to new ventures.

Still, Kamal believes Egypt remains competitive with Gulf producers, who are typically seen as having an advantage due to cheaper raw materials.

According to Kamal, Egypt holds three key advantages: relatively low labor costs compared to the Asian work force relied upon by Gulf countries, a strategic geographic location, and a wide network of trade agreements. These include the EU–Egypt Association Agreement and membership in COMESA (the Common Market for Eastern and Southern Africa), both of which offer customs exemptions and other preferential terms for Egyptian exports to European and African markets.

A growing challenge for Egypt's gas industry is the supply instability. Since 2022, output from the Zohr field—Egypt's largest—has declined due to technical issues and foreign operators scaling back amid unpaid government dues caused by a dollar shortage. Imports from Israel, which covers 15–20% of Egypt's demand, are also vulnerable to geopolitical shifts. For example ,in June 2025, Israel halted exports during its conflict with Iran, prompting Egypt to suspend gas supplies to petrochemical and fertilizer companies.

Fertilizers in Focus

Amr Ragai, Equity Research Analyst at Al-Ahly Pharos, echoes Kamal's view that Egypt's fertilizer sector remains resilient. Strong global demand for key products like urea and phosphates continues to drive growth. However, Ragai points out a critical nuance in how fertilizer companies operate.

"Fertilizer producers purchase natural gas at a fixed formula—$4.5 per thermal unit at minimum, compared to the standard $8.5. I'd call that a subsidy, or at least a significant discount," he explained.

Subsidies in the fertilizer sector function on two levels: the reduced price companies pay for natural gas they get from the government, and the controlled price at which farmers buy urea from these producers. Producers are required to allocate 55% of their output to the government, though the actual quota may fluctuate with the remaining quantity being allocated for export.

As of mid-2024, the Egyptian government has been considering raising the subsidized fertilizer price to approximately EGP 6,250 per ton, a 30% increase from the previous price of EGP 4,800 per ton.

Given this pricing structure, Ragai rules out an imminent full removal of subsidies, noting that such a move would put fertilizer companies in a difficult position—unless accompanied by a corresponding rise in fertilizer prices.

"The sector has performed strongly over the past quarter and hasn't shown any signs of stress, despite broader economic instability," he said. "Fertilizer companies are remarkably resilient, and I believe the government will approach subsidy cuts cautiously and with careful consideration for this vital industry."

The Everyday Power of Petrochemicals

Ahmed Moharram, Founder and Managing Director of Anchorage Investments Ltd.—whose portfolio includes the $2.5 billion Anchor Benitoite petrochemicals complex in the Suez Canal Economic Zone—believes the petrochemicals industry must be actively protected and supported.

"The petrochemicals, chemicals, and fertilizers sectors in Egypt are poised for significant growth in the coming years," Moharram told Egypt Oil & Gas. "This progress will be reflected in rising export volumes, which have already shown strong momentum, underscoring the strategic importance of these industries to the national economy."

He highlighted the sector's deep integration into daily life, with applications spanning healthcare, construction, and household goods such as packaging, carpets, and furniture. Moharram warned that any disruption in petrochemical production would quickly affect the availability of these essential products.

Echoing this, Amr Ragai emphasized that sustaining Egypt's competitiveness in the global market requires practical measures—namely, the continuation of subsidies, which influence both direct and indirect production costs, and ensuring a stable supply of natural gas.

Subsidies in the fertilizer sector function on two levels: the reduced price companies pay for natural gas they get from the government, and the controlled price at which farmers buy urea from producers. Producers are required to allocate 55% of their output to the government.

AMR RAGAI

Equity Research Analyst at Al-Ahly Pharos

NAVIGATING LEGAL HURDLES IN OFFSHORE OIL EXPLORATION

Offshore oil exploration remains a cornerstone of the global energy industry, offering both immense economic promise and significant environmental risk. As technology advances and energy demand rises, oil companies are venturing further into deepwater and ultra-deepwater territories. However, with these pursuits come complex legal and regulatory challenges that shape how offshore drilling is conducted.

Offshore oil exploration primarily takes place in marine zones beyond a nation's land territory. Therefore, it is governed not only by domestic law but also by international legal frameworks. The United Nations Convention on the Law of the Sea (UNCLOS), adopted in 1982, is the most comprehensive legal framework regulating activities in the world's oceans.

Under UNCLOS, coastal states have sovereign rights over their Exclusive Economic Zone (EEZ), which extends up to 200 nautical miles from their baseline. These rights include the exploration and exploitation of natural resources, such as oil and gas, in the seabed and subsoil.

Beyond UNCLOS, various regional agreements supplement international marine law. For instance, the OSPAR Convention governs the protection of the marine environment in the North-East Atlantic. It includes guidelines for offshore oil installations and waste management. In the Mediterranean, the Barcelona Convention addresses pollution from exploration and exploitation of the continental shelf and seabed.

Each country retains the right to regulate oil exploration within its territorial waters and EEZ. National laws determine licensing procedures, safety requirements, taxation, environmental impact assessments (EIA), and emergency response protocols.

In the U.S., offshore drilling is regulated by a combination of federal and state laws. The Outer Continental Shelf Lands Act (OCSLA) authorizes the federal government to lease submerged lands for oil and gas development. The Bureau of Ocean Energy Management (BOEM) oversees leasing, while the Bureau of Safety and Environmental Enforcement (BSEE) ensures operational safety and environmental compliance.

After the 2010 Deepwater Horizon disaster, U.S. regulations underwent significant reforms. Stricter rules were introduced, including third-party certification of blowout preventers, real-time monitoring of drilling operations, and enhanced inspection regimes. The National Environmental Policy Act (NEPA) also requires comprehensive environmental assessments before any lease is granted.

The UK government regulates offshore drilling through the Petroleum Act 1998 and its amendments, now incorporated into a wider framework under the Oil and Gas Authority (OGA). Operators must comply with the Offshore Petroleum Licensing Regulations, environmental regulations under the Environmental Permitting (England and Wales) Regulations, and submit detailed risk assessments and oil spill contingency plans.

While regulations aim to ensure safe and sustainable development, several legal controversies persist.

One of the most contentious issues is liability for oil spills and environmental damage. The Deepwater Horizon spill led to more than $65 billion in fines and compensation, highlighting the financial risks of offshore drilling.

Internationally, there is no uniform liability regime for offshore oil pollution. This creates legal uncertainty and may impede compensation in cross-border incidents.

Legal scrutiny is increasing over the climate impact of offshore drilling. Several jurisdictions are considering or have implemented carbon pricing, emissions caps, or moratoriums on new offshore licenses. In 2021, Denmark announced it would stop issuing new offshore oil licenses by 2050. Similarly, New Zealand has banned new offshore oil and gas exploration in its territorial waters.

Offshore oil exploration law is rapidly shifting toward unified international standards that strengthen environmental safeguards, spill liability, and safety, while digital tools—satellite monitoring and AI-driven reporting—boost real-time transparency. As the energy sector decarbonizes, regulations will need to manage platform decommissioning, reuse for offshore renewables, and worker transition support. At the same time, disputes over maritime boundaries—from the South China Sea to the Eastern Mediterranean—will continue to depend on UNCLOS arbitration and international tribunals.

Offshore oil exploration law stands at the intersection of resource development, environmental protection, and international cooperation. As drilling ventures push into increasingly remote and challenging environments, the need for robust, adaptive, and enforceable legal regimes becomes ever more critical. From global treaties to national regulations and local community rights, the regulatory framework must evolve to meet the dual challenge of energy security and environmental responsibility. Effective legal governance will be essential to ensure that offshore oil exploration proceeds safely, sustainably, and in the broader public interest.

By Eng. Mohsen Ahmed Farhan Ali

Oil & Gas Well Drilling Specialist

Kuwait Oil Company (KOC) Consultant

Oil & Gas Industry Trainer & Coach

UNLOCKING THE HIDDEN POTENTIAL OF CARBONATE RESERVOIRS IN THE GULF OF SUEZ

Carbonate rocks hold more than half of the world's oil and nearly 40% of its gas reserves. Yet, when it comes to rift basins with tectonically complex history as the Gulf of Suez, the exploration of such reservoirs is not easy.

The Gulf of Suez, as part of the Egyptian Red Sea margin, has long been known for its hydrocarbon richness. Its oil story started in 1886 with the discovery of the Gemsa field and oil produced from a syn-rift Miocene carbonate reservoir. Since then, the basin has yielded over 13 billion barrels of oil equivalent, with production mainly from sandstone reservoirs and less than 10% of it emerging from the Miocene carbonate reservoirs even though they exist across many fields, including Zeit Bay, Ras Fanar, Ras Gharib, and Shoab Ali.

The question is why the carbonate reservoirs remained under-explored, the answer lies in their complexity in deposition, variation and heterogeneity. The Rift basins are shaped by faulting, tilting, and rapid subsidence, all of which are heavily influenced by where carbonates can accumulate and how they trap hydrocarbon.

The Gulf of Suez is no exception as the structural deformation controls the size, the geometry, and internal layering of carbonate platform reservoirs, often leading to fragmented and heterogeneous reservoirs.

In areas like the Gulf of Suez, the growth of carbonate rocks—especially reef-building types—is often disrupted by coarse sediments (called clastics) that wash in from nearby raised land. These sediments can mix with the carbonates and make the environment more complex, which is a problem because reefal carbonates are very sensitive and need stable conditions to form properly.

Still, there's strong potential in the region. For example, in the Hammam Faraun Member of the Belayim Formation, some reefal limestone layers show excellent porosity—up to 22%—which means they can store oil and gas effectively.

However, these high-quality zones are usually scattered and hard to find. To locate them, geologists need to use advanced tools like seismic imaging, core sampling, and structural modeling.

Surface rock exposures at places like Gebel Abu Shaar and Wadi Kharaza are great examples of Miocene-age carbonates. Studying these outcrops helps scientists understand how the rock layers change across space and time, and how processes like diagenesis (changes after the rock forms) affect their ability to hold oil and gas underground.

Several discoveries like Hareed, GH 452-1A, and Felefel remain undeveloped, primarily due to uncertainties in reservoir geometry, lateral continuity, and diagenetic effects on porosity and permeability. In contrast, fields like Shoab Ali and Zeit Bay benefited from extensive drilling and better data, allowing for successful development and reserve estimation. New recent studies focusing on Miocene carbonate architecture in the southern Gulf of Suez are helping to fill these gaps. The integration of subsurface borehole data, 3D seismic, and outcrops, geoscientists are unraveling how the structural settings influence depositional patterns and reservoir quality. Facies analysis has identified key reservoir types—lime mudstone, wackestone, packstone, and boundstone each with unique flow properties based on their porosity-permeability profiles.

Understanding how these carbonates were deposited, altered, and trapped could unlock significant untapped reserves. Advanced modeling techniques and re-evaluation of older discoveries, the Gulf of Suez may hold a wealth of hidden potential waiting to be brought to the surface similar to nearby basins in Libya and the Arabian Gulf.

By Mr. Hany M. Helmy, TPA- Exploration Manager

Dr. Adel R. Moustafa, Professor of Structural Geology - Ain Shams University

Dr. Samy K. Moawad, Prospects and Studies Leader - GUPCO. (Currently on loan to Petroleum Ministry)

EGYPT OIL&GAS RESEARCH & ANALYSIS

QUARTERLY INDICATORS

Unemployment Rate

Q2 2024	Q2 2025
6.5%	6.1%

Unemployment Rate Breakdown

Gender

Males	Females
3.5%	15.8%

Areas

Urban	Rural
9.7%	3.3%

Egypt's job market showed signs of improvement in the second quarter (Q2) of 2025, with the unemployment rate declined in Q2 of 2025 to 6.1%, down from 6.3% in the first quarter (Q1) of 2025. The total labor force, employed and unemployed, grew by 0.5% to reach 33.61 million individuals compared to Q1 2025.

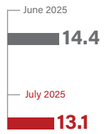
The urban labor force amounted to 14.85 million, while the rural labor force totaled 18.76 million. At the gender level, men comprised the majority of the workforce at 26.51 million, while women represented 7.11 million. The total number of unemployed individuals registered 2.05 million (932 thousand males and 1.12 million females), a drop of 2.7% from Q1 2025, and a 0.2% decrease compared to Q2 2024.

MONTHLY INDICATORS

Annual Headline Inflation (%)

Egypt's annual national consumer price index (CPI) eased further to 13.1% in July, down from 14.4% in June. Monthly, the CPI fell 0.6%, driven primarily by a 3.1% monthly drop in food and non-alcoholic beverages, which may offset price increases across most other categories.

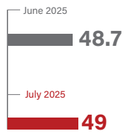
Alcoholic beverages and tobacco surged 7.8% month on month (MoM), while housing and utilities rose 0.7%, alongside similar gains in furniture, household equipment, and miscellaneous goods. Restaurants and hotels climbed 0.6%, with healthcare, clothing, and culture services each edging up 0.3%. The broad-based moderation in inflation reflects easing food price pressures, coupled with improved supply stability, though sectoral price increases continue to weigh on household budgets.



Net International Reserves ($ billion)

Egypt's net international reserves (NIR) rose to a preliminary $49 billion in July 2025, the highest in years and up 5.4% year-on-year (YoY) from $46.5 billion. Foreign currency reserves increased 0.4% to $35.2 billion, gold holdings grew 0.4% to $13.6 billion, and Special Drawing Rights (SDRs) surged to $183 million.

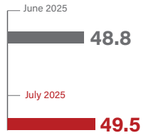
The steady buildup comes as the flexible exchange rate helps unify the official and parallel market rates. The pound also appreciated 4.9% against the dollar since the beginning of 2025, supported by stronger foreign inflows. Worker remittances jumped 59.6% to $15.8 billion in the first five months of 2025 compared with the same period in 2024, alongside higher exports and tourism revenues.



Non-Oil Private Sector PMI (Point)

Egypt's PMI rose to 49.5 in July 2025, up from 48.8 in June, signaling a softer decline in non-oil private sector conditions. Activity and new orders continued to contract, though at weaker rates, with services showing early signs of recovery. Notably, firms increased employment for the first time since October 2024, while cuts in purchasing eased.

Input costs rose at a slightly faster pace, driven by higher prices for cement, fuel, and wages, yet remained below long-run averages. Selling prices also climbed modestly for the third consecutive month. Despite improved demand in parts of the economy, overall business sentiment stayed historically subdued, reflecting lingering concerns over client spending and economic uncertainty.



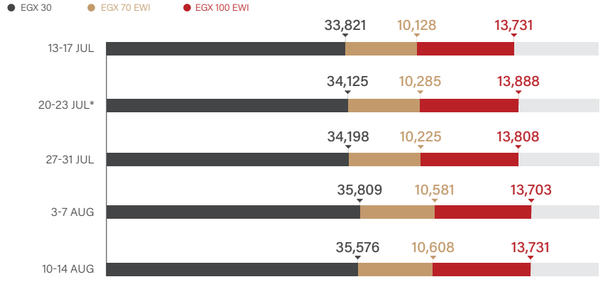
EGX HIGHLIGHTS

Performance of Listed Petroleum Companies (July 2025)

TAQA				
Close Price	12.5 EGP	4.69 USD	7.37 EGP	39.5 EGP	19.32 EGP
YTD Price Change	↑ 6.2%	0%	0%	↓ 1.74%	↑ 0.36%
P/E*	21.4	3.89	5.39	19.58	6.9

*Price-Earnings Raito (P/E): the ratio of a company's share price to the company's earnings per share.

Capital Market Indicators



* July 24 was a public holiday.

El Hamra Port Expansion Set to Become Major Mediterranean Petroleum Hub

El Hamra Petroleum Port in New Alamein is undergoing expansion to boost its role as a major Mediterranean hub for crude oil and petroleum products. The project includes four new crude oil storage tanks currently under construction, targets a crude storage capacity of 20 million barrels (mmbbl) by 2030, and aims to raise petroleum product capacity to 400,000 tons (t) by the same year, strengthening regional trading and supply networks.

Crude Oil Storage

Current Capacity	Targeted Storage Capacity (Q1 2026)
2.8 mmbbl	5.3 mmbbl

Petroleum Products Storage Expansion

Phase	Storage Tanks / Types of Tanks	Completion Timeline
Phase 1	2 Diesel tanks	End of 2025
Phase 2	6 Gasoline, Diesel & Jet fuel tanks	Q2 2026

Total Storage Capacity by H1 2026: 130,000 t

WEPCO Boosts Onshore Natural Gas Output from Egypt's Western Desert

The Western Desert Operating Petroleum Company (WEPCO) has advanced its diversification strategy at the Badr-1 field by adding a new development well, drilled to a depth of 5,000 meters into the Lower Kharita formation. This step marks a transition from oil-only operations to a balanced oil-and-gas production profile, enhancing field resilience and long-term output stability.

The addition supports WEPCO's broader objective of optimizing recovery from mature reservoirs in the Western Desert, while maintaining controlled flow rates to safeguard reservoir integrity and ensure sustainable production.

5st -10 Development Well

Current Production

Natural Gas	Condensates
12 mmcf/d	300 bbl/d

WEPCO's Production

Natural Gas	Production Equivalent
20 mmcf/d	8,300 boe/d

WASCO Revives Balsam-3 Well and Expands Gas Reserves

El Wastani Petroleum Company (WASCO), Dana Gas' joint venture, has brought the Balsam-3 well back online, opening up fresh potential in the Kafr El Sheikh formation. The move extends the productive life of a mature field and contributes to reserve growth, aligning with a wider strategy to maximize returns from existing assets.

Alongside this, the Begonia-2 well continues to deliver steady output, supporting the company's efforts to strengthen supply reliability. Together, these projects underscore WASCO's commitment to operational efficiency, resource optimization, and long-term energy security in the region.

Balsam-3 Well

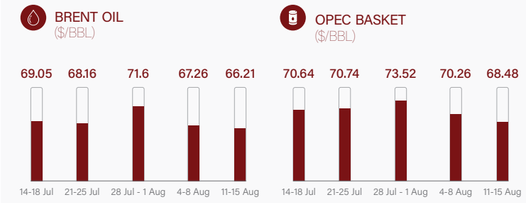
Natural Gas Production	Natural Gas Added Reserves
5 mmscf/d	4 bcf

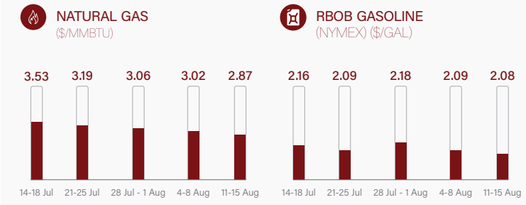
Begonia-2 Well

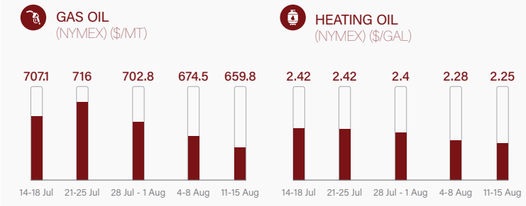
Natural Gas Production	Condensates Production
7 mmscf/d	200 bbl/d

PRICING HIGHLIGHTS

Average International Prices







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