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EGYPES
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Delta Med Corridor: BULLISH OUTLOOK FOR PRODUCTION, EXPORTS

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Editor's **Letter**

Dear reader,

After exploring the Western Desert's oil and gas potentials last month, this issue turns to the Mediterranean–Nile Delta corridor, the country's strategic hydrocarbon backbone. This area supplies a disproportionate share of Egypt's gas and condensate, balancing long lead deepwater projects with faster, mid scale developments in shallow waters and onshore. That mix provides the scale needed for export contracts while stabilising domestic supply and accelerating cash flow, as our economic article explains.

The piece highlights that recent exploration agreements, production deals and infrastructure investment are clustering along this corridor as international companies deepen their commitments. New midstream developments and the corridor's proximity to major ports are shortening time to market and lowering transport costs, converting geological potential into commercial throughput, attracting investment and supporting exports.

In our insight section we examine how the corridor's oil ports are adopting advanced terminal operating systems and automated control tools. These technologies supply live vessel, berth and equipment data that reduce turnaround times and improve coordination between offshore service bases and port facilities.

The overview piece assesses the wider picture: abundant gas is driving economic growth and expanding Egypt's geopolitical influence, yet monetising deepwater and ultra deepwater reserves remains technically and financially complex. Investor confidence remains sensitive to past payment delays, rising domestic demand and pricing pressures, as well as regional security risks.

The political piece looks into the Cyprus–Egypt gas agreement and how it illustrates that energy diplomacy can convert infrastructure into leverage — offering Cyprus a stable export route while strengthening Egypt's role as a Mediterranean hub.

This issue is a tour of how capacity, policy and technology can turn natural resources into jobs, investments, exports and regional influence. We hope you enjoy reading it.

Sherine Samir
Editor in Chief

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TOP 5

QatarEnergy Acquires 40% Stake in Offshore North Rafah Block

QatarEnergy has acquired 40% participating interest in the North Rafah exploration block offshore the Mediterranean Sea through a farm-in transaction with Italian Eni, the Operator of the block, which would retain the remaining 60% stake.

According to a statement by the Ministry of Petroleum and Mineral Resources (MoPMR), with this agreement, QatarEnergy has expanded its operations in Egypt to cover six offshore areas in partnership with international companies, including Eni, Shell, Chevron, and ExxonMobil.

The company is anticipated to inject new investments in drilling natural gas exploratory wells over the next five years, including three wells in 2026.

Egypt Makes Two New Gas Discoveries Onshore Nile Delta, First in 2 years

Egypt witnessed a series of new oil and natural gas discoveries in the Nile Delta, Western Desert, and Eastern Desert, adding over 5,000 barrels of oil and 42 million standard cubic feet of gas per day (mmscf/d).

In the onshore Nile Delta region, two natural gas discoveries were made, the first in two years. The first was made by Harbour Energy through Disouq Petroleum Company (DISOUCO) after drilling the North Sidi Ghazy 1-9 exploration well. The second was made by the UAE's Dana Gas through El Wastani Petroleum Company (WASCO) in the West Qantara area from the Salma Delta-6 well. Both discoveries are being prepared for production with a combined estimated output of 19 mmscf/d of gas.

Egypt Exports LNG to Italy from Idku Liquefication Plant

Egypt has exported 155,000 cubic meters (m^3) of liquefied natural gas (LNG) from its liquefaction plant in Idku to Italy. The exported gas was carried onboard the New NATURE tanker operated by Shell International.

The shipment, according to a statement by the Ministry of Petroleum and Mineral Resources (MoPMR), comes within the framework of the Ministry's strategy to encourage international partners to increase investments necessary to bolster gas exploration and domestic production. This strategy said the ministry has led to accelerating the development of phases 10 and 11 of the West Delta Deep Marine (WDDM) project- co-operated and partly owned by Shell- in the Mediterranean Sea, to boost natural gas output dedicated for export.

Egypt Posts New Bid Round for 4 Blocks in Red Sea

Minister of Petroleum and Mineral Resources, Karim Badawi announced a new international bid round for exploration and production operations in blocks RS-Block (1), RS-Block (2), RS-Block (3), and RS-Block (4) located in the Red Sea. The announcement was made during the minister's participation in the Abu Dhabi Exhibition and Conference (ADIPEC) 2025.

Offered by Ganoub El Wadi Petroleum Holding Company (Ganope), the bid round will be closed on Sunday 3rd of May 2026 at 12:00 PM.

"This bid round is the first to implement modern systems designed to attract international companies to inject new investments into untapped areas and deep waters. It introduces a production-sharing system based on the R-Factor, aligning returns with the level of risk and investment," Badawi said.

"The Red Sea region is one of the most important new petroleum areas, rich with promising opportunities for future discoveries that can boost production capacity," he noted.

Egypt Exports 150,000 m^3 of LNG to Greece

Egypt has exported 150,000 cubic meters (m^3) of Liquefied Natural Gas (LNG) to Greece from the Idku liquefaction plant. The cargo was transformed aboard the Shell-operated vessel GASLOG GIBRALTAR.

This follows two other recent shipments: a 150,000 m^3 cargo to Turkey and a 155,000 m^3 cargo to Italy, according to the Ministry of Petroleum and Mineral Resources (MoPMR).

TotalEnergies' LNG Endurance carried the previous shipment to Turkey, while the Italy cargo sailed on Shell International's New Nature.

The Idku liquefaction plant is located on Egypt's Mediterranean coast near Alexandria and has a combined annual capacity of 7.2 million tons (mmt) of LNG. The facility is operated by Egyptian LNG (ELNG), a Joint Venture (JV) that includes both Egyptian and international oil companies (IOCs), such as Shell, PETRONAS, and TotalEnergies.

A BLAST FROM THE PAST

The Western Desert has long stood as a cornerstone of Egypt's petroleum map, with its story beginning in 1969 when the Abu Gharadig (AG) field was discovered. This find marked the first large hydrocarbon discovery in the basin that would later become one of the country's most prolific oil and gas provinces.

By 1973, oil production had started, followed by natural gas two years later. Decades later, in December 2014, the Ministry of Petroleum and Mineral Resources (MoPMR) signed a $40 million agreement with Apache and Shell to produce unconventional gas fracking in Northeast AG. The then Minister of Petroleum and Mineral Resources, Sherif Ismail, described the project as an opening for new horizons in unconventional gas, tapping into the extensive and cohesive geological formations that require drilling techniques similar to those employed in shale gas production in the US.

By 2021, the field was producing around 2,600 barrels of oil per day (bbl/d) and 15 million standard cubic feet of gas per day (mmscf/d), supported by new pipelines and seismic data reprocessing aimed at maximizing recovery.

From this foundation, the Western Desert has expanded into Egypt's second-largest petroleum-producing region after the Mediterranean, accounting for 32.4% of national output in FY 2018/19.

The region is now home to key fields such as Meleiha, Qarun, Badr El Din, and Qasr, alongside newer discoveries like South Ghazalat, Berenice, and Ptah. Its strength lies in huge reserves and in its growing infrastructure as it now includes thirteen natural gas pipelines, four crude oil pipelines feeding the El Hamra terminal, and processing facilities at Abu Sennan. These assets secure the Western Desert's position as a vital source of hydrocarbons and a pillar of Egypt's energy future.

UNDER THE Limelight

Total Planned Investments in Exploration & Drilling (2026-2030)

$5.7 BILLION

Egypt's Ambitious Exploration Plan

Egypt has announced an ambitious five-year oil and gas exploration and drilling strategy, aiming to drill approximately 480 exploratory wells across key regions. According to the plan, 2026 alone would see the drilling of 101 wells: 67 in the Western Desert, 14 in the Mediterranean Sea, 9 in the Gulf of Suez, and 6 in the Nile Delta. This expansion is expected to significantly boost domestic production and enhance energy security.

The announcement follows a year of strong upstream momentum, during which Egypt signed 21 new agreements with leading international companies and added 300 wells to the national production map.

Source: The Ministry of Petroleum and Mineral Resources (MoPMR)

ACHIEVEMENTS

Badawi: Zohr Field Contributes 23% of Egypt's Gas Output

Zohr field currently contributes more than 23% of Egypt's total gas production, said Karim Badawi, Minister of Petroleum and Mineral Resources, adding that the Mediterranean region would witness stability in production and further development and exploration plans.

The statements came during an Interview with DMC TV Channel during which he noted that Eni, the operator of Zohr, will increase its investment in Egypt by $8 billion over the coming five years.

Moreover, he expected that between October 2025 and December 2026, more than $1.2 billion in foreign investments will be directed to over 100 Egyptian exploration wells, with about 14 exploration wells expected to be in Egypt's offshore Mediterranean region.

Enppi Achieves Record Rankings at ENR 2025 Global Lists

Engineering for the Petroleum and Process Industries (Enppi) advanced to its highest-ever position in the Engineering News-Record (ENR) international rankings, reflecting strong performance and growing global presence.

Ennpi climbed to 64th place among the Top 225 International Design Firms in ENR's 2025 ranking, up from the 73rd position in 2024, and remains the only Egyptian oil and gas company on the prestigious list. The gauge ranks the world's top design and engineering firms based on revenue generated outside their home countries from design-related services.

The firm also ranked 98th among the Top 150 Global Design Firms, advancing from 117th in the previous year, as the only Egyptian oil and gas representative in the global lineup. This ranking is based on the total revenue of the firms from design services, both domestic and international.

Additionally, Enppi entered the Top 10 Oil and Gas Design Firms Worldwide, securing ninth place, its highest ranking to date, underscoring the company's expanding international portfolio and enhanced engineering capabilities. This list features the top global design firms, specifically in the oil and gas sector, based on design revenue from oil, gas, petrochemical, and energy-related projects.

MDC Wins 2025 HSE Partnership Award in Kuwait

The Modern Drilling Company (MDC), a leading player in the Egyptian petroleum sector, has received the 2025 Safety, Occupational Health, and Environmental Protection (HSE) Partnership Award from Kuwait's Wafra Joint Operations (WJO) and its partner US Chevron. The award was offered to the company in recognition of its compliance with safety, quality, and environmental standards during its operations in Kuwait.

MDC, which began activity in Kuwait in 2020, currently operates the largest drilling fleet in the country, deploying nine rigs for WJO in Wafra and two rigs for Kuwait Oil Company (KOC).

Its Kuwaiti branch employs more than 500 Egyptian workers and engineers, bolstering MDC's regional expansion and supporting petroleum sector projects in line with international standards.

PETROJET Secures $1Bn Contract to Develop Algeria's Hassi Bir Rekaiz oil Field

The Petroleum Projects and Technical Consultations Company (PETROJET) has secured a $1.08 billion contract to develop the second phase of the Hassi Bir Rekaiz oil field in Algeria. The project is operated by Groupement Hassi Bir Rekaiz (GHBR), a joint venture between Algeria's Sonatrach and Thailand's PTT Exploration and Production Plc (PTTEP).

The step aligns with the sixth pillar of the Ministry of Petroleum and Mineral Resources (MoPMR) strategy related to strengthening regional cooperation with countries and partners and leveraging the capabilities of Egypt's oil sector through the execution of large-scale projects abroad, particularly in Arab and African countries, said Karim Badawi, Minister of Petroleum and Mineral Resources.

EXPLORATION AND PRODUCTION

Madbouly Inaugurates Gas Recovery Project at NPC Refinery

Prime Minister Mostafa Madbouly has inaugurated the gas recovery project at Nasr Petroleum Company (NPC)'s refinery in Suez Governorate with a cost of EGP 1.1 billion. Executed through PETROJET as the general contractor, the project is designed to produce 340,000 tons annually of butane and naphtha, a key feedstock for high-octane gasoline production.

According to Karim Badawi, Minister of Petroleum and Mineral Resources, the project enhances the added value and economic benefits of natural gas by utilizing it in processing units rather than flaring.

During his visit, Madbouly inspected ongoing development works to boost production at the refinery. Established in 1911, NPC is one of Egypt's oldest refineries.

The refinery operates three gas recovery units, in addition to five production units, with a total capacity of around 7.7 million tons annually (mmt/y). It meets part of Egypt's demand for key petroleum products such as butane, diesel, naphtha, kerosene, jet fuel, mazut, and asphalt, said NPC Chairman Mohamed Abdullah.

Badawi: Egypt to Drill 480 New Exploration Wells through 2030

Egypt plans to drill 480 new oil and gas exploration wells over the next five years, with total investments exceeding $5.7 billion, announced Karim Badawi, Minister of Petroleum and Mineral Resources, during his keynote speech at the World Energies Summit held in London.

He explained that 101 wells are scheduled to be drilled in 2026 alone, distributed across Egypt : 67 wells in the Western Desert, 14 in the Mediterranean, 9 in the Gulf of Suez, and 6 in the Nile Delta.

Badawi highlighted that newly introduced incentives during the past year have supported the expansion of exploration and production activities, noting that 21 new agreements were signed with international companies with total investments of $1.1 billion. In addition, 300 new wells have been brought into production. This reversed the trend of decline in natural gas production in August 2025 for the first time in years.

In addition to Eni's plans to invest $8 billion in Egypt through 5 years, bp will allocate $5 billion for new exploration activities, Badawi told attendees of the London Summit. Furthermore, four new exploration agreements valued at over $340 million were signed with Eni, Shell, and Arcius Energy.

Egypt to Launch New Red Sea Exploration Bid Round via EUG

Egypt is preparing to launch an international bid round for oil and gas exploration in four areas of the Red Sea, through the Egypt Upstream Gateway (EUG).

The announcement was made during a meeting between Karim Badawi, Minister of Petroleum and Mineral Resources, and Andrea Lovatani, Director of Exploration Data and Digital Solutions at SLB, held on the sidelines of the World Energies Summit in London.

The meeting also addressed the regional seismic survey project in the Eastern Mediterranean, which Minister Badawi first announced in September during the GASTECH Exhibition and Conference in Milan, Italy. Covering an area of 95,000 square kilometres, the project aims to harness gas resources in the Eastern Mediterranean and attract further investment in Egypt's gas exploration and production activities.

The project has been awarded to a consortium comprising global energy technology company SLB and geophysical services provider Viridien, and will be implemented in three phases. The first phase, valued at $117 million, is scheduled to begin in 2026 and will cover an area of 18,000 square kilometres.

Egypt Plans LNG Terminal in Port Said to Fuel Suez Canal Authority Locomotives

Egypt is planning to build a natural gas liquefaction and storage terminal in Port Said to supply fuel for the Suez Canal Authority's (SCA) locomotives. The project was discussed in a recent meeting between Minister of Petroleum and Mineral Resources, Karim Badawi, and SCA Chairman, Osama Rabie.

The project aligns with the SCA's strategy to transition to cleaner energy sources. Badawi stated that the Ministry of Petroleum and Mineral Resources (MoPMR) fully supports the initiative, which aims to enhance the operational efficiency of the canal's locomotives while promoting sustainable fuel use.

AGREEMENTS

MEES: Cronos Gas to be Transmitted to Damietta via Zohr Line Skipping National Grid

Egypt and Cyprus have sealed key commercial agreements for the development of the Cronos gas field in Cyprus's Block 6, marking a decisive step toward the project's Final Investment Decision (FID).

The deals allow natural gas from Cyprus to be processed and later exported through Egypt's liquefied natural gas (LNG) facilities, reinforcing the latter's role as the Eastern Mediterranean's regional gas hub, according to the Middle East Economic Survey (MEES).

The agreements signed included a Handling, Transportation and Processing Agreement (HTPA) between Eni (50%, operator), TotalEnergies (50%), the Egyptian Natural Gas Holding Company (EGAS), IEOC (Eni's Egypt subsidiary), and Petrobel, as well as a tolling contract (an agreement under which a company pays a fixed fee to use another party's facilities) between Eni, TotalEnergies, and the Damietta LNG export facility, and a tariff agreement between the Block 6 partners and Egypt's Ministry of Petroleum and Mineral Resources (MoPMR).

Under the HTPA, gas will flow through Zohr's offshore infrastructure and one of its two 30-inch pipelines—dedicated solely to Cronos—before being treated at Zohr's onshore facilities and piped directly to Damietta, bypassing Egypt's national grid.

bp Uses Valaris Deepwater Rig to Drill 5 New Gas Wells Offshore the Mediterranean

bp has signed a contract with Valaris, an American offshore drilling contractor, to drill five new natural gas wells in its Mediterranean concession areas at a depth of 300-1500 meters, utilizing the Valaris DS-12 deepwater drilling rig.

bp is expected to begin operations in 2026, covering a mix of sidetrack, development and exploration wells aimed at accelerating the development and production of natural gas reserves. The program will leverage existing offshore and onshore infrastructure within the West Nile Delta area to maximize efficiency and optimize production timelines, according to a statement by the Ministry of Petroleum.

For his part, Wael Shahin, bp Egypt Country Manager, said that the DS-12 rig will enable bp to build on the success of its recent exploration campaign and accelerate production from new discoveries. This will support Egypt's energy security and sustain gas output from the West Nile Delta beyond 2030, he added.

bp, Eni Extend Baltim East Lease Offshore Nile Delta

The Egyptian General Petroleum Corporation (EGPC) has signed an agreement with Italian Eni and UK bp to extend the development lease for the Baltim East field in Baltim, offshore the Nile Delta region. Under the extended agreement, Eni and bp plan to reinvest and expand their operations in the Baltim East field over the next five years to unlock new gas resources.

Wael Shaheen, Vice President of bp Egypt, emphasized the importance of the agreement. He said that leveraging the existing infrastructure will contribute to accelerating development processes and increasing production rates.

ExxonMobil Egypt and Octane Partner to Digitize Vehicle Services Nationwide

ExxonMobil Egypt, a leading provider of high-quality lubricants and fuels, has signed a cooperation agreement with Octane, an Egyptian fintech company providing a digital wallet and management platform for vehicle-related expenses, to support the transport sector in the domestic market and blend industry with technology.

Through this deal, ExxonMobil Egypt will provide high-quality lubricants and services through Mobil's stations across the country, while Octane will provide innovative digital solutions to improve operational efficiency, increase transparency, and provide the highest quality services to vehicle owners.

Furthermore, ExxonMobil and Octane have implemented the Digital Refuelling system, a fully integrated service for managing ground fleets. This solution allows smarter fleet management by tracking fuel consumption, monitoring vehicle performance, and scheduling maintenance, ultimately enhancing operational efficiency and delivering tangible benefits to our customers, Serag El Din noted.

PETROCHEMICALS

SCA, Anchorage Partner to Develop $6Bn Petrochemicals Complex at Ain Sokhna

The Suez Canal Authority (SCA) has signed an agreement with Anchorage Investments to establish a major petrochemical complex with investments of over $6 billion in Ain Sokhna.

The complex will be built in two phases. The first, worth over $2 billion in investments, will produce polypropylene as a main product and hydrogen as a byproduct. The second phase, with investments of $4.5 billion, will produce other petrochemical products and complementary industrial units focused on exports and sustainability.

The project is expected to create over 2,500 direct and indirect job opportunities once construction and operations are complete and maximize the utilization of local resources to produce industrial products with high added value.

Wadico Launches Eco-Friendly Phosphate Production Facility

The New Valley Company for Mineral Resources and Oil Clay (Wadico) has inaugurated two projects aimed at enhancing phosphate production efficiency and improving its work environment. The first project is the company's first ore production line, which employs modern technology to increase the quality of the phosphate produced while operating under environmentally friendly methods. The second project is an accommodation camp for workers, which reflects the company's commitment to achieving the highest standards of safety and sustainability at its Upper Egypt sites.

Amgad Abdel Razek Ghoneim, Wadico's Chairman, confirmed that the new phosphate production line operates with a PLC automated control system. It boasts a production capacity of up to 600,000 tons per year. Ghoneim added that the line features advanced technologies for limiting pollution and preserving the health of workers and the surrounding environment.

The project contributes to reducing dust resulting from mining operations, aligning with MoPMR strategy pillars for mining, environmental protection, and emissions reduction. A dedicated control room, equipped with surveillance cameras, covers all parts of the crusher to ensure high performance, monitoring, and quality of the produced raw material.

EOG 2025 CONVENTION

Meleiha Workshop Wraps Up Technical Series Ahead of EOG 2025 Convention

Meleiha Base, located in the Western Desert, hosted a two-day technical workshop where field engineers from various operators in the region came together to exchange experiences, discuss operational challenges, and explore ways to enhance efficiency and safety.

This workshop, held on October 6th and 7th, was the third and final in a series of technical sessions organized as part of the Egypt Oil & Gas Group's 11th Convention, scheduled for December 1st. The series was held in collaboration with the Egyptian General Petroleum Corporation (EGPC).

The workshops were designed to strengthen professional ties and foster cooperation among companies operating in Egypt's oil and gas sector. The outcomes and insights from all three workshops will contribute to shaping the dialogue and direction of Egypt's upstream sector during the upcoming convention.

COMPANY OF The Month

Vaalco Energy

Vaalco Energy is a Houston-based exploration and production (E&P) company founded in 1985. The company operates in five countries and is listed on the New York Stock Exchange. Vaalco focuses on developing and optimizing mature oil and gas fields through brownfield redevelopment, new drilling, and strategic acquisitions.

Activities in Egypt

Vaalco Energy officially entered the Egyptian upstream market following the completion of its strategic business combination with TransGlobe Energy in October 2022, which granted the company full ownership of TransGlobe's Egyptian assets in the Western Desert and Eastern Desert.

The company has contracted a drilling rig and plans to commence at least two new development wells during 2025, with the potential to expand the program to an additional 10 to 13 wells across its onshore concessions in Egypt's Eastern and Western Deserts.

MAIN CONCESSIONS IN 2024

Concession	Acreage (acres)
Eastern Desert	45,067
Western Desert	7,340

FINANCIAL PERFORMANCE IN EGYPT

Category	H1 2025
Oil Sales	$112.8 million
Net Revenue	$67.2 million
Average Oil Price Received	$58.76 per barrel

OPERATIONAL PERFORMANCE IN EGYPT

Category	H1 2025
Oil Sales Volume (WI)	1.915 mmbbl

UEG Completes Acquisition of Apex International Energy

United Energy Group (UEG) announced the successful completion of its acquisition of Apex International Energy Holdings, following the satisfaction of all conditions precedent under the Sale and Purchase Agreement (SPA). The transaction was completed on 14 October 2025, in accordance with the terms of the SPA.

The acquisition marks another milestone in UEG's growth strategy, strengthening its upstream oil and gas portfolio, and expanding its presence in Egypt's Western Desert—an area of strategic importance and long-term potential. Through the acquisition, UEG holds interests in several production and exploration concessions in Egypt's Western Desert, operated in partnership with leading international energy companies.

Following the completion of this transaction, UEG's total operated and non-operated portfolio in Egypt will reach an aggregate gross production exceeding 39,000 barrels of oil equivalent per day (boe/d), sourced from multiple mature and emerging fields.

ADNOC Nears EU Approval for €14.7Bn Covestro Takeover

Abu Dhabi National Oil Company (ADNOC) is close to securing the European Union (EU) approval for its €14.7 billion ($17 billion) acquisition of German chemicals producer Covestro, sources familiar with the matter told Reuters.

The European Commission is examining the deal, ADNOC's biggest acquisition yet and one of the largest foreign takeovers of an EU company by a Gulf state, over concerns that ADNOC may be using state subsidies to acquire the chemicals company.

To address these concerns, ADNOC has proposed several remedies, including amending its association articles to address an unlimited state guarantee and pledging to keep Covestro's intellectual property within Europe. The EU regulator is expected to request minor adjustments to these proposals before granting formal approval.

Kuwait Hits Gas Discovery Off Al-Jazah, Sets Production Record

Kuwait Oil Company (KOC), a subsidiary of the state-owned Kuwait Petroleum Corporation, announced a new natural gas discovery at the offshore Al-Jazah field. The discovery set a historical national production record for a vertical well, exceeding 29 million cubic feet per day (mmcf/d) of gas.

KOC estimates the potential gas reserves at the Al-Jazah field to be approximately 1 trillion cubic feet (tcf). The company stated that the reservoir is a technically and environmentally remarkable find, featuring low carbon dioxide levels, and is free from hydrogen sulfide and associated water.

Dana Gas, Crescent Petroleum Launch Gas Expansion Project in Iraq's Kurdistan Region

Dana Gas, the Middle East's leading natural gas company, and Crescent Petroleum, the region's oldest private upstream oil and gas firm, announced the official launch of the commercial gas sales from the KM250 gas expansion project at the Khor Mor facility in the Kurdistan Region of Iraq (KRI).

The KM250 project, delivered eight months ahead of schedule, adds 250 million standard cubic feet per day (mmscf/d) of processing capacity, raising total output at Khor Mor to 750 mmscf/d. This milestone is predicted to enhance Iraq's energy security by supplying clean-burning natural gas to meet its rapidly growing electricity demand.

The added capacity will not only bolster power generation across the KRI but also support industrial growth and improve electricity supply to other parts of Iraq.

Eni Resumes Drilling in Offshore Libyan Block After Five-Year Hiatus

Eni North Africa has resumed offshore exploration operations in Block 16/4 northwest of Libya, after more than five years of suspension.

Eni North Africa is a regional subsidiary of the Italian energy giant Eni, and it is responsible for managing the company's oil and gas operations in North African countries, with a major focus on Libya.

The company is re-entering the C1-16/4 exploratory well, also known as BESS-3, using Saipem's Scarabeo-9 rig to complete drilling to its planned final depth of 10,520 feet (3,200 meters).

Drilling on the C1-16/4 well originally began on March 11, 2020, but operations were halted shortly after due to the COVID-19 pandemic. The initial drilling reached 1,012 feet before the well was temporarily abandoned on April 14, 2020.

SONATRACH, Midad Energy Ink $5.4 Bn Exploration Deal in Algeria

SONATRACH, the Algerian national oil company (NOC), and the Saudi Midad Energy North Africa signed a $5.4 billion hydrocarbon-sharing contract for the exploration and development of the Illizi South area in Algeria.

The agreement, signed on October 13, strengthens Algerian Saudi energy cooperation and is fully funded by Midad Energy. The company has dedicated $288 million specifically for initial exploration activities.

The contract has a term of 30 years, with an option for a 10-year extension, and includes a seven-year research period.

Upon completion of the contract, the Illizi South perimeter is expected to yield substantial production, reaching 993 million barrels of oil equivalent (mmboe). This production is broken down into 125 billion cubic meters (bcm) of gas for marketing and 204 million barrels of liquid hydrocarbons, which include 103 million barrels of liquified petroleum gas (LPG) and 101million barrels of condensate.

The exploration and development program will utilize cutting-edge technological and digital solutions while adhering strictly to Algeria's environmental regulations.

Baker Hughes Secures Deal with Halfaya Gas to Drive Flare Reduction Initiative in Iraq

Baker Hughes inked an agreement with Iraq's Halfaya Gas Company (HGC) to expand cooperation on a flare gas recovery project at the Bin Umar gas processing facility in southeastern Iraq. The initiative aims to cut upstream flaring substantially and convert waste gas into useful products, said the company in a statement.

This agreement follows a previously signed memorandum of understanding (MOU) focused on the Bin Umar development project and the completion of a pre-Front End Engineering and Design (pre-FEED) study.

This project is set to recover as much as 300 million standard cubic feet per day (mmscf/d) of flared gas, translating into roughly 32 billion kilowatt-hours of energy each year—the equivalent of supplying electricity to about 2 million typical households in Iraq. The captured gas will be processed into dry gas, liquefied petroleum gas (LPG), and condensate for domestic use, as well as for export.

Additionally, the two parties have also committed to working together on developing upstream oilfields in Iraq, drawing on Baker Hughes' expertise in its Oilfield Services and Equipment area of specialty.

Chevron, Helleniq Energy Near Gas Deal Offshore Greece

Chevron and its Greek partner, Helleniq Energy, are close to concluding a deal with the Greek government for offshore natural gas exploration off the Peloponnese peninsula and the island of Crete before the end of the year, Greece's Energy Minister, Theodore Papastavrou, announced.

The deal covers four deepwater blocks south of Crete and the Peloponnese, and follows a joint bid submitted by Chevron and Helleniq Energy earlier this year.

The endorsement of the Court of Auditors and parliamentary approval are required before seismic surveys can begin in 2026.

The consortium will then have up to five years to identify any potentially recoverable reserves. If commercial prospects are confirmed, test drilling is not expected to take place before 2030–2032.

The country, which currently produces only minimal amounts of oil, is heavily dependent on gas imports to meet its energy needs.

Woodside Energy, PETRONAS Ink SPA Agreement for LNG Supply

Woodside Energy Trading Singapore Ltd and PETRONAS LNG, a subsidiary of Petroliam Nasional Berhad (PETRONAS), have signed a fully termed sale and purchase agreement (SPA) for the delivery of 1 million tons per annum (Mtpa) of liquified natural gas (LNG) to Malaysia starting in 2028, for 15 years.

The agreement converts the non-binding Heads of Agreement (HOA) reached in June 2025 into a binding contract, highlighting both companies' commitment to strengthening collaboration across the LNG value chain.

Based upon the agreement, LNG will be supplied by Woodside's global portfolio, potentially including volumes from its newly sanctioned Louisiana LNG project in the US.

Shell Forecasts Higher Upstream Output in Q3 2025

Shell projects upstream production of 1.79 to 1.89 million barrels of oil equivalent per day (mmboe/d) in the third quarter (Q3) of 2025, up from 1.73 mmboe/d recorded in the second quarter (Q2) 2025, according to a statement by the company. The company also expects liquefied natural gas (LNG) volumes to reach 7 to 7.4 million metric tons in Q3, compared to 6.7 million metric tons in Q2.

Integrated gas production is forecast at 910,000 to 950,000 barrels of oil equivalent per day (boe/d) in Q3, relatively flat compared to 913,000 boe/d in Q2. Trading is expected to be significantly higher than Q2 2025, though adjusted earnings will reflect losses of $0.2 to $0.4 billion due to rebalancing of participation interests in Brazil following the redetermination proposal for the Tupi field.

Shell expected sales volumes to range between 2.65 and 3.05 million barrels per day (mmbbl/d) in Q3 2025, down from 2.8 mmbbl/d in Q2. Marketing-adjusted earnings are expected to be higher than in the previous quarter.

Fertiglobe Expands in Asia-Pacific, Acquires Australian Fertilizer Distributor

Fertiglobe announced the completion of acquiring the distribution assets of Wengfu Australia Pty Ltd., a leading fertilizer distribution business, through an asset sale and purchase agreement (SPA), strengthening its downstream reach and enhancing supply access for Australian customers.

Fertiglobe is the world's largest seaborne exporter of urea and net ammonia combined, and the exclusive ammonia platform of the UAE ADNOC and XRG.

Under the transaction, Fertiglobe Australia Pty Ltd., will be established as a fully owned subsidiary that will operate the acquired assets and serve as a platform for expanding the company's presence in the Asia-Pacific region.

The acquired assets span five strategic port locations with eight warehouses, handling the distribution of 700,000–800,000 tons of fertilizers each year to more than 200 customers, with the potential to expand capacity to 1.1 million tons annually.

Aligned with Fertiglobe's recently announced "Grow 2030 Strategy", the deal represents a significant step toward the company's "customer proximity" pillar and is expected to generate incremental annual EBITDA of around $23 million by 2030.

Halliburton Launches New Smart Technology to Upgrade Well Control

Halliburton, a leading service provider to the oil and gas sector, has introduced the Turing® control system, an upgrade to its SmartWell® technology. This new system helps save time as it manages oil and gas flow more efficiently, allowing companies to get more from each reservoir while drilling fewer wells.

The new system uses built-in sensors to quickly and accurately adjust well performance. It is designed to reduce setup time, lower risks, and help avoid delays—making operations smoother and more cost-effective.

When integrated with the Clariti® digital reservoir management suite, the Turing electro-hydraulic control system delivers enhanced insights and real-time guidance to identify opportunities for improving well output and optimizing field performance.

SLB to Acquire RESMAN, Boosting Reservoir Surveillance and Recovery Solutions

SLB, a leading technology company in the energy sector, has signed a definitive agreement to acquire RESMAN Energy Technology, a specialist in wireless reservoir surveillance solutions. The acquisition, expected to close in early 2026 pending regulatory approvals, strengthens SLB's offerings in reservoir monitoring and production optimization.

RESMAN's advanced chemical tracer systems enable operators to track the movement of water, gas, oil, and CO_2 in reservoirs with parts-per-trillion precision, providing detailed insights into well performance and reservoir behavior without production interruptions. Such capabilities are vital in oil and gas as well as in emerging sectors like CO_2 storage and geothermal energy.

The tracers, which can be embedded in completion equipment at the sand face, allow pinpointing zones producing unwanted fluids. This information facilitates targeted interventions to extend well life and optimize recovery.

TotalEnergies Accelerates AI Adoption in Upstream Activities

TotalEnergies, a major energy company, has entered a new phase of its partnership with industrial artificial intelligence (AI) specialist Cognite, signing a three-year program to deploy Cognite's data and AI platform across all its operated Exploration and Production (E&P) assets worldwide. The initiative aims to integrate technology across the value chain, from drilling through to production, with the goal of improving efficiency, reliability, and sustainability.

The collaboration builds on years of work between the two companies, focused on making vast volumes of industrial data AI-ready. By streamlining access to this information, TotalEnergies expects to accelerate the adoption of new digital applications, improve safety and performance monitoring, and enhance decision-making across its operations.

The platform will enable more accurate and faster data analysis, dynamic visualization of assets, and the accelerated use of AI tools to strengthen operational excellence across TotalEnergies' global upstream portfolio.

Egypt's Petroleum Ports
Strengthening Energy Connectivity and Trade Integration

By Mariam Ahmed & Mahmoud Yasser

Modernizing Egypt's petroleum ports stands at the core of the country's energy transformation strategy, reflecting its goal to enhance energy security, expand export capacity, and position itself as a regional logistics and trading hub.

With around 16 petroleum ports, Egypt serves as a vital energy corridor connecting Asia, Africa, and Europe, facilitating the movement of crude oil, refined products, and liquefied natural gas (LNG).

These ports collectively handle over 90 million tons (mmt) of petroleum products annually.

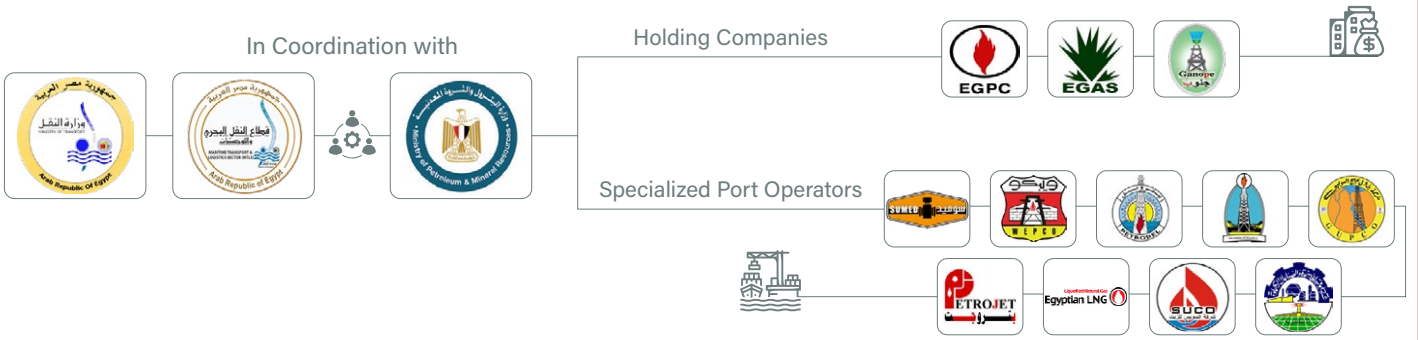
This report examines the organizational framework governing petroleum ports, their geographic distribution and handling capacities, the integration of key pipeline networks, and the major development projects shaping Egypt's petroleum logistics landscape.

Petroleum Ports' Organizational Structure

In Egypt, Petroleum ports are managed by a combination of government entities, national oil and gas companies, and specialized operators. Petroleum ports are primarily overseen by the Ministry of Petroleum and Mineral Resources (MoPMR). Port's day-to-day operations are managed by specialized state companies and authorities under the ministry's supervision.

However, the Ministry of Transport, through the Egyptian Maritime Transport & Logistics Sector (MTLS), plays a strategic, regulatory, and developmental role within Egypt's wider transport system. It operates under the Ministry of Transport and oversees all activities related to ports, maritime navigation, and logistics services, including those supporting the petroleum and energy industries, as highlighted at the MTLS website.

Petroleum Ports' Managerial Hierarchy



Egyptian Petroleum Ports Overview

Geographic Distribution of Petroleum Ports

With its strategic location and two coastlines, Egypt operates around 16 petroleum ports and terminals along both the Red Sea and the Mediterranean Sea, enabling the country to serve as a vital link between Asia, Africa, and Europe. These ports handle crude oil, petroleum products, LNG, and petrochemicals.

The Port of Alexandria is the largest on the Mediterranean coast and has five berths dedicated to loading and offloading crude oil. Refined products from the three Alexandria refineries can be exported via Mediterranean terminals such as Dekheila Port, as stated on the Alexandria Port Authority (APA) website.

The Sidi Kerir terminal is the other major petroleum port on the Mediterranean. On the Red Sea, Ain Sukhna is the main terminal, with the petroleum dock port, located near Suez, being the other important facility in the area.

Region — Port/Terminal — Main Function

Red Sea & Gulf of Suez	
Sumed port (Ain Sokhna) Transporting oil from the Gulf of Suez to the Mediterranean through pipelines	**Mersa Badran** Reception and stevedoring of oil tankers
El-Zeit East Receiving the tankers of produced oil from the sea and exporting them	**Ras Sedr** Reception and stevedoring of oil tankers
Wadi Ferran Valley Shipping crude tankers belonging to EGPC (land/sea)	**Ras Shukeir** Petroleum shipping and marine services for oil production from offshore wells and exported from the two marine berths
Sadat Marina and Ras Hodeib Receiving and unloading produced or imported crude oil for delivery to the dredging plants in Suez and Mostorod	**Abu Redeis** Reception and stevedoring of oil tankers
El-Zeit Gulf Shipping produced oil from offshore wells and exporting it from the seaport	**Ras Gharib** Petroleum loading and unloading, and marine petroleum services

Region Port/Terminal Main Function

Mediterranean Sea	
Sumid Port (Sidi Kerir) Transporting oil from the Gulf of Suez to the Mediterranean through pipelines	**Maadia Port-Offshore Platforms Yard** Loading oil rigs after they are manufactured at the port
Abu Qir Ammonia Berth Shipping liquid ammonia through lines ten meters below sea level on ship tanks	**PETROJET Port in the Gulf of Zeit**
Idku Plant Exporting LNG	**Marsa El-Hamra** Petroleum shipping

Petroleum Port Handling Capacities

Egypt hosts around 36 specialized ports, including approximately 14 petroleum ports with an annual trading volume exceeding 90 mmt, providing significant opportunities for trade and the handling of petroleum products, as stated by the Minister of Petroleum and Mineral Resources Karim Badawi.

Together, Egypt's petroleum ports handle millions of barrels annually. The El Hamra terminal alone received around 74 million barrels (mmbbl) of crude oil in fiscal year (FY) 2024/25, according to the MoPMR. The Arab Petroleum Pipelines Company (SUMED) facilities in Ain Sokhna and Sidi Kerir have storage capacities of approximately 18.4 and 19.5 mmbbl, respectively, with a total annual throughput of around 48 mmt, according to the SUMED website and MTLS. Smaller ports such as Ras Gharib, Mersa Badran, and Wadi Ferran also contribute notably to export volumes, moving hundreds of thousands of tons each month.

Ongoing development plans—most notably the El Hamra expansion to reach 20 mmbbl by 2030, according to MoPMR—reflect Egypt's strategy to enhance storage and trading capacities. These investments aim to transform the country into a regional crude trading hub, capitalizing on its dual-coast advantage and strengthening national energy security.

Major Specialized Petroleum Ports Highlights

Operator Port Capacity

SUMED	Sumed (Ain Sokhna)	48 mmt/y
	Sumid (Sidi Kerir)	350,000 Deadweight Tonnage (dwt)
EGPC	Ras Gharib	2.7 mmt/y
EGPC, bp	Ras Shukeir	12 mmbbl/y
EGPC	Wadi Ferran	60 ships/y
SUCO, EGPC	Mersa Badran	48 oil tankers/y
WEPCO	Marsa El Hamra	24 oil tankers/y
EGPC	Sadat Marina	60,000 t Maximum Payload

Integrated Pipeline Network

Egypt's petroleum pipeline network plays a vital role in connecting production and refining centers with major export and import terminals on both the Red Sea and Mediterranean coasts. These pipelines facilitate the safe and efficient transport of crude oil and refined products, supporting Egypt's position as a regional energy hub and a key transit route for international trade. The integrated system enables the transfer of millions of barrels per day across strategic routes linking refineries, storage facilities, and ports, ensuring flexibility in exports and supply stability.

SUMED

One of Egypt's most vital oil transportation routes is the Suez-Mediterranean (SUMED) pipeline system, which extends from Ain Sokhna on the Gulf of Suez's western shore through the Dashour pumping station near Cairo to the Sidi Kerir terminal on the Mediterranean coast.

Operated by SUMED Company, which is 50% owned by EGPC, the SUMED system comprises two parallel pipelines, each 320 km long and 42 inches in diameter. With a total capacity of 2.4 million barrels per day (mmbbl/d), the pipeline transports crude oil from Saudi Arabia, Iran, Kuwait, and Egypt, facilitating global trade between the Arabian Gulf and European markets, according to
Wood Mackenzie.

El Hamra/MIDOR

El Hamra Petroleum Port and its connecting pipelines are a fast-growing part of Egypt's northern petroleum logistics. Projects announced in recent years include onshore pipelines linking the Middle East Oil Refinery (MIDOR) and Mid-Egypt refining and storage zones to the El Hamra in New Alamein, along with proposed coastal links toward Sidi Kerir and Alexandria.

In March 2025, the MoPMR announced that around 80% of the pipeline had been completed, with full completion expected within the year. The project will create a new export outlet for petroleum products from MIDOR through El Hamra Port, according to MoPMR.

Petroleum Ports Key Developments

Egypt's petroleum logistics network comprises a group of specialized petroleum ports that play a central role in supporting the country's oil trade. These ports serve as the backbone of Egypt's oil trade, handling crude oil, refined products, and liquefied petroleum gas (LPG) for both domestic and international markets. The government is implementing a wide-scale modernization plan to expand storage, improve operational capacity, and enhance connectivity across its energy infrastructure.

El Hamra Petroleum Port Expansion

El Hamra Petroleum Port is undergoing major expansion works to enhance its capacity and transform it into a leading crude oil and petroleum product trading hub on the Mediterranean coast. The development includes a 120-acre coastal site that will add four new storage tanks, each with a capacity of 630,000 barrels (bbl). These additions aim to facilitate crude handling, improve loading and unloading operations, and increase overall storage efficiency.

In parallel, a 420-acre area adjacent to the port is being developed as a dedicated zone for petroleum product trading and shipping, serving the growing energy and industrial activities in New Alamein and its surrounding areas. Together, the two new zones will expand the port's total area by about 240%, allowing it to handle higher trade volumes and diversify its operations.

The expansion also incorporates advanced digital infrastructure through a newly established automated control and safety center, featuring modern systems for tank monitoring, fire detection, and emergency shutdown, ensuring safer and more efficient port management. Additionally, the port's chemical laboratories and maintenance workshops have been modernized to support the new facilities and maintain equipment performance, according to the Western Desert Operating Petroleum Company (WEPCO) Website.

In July 2025, the MoPMR signed a memorandum of understanding (MoU) with AD Ports and Transcargo International (TCI) to jointly develop Egypt's crude oil storage and logistics network. The partnership forms part of a wider modernization plan to build new tank farms, enhance storage efficiency, and link facilities across the Red Sea and Mediterranean, according to the AD Ports Group Website.

Building on this cooperation, in October 2025, MoPMR signed additional agreements with United Arab Emirates (UAE) partners, including the Fujairah authorities, to expand El Hamra Petroleum Port in New Alamein. The expansion aims to transform El Hamra into a major crude oil storage and trading hub on the Mediterranean coast, reinforcing Egypt's role as a regional energy center, according to MoPMR. The UAE's involvement underscores mutual efforts to enhance regional energy integration, exchange technical expertise, and attract long-term investments that reflect strong bilateral relations and confidence in Egypt's energy market.

El Hamra Storage Capacity Development (mmbbl)

Current	Post-expansion	By 2030
2.8	5.3	~20

Recent Strategic Projects & Partnerships

Egypt's modernization drive continues to advance through strategic petroleum and infrastructure projects that reinforce the country's position as a regional energy hub.

In August 2024, a shareholder agreement was signed to establish the Alexandria Supply Chain Company to construct a permanent marine facilities station at Dekheila Port in Alexandria. The facility will include two 400-meter (m) long berths, each with a depth of 20 m, and a 400,000 square meter (m2) area for storage and gasification units, enabling the reception of tankers up to 300,000 t. The project aims to secure petrochemical companies' raw material needs and support Egypt's national petrochemical plan by enhancing supply chain sustainability.

The terminal is being developed through a partnership between The Egyptian Petrochemicals Holding Company (ECHEM), Sidi Kerir Petrochemicals Company (SIDPEC), The Egyptian Natural Gas Company (GASCO), and Gama Construction, according to MoPMR.

In March 2025, the APA and Alexandria Supply Chain Company signed an agreement to construct, operate, and manage the liquid and gas bulk handling facility with 100% national capital. The terminal, the first in the Middle East and South Mediterranean to receive, store, and regasify LNG, aims to localize petrochemical production and support Egypt's vision as a regional trade and energy hub, according to the Egyptian Cabinet.

Highlights of the Alexandria Supply Chain Project

Investment Value	Ethane Import Capacity	Annual Operating Capacity
$660 million	1.1 mmt/y	5 mmt

During the same month, the Egyptian Cabinet approved converting Ras Shukheir and Gulf of Suez lands into a green industrial zone for petrochemical and hydrogen projects, alongside plans for a green hydrogen and ammonia facility in partnership with the Red Sea Ports Authority (RSPA), the New and Renewable Energy Authority (NREA), and a group of international investors.

In August 2025, Petroleum Marine Services (PMS) completed the United Gas Derivatives Company (UGDC) jetty upgrade at Damietta Port as part of MoPMR's strategy to maximize Egypt's existing energy infrastructure. The project supports the national plan to enhance energy security by enabling ports to accommodate floating storage and regasification units (FSRUs), ensuring greater flexibility in gas supply to the national grid. The company conducted marine surveys, dredging to a depth of 14.5 m, relocated the jetty's metal structure by 4 m to install two new 16-inch loading arms, and replaced four marine fenders to ensure safe and efficient operations. The installation was carried out using PMS-11, according to MoPMR.

National Logistics Expansion Plan

The government's modernization of petroleum ports forms part of Egypt's Logistics Expansion Plan, which aims to enhance national transport efficiency and energy security. According to MTLS, the plan includes upgrading oil terminals in Suez, Zaytiyat, and Alexandria, expanding pipelines, and constructing new berths to handle very large crude carriers (VLCCs).

In addition, the plan calls for expanding LNG export capacity at the Idku and Damietta terminals on the Mediterranean. These facilities are being modernized to increase export volumes, reduce reliance on imports, and secure consistent supply flows.

The initiative also includes developing dry ports and rail links between industrial zones and coastal terminals, helping integrate petroleum logistics into Egypt's broader transport network, according to the MTLS.

These strategic upgrades are designed not only to cut freight and shipping costs but also to secure the arrival of petroleum products in times of crisis, according to MTLS. By improving efficiency and expanding storage capacity, Egypt aims to double or even triple its petroleum transit volumes, reinforcing the country's energy resilience and export competitiveness.

Development of Integrated Logistic Corridors

To complement port modernization, Egypt launched seven Integrated Logistic Corridors (ILCs) in 2024 to connect production zones with maritime ports and urban hubs, according to MTLS. These corridors form a nationwide network that enhances connectivity between the Red Sea and Mediterranean coasts.

Under-construction Transport Corridors

Sokhna–Alexandria

Linking the Red Sea port of Sokhna to the Mediterranean port of Alexandria

Arish–Taba

Extending along the Sinai coast to connect the eastern ports

Cairo–Alexandria

Linking Cairo with the Mediterranean trade hub

Tanta–Mansoura–Damietta

Connecting Delta cities with the Damietta port

Gargoub–Salloum

Linking the Western Desert to the Libyan border

Cairo–Aswan–Abu Simbel

Spanning the Nile Valley to the Sudanese border

Safaga–Qena–Abu Tartur

Connecting Red Sea ports to central Egypt

While the ILCs are not petroleum projects in their primary scope, they hold strategic relevance for Egypt's petroleum logistics network. These corridors will indirectly serve petroleum-related logistics, particularly by facilitating the movement of crude oil, refined products, and industrial equipment between production and export hubs. The integration of multimodal transport, road, rail, and port systems, reduces transit time and operational costs along key routes. Although not explicitly designated for petroleum use, their geographic alignment with major energy corridors suggests potential overlap in logistical functions.

Egypt's petroleum ports are pivotal to its energy strategy and global trade positioning. Backed by coordinated governance between the MoPMR and the Ministry of Transport, the country is advancing an integrated network that links production, refining, and export hubs across both coasts. Ongoing expansions, such as El Hamra, SUMED, and Alexandria Supply Chain projects, underscore Egypt's commitment to becoming a regional energy and logistics hub.

Through modernization, capacity growth, and strategic partnerships, Egypt is reinforcing its energy security, boosting competitiveness, and cementing its role as a key transit and trading center between the Middle East, Africa, and Europe.

EGYPT'S ENERGY PIVOT: UPSTREAM GROWTH IN THE MEDITERRANEAN AND NILE DELTA

BY SAMAR SAMIR

Egypt is embarking on a defining new chapter in its energy sector, placing the vast, gas-rich potential of the Mediterranean Sea and Nile Delta at the forefront of a national upstream revitalization. The government's recently unveiled five-year exploration master plan will channel $5.7 billion in investments to drill 480 new wells by 2030, a strategic pivot designed to reverse production declines and cement Egypt's status as a premier regional energy hub. While the plan spans Egypt's key hydrocarbon provinces, its center of gravity lies in the deep waters and complex geologies of the Mediterranean and Delta, regions that hold the key to the country's next wave of energy security and export growth.

This ambitious program builds on a recent surge in exploration momentum, which saw 21 new agreements worth $1.1 billion signed and 300 wells added to the production map in the past year. These efforts successfully reversed a persistent decline in gas output, marking the first signs of a production upswing in August 2025. The 2025–2030 master plan now aims to institutionalize this recovery, providing a clear roadmap for sustained growth driven by strategic investment and targeted exploration in the nation's most promising offshore basins.

Prof. Abdelaziz Khlaifat, Chair, Department of Petroleum and Energy Engineering, AUC, explained that "Egypt's plan to drill 480 new wells by 2030 is ambitious but well within reach. The Mediterranean and Nile Delta basins hold strong geological promise, and with many concessions still underexplored, there's considerable room for new discoveries. The real key to success will be how efficiently projects are executed. By embracing modern drilling approaches, including underbalanced techniques, and harnessing digital reservoir technologies, Egypt can boost well performance, cut costs, and shorten development timelines."

Scale and Strategic Focus

The five-year plan's first phase, slated for 2026, will see the drilling of 101 wells across the Western Desert (67), Gulf of Suez (9), Mediterranean Sea (14), and the Nile Delta (6). Although the Western Desert receives the highest number of wells in the initial phase, the strategic emphasis and long-term value are heavily weighted toward the Mediterranean and Delta. These regions, accounting for 20 of the first year's wells, represent Egypt's frontier for large-scale gas discoveries. Unlike the mature, primarily oil-producing basins elsewhere, the Mediterranean offers the prospect of world-class deepwater gas plays capable of significantly shifting Egypt's production profile and underpinning its energy hub ambitions for decades to come.

Geostrategic Importance and Geological Distinction

The Mediterranean and Nile Delta regions are now central to a historic energy shift, as abundant natural gas drives both economic growth and geopolitical influence. Together, these provinces account for roughly 83% of Egypt's total natural gas production and approximately 72% of condensate output. Their proximity to major global maritime chokepoints, including the Suez Canal and the SUMED pipeline, coupled with extensive cross-border interconnections such as the Arab Gas Pipeline and the Arish-Ashkelon link, infuse the region with added strategic weight.

The geological character of the Mediterranean and Nile Delta sets them apart from Egypt's other hydrocarbon provinces. The regions are defined by complex pre-Messinian and Miocene structures, deep water turbidite systems, and vast, underexplored sub-salt plays that have yielded colossal discoveries like the Zohr field. Operating in these environments—at water depths that can exceed 1,500 meters—requires advanced drilling technologies, sophisticated seismic imaging, and substantial capital investment, distinguishing it from the more conventional onshore activities in the Western Desert. The government's recent incentive measures, introduced in 2024, have further de-risked exploration, drawing fresh commitments from industry leaders. Major players like Eni and bp have pledged substantial new investments—around $8 billion and $5 billion, respectively—signaling strong confidence in the region's prospectivity, according to the Ministry of Petroleum and Mineral Resources (MoPMR).

Upstream Growth: Egyptian Discoveries and Digital Enablement

Egypt's upstream sector is experiencing a historic surge, driven by a new wave of significant discoveries across the Mediterranean and Nile Delta regions that reinforce the areas' geological and operational appeal.

The foundation of this strategy remains the Major Offshore Mediterranean fields. The Zohr field, discovered in 2015 within the Shorouk Block, is the region's cornerstone, boasting initial estimated reserves of 30 trillion cubic feet (tcf) of gas. Zohr currently contributes more than 23% of Egypt's total gas production, having successfully recovered from a recent production decline, as reported by Minister Karim Badwi in an interview with DMC TV. Further reinforcing the deepwater promise, the Chevron-led Nargis discovery in the Nargis Offshore block, announced in January 2023, is estimated to hold 3.5 tcf of gas, according to an Egypt Oil and Gas report, significantly expanding the prospective play fairway across the Eastern Mediterranean.

A combination of sustained output from legacy fields and new discoveries highlights the continued productivity of the Nile Delta. Established fields like Nooros (online since August 2015) and Baltim Southwest (online since September 2019) continue to deliver robust production through ongoing new well tie-ins. This is complemented by new onshore finds in 2025—North Sidi Ghazi 9-1 (Harbour Energy/Desouq Petroleum) and West Qantara's Salma Delta-6 (Dana Gas)—which have added a combined 19 million standard cubic feet per day (mmscf/d) to the national grid, as reported by (MoPMR).

This exploration success is attracting a surge of fresh investment, streamlined by the country's digital transformation. Recent licensing rounds in 2024 and 2025, managed through the Egypt Upstream Gateway (EUG), have secured significant commitments. The 2024 international bid round concluded with the award of six new exploration blocks for an initial investment of $245 million to drill at least 13 wells. A separate series of agreements signed in August 2025 secured a further $343 million for exploration across four additional blocks. These deals have brought in major international oil companies (IOCs) such as Chevron, Shell, and Eni, along with other key players like Arkeus Energy, Cheiron, and Zarubezhneft, committing hundreds of millions to initial exploration in Mediterranean and Nile Delta blocks, as reported by (MoPMR).

Synergy with National Energy Ambitions

The focus on the Mediterranean and Delta aligns perfectly with Egypt's strategic imperative to enhance its domestic energy supply and expand its role as a regional hub for Liquefied Natural Gas (LNG) exports. Natural gas from these offshore fields directly feeds into the country's world-class liquefaction facilities at Idku and Damietta, allowing Egypt to capitalize on global demand for LNG while ensuring its own long-term energy security. Recent agreements underscore this synergy: in September 2025, bp signed a Memorandum of Understanding (MoU) to evaluate a five-well drilling program in the Mediterranean, explicitly designed to fast-track the development of gas reserves by leveraging existing production infrastructure in the West Nile Delta to minimize costs and accelerate time-to-market.

Upstream Uncertainties and Risks

Egypt's upstream oil and gas sector is gaining momentum, particularly in the Mediterranean and Nile Delta, yet key uncertainties remain that could impact the scale and commercial viability of future projects.

The main challenges are technical and financial. Monetizing deepwater and ultra-deepwater reserves faces delays due to complex engineering and economic hurdles. Meanwhile, although past issues with delayed government payments to IOCs have seen partial resolution, they continue to weigh on investor confidence and risk appetite.

Market and logistical pressures also persist. Rising domestic demand for gas and electricity, coupled with non-market gas pricing, may constrain export volumes. Regional instability including Middle East tensions and maritime security incidents, adds further risk to upstream operations and export logistics.

Compliance is another growing concern. As global ESG standards tighten, Egypt's upstream operators must uphold rigorous benchmarks on emissions, biodiversity, and stakeholder rights to avoid regulatory and reputational fallout.

Prof. Khlaifat noted that despite of the challenges, the region's geology remains world-class and under-explored. He added that "there is definite potential for a "second act" in the Mediterranean focused on unconventional resources like tight and shale gas. The region's deep clastic basins, organic-rich shales, and over pressured zones suggest promising opportunities alongside Egypt's proven conventional reserves. To realize this potential, Egypt should begin expanding subsurface data acquisition through advanced seismic imaging and basin modeling, supported by core analysis to assess reservoir quality and geomechanical behavior. Small-scale pilot projects and test wells will also be essential to evaluate real-world performance under Mediterranean conditions. "

Success will depend on navigating market volatility, maintaining ESG discipline, and reinforcing investor trust in fiscal and operational governance.

SMART PORTS:

DIGITAL TOOLS STREAMLINING UPSTREAM FLOW

BY RANA ALKADY

Egypt's Mediterranean and Nile Delta oil and gas ports are entering a new era of modernization: one defined by automation, digital data sharing, and smarter operations. As the country's upstream oil and gas activities expand across the northern coastline, these digital upgrades are becoming a cornerstone for faster, safer, and more efficient petroleum logistics.

To begin with, the importance of smart petroleum ports lies in their ability to save both time and cost. In the oil and gas sector, where every delay can halt production or inflate expenses, streamlining logistics is essential. For years, operators relied on paper documentation and manual approvals, which often led to bottlenecks and extended clearance times. However, today, that model is being replaced by electronic systems that manage vessel scheduling, LNG cargo tracking, and equipment clearance in real time. This shift is particularly vital for upstream operations in the Nile Delta and offshore Mediterranean fields, which depend on the quick movement of drilling materials, subsea parts, and liquefied gas shipments.

Moreover, the digital transformation of Egypt's oil and gas ports fits within the country's wider energy modernization agenda. The Ministry of Petroleum and Mineral Resources (MoPMR) has already established the Egypt Upstream Gateway (EUG), a platform that digitized exploration and production data for energy companies. Similarly, the Ministry of Transport (MoT) and MoPMR are collaborating to connect petroleum ports, LNG terminals, and logistics centers through unified digital systems. Through this integration, cargo data, customs records, and vessel information can be shared instantly between energy authorities, operators, and service providers, creating a seamless chain that benefits upstream operations directly along the Mediterranean coast and Nile Delta.

At the operational level, Egypt's petroleum and LNG ports (including Damietta LNG, Idku LNG, Abu Qir Petroleum Port, Dekheila, and Ras El Bar) are steadily adopting advanced terminal operating systems and automated control tools. These technologies provide live updates on tanker movements, berth availability, and loading operations, helping managers anticipate congestion before it occurs. As a result, energy ports are becoming more predictable, turnaround times are shorter, and coordination between offshore service bases and onshore terminals, especially those supporting the Nile Delta gas fields, is more efficient.

Several of these facilities are directly tied to Egypt's core gas infrastructure. The Damietta LNG Port handles large-scale exports of liquefied natural gas, integrating digital cargo management tools to improve safety and efficiency. The Idku LNG terminal, operated by Shell and Petronas, has similarly implemented real-time monitoring systems to optimize berthing and cooling operations. To the west, the Abu Qir Petroleum Port acts as a vital supply base for offshore production assets managed by Rashid Petroleum (Rashpetco) and Burullus Gas Company, serving the Rosetta and West Delta Deep Marine fields. Farther east, Ras El Bar supports subsea and maintenance logistics, while Dekheila handles specialized oil and gas equipment and bunker fuel storage. Each of these petroleum ports plays a unique role in sustaining Egypt's upstream flow.

In addition, the Suez Canal Economic Zone (SCZONE) continues to support Egypt's smart energy port strategy. The zone's projects at East Port Said and Ain Sokhna are being developed with digital infrastructure designed for oil and gas handling, offshore supply vessels, and hydrocarbon storage. When fully connected, these ports will form a digital logistics corridor linking the Mediterranean and the Red Sea, reinforcing Egypt's position as a central hub for energy trade, liquefaction, and re-export across the region.

However, the benefits of digitalization extend far beyond speed. By automating petroleum port procedures, operators gain greater transparency over cargo movement, vessel turnaround, and loading efficiency. Real-time data allows logistics teams to plan shipping schedules in sync with drilling campaigns, LNG liftings, and maintenance activities, reducing the risk of costly delays. Studies from the Arab Academy for Science, Technology, and Maritime Transport indicate that automation can improve port productivity by more than thirty percent. This is considered to be a gain that could translate into significant savings for oil and gas companies managing time-sensitive upstream projects.

Sustainability must remain at the heart of this transformation. Smart systems can play a crucial role in monitoring emissions, fuel consumption, and energy efficiency at petroleum terminals, helping Egypt align with its environmental commitments.

Still, the path toward full digital transformation is not without challenges. One of the main obstacles is the shortage of skilled professionals who can operate and maintain these advanced port systems. As Egypt's energy logistics infrastructure becomes more digital, there is an increasing need for trained specialists familiar with both maritime and petroleum operations. At the same time, cybersecurity has become a critical concern, as interconnected digital networks may expose sensitive energy data to risk. Ensuring strong protection for port and energy infrastructure is now a top priority.

Furthermore, sustainability must remain at the heart of this transformation. Smart systems can play a crucial role in monitoring emissions, fuel consumption, and energy efficiency at petroleum terminals, helping Egypt align with its environmental commitments. By embedding green performance indicators into oil and gas port operations, digitalization can serve both efficiency and sustainability goals simultaneously. As suggested by an Oil and Gas Consultant, "The [adoption] of smart port technologies is a practical step toward faster, more transparent, and cost-effective logistics across Egypt's upstream sector."

At the same time, Egypt's Mediterranean and Nile Delta petroleum ports are emerging as regional examples of how digitalization can redefine energy logistics. In Damietta, smart scheduling systems are optimizing LNG cargo handling and berth allocation. At Idku, automation supports efficient LNG loading and energy monitoring. Meanwhile, Abu Qir, Rosetta, Ras El Bar, and Dekheila are enhancing their digital coordination with offshore supply chains, improving safety, data integration, and response time. Together, these facilities are positioning Egypt's northern energy corridor as the digital backbone of its upstream and export infrastructure.

In conclusion, the evolution of Egypt's oil and gas ports into smart, data-driven gateways represents more than a technological milestone; it reflects a strategic vision for the future of the country's energy infrastructure. By investing in automation, digital coordination, and skilled human capital, Egypt is building a logistics foundation capable of supporting a modern, efficient, and sustainable upstream sector. As these projects take shape over the coming years, the nation's northern petroleum ports will stand as vital enablers of its ambition to become a leading energy and logistics hub for the region.

INSIDE EGYPT'S ENERGY COMMAND HUB:

MoPMR BUILDS SECTOR'S NERVE SYSTEM

BY DOAA ASHRAF

In today's energy landscape, efficiency is powered by data as much as by fuel. Realizing this, Egypt's Ministry of Petroleum and Mineral Resources (MoPMR) has taken a decisive step toward a better system with the launch of the Executive Command Center (ECC), a digital platform designed to optimize operations, streamline production, and enhance energy security across the nation's entire oil and gas value chain.

Developed in cooperation with AVEVA, a global leader in industrial software, the ECC provides real-time visualization, performance monitoring, and AI-powered forecasting. The project recently earned the title of 'Operational Excellence Project of the Year' at the Egypt Energy Show (EGYPES) in 2025.

A Single Pane of Glass for the Energy Value Chain

The ECC is powered by the AVEVA Unified Operations Center (UOC), a "single pane of glass" solution designed to integrate data from disparate sources into one cohesive view. Built on an open, modular platform, the UOC bridges information technology (IT) and operational technology (OT) systems, giving leaders the ability to visualize operations, assess risks, and make data-driven decisions in real time.

"The UOC acts as a single pane of glass, allowing companies to monitor and control all their processes in real time," said Alaa Hussein, Pre-sales Consultant at AVEVA. "This ensures compliance, improves collaboration, and accelerates crisis response."

Lessons from Global Leaders

AVEVA's technology has already powered some of the world's most advanced energy control centers, setting the stage for Egypt's own digital success story.

At ADNOC in the UAE, AVEVA developed the Panorama Command Center that integrates real-time data from 15 companies into a 52-meter digital wall, giving leadership a 360-degree view of its operations. "The Panorama initiative began in 2016 with just 15 dashboards," said Mohanad Saad, Senior Technical sales consultant at AVEVA.

"Today, it provides ADNOC's leadership with a comprehensive view of operations, sustainability metrics, and enterprise-wide optimization across upstream and downstream assets," Saad added. The system processes more than five million real-time data tags, helping ADNOC improve efficiency and sustainability while moving toward autonomous operations.

In addition, AVEVA deployed its technology in Saudi Arabia. Saad highlighted Aramco's Industrial Revolution Command Center, which consolidates emissions monitoring, hydrocarbon management, and reliability data into a unified digital platform. "Aramco's system integrates 3D visualization, predictive analytics, and AI-driven maintenance to achieve real-time insight into performance across its massive portfolio," Saad said. "It's a model of how digitalization and AI can transform operations at scale."

From Vision to Reality

In Egypt's case, AVEVA's UOC system consolidates data from production, refining, transportation, distribution, and export activities, allowing the Ministry to see the full energy picture at a glance. By connecting the four holding companies, affiliated companies, it breaks down silos that traditionally slowed communication and operational decisions across the sector.

The journey began in 2020, when the MoPMR's Decision Support Systems (DSS) team initiated discussions with AVEVA and other technology partners to build an Executive Command Center at the Ministry's headquarters in the New Administrative Capital.

"If we look at the oil and gas industry, data is the driver for the business model," said Karim Solyman, General Manager of Decision Support Systems at the MoPMR. "We bring technology to the business. Data is the foundation that allows us to move forward and convince leadership of the value of digital transformation."

The concept evolved into a fully integrated command center that connects 23 data sources across 180 operating companies through the oil and gas value chain via 15 main dashboards. "By connecting all operational layers into one data-driven model, we can predict gas demand, optimize imports, and enhance energy security. In one pilot case, our AI model achieved a 99.8% accuracy rate in forecasting gas consumption, helping us bridge supply-demand gaps efficiently," said Solyman.

To ensure security and reliability, the ECC adheres to international data security and operational safety standards, applying strict cybersecurity protocols across all connected systems. The platform also enables authorized users across the petroleum sector to securely view dashboards and insights from anywhere, facilitating cooperation and quick decision-making.

Beyond the Ministry, the ECC promotes transparency and integration with high-level national institutions, allowing the sharing of dashboards, data, and insights with other key government bodies.

ECC stands as the digital heartbeat of Egypt's oil and gas sector, transforming data into action and vision into measurable progress that will optimize its production and operations and build the foundation of a digitally empowered energy future.

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SMA For Oil & Maritime Services (Free zone) and its affiliated companies are leading companies in advanced emission monitoring, gas leak detection, and safety solutions for the oil, gas, energy, and maritime sectors. With proven expertise in both offshore and onshore operations, the company combines expert ground teams and cutting-edge drone technology to deliver the precision, speed, and reliability required in today's oil and gas industry.

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SMA is also a trusted leader in H_2S safety services, providing robust detection and quantification of hazardous gases to protect people, assets, and the environment across both offshore and onshore sites.

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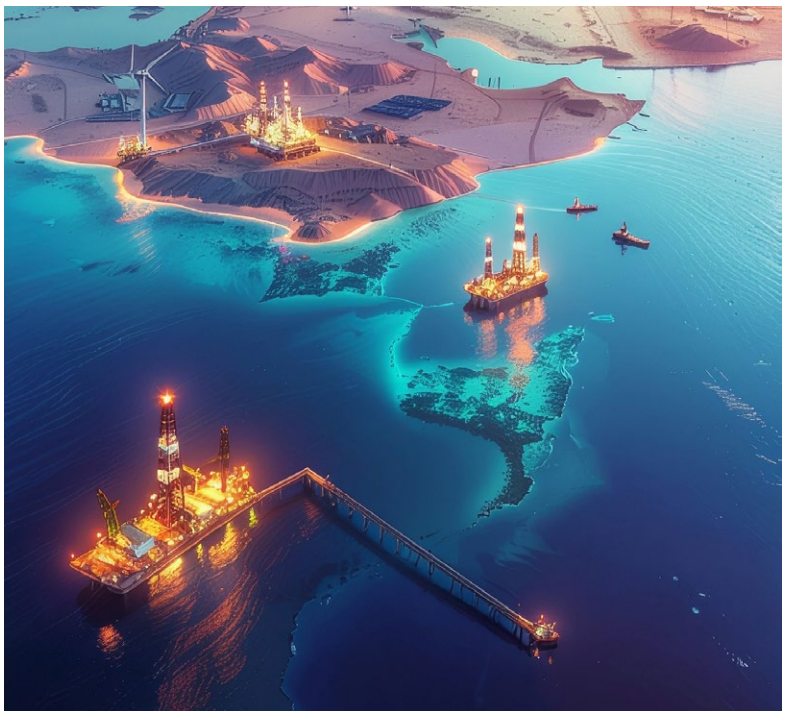
DELTA MED CORRIDOR: BULLISH OUTLOOK FOR PRODUCTION, EXPORTS

BY SHERINE SAMIR

Together the Mediterranean and Nile Delta anchor Egypt's hydrocarbon mix, supplying a disproportionate share of the country's gas and condensate and balancing export scale deepwater projects with faster, mid scale developments in shallow waters and onshore. The corridor delivers both scale for long term export contracts and agile projects that stabilise domestic supply and generate quicker cash flow.



Zohr, the region's best known field and one of the largest gas discoveries in the Eastern Mediterranean, is recovering and now provides about 23% of Egypt's gas production. The Mediterranean and Nile Delta together account for roughly 82 % of national gas output and 72% of condensates. Recent exploration, production deals and infrastructure investments are concentrated on the Mediterranean–Delta corridor, with major international oil and gas companies increasing their commitments.

Targeted upgrades, expanded LNG and condensate handling at Idku and Damietta, SUMED's bidirectional enhancements, modernised ports and digitised logistics, are shortening time to market and lowering transport costs. These midstream improvements are turning geological potential into commercial throughput and positioning the corridor as a resilient gateway linking Africa, Asia and Europe.

Mediterranean for Big Investments, Nile Delta for Rapid Returns

Egypt's Mediterranean Basin is defined by deepwater and ultra-deepwater geology, marked by complex subsalt formations and high-pressure reservoir exemplified by the Zohr gas field. These conditions require high-cost, technically advanced exploration, but offer vast reserves and strong export potential.

In contrast, the Nile Delta features more accessible shallow offshore and onshore formations, rich in gas and condensate, with lower drilling costs and faster development timelines. It complements the Mediterranean's deepwater plays by ensuring domestic supply stability and attracting mid-sized investments geared toward quick returns.

Both regions benefit from proximity to major refineries in Alexandria, Tanta, and Suez, facilitating efficient routing of condensate and light oil for domestic use or export. The Mediterranean's offshore infrastructure, including subsea pipelines, platforms, and LNG terminals at Idku and Damietta, positions it as a gateway for large-scale gas exports to Europe and Asia. Meanwhile, the Nile Delta's integration with Egypt's gas grid and processing facilities enables rapid deployment of new projects.

Access to strategic ports such as Alexandria, Port Said, Rosetta, and Idku further enhances logistics, drawing robust foreign investment: global majors like Eni, Shell, BP, and Chevron dominate Mediterranean operations, while Delta appeals to mid-tier players seeking lower-risk, high-reward ventures.

Delta Med Infrastructure Advantage

The Mediterranean and Nile Delta energy corridor is anchored by strategic petroleum ports along the Mediterranean , Damietta, Idku, Port Said and Alexandria , which act as gateways for LNG exports, refined-product handling and crude transit. Damietta and Idku are key gateways for deliveries to European markets. Managed by the Ministry of Petroleum and national oil companies, the ports are being modernized to expand storage, upgrade berths and introduce digital logistics systems, positioning Egypt as a tri-continental energy hub linking Africa, Asia and Europe.

A complementary pipeline network connects Nile Delta gas and condensate fields to Mediterranean terminals.

The Western Desert Gas Complex and the Abu Madi system facilitate flows from major assets such as Zohr and Atoll to export hubs at Idku and Damietta. Recent SUMED pipeline upgrades have improved crude transit between Ain Sokhna and Sidi Kerir, enabling more flexible, bidirectional flows for domestic supply and exports. Together, these port and pipeline enhancements strengthen Egypt's Delta Med connectivity and advance its strategic push for regional energy leadership.

Egypt and the Emirate of Fujairah have agreed to develop a logistics and crude-trading hub in New Alamein, including a joint stock company to transform Hamra Petroleum Port into a regional crude center linking the Middle East and Europe. The deal also includes a commercial supply arrangement with the Egyptian General Petroleum Corporation to bolster domestic fuel security; Hamra's location and integration with existing pipelines make it a logical node in the northern corridor.

Bright Prospects

The region is attracting more attention, and the outlook seems positive. Egypt aims to lift natural gas production to 6.4–6.6 billion cubic feet per day over the next five years, driven largely by intensified Mediterranean exploration and major inbound investment from international energy companies such as Eni and BP. Petroleum Minister Karim Badawi set out this target during the ministry's "Petrocast" podcast in the first week of November.

Recent upstream moves underline that ambition. ExxonMobil signed an MoU with EGAS for the West Zohr concession, a 4,319 km^2 deepwater block west of Zohr and adjacent to Cypriot waters, while Chevron is expanding its deepwater presence with the pending Lotus award alongside its North Simian and North Atoll blocks. These holdings show the American companies strategic alignment with Egypt's offshore program.

Regional integration accelerates using the infrastructure of Zohr and the country's liquefication plants. Cyprus appears increasingly likely to export gas discoveries from, Cronos and Aphrodite fields via Egyptian infrastructure rather than build a domestic LNG hub, reinforcing Cairo's role as a Mediterranean gas export gateway.

The 2024 international bid round added momentum as six blocks were awarded to international firms (four offshore in the Mediterranean and two onshore in the Nile Delta and North Sinai), with committed investments of $245 million and plans to drill 13 exploratory wells, highlighting both export-scale and near-term domestic development potential.

Renewed Oil Momentum and Growing Condensate Output

Oil activity in Egypt's Mediterranean and Nile Delta regions is gathering pace, driven by fresh discoveries, strategic exploration agreements, and targeted infrastructure upgrades. While both provinces remain gas-dominant, they host notable oil and condensate production, chiefly from Abu Qir and Abu Madi and from condensate-rich zones within larger gas fields such as Zohr and Atoll. Condensates, light hydrocarbon liquids produced alongside gas, are treated as liquid hydrocarbons and are routed to refineries in Alexandria, Tanta and Suez for domestic processing or export.

In October 2025 new finds in the Nile Delta and Western Desert added around 5,000 barrels per day of crude to national output, while Nile Delta's onshore blocks registered their first oil-linked activity in two years.

Improvements in seismic acquisition and advanced imaging have sharpened subsurface resolution in the East Nile Delta, allowing operators to identify and target deeper, oil-bearing horizons beneath complex gas reservoirs. A technical paper presented at the 2024 Mediterranean Offshore Conference noted that multiple reservoir levels lie beneath producing gas fields, and that enhanced seismic techniques are revealing these targets with greater precision.

In Egypt's five year drilling plan, a total of 480 oil and gas exploration wells are planned, with 101 wells scheduled for the first phase in 2026 including 14 wells in the Mediterranean Sea and six wells in the Nile Delta.

The Delta Med corridor's combined strengths , large deepwater resources, fast turnaround delta projects and improving midstream infrastructure, create a compelling investment case. By marrying export capacity with domestic supply security and streamlined logistics, the corridor boosts Egypt's bargaining power in regional markets. For policymakers and investors alike, the strategic priority now is to sustain infrastructure upgrades and regulatory clarity so the corridor can convert growing interest into deliverable production and lasting export revenues.

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The tool operates using a proportional, bi-directional hydraulic supply from the ROV. For optimal performance and enhanced control, Fugro recommends integrating a Torque Tool Control System, enabling precise operation and real-time feedback through a surface controller, typically a laptop interface.

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CRONOS AND ZOHR: THE POLITICAL ECONOMICS OF EASTERN MEDITERRANEAN GAS

BY REEM HOSSAM EL-DIN

Two Mediterranean neighbors: Egypt and Cyprus are each holding very different cards in the energy game. Cyprus promises offshore gas discoveries, but finds a major hurdle in the way: how to bring that gas to the market without building an entire export system from scratch. Egypt, with a massive liquefied natural gas (LNG) infrastructure that once thrived on domestic output and still has capacity to spare, seems to be the answer.

When the governments of Cyprus and Egypt signed a Host Government Agreement (HGA) in February 2025 with Eni and TotalEnergies to export Cyprus's Block 6 (Cronos) natural gas via Egypt, it was beyond just diplomacy. The step was a calculated economic move, and a continuation of their long-term energy collaboration, which also includes plans to develop the nearby Aphrodite field, Cyprus's first major offshore discovery made in 2011.

The Cost Equation

For Cyprus, building an independent LNG export system would have required major investment. The 2023 Wood Mackenzie Energy Outlook estimated that constructing a single onshore LNG train with pipelines and processing platforms could cost $6-10 billion and take up to a decade to complete. For a small nation that is still developing its upstream capabilities, that was economically unfeasible.

So, Cyprus chose a smarter and faster path that involves exporting its gas through Egypt's existing LNG network, which already has two large liquefaction plants: Damietta and Idku. Together, they boast a combined capacity of about 12 million tonnes per year (mtpa), as revealed by the Egyptian Natural Gas Holding Company (EGAS).

This strategy was formalized in October 2025, when Eni and TotalEnergies, operators of Cyprus's Block 6 (Cronos), signed three commercial agreements in Limassol with Egyptian state partners EGAS, Petrobel, and IEOC, Eni's local subsidiary.

According to the Middle East Economic Survey (MEES), the agreements included a Handling, Transportation and Processing Agreement (HTPA), a tolling contract, and a tariff agreement. Together, these agreements lay the commercial foundation for the project.

Under the HTPA, gas from the Cronos field, which was discovered in 2022 and estimated to hold around 3.1 trillion cubic feet (tcf), will be transported via one of the two 30-inch pipelines connected to Egypt's Zohr field, which will now dedicate one line exclusively to Cronos gas.

Once processed at Zohr's onshore facilities in Port Said, the gas will be delivered through a new pipeline (yet to be built) directly to the 5 mtpa Damietta LNG plant, which is 50% operated by Eni, bypassing Egypt's domestic gas grid entirely, according to MEES.

Cyprus Mail reported that the country could begin exports by 2028, assuming a Final Investment Decision (FID) is taken by the end of 2025, which aligns with the timeline set out by Cypriot Energy Minister George Papanastasiou during the signing ceremony.

Financially, the project is designed to be sustainable for both sides. MEES reports that the Cronos partners will pay a tolling fee of around $1 per million British thermal units (mbtu) for liquefaction at Damietta, and a tariff below $0.50 per mbtu for the use of Egyptian infrastructure and regulatory facilitation. That structure ensures that Cyprus remains cost-competitive in global LNG markets, while Egypt earns steady revenues with minimal new capital expenditure.

As Eni Cyprus Limited's Managing Director Alessandro Gelmetti noted during the Eastern Mediterranean Conference (EMC) in Limassol,Cronos is seen as the first brick in a much larger project; a bridge between two countries and two continents.

Earlier this year, Cypriot President Nikos Christodoulides said in an interview, "These projects will play a crucial role in ensuring the energy security of the European Union (EU) by providing an alternative and reliable source of energy through the Eastern Mediterranean. Cyprus and Egypt are uniquely positioned to make significant contributions to global energy markets, and these agreements are a clear signal of our commitment to this shared vision."

A Win–Win Situation

For Egypt, the deal comes at an ideal time. Its flagship Zohr field, discovered by Eni in 2015 and designed to produce 3.2 billion cubic feet per day (bcf/d), has seen output decline to around 1.3 bcf/d. That is roughly 59% below its capacity, according to Reuters. The Cronos gas will not only help offset this shortfall but also generate new income through infrastructure tolling and LNG liquefaction fees. The setup transforms underused Egyptian infrastructure into a revenue-generating asset, providing an economic cushion at a time when Egypt's domestic demand is rising and exportable surplus shrinking.

Furthermore, Karim Badawi, the Minister of Petroleum and Mineral Resources, said that the agreements with Cyprus consolidate Egypt's position as a regional hub for natural gas trade and distribution in the East Mediterranean, while also supporting Cyprus's efforts to make use of its natural gas resources and export them to global markets via Egypt's facilities.

Sharing Egypt's infrastructure with Cypriot natural gas brings both political and financial advantages.

Infrastructure deal, geopolitical ripple

The Cyprus–Egypt gas agreement is as much a geopolitical maneuver as it is an economic partnership. By channeling Cypriot gas through Egypt's existing LNG infrastructure, both countries sidestep regional tensions and logistical bottlenecks while reinforcing their strategic alignment in the Eastern Mediterranean. For Cyprus, the deal offers a politically stable export route that strengthens its ties with Egypt and the EU, while avoiding the financial and diplomatic complexities of building standalone infrastructure. For Egypt, it's a chance to convert underused assets into regional leverage—positioning itself not just as a transit state, but as a central broker in Mediterranean energy diplomacy. The agreement signals a shared intent to anchor energy cooperation in long-term political stability and mutual economic gain.

> By channeling Cypriot gas through Egypt's LNG network, both countries sidestep regional tensions while turning infrastructure into influence

FROM FLARING TO FUEL:

HOW EGYPT IS LEVERAGING FLARE RECOVERY FOR A LOW-CARBON FUTURE

As Egypt advances its decarbonization agenda under Vision 2030 and COP27 commitments, flare recovery systems are coming under the spotlight as high-impact solutions with their clear sustainability potential, despite practical limitations.

Flare recovery has evolved from being just an environmental gesture to a strategic enabler of operational efficiency, economic value, and sustainability leadership. With international frameworks such as the 'Global Methane Pledge' and 'Net Zero' ambitions gaining traction, flare recovery has become a crucial part of emission reduction strategies across oil and gas markets, especially in emerging regional hubs like Egypt.

A Global Challenge with Local Momentum

In 2023, more than 139 billion cubic meters of gas were burned off worldwide, according to the World Bank, which is a huge waste of energy and a major source of greenhouse emissions. Building on the momentum from COP27, Vision 2030, and the Petroleum Sector Modernization Program, Egypt has made flare recovery a central part of its plan to cut carbon emissions. New projects in the Western Desert and the Nile Delta show the country's growing commitment to reducing routine flaring and turning wasted gas into useful energy.

Economic, Environmental, and Strategic Advantages

Flare Recovery Systems are one of those rare solutions that bring advantages on every front: environmental, economic, and operational. Instead of burning off excess gas and releasing a mix of emissions into the atmosphere, these systems capture what would have been wasted and redirect it into something useful, such as fuel networks, processing plants, or even re-injection systems.

The environmental case is impossible to ignore. Methane is the main component of flare gas and is 84 times more potent than carbon dioxide over a 20-year period. Capturing it instead of flaring it is not just a technical upgrade, but also a major climate win. That said, it is clear that the value goes beyond just that. The gas that is recovered can be reused to meet on-site fuel needs, reducing dependence on external supplies and bolstering energy security.

From an economic standpoint, the numbers speak for themselves. Even a modest recovery of three or four million standard cubic feet per day can translate into real savings, or entirely new revenue streams. Add to that the growing investor focus on ESG performance, and flare recovery suddenly becomes a magnet for sustainability-minded capital. Lower emissions mean better compliance, stronger ratings, and a clearer message to the market, and it is that this is an operator that is serious about the future.

Moreover, operationally, the benefits are tangible. Reducing flare loads helps stabilize pressure, cuts safety risks, and gives engineers tighter control over their systems.

Flare recovery has shifted our approach from waste combustion to valuable gas utilization, reducing emissions and supporting operational fuel systems.

The Challenges: Practical Barriers to Scale

Despite its strategic and environmental importance, flare recovery systems still face several practical constraints that limit their deployment. One of the primary challenges lies in the high capital expenditure required to install compressors, separation units, and control systems, particularly in fields where margins are tight or infrastructure is limited.

The composition of flare gas also varies widely, especially in high-H_2S or liquid-rich fields, complicating recovery processes and treatment requirements. In remote locations, the lack of established gas evacuation routes further restricts feasibility, while in others, limited market access or re-injection options undermine the economic case for recovery. Moreover, maintaining these systems demands skilled teams, advanced instrumentation, and real-time monitoring capabilities, adding operational complexity to already demanding field environments.

Yet, when implemented effectively, flare recovery aligns closely with global and national sustainability frameworks. It directly supports several of the United Nations Sustainable Development Goals (SDGs): SDG 7 (Affordable and Clean Energy) by transforming waste gas into usable fuel; SDG 13 (Climate Action) through the reduction of methane and CO_2 emissions; SDG 9 (Industry, Innovation, and Infrastructure) by encouraging the adoption of advanced technologies; and SDG 12 (Responsible Consumption and Production) by promoting more efficient use of natural resources.

A Pillar of Egypt's Low-Carbon Energy Future

As Egypt continues its journey toward becoming a regional decarbonization leader, flare recovery will play a vital role in reducing emissions while maximizing the economic value of hydrocarbons. With enhanced regulations, modular solutions for marginal fields, and integration with future carbon capture initiatives, flare recovery is poised to accelerate Egypt's transition toward a sustainable, resilient, low-carbon energy future.

Mohamed Kamal Gaber, M. Eng., PhD

Section head, Process Design Sector, Engineering Affairs, PETROJET

WORKING WITH CHANGE:

CRAFTING SAP SYSTEMS FOR OIL AND GAS PRODUCTION

SAP is an integrated enterprise software suite that centralises core business processes, finance, procurement, maintenance, production and logistics, on a common data platform so organisations can run operations, accounting and analytics from a single source of truth. In the oil and gas context, SAP products connect field telemetry, asset management, hydrocarbon accounting, joint venture settlements and trading workflows, reducing manual reconciliation and enabling faster, data driven decisions.

Adoption of SAP in the oil and gas sector began as operators sought to replace siloed systems with end to end platforms that support complex asset lifecycles and commercial flows. Over the past two decades the industry has moved from bespoke ERP implementations to specialised industry solutions (IS Oil and later cloud and S/4HANA roadmaps) that embed hydrocarbon accounting, midstream logistics and field service integrations. This evolution has accelerated as firms pursue real time analytics, tighter regulatory compliance and digitalised maintenance and supply chain processes.

The oil and gas sector is complex, high risk and fast moving; exploration, drilling and production demand precision, speed and informed decisions. Implementing SAP successfully is not a technology refresh but a business transformation: a structured programme to simplify operations, consolidate sensor telemetry, production and financial data into a single source of truth, and lift productivity, safety and commercial performance.

To use SAP efficiently, oil and gas companies should start by mapping rigs, platforms, pipelines and the information flows that connect them to identify high value automation opportunities and eliminate manual reconciliation. Prioritise three design imperatives: map operations end to end, align cross functional processes, and build user centred workflows that drive adoption. Focus early on hydrocarbon accounting and maintenance modules so a phased S/4HANA roll out delivers measurable wins , for example, shortening time to close by several weeks, cutting reconciliation effort by around 30 percent and reducing unplanned downtime.

Engineers should ensure integrations to SCADA, metering, ETRM and field service systems are designed for data integrity and low latency. Manage change by combining rigorous governance with iterative pilots that validate assumptions, and measure success with clear KPIs such as reconciliation time, financial close cadence, maintenance mean time to repair and production uptime.

When SAP is planned, governed and adopted around real users and operations, it converts disruption into competitive advantage.

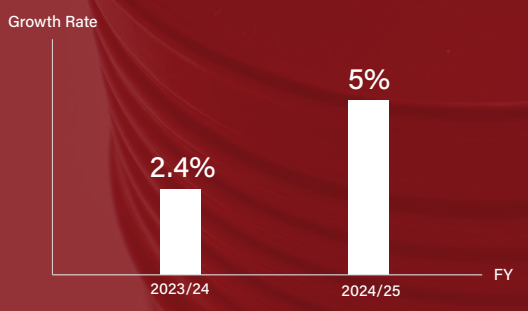
Wael Essam El Rayes

GPC Vice Chairman

EGYPT OIL&GAS RESEARCH & ANALYSIS

QUARTERLY INDICATORS

GDP Growth in Q4



Top Sectoral Growth Rates in Q4 FY 2024/25

Tourism **19.3%**

Non-oil Manufacturing **18.8%**

ICT **14.6%**

Financial Intermediation **10.8%**

Egypt's economic activity strengthened notably in the Fourth Quarter (Q4) of Fiscal Year (FY) 2024/25, with Gross Domestic Product (GDP) expanding by 5%, more than double the growth recorded in the same quarter of the previous year. This quarterly surge was a key driver behind lifting the annual growth rate to 4.4%, up from 2.4% in FY 2023/24, marking the economy's strongest annual performance in three years.

The acceleration in output was reinforced by robust industrial and external performance. A continued recovery of the non-oil manufacturing activity was particularly evident, with growth reaching 18.8% in Q4, surpassing the contractionary phase experienced in the previous two years. Key manufacturing industries recorded exceptional growth, including an increase of 126% in automotive production, 52% in pharmaceuticals, and 41% in ready-made garments, reflecting improved industrial capacity and stronger global demand.

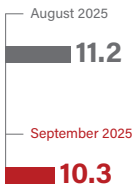
Exports of finished goods also rose by 12.8%. The Information and Communications Technology (ICT) sector continued to post double-digit gains, supported by ongoing digital transformation and service expansion. Together, these developments highlight the growing contribution of high-productivity, export-oriented sectors to Egypt's growth momentum, underpinned by structural reforms that continue to strengthen competitiveness and private-sector engagement.

MONTHLY INDICATORS

Annual Headline Inflation (%)

Egypt's overall Consumer Price Index (CPI) reached 260.9 points in September 2025, marking a monthly increase of 1.5% compared to August 2025, and an annual rise of 10.3% compared to September 2024. Inflation data signal a moderation in annual inflation, indicating that Egypt has moved into a phase of relative price stability.

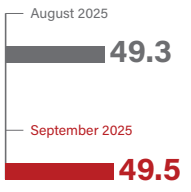
This slowdown was supported by easing pressures across key categories, reflecting improved supply conditions and a more stable exchange rate environment. Nevertheless, the monthly increase, driven mainly by food, beverages, and housing-related costs, shows that domestic price pressures remain active, especially as seasonal factors such as education and consumption demand during the early fall months persist. It was led by a 3.4% increase in housing, water, electricity, gas, and fuels, alongside a 1.9% rise in food and non-alcoholic beverages.



Net International Reserves ($ billion)

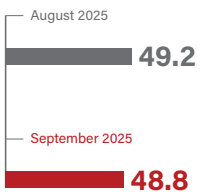
Egypt's net international reserves (NIR) rose to $49.5 billion in September 2025, up from $49.3 billion in August and approximately $46.7 billion in September 2024—marking a 6% annual increase and reaching the highest level in years. The increase largely reflected strong foreign-currency inflows, particularly a surge in workers' remittances, supported by improved confidence in the domestic currency and stronger investment inflows.

Additional contributions came from the gradual recovery in tourism, as well as inflows from international financing programs. Moreover, the rebound in reserves reflects the impact of adopting a more flexible foreign exchange (FX) regime and reduced FX market interventions, which helped curb reserve losses, attract foreign capital, and restore balance to the FX market.



Non-Oil Private Sector PMI (Point)

Egypt's Purchasing Managers' Index (PMI) fell to 48.8 in September 2025, indicating a modest but sharper contraction in non-oil private sector activity. New orders dropped at the fastest pace in five months, while output declined in line with weaker sales. Employment growth stalled after two months of increases, and purchasing activity continued to fall. On a positive note, input cost inflation eased to its lowest level since March, helped by the stronger pound and softer import prices, while selling prices rose for the fifth consecutive month as firms passed on higher costs.



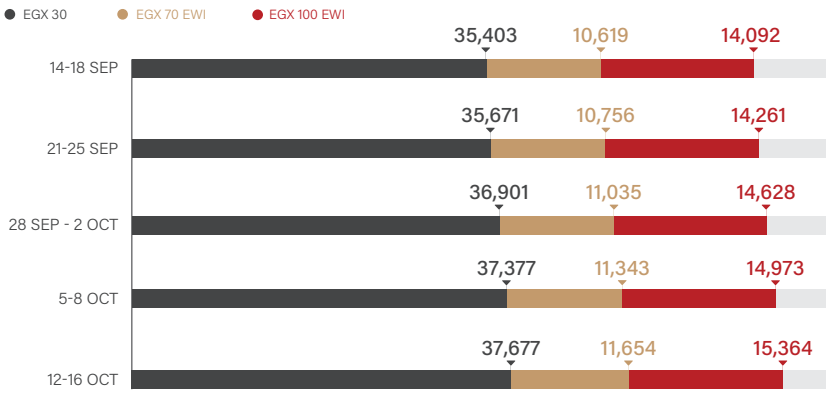
EGX HIGHLIGHTS

Performance of Listed Petroleum Companies (September 2025)

TAQA Petroleum	EDC	AMOC	EGYPT GAS	Sidpec
Close Price **12.22** EGP	Close Price **4.69** USD	Close Price **7.57** EGP	Close Price **43.02** EGP	Close Price **19.85** EGP
YTD Price Change **3.82%**	YTD Price Change **0%**	YTD Price Change **2.71%**	YTD Price Change **7.01%**	YTD Price Change **3.12%**
P/E* **20.92**	P/E* **3.89**	P/E* **6.3**	P/E* **21.32**	P/E* **7.09**

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

Capital Market Indicators



* October 9 was a public holiday.

Accelerating Investments to Boost Egypt's Natural Gas Production

Eni intends to expand investments in Egypt's oil and gas sector over the coming years to develop existing fields and launch new exploration projects. The initiative supports the government's strategy to expand natural gas production and increase supply from domestic resources.

The company plays a major role in the country's gas output, with the Zohr field remaining one of the most significant sources of production. The planned investments are expected to enhance field performance, accelerate development activities, and contribute to sustaining Egypt's energy security.

Eni Planned Investments

$8 billion | Period Next 5 Years

Contribution to Egypt's Natural Gas Production

Eni's Share in Total Production ~40% | Zohr Field Share in Total Production +23%

Phase Two Launched to Boost Production at North Safa Field

The Petroleum Marine Services Company (PMS) has been awarded a contract by the Gulf of Suez Petroleum Company (GUPCO) to execute the marine works for Phase II of the North Safa Field development in the Gulf of Suez.

The project aims to upgrade the offshore production platform and equip it with the necessary facilities to commence crude oil production from the second phase. This follows the successful completion of Phase I, which included the installation of an offshore platform.

Contract Overview

Contractor: Petroleum Marine Services Co.

Operator:

Project Location: Gulf of Suez

Contract Type: Marine Works / Installation

Phase 1 Achievements

Installing an Offshore Platform

Weight +560 t

Water Depth 55 m

Phase 2 Objectives

- Enhance Offshore Production Platform Efficiency
- Provide Required Facilities for Crude Oil Production Startup

Egypt Exports New LNG Shipment from Idku Terminal

The Ministry of Petroleum and Mineral Resources (MoPMR) announced exporting a new liquefied natural gas (LNG) shipment from the Idku LNG Complex through the carrier New Nature for Shell. The cargo departed from Idku Port for Europe.

The export supports the Ministry's strategy to attract further investments in natural gas exploration and production and to accelerate the development of new phases in the West Delta Deep Marine (WDDM) area to boost Egypt's LNG export capacity.

Destination: Italy

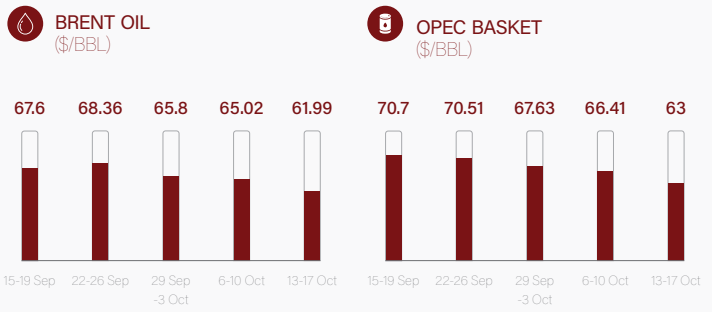
Exporting Company: Shell

Export Volume: 155.000 cm

Producing Area: West Delta Deep Marine (WDDM)

PRICING HIGHLIGHTS

Average International Prices



Local Fuel Prices

Vehicle Fuels

New Price (EGP/L) / (EGP/m³)

OCTANE 95	21	OCTANE 92	19.25	OCTANE 80	17.75
DIESEL	17.5	COMPRESSED NATURAL GAS (CNG)	10		

Industrial Fuels

New Price

MAZUT (For industries)	BULK GAS	BRICK FACTORIES GAS
12,500 EGP/t	18,000 EGP/t	250 EGP/mmbtu

Butane Cylinders

CYLINDER SIZE (KG)	12.5	25
New Price (EGP)	225	450

Eleventh

EOGC '25

EGYPT OIL & GAS Convention

11th December, 2025

Organized By

EGYPT OIL&GAS

Technically Prepared By

EGYPT OIL & GAS COMMITTEE

Supporting Association

EGEA
Egyptian Gas & Energy Association
الجمعيـــة المصـــرية للغـــاز والطاقـــة

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