EGYPT OIL&GAS NEWSPAPER

Celebrating 20 YEARS
Of Powering The Narrative

NAVIGATING ENERGY STORMS AMID GEOPOLITICAL UNREST

Proudly the Official Publication

EGYPES
EGYPT ENERGY SHOW

29 - 31 MARCH 2027
EGYPT INTERNATIONAL EXHIBITION CENTER, CAIRO

SCAN TO DOWNLOAD EOG MOBILE APP

Editor's Letter

Dear reader,

With the Iran-US and Israel conflict now in its fourth month, the toll is global. Supply chains are disrupted, oil and gas prices are climbing, and inflationary pressures are slowing down economies across continents. For Egypt, a net energy importer, the challenge is acute. The government is moving on several tracks to guard against supply shortages and an inflated import bill.

Our June issue examines how the war has reshaped Egypt's energy economics and how the country is maneuvering to cushion the impact. The overview article details Cairo's reactive policies to secure adequate supplies, while the economic piece lays out the arithmetic of war—how the state is budgeting for higher fuel costs and prioritizing gas security over price. The insight section explores the alternative trade routes Egypt is currently relying on to bypass Hormuz.

Beyond Egypt, the political feature analyzes the UAE's exit from OPEC and its implications for global oil supply. On the technology front, we highlight a new technique harnessing sea walls to generate energy from waves and wind, with potential applications in desalination. And as the government intensifies its backing for solar initiatives, our energy transition coverage assesses what has been achieved so far in developing solar power.

Together, these stories offer a panoramic view of how the oil and gas sector is coping with the pressures of war and navigating the path forward.

The issue also covers AVEVA World 2026 in Milan. Branded as "the industrial intelligence event," the conference highlighted how AVEVA's software and partnerships help industries withstand geopolitical shocks, drive innovation, and unlock value across upstream, midstream, and downstream operations. It also features an exclusive interview with Cindy Crow, Oil and Gas Industry Principal at AVEVA, who explained how digital transformation is critical to enhancing efficiency and performance across the sector.

We promise you a great read: comprehensive, timely, and insightful.

Sherine Samir
Editor-in-Chief

table Of Contents

Egypt's Leading Oil & Gas Monthly Publication

EGYPT OIL&GAS NEWSPAPER

Proudly the Official Publication

EGYPES EGYPT ENERGY SHOW

General Manager
Ayman Rady
Content Director
Dr. Mahinaz El Baz
Editor in Chief
Sherine Samir
Senior Editors
Rana Al Kady
Samar Samir
Senior Writer
Sarah Samir
Staff Writers
Fatma Ahmed
Doaa Ashraf
Senior Research Analyst
Mariam Ahmed
Research Analysts
Nermeen Kamal
Mahmoud Yasser
Abdullah Mostafa
Senior Statistician
Nada Abbas
Data Analyst
Mazen Youssery
Chief Reporter
Wael El-Serag
Projects Manager
Suzan Magdi Alattar
HR & Administrative Coordinator
Carma Mostafa

Creative Art Director
Omar Ghazal
Senior Graphic Designer
Mostafa Fathi
Graphic Designer
Aya Soliman
Social Media Specialist
Ahmad Yasser
Account Manager
Omar Abdrabo
Web Master
Olfat Kamel
Web Developer
Mohamed Elwakeel
Administration
Taghreed Mounir
Senior Accountant
Mahmoud Khalil
Accountant
Mohamed Nagy
Distribution Officers
Mahmoud Nabil
Osama Mohamed
Hesham Mohamed

Mohamed Fouad
Publisher

| Tower No.12 - Bavaria Compound, Ring Road in front of sama Tower - Egypt

| (+20) 2 27498191 (+20) 2 27498192

| info@egyptoil-gas.com

/EgyptOilandGas /EgyptOilandGas /Egypt-Oil-&-Gas

/EgyptOilandGas /EgyptOilandGas

www.egyptoil-gas.com

TOP FIVE NEWS 5

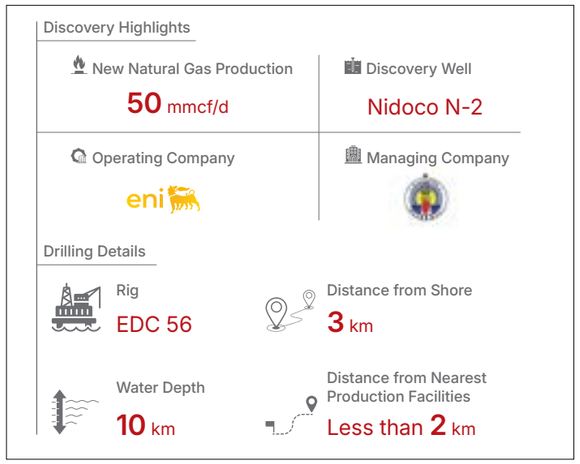
New Nile Delta Gas Discovery to Boost production by 50 mmcf/d

The Ministry of Petroleum and Mineral Resources (MoPMR) announced a new natural gas discovery in the Nile Delta, with projected production of 50 million cubic feet per day (mmcf/d) following the drilling of the exploratory well (Nidoco N-2) in the West Abu Madi area, co-operated by Italy's Eni and the UK's British Petroleum (bp).

Karim Badawi, Minister of Petroleum and Mineral Resources, inspected the EDC 56 drilling rig, which executed operations on the well. Nidoco N-2, situated approximately 3 kilometer (km) offshore in shallow waters (depth of ~10m), was drilled from an onshore location utilizing advanced Directional Drilling (ERD) technologies. This strategic approach significantly optimized operational expenditures (OPEX) and enhanced overall process efficiency.

The Minister affirmed that this discovery, along with increased production from existing fields, comes as a result of the petroleum sector's success in repaying dues owed to foreign partners, with the goal of totally settling them by the end of June.

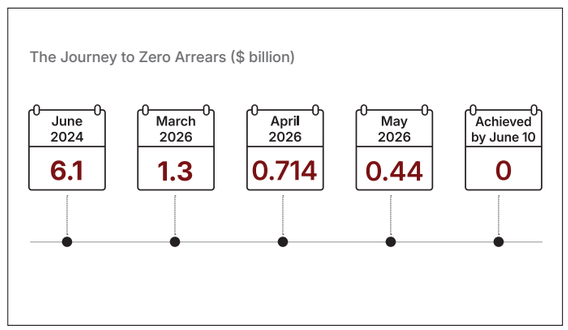
Additionally, Badawi noted that the well's proximity to existing infrastructure, being less than 2 km from the nearest production facilities, allows for its rapid connection to the grid in the coming weeks and the start of early production, thereby enhancing the efficiency of investment spending.



Egypt Zeroes out IOC Arrears

Egypt has fully settled its arrears to foreign oil and gas partners on June10, a milestone aimed at restoring investor confidence, stimulating new investment, and accelerating exploration and research activity.

"By paying the full arrears, Egypt opens a new chapter, one defined by investments, growth, and increased production." Karim Badawi, Minister of Petroleum and Mineral Resources, asaid in a recorded statement. He added that clearing the arrears is more than a financial settlement; it resolves one of the sector's most pressing challenges in recent years.



"The arrears accumulation had curtailed investment, slowed drilling and exploration, and stalled field development — ultimately weighing on domestic oil and gas output," said Badawi.

By December 2025, the outstanding balance was down to $1.3 billion. This downward trajectory continued into 2026, with the Ministry reporting in April 2026 that the sector's arrears had fallen further to $770 million. In May, momentum gathered pace, with arrears dropping again to just $440 million before reaching zero in June..

Agiba Petroleum's New Discovery Adds 330 bcf of Gas, Largest in 15 Years

Agiba Petroleum Company, a joint venture (JV) between the Egyptian General Petroleum Corporation (EGPC) and the Italian energy major Eni, has made a new Western Desert discovery described as the company's largest in 15 years.

The initial estimates indicate reserves of approximately 330 billion cubic feet (bcf) of gas, alongside 10 million barrels (mmbbl) of condensates and crude oil, bringing the total to around 70 million barrels of oil equivalent (mmboe).The discovery was made through the exploratory well South Bostan-1X, drilled using the EDC-9 rig operated by the Egyptian Drilling Company (EDC), according to a statement by the Ministry of Petroleum and Mineral Resources (MoPMR).

The find gains further importance due to its proximity to existing infrastructure and production facilities, just 10 kilometers away, enabling rapid development and early tie-in to production systems.

According to the ministry, the well encountered multiple sandstone and limestone reservoirs with a net pay thickness of about 400 feet, underscoring the discovery's strong production and economic potential.

In August 2025, Agiba announced the North Lotus Deep-1 discovery in the Western Desert. The find was developed as a near-field addition within the company's concession areas and was successfully brought on stream, contributing around 3,100 barrels of oil equivalent per day (boe/d).

Ganope Extends Red Sea Bid Round Deadline to June 29

The South Valley Egyptian Petroleum Holding Company (Ganope) has announced an extension of the closing date for the Red Sea international bid Round to Monday, June 29, 2026, at 12:00 PM Cairo local time. By extending the deadline, which was initially set for Monday, May 3, Ganope aims to provide additional time for companies to participate in the bid round, reinforcing Egypt's strategy to attract investment and accelerate exploration in frontier areas.

The move follows heightened interest of foreign investors during the Society of Exploration Geophysicists (SEG) Cairo Annual Conference, a high level geoscience and energy exploration meeting, which took place in April. Another April event that underscored the Red Sea's exploration potential was Egypt Energy Show (EGYPES) 2026, which witnessed the finalization of several important deals, including Ganope's agreements with bp and SLB to accelerate exploration and deploy advanced seismic technology.

Launched in November 2025, the Red Sea International Bid Round offers exploration opportunities across four offshore blocks (RS-1, RS-2, RS-3, RS-4). It is Egypt's first bid round to apply a modern profitability-based production-sharing model (R-Factor), designed to attract global investment in deepwater and frontier areas.

Egypt to Import Crude Oil from Algeria to Enhance Energy Security

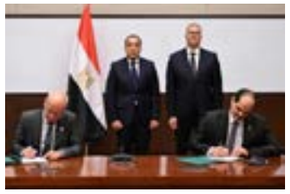
The Egyptian General Petroleum Corporation (EGPC) and Algeria's state-owned energy giant, Sonatrach, signed a Memorandum of Understanding (MoU) to establish an institutional framework for Egypt's purchasing Algerian crude oil, noted a statement by the Ministry of Petroleum and Mineral Resources (MoPMR). According to the statement, the agreement aims to secure the needs of the domestic market and enhance the flexibility and sustainability of the supply chain.

The signing ceremony was attended by Karim Badawi, Minister of Petroleum and Mineral Resources, and his Algerian counterpart, Mohamed Arkab, Minister of State, Minister of Hydrocarbons and Mines.

Badawi delivered a speech before the signing ceremony, in which he affirmed that the MoU reflects the depth and strength of the historic relations between Egypt and Algeria, as well as the rapid development they are witnessing across various fields. He pointed out that this represents an important step toward enhancing regional integration in the petroleum sector.

AGREEMENTS

TotalEnergies to Resume Gas Exploration in Egypt



The French energy major, TotalEnergies, signed a memorandum of understanding (MoU) with the Egyptian Natural Gas Holding Company (EGAS) to cooperate on natural gas exploration in the Western Mediterranean. The agreement, according to a Cabinet statement, covers a large offshore area and aims to advance early-stage exploration in one of Egypt's most promising frontier regions.

Karim Badawi, Minister of Petroleum and Mineral Resources, welcomed TotalEnergies' return to gas exploration in Egypt, describing it as a positive outcome of the ministry's strategy to create an attractive investment climate through reforms, incentives, and settling dues owed to partners.

Egypt, bp, Harbour Sign Deal to Boost Mediterranean Output

The Egyptian General Petroleum Corporation (EGPC) and the Egyptian Natural Gas Holding Company (EGAS) have signed a Heads of Agreement (HoA) with both British Petroleum (bp) and Harbour Energy to establish the executive framework for developing oil and gas reserves in the North King Mariout area and the El Arish field in the Mediterranean.

According to the agreement, both companies would work on the development of the El Arish field under EGPC's North Alexandria concession and the North King Mariout area under EGAS, aiming to maximize economic returns through integrated operations between the two sites.

Algeria Grants PETROJET $1.1 Bn Contract for Hassi Bir Rkaiz Field Development

The state-owned Petroleum Projects and Technical Consultations Company (PETROJET) has signed a general contractor agreement to develop Phase Two of Algeria's Hassi Bir Rkaiz field. The contract, valued at around $1.1 billion, covers works in the El Oued–Ouargla region, located about 130 kilometers (km) east of Hassi Messaoud in southern Algeria.

Under the agreement, PETROJET will lead the execution of engineering, procurement, construction, commissioning, and start-up (EPCCS) works for the second phase of the Hassi Bir Rkaiz development. The scope includes building a central processing plant with a daily capacity of 32,000 barrels, along with shared facilities to support current and future expansions.

ITFC, EGPC Sign $800 Mn loan Agreement

The Egyptian General Petroleum Corporation (EGPC) has signed $800 million loan agreement with the International Islamic Trade Finance Corporation (ITFC) to support the energy sector, noted a statement by the Ministry of Petroleum and Mineral Resources (MoPMR).

Based in Saudi Arabia as the host country, ITFC is an autonomous entity within the Islamic Development Bank Group established with the purpose of advancing trade to improve the economic condition and livelihood of people across the Islamic world.

Following the signing, Karim Badawi, Minister of Petroleum and Mineral Resources underscored the depth of the Egyptian Saudi cooperation the energy sector, highlighting Suez–Mediterranean Pipeline (SUMED) project as a successful model of Arab integration and cooperation.

ACHIEVEMENTS

Bapetco Drills 15 Wells in H1 of FY 2025/26

Badr El-Din Petroleum Company (Bapetco) drilled 15 new wells using nine rigs in the first half (H1) of Fiscal Year (FY) 2025/2026. This resulted in production of an average of 49,000 barrels of oil equivalent per day (boe/d), 171 million cubic feet of gas per day (mmcf/d), and 18,500 barrels of condensate per day (bbl/d), according to Chairman Khaled Abdelsalam.

The company plans to raise production in FY 2026/2027 to 60,000 boe/d, 195 mmcf of gas, and 25,000 barrels of condensates, through drilling 37 development and exploration wells with investments estimated at $315 million, he added. There are currently preparations to drill two new exploration wells (BED-15 West-A and BED-16-C6 West-A) in May.

Khalda Strikes 15 Discoveries in H1 2025/26

Khalda Petroleum Company, a joint venture(JV) between the US-based Apache Corp and the Egyptian General Petroleum Corporation (EGPC), made 15 oil discoveries and bolstered its reserves by approximately 15 million barrels of oil equivalent (mmboe) during the first half (H1) of fiscal year (FY) 2025/26, according to Moataz Atef, Company Chairman and Managing Director. Furthermore, the company met 100% of its oil output target and exceeded its natural gas target by 7%.

During the same period, the company drilled 26 development wells and carried out 75 work overs, he said, adding that the company plans to drill 26 exploration wells, 31 development wells, and execute 45 additional work overs during the second half (H2) of the year.

Atef also highlighted that the company plans to invest $1.043 billion during the FY 2026/27, including drilling 47 exploration wells and 57 production wells, while advancing infrastructure projects and safety digitalization initiatives.

Apache's Egypt Gas Output Increases 20% in Q1 2026

APA Corporation, parent of Apache, reported that natural gas production from Apache's Egyptian operations averaged 381 million cubic feet per day (mmcf/d) in the first quarter (Q1) of 2026, up 20% from the same period in 2025.

Meanwhile, Apache's Egypt assets contributed 86,736 barrels per day (bbl/d) to APA's oil output in Q1 2026, compared with 86,173 bbl/d in the corresponding quarter of 2025.

The volume of barrels of oil equivalent (boe) during the first three months of 2026, Apache Egypt's output averaged 71,000 boe/d, 8 % higher than the corresponding quarter of 2025. This, according to the APA's press release, "reflects production sharing contract (PSC) impacts associated with higher oil prices."

For the second quarter (Q2), Apache's gross gas production in Egypt is expected to rise to 540 mmcf/d, "driven by continued success in the gas-focused drilling program", noted an APA press release.

TAQA Arabia Posts 65% Surge in Q1 2026 Consolidated Net Profits

TAQA Arabia reported a 65% year-on-year (YoY) increase in its consolidated net profits after tax, reaching EGP 224.6 million in the first quarter (Q1) of 2026, according to a disclosure to the Egyptian Exchange (EGX) on May 11.

The company also recorded 33% YoY rise in consolidated revenues, amounting to EGP 7.13 billion in Q1 2026.

Meanwhile, on a standalone basis, TAQA Arabia recorded a 88% decline YoY in net profits after tax, reaching EGP 18.54 million in Q1 of 2026. The company did not disclose the reasons behind the decline.

US

New US Sanctions Target Iran Oil Shipments to China

The US has imposed sanctions on three individuals and nine companies for facilitating Iranian oil shipments to China, including entities based in Hong Kong, the United Arab Emirates (UAE), and Oman, according to Reuters.

The move by the US Treasury Department follows a separate round of sanctions announced on May 8 targeting networks involved in procuring weapons and components used in Iran's drone and ballistic missile programs.

According to the Treasury, the latest measures, implemented by the Office of Foreign Assets Control (OFAC), focus on individuals and entities linked to Iran's Islamic Revolutionary Guard Corps (IRGC), which has been using front companies to sell and transport its allocated oil volumes to China.

US Waiver on Russian Oil Purchases Expires

The Trump administration allowed a sanctions waiver that had enabled countries, including India, to buy Russian seaborne crude to expire.

According to Reuters, the waiver, which had been extended in April for one month to ease supply shortages after Iran's closure of the Strait of Hormuz, was not renewed by US Treasury Secretary Scott Bessent.

The temporary extension had been part of broader measures to contain soaring energy prices during the Iran war, including withdrawals from the Strategic Petroleum Reserve, a waiver of the Jones Act shipping rule, and President Donald Trump's call to suspend the federal gasoline tax.

IEA

IEA Warns of Oil Supply Deficit in 2026

Global oil supply is expected to fall short of demand this year, as the war in Iran severely disrupts Middle East production, Reuters reported citing the International Energy Agency's (IEA) monthly oil market report. This comes as global supply in 2026 is projected to fall short of demand by 1.78 million barrels per day (mmbbl/d), overturning last month's forecast of a 410,000 bbl/d surplus and December's estimate of nearly 4 mmbbl/d in excess supply.

The war involving the US and Israel against Iran, the resulting destruction of oil infrastructure across Iran and its Gulf neighbors, and the near-total shutdown of the Strait of Hormuz have together triggered the most severe oil supply crisis in history, driving prices to unprecedented heights, according to Reuters.

With Hormuz tanker traffic still restricted, cumulative supply losses from Middle East Gulf producers already exceed 1 billion barrels (bbbl) with more than 14 mmbbl/d of oil now shut in, an unprecedented supply shock," said the agency, which advises industrialized countries.

UAE

UAE to Double Oil Exports by 2027 With New Fujairah Pipeline

The UAE will accelerate construction of a new oil pipeline to the port of Fujairah, aiming to double export capacity by 2027, according to the Abu Dhabi Media Office. Crown Prince Sheikh Khaled bin Mohamed bin Zayed directed Abu Dhabi National Oil Company (ADNOC), UAE state-owned energy company, to fast-track the West-East Pipeline project, which is already under construction and expected to begin operations next year.

The UAE's existing Habshan-Fujairah pipeline carries 1.8 million barrels per day (bbl/d), but the new line will vastly increase capacity. ADNOC is targeting 5 million bbl/d by next year, while the UAE could raise output to 6 mmbbl/d after leaving OPEC earlier this month.

Saudi Arabia's East-West pipeline, which Aramco recently expanded to 7 million bbl/d, has also been critical in bypassing the strait. Together, the UAE and Saudi Arabia remain the only Gulf producers with alternative export routes, while Kuwait, Iraq, Qatar, and Bahrain remain dependent on the waterway.

ADNOC LNG Tanker Makes First Hormuz Crossing Since Conflict

A liquefied natural gas (LNG) tanker managed by the UAE's ADNOC Logistics and Services has crossed the Strait of Hormuz and is now positioned off India's west coast, according to Reuters. If verified, this would mark the first loaded LNG tanker transit through the strait since the Iran war began on February 28.

The vessel, with a capacity of 136,357 cubic meters, was last seen in the Gulf on March 30 before disappearing from signal for several weeks. Its reappearance near India suggests it successfully completed the passage, according to data from ICIS LNG Edge, Marine Traffic and LSEG.

Analysts cautioned that Gulf shipping has been using tactics such as stopping transmitting their locations or transmitting false identification numbers to avoid being targeted or detained.

IRAQ

Iraq Announces New Oil Discovery at Al-Qarnain Block

Iraq announced the discovery of a new oil field in Najaf province, in the country's southwest. The field, discovered by China-based Zhenhua Oil, holds estimated reserves of 8.83 billion barrels (bbbl). Current output is reported at 3,248 barrels per day (bbl/d) of light crude oil.

During a meeting with a delegation from Zhenhua Oil, Iraqi Oil Minister Hayan Abdul-Ghani stated that a new oil reserve had been discovered in the al-Qarnain block. This block was awarded to the Chinese company under Iraq's fifth supplementary and sixth licensing rounds.

The Al-Qarnain block lies in southwestern Iraq along the border with Saudi Arabia. Spanning 8,773 square kilometers, it is regarded as a highly promising area for oil exploration. The vast size of the area points to significant potential for additional reserves, opening the door to further exploration opportunities in the years ahead.

SYRIA

Syria Advances First Deep-Water Offshore Energy Project

Syria has designated an offshore block for its first deep-water oil and gas exploration project, in partnership with Chevron, the US energy major, and UCC Holding, a Qatari construction conglomerate, Reuters reported, citing the Syrian Petroleum Company (SPC).

The state-owned company said the offshore concession area has been identified in cooperation with its partners, paving the way to finalize contracts and begin technical operations this summer.

Chevron signed a preliminary agreement in February with SPC and UCC Holding to assess offshore oil and gas exploration opportunities in Syrian territorial waters, marking its entry into the Eastern Mediterranean offshore sector.

UK

Energean Lowers 2026 Production Target

Energean lowered its 2026 production guidance and reduced its expected dividend after a 41-day suspension of operations in Israel weighed on its first-quarter (Q1) performance.

The company, which operates natural gas and oil assets across Israel, Greece, the UK, and other Mediterranean regions, now expects full-year production of 130,000 to 140,000 barrels of oil equivalent per day (boe/d), down from its previous forecast of 140,000 to 150,000 boe/d. Its production outlook for Israel was also revised lower to 98,000–104,000 boe/d from 108,000–114,000 boe/d.

Energean said its floating production storage and offloading (FPSO) vessel resumed operations on April 9 after Israel's Energy Ministry lifted a directive that had halted production since late February. Output returned to full capacity within 48 hours.

The Eastern Mediterranean-focused producer has faced repeated disruptions to its Israeli operations amid ongoing regional conflict, with its gas fields and production vessel shut down twice over the past year. In response, the company has been pursuing investments and exploration opportunities to diversify and expand production.

TÜRKIYE

BOTAS, Edison Sign MoU to Explore Energy Cooperation

Türkiye's state-owned energy company BOTAS has signed a memorandum of understanding (MoU) with Italy's Edison to explore to explore cooperation on a potential natural gas pipeline connection between between the two countries.

Under the agreement, both parties will assess opportunities for natural gas and LNG supply, in addition to evaluating joint commercial prospects. The MoU also includes plans to establish a joint working group to examine the technical, commercial, and regulatory aspects of a potential hydrogen-ready natural gas interconnector between Turkey and Italy.

BOTAS noted that the envisioned strategic partnership with Edison is expected to contribute to strengthening energy connectivity within the Mediterranean basin, while enhancing regional energy supply security and supporting the development of both countries' energy sectors.

Industrial Gas Pricing Reform

From Subsidies to Cost Recovery

By Mariam Ahmed & Abdullah Mostafa

Egypt's industrial gas sector consumed 536.2 billion standard cubic feet (bscf) in fiscal year (FY) 2024/25, approximately one-quarter of the nation's total gas supply. Fertilizer plants were the largest consumers at 207.7 bscf, followed by iron and steel at 82.4 bscf,, highlighting their role as the backbone of Egypt's industrial export base, according to the Egyptian Natural Gas Holding Company (EGAS).

However, the pricing framework underpinning this consumption has become structurally misaligned. A widening supply-demand imbalance, rising import dependency, and elevated global gas prices have collectively increased the cost of supply beyond the level reflected in regulated domestic tariffs.

Against this backdrop, pricing reform has become unavoidable. The government's transition to cost-recovery pricing, aligned with global standards supported by International Monetary Fund (IMF) frameworks, is necessary.

The reform aims to align industrial gas prices with economics of supply, import parity, and infrastructure maintenance. This transition is designed in three phases: gradual adjustment through 2022, acceleration through 2025, and a price floor in 2026.

But reform carries sharp consequences. Rising gas prices constrain margins and risk shifting production to lower-cost jurisdictions. Yet without reform, supply constraints will intensify, forcing industrial rationing and underutilization of capacity, an equally destructive outcome.

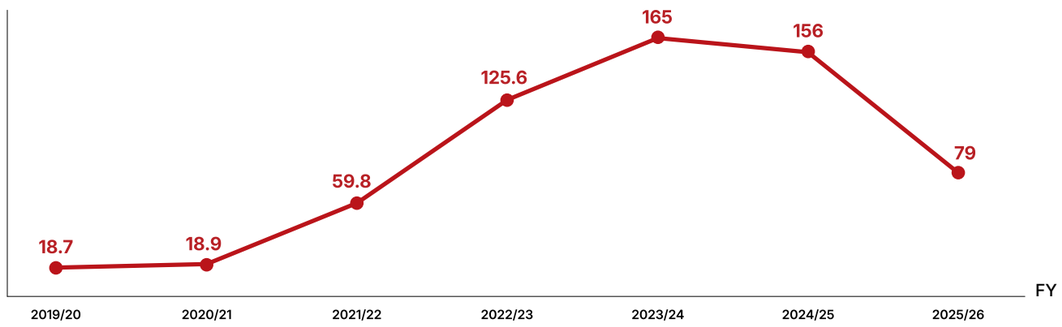
This report examines gas pricing reform as a structural inflection point for Egypt's industrial base and petroleum sector. We assess how pricing realignment affects competitiveness, investment, and sectoral resilience, and explore the policy pathways that balance cost recovery with industrial viability.

Reform Drivers

Fiscal Pressure and Subsidy Burden

Egypt's industrial gas pricing reforms were driven by rising energy subsidies and increasing reliance on imported energy supplies. Historical fuel subsidy burdens declined significantly following earlier reform rounds. However, elevated global energy prices subsequently drove them higher again, according to the Ministry of Finance (MoF).

Budget-Sector Fuel Subsidies Path (EGP billion)



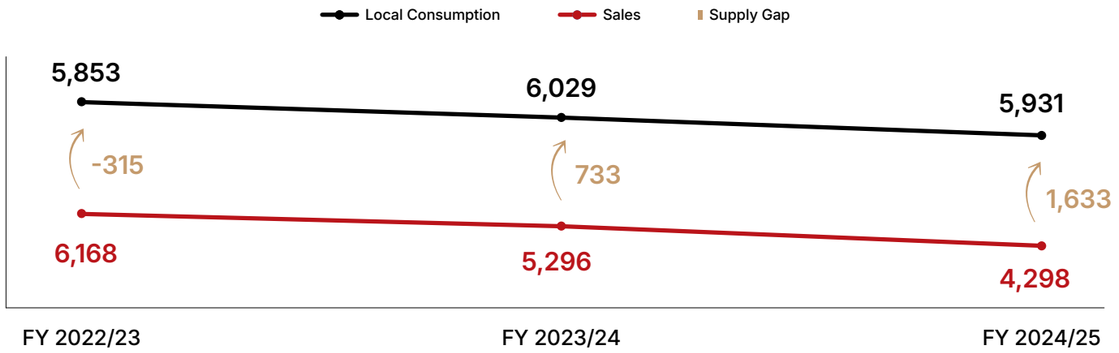
In parallel, declining domestic gas production and growing reliance on imported gas contributed to increasing the overall cost of energy supply and intensified pressure on Egypt's energy balance.

Meanwhile, Egypt accelerated investments in liquefied natural gas (LNG) import infrastructure to secure domestic supply amid tightening market conditions. In 2025, Egypt's total regasification capacity reached 2,700 million standard cubic feet (mmscf/d), reflecting the country's growing ability to import LNG and secure a domestic gas supply, according to the Ministry of Petroleum and Mineral Resources (MoPMR).

Structural Supply-Demand Imbalance

Egypt's natural gas market has increasingly faced structural supply-and-demand pressures, driven by declining domestic production and persistently high consumption. Both total gas production and sales gas have declined in recent years despite continued upstream development activity. Meanwhile, domestic consumption remained elevated, particularly across electricity generation and industrial sectors, according to EGAS.

Natural Gas Market Balance Snapshot (mmscf/d)



The widening gap between available supply and domestic demand clearly highlights the emergence of a structural imbalance, where consumption increasingly exceeds the volumes available for distribution.

At the same time, domestic demand remained heavily concentrated in a limited number of sectors, reducing supply flexibility within the market.

Industrial Share of Domestic Gas Consumption in FY 2024/25

24.8%

This structural concentration increased pressure on domestic gas allocation and made it increasingly difficult to maintain historically low regulated gas prices amid rising import costs and global LNG market volatility. Within Egypt's IMF-supported reform framework, industrial gas pricing increasingly moved toward cost-recovery principles, making domestic pricing more reflective of underlying supply economics.

Industrial Gas Pricing Under Reform

Egypt's industrial gas pricing has undergone a fundamental transformation since 2014, shaped by rounds of subsidy reform, shifting production dynamics, and evolving fiscal pressures. For much of the decade, the government tried to balance the need to reduce the subsidy burden against the risk of eroding industrial competitiveness.

Reform and Relief (2014–2020)

The 2014 reform delivered the first major hike in industrial gas prices in decades, implemented as an immediate adjustment rather than a phased increase, raising prices of gas to fertilizers and petrochemicals to $4.5 per million British thermal units (MMBtu), cement to approximately $8/MMBtu, and iron and steel to around $7/MMBtu as part of a sweeping subsidy overhaul that significantly reduced the national subsidy bill.

Those levels were then held flat through the remainder of the decade, while broader fuel subsidies underwent four further rounds of cuts between 2016 and 2019 under successive IMF arrangements.

The trajectory reversed in October 2019 when Zohr's peak output pushed Egypt into surplus. The government delivered the only downward price adjustment on record, cutting cement to $6/MMBtu and iron and steel to $5.5/MMBtu.

Prime Minister Decision No. 1884/2019 simultaneously formalised a ministerial committee mandated to review industrial gas prices every six months, according to the MoPMR.

Reversal and Acceleration (2021–2022)

While gas production reversed its course and started a steep decline in 2021, consumption continued to grow, reframing the framework of subsidised pricing. A 28% hike in October 2021 was followed by a more consequential 2022 round: gas prices to cementfactories nearly doubled to $12/MMBtu. Meanwhile, nitrogen fertilizer producers were placed on a floating formula tied to global urea prices, marking Egypt's first market-linked industrial gas tariff, and a structural departure from the flat-rate model in place since 2014.

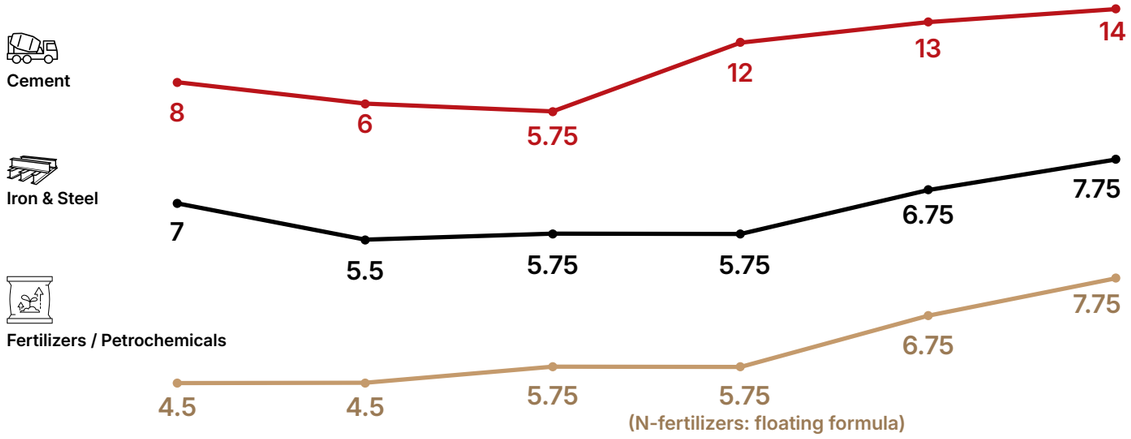
Cost Recovery Push (2023–2025)

With natural gas production declines and LNG imports landing at approximately $13.50/MMBtu, the gap between procurement cost and domestic tariffs became fiscally untenable. The December 2024 decrees addressed payment mechanics, tying industrial invoices to the prior month's Central Bank of Egypt's (CBE) exchange rate, while a flat $1/MMBtu hike in September 2025 was accompanied by a shift to quarterly price reviews from January 2026.

Price Floor Introduction (2026)

Decree No. 1306/2026 established a formal minimum floor of $6.5/MMBtu, a new adopted approach in Egypt's gas pricing history. Accelerated by the Strait of Hormuz closure and the loss of Israeli gas imports covering roughly 16% of national gas consumption, the decree signals a shift in policy intent: from periodic adjustment toward a structural cost-recovery baseline underpinned by Egypt's $8 billion IMF program, according to the Official Gazette.

Egypt's Industrial Natural Gas Prices Trend ($/MMBtu)



Sectoral Impact Assessment

Industrial gas pricing reforms are expected to affect sectors unevenly, depending on their level of gas dependency and feedstock intensity. Gas-intensive industries, particularly fertilizers and petrochemicals, remain among the most exposed to tightening domestic gas market conditions and the gradual shift toward more cost-reflective pricing mechanisms.

Fertilizers

The fertilizer sector remains Egypt's largest industrial gas consumer, making it the most directly exposed to pricing reform. Its natural gas consumption declined from approximately 227.6 billion cubic feet (bcf) in FY 2023/24 to around 207.7 bcf in FY 2024/25, reflecting tighter gas supply conditions alongside adjustments in industrial gas utilization and production activity. according to EGAS.

Fertilizers Share in Industrial Gas Consumption in FY 2024/25

~39%

Natural gas serves as a core feedstock in ammonia and urea production, meaning gas costs are directly embedded in output pricing rather than treated as a marginal energy input.

The minimum natural gas price for fertilizer factories was raised to $8.5 per MMBtu, as stated by Egypt's Minister of Industry, Khaled Hashem in April. While this increase may exert pressure on operating margins and pose potential production challenges, fertilizer producers benefit from global price linkage, allowing a partial pass-through of higher input costs into export prices.

It worth noting that Egypt's fertilizer exports increased from approximately $2.48 billion in 2024 to nearly $2.81 billion in 2025, according to the Central Agency for Public Mobilization and Statistics (CAPMAS).

The government also implemented a temporary export levy of $90 per ton on nitrogen fertilizers for three months in May 2026 to balance domestic supply and market stability, according to a decision published in the Egyptian Gazette in May 2026.

Petrochemicals

Egypt's petrochemical sector stands at a strategic crossroads. With 4.5 million tons (mmt) of annual capacity, exports to nearly 50 countries, and a national target to lift its GDP contribution from 3% to 7.5% by 2030, the sector's growth agenda is now facing a key cost challenge
, according to the MoPMR.

Gas feedstock prices have risen to about $7.75/MMBtu, up 72% from four years ago, and now account for nearly half of production costs. This has widened a major competitiveness gap, as regional producers, particularly in Saudi Arabia, pay as little as $0.75–$1.00/MMBtu, leaving Egyptian producers at a structural disadvantage.

Unlike the fertilizer sector, petrochemical producers have limited ability to pass through higher input costs, making them more directly exposed to pricing pressures. The impact is already visible, with year-on-year (YoY) export growth slowing from 71% in 2024 to 22% in 2025. While firms are adjusting through efficiency gains, sustained pressure on margins raises concerns about long-term expansion plans.

Without pricing stability or targeted support mechanisms, the National Petrochemical Plan's ambition of adding 7 mmt of new capacity may face delays. The coming period will be decisive in determining whether the sector can remain a growth engine or shift into constrained expansion under rising cost pressures.

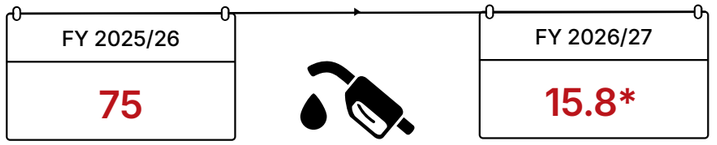
Balancing Fiscal Gains and Industrial Pressures

Reduction in Energy Subsidies and Cost Efficiency Gains

Recent pricing reforms contributed to reducing budget-sector energy subsidy requirements through gradual price adjustments and the expansion of cost-reflective pricing mechanisms. These measures supported broader fiscal consolidation efforts and reduced hydrocarbon subsidy pressures under Egypt's ongoing energy sector reform program.

At the fiscal level, the MoF projections indicate continued reductions in planned fuel subsidy allocations as part of broader fiscal consolidation efforts.

Planned Fuel Subsidy Allocations (EGP billion)



*Estimated

Rising Production Costs Across Energy-Intensive Industries

A central implication of pricing reform is the structural increase in production costs across gas-intensive industries. Higher gas tariffs have raised input costs for sectors such as fertilizers, petrochemicals, steel, and ceramics. In nitrogen-based fertilizers and petrochemical industries, gas makes up around 70% of production costs, the highest of any sector, resulting in immediate margin compression and reduced operational flexibility, according to EnterpriseAM.

Weakening Exports Competitiveness

Egypt's implementation of a $6.5 per MMBtu gas price floor for energy-intensive industries, including cement, steel, and petrochemicals, severely compresses profit margins and diminishes export competitiveness. These IMF-backed reforms increase production costs, reducing the competitive pricing advantage that crucial sectors hold in global markets.

Egypt's industrial gas pricing reforms mark a decisive turning point for the country's industrial landscape. While higher gas costs have pressured margins and export competitiveness in sectors like fertilizers and petrochemicals, these reforms are essential to ensuring fiscal sustainability, securing domestic supply, and aligning with global market realities.

Moving forward, the success of this transition will hinge on balancing cost recovery with industrial resilience, supporting efficiency improvements, and maintaining export competitiveness. Ultimately, the reforms set the stage for a more sustainable, modern, and globally competitive industrial sector.

FROM BROWNFIELDS TO COMMAND CENTERS

AVEVA'S BLUEPRINT FOR INDUSTRIAL SOFTWARE IN THE ERA OF AI

Founded in 1967 in Cambridge, England, AVEVA began as a pioneering Computer Aided Design (CAD) research center and has since evolved into a global leader in industrial software and digital transformation.. Since 2023, AVEVA has been fully owned by Schneider Electric, the French multinational energy and automation leader, creating a powerful synergy between industrial software and energy management expertise. The company's portfolio includes the PI System, a platform for real time industrial data, and Connect, a cloud hub for collaboration and insight—together they are critical for helping companies reduce downtime, optimize assets, and accelerate digital transformation

Cindy Crow, Oil and Gas Industry Principle at AVEVA

In this interview, **Cindy Crow,** Oil and Gas Industry Principle at AVEVA, explained how digital transformation plays a critical role in enhancing operational efficiency and performance across the oil and gas sector. Crow brings over 42 years of industry experience, having held engineering, marketing, and leadership roles at Chevron, ExxonMobil, Baker Petrolite, Nalco, and Schlumberger before joining OSIsoft- a U.S. software company best known for creating the PI System- which later became part of AVEVA. She specializes in assisting energy companies with leverage engineering, automation technologies, analytics, and artificial intelligence (AI) to drive business value and operational excellence.

The interview took place at AVEVA World 2026 in Milan, the company's flagship annual conference, where industry leaders gathered to explore the latest developments regarding digital transformation, AI, cloud, and industrial software solutions across the oil, gas, and energy value chains.

What is the most dynamic shift in oil and gas digital transformation?

The most dynamic shift has been the evolution of the digital twin-essentially a virtual replica of physical assets-which is now powered by artificial intelligence (AI). AI is transforming robotics and reshaping nearly every operational process in the industry. This shift allows engineers to better leverage their specialized technical skills because they are no longer bogged down by the time-consuming task of searching for data. Data scientists spend over 80% of their time simply locating the data they need to analyze and contextualize.

Where is the greatest untapped digital transformation potential across the energy value chain?

The greatest untapped digital transformation potential across the energy value chain lies in operational process optimization, where advanced analytics and machine learning remain underutilized. A clear example comes from TC Energy in Canada, which set out to reduce fuel consumption while cutting carbon emissions. By analyzing operating parameters across its compression systems, the company discovered that several compressors were running outside their optimal design envelopes—some too slowly, others over speeding and generating excessive emissions.

Once these underperforming assets were identified, engineers leveraged the facility's built in redundancies—double and triple equipment backups—to rebalance operations without investing in new machinery. This targeted use of machine learning and data analytics delivered efficiency gains and emissions reductions, underscoring how much value still lies untapped in optimizing existing processes rather than relying solely on new capital expenditure.

What is the primary barrier to digital adoption in the oil and gas sector?

The primary barrier to digital adoption in the oil and gas sector is the prevalence of unstructured, fragmented data that cannot be automatically consumed. Historical project information is often captured inconsistently across engineering, procurement, and construction phases and dispersed among third party vendors, leaving it without a standardized format. As a result, operators are forced to begin anew with each project rather than building on existing data.

Overcoming this challenge requires unified engineering, a framework that integrates 1D, 2D, and 3D design models (such as piping and instrumentation diagrams, equipment layouts, and structural drawings) with enterprise resource planning (ERP) systems like systems, applications, and products in data processing (SAP). While plant information (PI) systems provide a digital twin of real time asset behavior, they lack critical corporate data such as procurement schedules and maintenance lifecycles, which reside in ERP platforms. Breaking down these silos by merging operational data with ERP histories enables comprehensive analytics, allowing operators to resolve fundamental process bottlenecks—such as improperly sized pipelines—and shift engineering focus from data collection to asset optimization.

> **Robotics on wheels technology offers a breakthrough in rapidly modernizing brownfield assets by enabling simpler, faster laser scanning.**

Given Egypt's reliance on brownfield projects, where do you see the greatest opportunities for modernization and digital transformation?"

Robotics on wheels technology offers a breakthrough in rapidly modernizing brownfield assets by enabling simpler, faster laser scanning. Once scans are complete, operators can execute 1D, 2D, and 3D engineering work directly on the captured data. This framework allows companies to integrate new production trains or expand facilities without the capital intensive burden of manually scanning entire sites. Beyond modernization, these digital models provide a foundation for layering advanced analytics and, eventually, artificial intelligence, unlocking further efficiency gains across Egypt's brownfield portfolio.

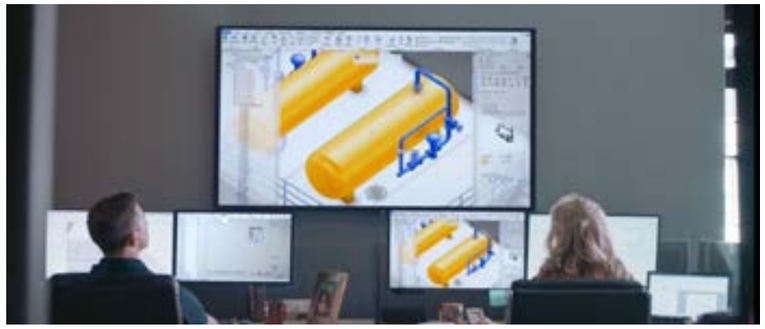
As Egypt's oil and gas production ramps up, how can companies be convinced of the return on investment (ROI) in digitalization?

Demonstrating measurable optimization and production gains is key to proving ROI. For instance, tailoring digital solutions for Egypt's El Hamra Oil Company, such as modeling the most efficient pumping systems, streamlining pipeline configurations, and preempting flow assurance issues, directly maximizes output while safeguarding operational continuity. A clear example comes from Abu Dhabi National Oil Company (ADNOC), where applying AVEVA's fully autonomous maintenance and optimization solutions delivered a 20% boost in maintenance efficiency and a 50% increase in asset uptime. By combining specialized production optimization software with operational data platforms, the project cut downtime and extended facility runtime. We feel there's going to be a human in the loop for quite a while because of the dangers and the operating conditions in most of plants and facilities.

How does AVEVA's Unified Command Center strengthen Egypt's national energy security and industry operations?

Energy security has become a global priority amid supply route disruptions such as those in the Strait of Hormuz, which have left some nations facing acute fuel and electricity shortages. In this volatile environment, AVEVA's Unified Command Center gives Egypt the macro level visibility needed to safeguard domestic supply chains while optimizing industry operations. By centralizing data, the platform enables midstream and downstream operators to see exactly where they stand within the wider energy ecosystem.

> **At ADNOC, AVEVA's fully autonomous maintenance and optimization solutions delivered a 20% boost in maintenance efficiency and a 50% increase in asset uptime**



The system also fosters collaboration by allowing companies to securely share non proprietary data to drive collective efficiency. For example, sharing localized water availability data can improve hydraulic fracturing campaigns, while pooling environmental and safety metrics supports shared sustainability goals. Although operators remain protective of reservoir data for competitive reasons, the industry shows strong willingness to collaborate on safety, logistics, and environmental stewardship. The Unified Command Center harnesses this willingness, transforming fragmented operational information into a unified national asset that strengthens Egypt's resilience and strategic energy position.

Connect Platform is one of AVEVA's main products. How do you see it adding value to upstream oil and gas operations?

The primary value of AVEVA Connect lies in its industrial cloud capability to integrate, operationalize, and scale third-party (AI) and advanced analytical tools across enterprise infrastructure. Many energy companies develop internal AI models but struggle to deploy them universally due to data fragmentation. Connect bridges this gap by serving as the central engine that unifies data modeling, Asset Information Management (AIM), Information Standards Management (ISM), and real-time operational data platforms like PI systems into a cohesive architecture.

One example of this operational scalability is a project executed by TC Energy. While their data scientists had developed advanced AI algorithms over several years, they lacked a platform to operationalize the models across their footprint. By deploying Connect to analyze fuel consumption against emissions performance, the company established a protocol where algorithms execute five simulation runs to verify asset optimization before implementation. Over an 18-month period, this framework enabled the deployment of more than 180 distinct operational improvements. The system now continuously evaluates 72 facilities across the United States every 15 minutes, dynamically adjustment compressor operating parameters. This optimization strategy successfully abated 54,000 metric tons of carbon dioxide (CO_2) equivalent—an environmental impact comparable to removing approximately 11,800 vehicles from the road. This case study demonstrates the exact scaling and decarbonization capabilities that upstream operators can capture through unified cloud analytics.

> **AVEVA's Unified Command Center gives Egypt the macro level visibility needed to safeguard domestic supply chains while optimizing industry operations.**

How does SNAM's dispatching facility benefit from using AVEVA's HMI SCADA system?

The human-machine interface (HMI) supervisory control and data acquisition (SCADA) network serves as the foundational operational baseline for the facility. Previously branded as Wonderware, the system delivers comprehensive pipeline data management capabilities, including real-time leak detection.

Furthermore, the platform executes advanced pipeline simulations, empowering control room operators to model diverse operational scenarios by dynamically adjusting variables such as pipeline routing, pressure gradients, temperature thresholds, and volumetric flow rates. Centralizing these predictive analytics directly optimizes network throughput and enhances overall system efficiency.

AVEVA WORLD 2026:

DIGITAL INNOVATION MEETS ENERGY RESILIENCE

AVEVA World 2026 reaffirmed the company's standing as a global leader in industrial intelligence and digital transformation. Over three days in Milan, more than 900 companies, 260 speakers, and 250 breakout sessions showcased how AVEVA's integrated platforms, AI solutions, and cloud architecture are reshaping resilience and sustainability in the energy sector. Branded as "the industrial intelligence event," the conference was not only a forum for technology but a demonstration of how AVEVA's software and partnerships enable industries to withstand geopolitical shocks, accelerate innovation, and unlock new value across upstream, midstream, and downstream operations.

AVEVA's Vision Highlighted

During the event, Caspar Herzberg, AVEVA CEO, set the tone by linking digital innovation directly to today's turbulent geopolitical climate. He emphasized industries operating in the Gulf are "directly affected by the events of the last couple of months," referencing the US–Iran war. Herzberg explained that supply chains are being "reshored, diversified, changed," and energy systems are being rewired not only for sustainability but also for resilience and redundancy. "Resilience is now a key factor in decision making," he stressed, adding that data sovereignty and the diversification of industrial assets are becoming critical drivers.

Moreover, Herzberg underscored AVEVA's mission to keep humanity at the center of progress, highlighting that despite multiplying challenges, there are many possibilities and opportunities. "To seize that possibility means creating scale, and creating scale requires integrated software, software that seamlessly talks to each other."

He then highlighted AVEVA's innovation journey since 2024, culminating in the first quarter (Q1) of 2026 2026 with the launch of its generative design assistant and predictive design models. These tools, Herzberg explained, are transforming engineering by surfacing issues earlier and reducing manual effort through automated point cloud intelligence.

In addition, Herzberg pointed to new partnerships announced during the event. AVEVA has recently signed two landmark agreements: the first with IFS, the Swedish enterprise software company, together with Snowflake, the US cloud based data platform, and Amazon Web Services (AWS), the US cloud computing giant; the second with Schneider Electric and Egypt's Elsewedy University of Technology (SUTech) to establish green industrial training centers in Egypt.

> AI is no longer optional - it is the competitive edge we cannot afford to lose. The real challenge is making it tangible: inspiring people, forging strong partnerships, and sustaining relentless innovation.

Caspar Herzberg
CEO, AVEVA

> People, economies, and governments expect energy to be available every hour of every day. When it isn't, the consequences cascade fast

Raylene Charron
CIO and VP of Information Services, TC Energy Company

Industrial AI in Action and Applied Innovation

Herzberg captured the essence of AVEVA's mission: ""AI is no longer optional—it is the competitive edge we cannot afford to lose. The real challenge is making it tangible: inspiring people, forging strong partnerships, and sustaining relentless innovation." Building on this, Raylene Charron, CIO and Vice President of Information Services at Canada's TC Energy, underscored AVEVA's role as the backbone of modern energy resilience. She reframed energy security as national security, stressing that "People, economies, and governments expect energy to be available every hour of every day. When it isn't, the consequences cascade fast."

Charron revealed that TC Energy has migrated all four of its North American gas control rooms—covering 94,000 kilometers of pipeline—to AVEVA platforms. With AVEVA Connect, the company's cloud based industrial intelligence hub that unifies engineering, operations, and business data for real time collaboration and analytics, TC Energy now scales capabilities seamlessly, reducing operational risk, improving decision making, and enabling growth without added complexity.

She elaborated: "Our industrial AI vision—this is where industrial AI and AVEVA intersect—is enabling us to be safe, make real time decisions, anticipate issues before they even happen, optimize our performance, and reduce our risk. Industrial AI helps us accelerate growth by making our systems smarter as we scale, not more complex." Her remarks positioned AVEVA not only as a technology provider but as a strategic partner in safeguarding national infrastructure.

Meanwhile, Paolo Albini, Chief Supply Chain and Digital & IT Officer at Saipem, the Milan based engineering and construction giant, illustrated how AVEVA enables operational excellence: "Partnering with AVEVA has enabled us to build a unique digital platform that carries data seamlessly from start to finish—from the cutting stage to project completion. It makes us faster, more effective, and able to deliver higher quality to our clients."

Albini emphasized that Saipem is embedding AI across its processes, from isometric verification to digital twins, with AVEVA as a key enabler. He cautioned that adoption is critical: "If people do not embrace the technology, there is little gain, a lot of spending, and a lot of failures," he said, underscoring that successful innovation depends as much on cultural acceptance as on technical capability. His remarks reinforced AVEVA's role as both a technological and cultural partner in digital transformation.

Collaboration and Ecosystems

Herzberg joined Michael Wade, Director of the Global Center for Digital and AI Transformation at IMD Business School, to present findings from a joint AVEVA-IMD research report. The study revealed that while most companies have vast data, inefficiencies persist because information remains fragmented and isolated across departments.

"We define a digital ecosystem as a network of independent yet interdependent organizations that come together to share technology, data, and decision making," Wade noted, highlighting that the purpose is "to create value to the whole of the ecosystem that's greater than the sum of the particles."

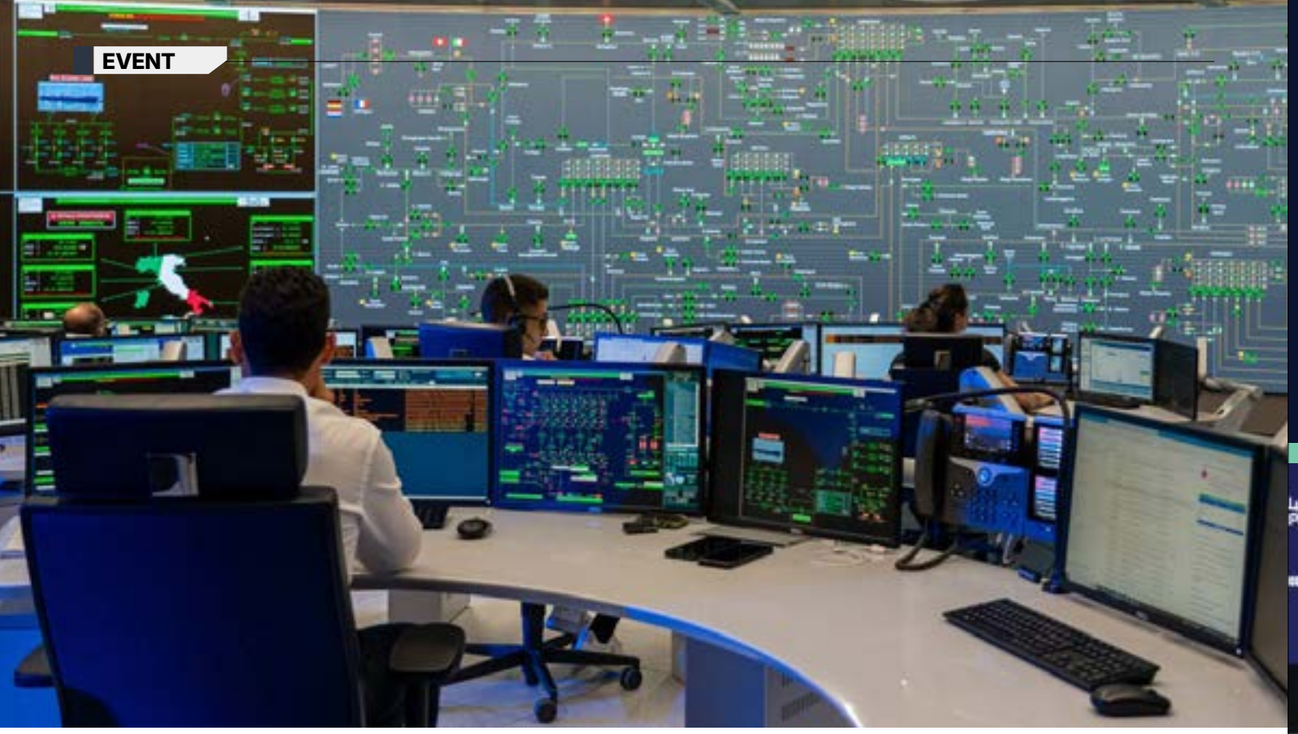
Herzberg tied this directly to AVEVA's strategy: "We want to integrate data-driven insights and then mix them with human expertise and AI and share them across multiple parties that are not usually talking to each other while they should be talking to each other."

> Partnering with AVEVA has enabled us to build a unique digital platform that carries data seamlessly from start to finish-from the cutting stage to project completion. It makes us faster, more effective, and able to deliver higher quality to our clients.

Paolo Albini
Chief Supply Chain, Digital and IT Officer, Saipem Oilfield Services Company

Thus, the message was clear: AVEVA is not just building software, it is building ecosystems that unlock collective value.

Ultimately, AVEVA World 2026 proved that resilience, diversification, and sustainability are inseparable from digital innovation, and AVEVA is leading that transformation. From TC Energy's unified control rooms to Saipem's AI-driven engineering, AVEVA's platforms are redefining what it means to operate safely, efficiently, and intelligently in an era of volatility. AVEVA World 2026 was not just an industry event; it was a declaration that AVEVA is the indispensable partner for building resilient, intelligent, and sustainable energy systems worldwide.



MAKING THE CONNECTION:

A SITE VISIT TO SNAM'S DISPATCHING CENTER

The event's activities further included a high-profile international press delegation visit to Italy's Snam dispatching center, the nerve hub of the country's leading operator for natural gas transport, storage, and regasification. Journalists and industry observers were given rare access to the facility, where they witnessed firsthand how AVEVA's Supervisory Control and Data Acquisition (SCADA) software enables real-time visualization of critical operational data, ensuring transparency and efficiency across Italy's gas infrastructure.

The dispatching center's operations are underpinned by a sophisticated technological architecture that integrates telemetry networks, remote data transmission systems, and centralized acquisition, supervision, and control platforms. At the heart of this architecture lies SCADA, an advanced software environment capable of managing real-time variations across more than 130,000 parameters for approximately 3,000 remotely monitored and controlled plants. This capability allows operators to respond instantly to fluctuations in demand, equipment performance, and pipeline conditions, safeguarding both reliability and safety.

Beyond its technical sophistication, the dispatching center plays a strategic role in Italy's energy security. It serves as the central hub for managing gas flows across the domestic transmission network, coordinating the movement of natural gas through the country's main pipelines and compressor stations. From its operations room, teams of engineers and controllers monitor and remotely adjust flows around the clock, 24 hours a day, 365 days a year. This continuous oversight ensures that Italy's energy system remains resilient even under conditions of stress, whether from seasonal demand spikes or unexpected disruptions.

The balancing of flows against real-time demand is a particularly critical function. Consumption patterns in Italy can fluctuate sharply by hour, day, and season. On a typical summer day, off-take may fall to around 80 million cubic meters (mmcm), reflecting lower household heating needs. In contrast, during winter weekday peaks, demand can surge beyond 460 mmcm, driven by heating requirements and industrial consumption. The dispatching center's ability to anticipate and manage these swings is vital to maintaining uninterrupted supply and preventing bottlenecks.

SHE IS ENERGY 2026:

INCLUSION, ALLYSHIP, SPONSORSHIP AS STRATEGIES FOR LEADERSHIP

In a sector navigating a difficult energy transition amid global uncertainty, tapping the full breadth of the talent pool has become essential for resilience and growth. Against this backdrop, this year's She Is Energy event delivered a clear and timely message: gender inclusion in oil and gas is no longer a side issue or a symbolic gesture, it is central to the industry's future.

Organized by Egypt Oil & Gas (EOG) and the Egypt Women in Energy Network (EWiEN), and EOG committee, the fifth edition of the She Is Energy seminar established a core truth: building an inclusive industry is fundamentally inseparable from building a competitive one.

The 2026 edition carried the theme "Men, Women and Allyship in Action," and that framing was reflected throughout the day's discussions. Rather than approaching gender inclusion as a women-only issue, the event positioned it as a shared responsibility that requires engagement from all sides of the industry. Across two high-level executive panels and a landmark awards ceremony, and senior multinational operators repeatedly returned to a central idea: organizations become stronger when they make room for different voices, develop talent more deliberately, and create leadership pathways that are visible and accessible.

When industry conversations stop at broad statements of support, they fail to impact the corporate balance sheet. By contrast, when diversity is reframed from an administrative metric into a strong business tool, the effect is transformative. When company leaders focus on developing all their talent, the whole organization runs better. Nicolas Katcharov, CEO of Energean International and Country Manager for Egypt, reinforced this strategic baseline by linking inclusivity directly to institutional health and real progress.

She Is Energy is part of a larger mission, it is not a side event. It is a strategic statement — that building an inclusive industry is not separate from building a competitive one. They are the same thing.

Mohamed Fouad
CEO, Egypt Oil & Gas
Co-Chairman, EOG Committee

"Supporting and empowering women is not only the right thing to do, but also essential for stronger organizations, better leadership, and real progress," Katcharov noted. "Women should be recognized and given opportunities based on their talent, capability, and potential to lead and succeed." The seminar underscored that treating people fairly and hitting production targets are deeply intertwined.

Allyship is not defined by intention alone, it is measured through action, accountability, and genuine commitment. It starts with building a culture where every voice feels safe, valued, and empowered to speak up. True representation cannot exist when women are absent from the decision-making table.

Hany Esmat
Country Chair & CEO
PETRONAS Egypt

Moving Beyond Advice to Active Executive Sponsorship

The transition from a passive supporter to an active corporate sponsor is what separates intention from impact. During the discussions, leaders explored how executive teams can move past static workplace policies to construct active pathways that allow women to step into leadership with confidence. A critical component of this transition involves addressing the "sponsorship gap." While mentorship offers valuable advice, intentional sponsorship provides the institutional backing required to place female professionals into key decision-making roles.

This point was underscored by Heba Rezk, Regional Manager of Eastern Mediterranean (EMED) Gas Marketing at Chevron, who outlined how intentional sponsorship translates from concept into practice. Rezk outlined the mechanics of this deliberate strategy during the discussion explaining that, "the most impactful support comes when leadership is intentional about sponsorship; creating visibility, advocating at key moments, and backing potential," Rezk emphasized. "When done consistently, it broadens opportunity and reshapes expectations of who leads."

Allyship is about helping women unlock their potential, master their skills, and step beyond their comfort zone

Khaled Gad
General Manager & Managing Director
Rashid Petroleum Company (Rashpetco)

Supporting and empowering women is not only the right thing to do, it is essential for stronger organizations, better leadership, and real progress. Women should be recognized and given opportunities based on their talent, capability, and potential to lead and succeed.

Nicolas Katcharov
CEO Energean International
Country Manager Egypt

One of the clearest barriers to Females' advancement in leading roles is the absence of role models. We must ensure we have women in the right positions to break the pattern that confines female talent to traditional roles such as HR and administration.

Amr Abou Eita
Chairman and Managing Director
ExxonMobil Egypt

I was genuinely encouraged by how many senior male leaders stepped forward to share their perspectives on male allyship, and importantly, on how to actively sponsor women to reach their full potential.

Eleanor Rowley
Managing Director for Egypt
Capricorn Energy PLC

This structural shift directly counters the industry tendency to isolate female talent within corporate silos. Amr Abou Eita, Chairman and Managing Director of ExxonMobil Egypt, addressed this dynamic directly, identifying the lack of upward mobility into core operational spaces as a critical vulnerability for the sector. "One of the clearest barriers to Females' advancement in leading roles is the absence of role models," Abou Eita observed. "We must ensure we have women in the right positions to break the pattern that confines female talent to traditional roles such as HR and administration."

The most impactful support comes when leadership is intentional about sponsorship; creating visibility, advocating at key moments, and backing potential. When done consistently, it broadens opportunity and reshapes expectations of who leads.

Heba Rezk
Regional Manager, Eastern Mediterranean (EMED) Gas Marketing , Chevron

Asserting this idea, Hany Esmat, Country Chair & CEO of PETRONAS Egypt, shared that diverse leadership directly improves corporate collaboration and the quality of business decisions, stating that "allyship is not defined by intention alone , it is measured through action, accountability, and genuine commitment," Esmat stated. "It starts with building a culture where every voice feels safe, valued, and empowered to speak up. True representation cannot exist when women are absent from the decision-making table."

Overcoming Legacy Barriers

Expanding access also means enabling women to move beyond traditional comfort zones and transition directly into frontline engineering roles, industrial plants, and remote concession zones. Khaled Gad, General Manager & Managing Director of Rashid Petroleum Company (Rashpetco), highlighted how adjusting operational frameworks can successfully integrate talent into field operations, stating that "allyship is about helping women unlock their potential, master their skills, and step beyond their comfort zone". He noted that he has seen women make the transition from office to site for the first time when the right engagement and family arrangements are in place, making it leadership's role to help them recognize their potential and take that step with confidence.

Commenting on the same idea, Eleanor Rowley, Managing Director for Egypt at Capricorn Energy PLC, highlighted that businesses perform better when women are in the room, reflecting that many leaders are consciously taking steps to open doors, create opportunities, and improve access for their female colleagues. She added that, "I was genuinely encouraged by how many senior male leaders stepped forward to share their perspectives on male allyship, and importantly, on how to actively sponsor women to reach their full potential," Rowley reflected after the sessions. "

A Strategic Vision for the Future

As the seminar drew to a close, the evening concluded with a formal dinner. Delivering the final remarks of the event, Mohamed Fouad, CEO of Egypt Oil and Gas and EOG Committee Co-Chairman, brought the conversation back to the industry's long-term outlook.

"She Is Energy is part of a larger mission," Fouad stated during his pre-dinner address. "It is not a side event. It is a strategic statement — that building an inclusive industry is not separate from building a competitive one. They are the same thing."

The insights gathered at the 2026 summit show that building a resilient energy economy requires an industry-wide refusal to relegate female talent to non-operational roles. She Is Energy 2026 has provided a clear roadmap for the modern energy market to trust diverse leadership teams to drive the industry forward.

SHE IS ENERGY 2026 AWARD CEREMONY CELEBRATES WOMEN'S OPERATIONAL EXCELLENCE

The fifth edition of the She Is Energy seminar concluded with a landmark awards ceremony held on the sidelines of the event, celebrating outstanding professional achievements in the mining and energy sectors. The ceremony recognized two individual recipients for business excellence alongside five specialized category winners who are actively shaping the technical, strategic, and safety dimensions of Egypt's energy landscape. These honors showcase practical models of excellence and operational leadership driving the industry forward.

The ceremony recognized Dalia Rizk, HR Manager at Cheiron Petroleum Corporation, who received the Inspire Award for her outstanding commitment to empowering teams and mentoring future industry leaders.

Yasmin Ali, Senior Manager Corporate Affairs at United Energy Egypt, was presented with the Promotion of Female Talent Award for her dedication to creating inclusive growth frameworks across the corporate footprint.

The Young Achiever Award went to SLB Geophysicist Menna Mohamed Mostafa, celebrating her technical expertise and innovation in geoscience.

The seminar also honored Passant El-Gheriany, Marine Branch Deputy HSE Manager at Petroleum Projects and Technical Consultations Company (PETROJET), who received the Leadership Award for her exceptional safety management across complex marine projects.

The Business Excellence Award was presented to two recipients: Yousra Elkoussy, Customer Experience and Sales Support Manager at TotalEnergies, for her professionalism and focus on business growth, and Sally Nasr, Head of Strategies and Business Support at the Egyptian Natural Gas Holding Company (EGAS), for her strategic vision in driving sustainable growth across the state natural gas grid.

Finally, Engy Moussa, health, safety and environment (HSE) Lead at TAQA Well Solutions, received the Woman in HSE Award for her dedication to enforcing the highest safety standards across field operations.

The achievements of these laureates emphasize that sustainable progress in Egypt's mining, oil, and natural gas sectors relies heavily on diverse operational and strategic leadership. By setting outstanding benchmarks in field safety, human resources, and technical innovation, these professionals continue to strengthen the competitive edge of the country's entire energy landscape.

Woman in HSE Award

Business Excellence Award

Business Excellence Award

Leadership Award

Young Achiever Award

Promotion of Female Talent Award

Inspire Award

Legacy Award

NAVIGATING ENERGY STORMS AMID GEOPOLITICAL UNREST

By Sarah Samir

In an age of rising global uncertainties, energy security has become a critical challenge for governments and economies alike. As one of the largest energy importers in the Middle East, Egypt is also an emerging hub for regional gas exports. Recent shocks, from the COVID-19 pandemic and Russia's invasion of Ukraine to the ongoing US-Iran war and the closure of the Strait of Hormuz, have underscored the fragility of global supply chains. Against this backdrop, Egypt has adopted a layered strategy: contingency planning and petroleum stockpiling to hedge against crises. This pragmatic balancing act positions Egypt to weather immediate disruptions while laying the foundation for a resilient energy future.

Strategic Hedging Against Crisis

Over the past few years, the global energy scene has been going through one hurdle after another. Starting with the COVID-19 lockdown, through the Russian invasion of Ukraine, and recently facing the complexities of regional instability caused by the US-Iran war, and the closure of the Strait of Hormuz.

This comes amid global uncertainties as global energy markets have experienced sharp volatility since early March, following Iran's threats to target vessels transiting the Strait of Hormuz in retaliation for US and Israeli strikes. Meanwhile, Iranian strikes in March have disabled roughly 17% of Qatar's liquefied natural gas (LNG) export capacity, disrupting flows from the Ras Laffan hub and intensifying global supply concerns.

Accordingly, Egypt's government is actively hedging against energy crises by strengthening contingency planning and securing petroleum reserves. To ensure energy security remains a cornerstone of national stability, Egypt has launched a proactive suite of measures aimed at safeguarding domestic supplies of natural gas and petroleum. This initiative was drawn ahead of the US-Iran war, and it has enabled Egypt to safely navigate through the latest global energy crisis.

> **"Egypt's oil and gas sector will continue to remain critical for economic stability, industrial growth, and foreign currency generation. Therefore, the optimal strategy is to develop renewables in parallel with responsible hydrocarbon development rather than viewing them as competing priorities."**
>
> **Helal Konsoua**
> Egypt Country Manager at Mediterra Energy Corporation

In 2025, the Ministry of Petroleum and Mineral Resources (MoPMR) pursued a proactive strategy to secure sustainable LNG supplies for electricity, industry, and households. This included diversifying sources through spot shipments and long-term contracts with international partners, supported by new infrastructure such as Floating Storage and Regasification Units (FSRUs), now central to energy security. Coordinated efforts with the Ministry of Electricity and Renewable Energy ensure operational flexibility and guarantee the electricity sector receives the natural gas volumes needed to maintain grid stability.

The Synergy of Renewables and Hydrocarbons

Egypt's energy mix relies heavily on natural gas (58%) and oil (34%), making petroleum reserves vital for stability, according to the International Monetary Fund's (IMF) July 2025 report. The government aims to raise clean energy's share to 45% by 2028, as stated by Minister Mahmoud Esmat in May. This shift represents strategic diversification rather than a simple replacement. Helal Konsoua, Egypt Country Manager at Mediterra Energy Corporation, a Canadian based international upstream Oil and Gas Company focused on exploration and development opportunities in Africa and the Middle East, emphasizes that green hydrogen and solar energy can play a strategic role in strengthening Egypt's long-term energy resilience by reducing dependence on imported fuels and diversifying the country's energy mix.

Konsoua adds that "the development of green hydrogen and large-scale solar projects can also help reduce the significant US dollar outflow currently associated with Egypt's energy deficit and imported energy requirements. In addition, lower and more stable energy costs would support industrial growth and broader economic expansion, which in turn would strengthen the country's ability to maintain steady and regular payments to the oil and gas industry."

"However, in the near and medium term, Egypt's oil and gas sector will continue to remain critical for economic stability, industrial growth, and foreign currency generation. Therefore, the optimal strategy is to develop renewables in parallel with responsible hydrocarbon development rather than viewing them as competing priorities," according to Konsoua.

Restoring Investor Confidence and Financial Credibility

Complementing this diversification, a critical component of this energy security puzzle is the relationship between the state and International Oil Companies (IOCs). The MoPMR announced its plans to settle all arrears to IOCs by June 2026. "The government's commitment to address and clear IOC arrears sends a very positive signal to international investors and operators, especially considering the geopolitical conflicts surrounding the region. Payment certainty is one of the most important factors influencing capital allocation decisions in the upstream oil and gas industry," Konsoua points out. By actively addressing the arrears situation despite a challenging regional environment, the Egyptian government is reinforcing the long-term potential of the sector.

This financial credibility is essential for maintaining the momentum of ongoing projects. For instance, Mediterra Energy Corporation has continued to invest heavily over the last several years, operating 4–5 drilling rigs continuously despite global market volatility, according to Konsoua. The steady progress in clearing arrears has reinforced investor confidence, encouraging continued capital inflows into Egypt's energy sector and the introduction of advanced technologies to unlock the country's substantial hydrocarbon reserves. With extensive geological potential, well-established oil and gas infrastructure, and a highly skilled workforce shaped by decades of industry expertise, Egypt is well-positioned to sustain growth. Preserving financial credibility and operational stability will remain essential to attracting the long-term investment and technical know-how required to keep the sector dynamic and globally competitive.

Pushing Output, Preserving Reserves

In parallel, accelerating production is a key priority for the Ministry of Petroleum and Mineral Resources, aimed at boosting domestic output and easing the impact of rising global energy prices, though this effort must be viewed within the wider context of global industry trends. The International Energy Agency (IEA), in a September 2025 report, warned that average decline rates in oil and gas production have accelerated sharply, particularly as deepwater and shale resources are increasingly tapped. As IEA Executive Director Fatih Birol emphasized, declining rates are often overlooked in investment discussions, but the pace of decline has been rising in recent years.

This reality underscores the need for balance. While production acceleration is a priority, it must be carefully managed through strong reservoir practices. "However, in the oil and gas industry, the more we drill and operate, the more we learn about the reservoirs. This knowledge often generates incremental production opportunities, which in turn help finance the application of new technologies and improved recovery methods," Konsoua explains.

He added that In mature oil fields, in particular, enhanced recovery techniques combined with innovative drilling and reservoir management approaches can unlock significant additional reserves and materially increase ultimate recovery.

In this regard, He highlights that modern technologies such as horizontal drilling, improved water management, advanced reservoir surveillance, and optimized production practices can significantly improve both recovery efficiency and field life. There is a common misconception that accelerated drilling would lead to steeper depletion, but can sometimes be misleading and may create a false sense of depletion, leaving substantial valuable reserves undeveloped underground.

Ultimately, the key lies in striking a balance: maximizing ultimate recovery rather than chasing short-term production gains. Short-term optimization generates revenue that can be reinvested into exploration, ensuring long-term sustainability and energy security. "By harmonizing technical mastery with financial reliability, Egypt is positioning itself not only to weather the current global energy storm but also to build a resilient, multi-faceted energy future," according to Konsoua.

Egypt's energy policy balances short-term crisis management with long-term sustainability. The government has reinforced contingency planning, diversified LNG supplies, and expanded domestic production to cushion against global volatility. At the same time, ambitious targets in solar, wind, and green hydrogen mark a deliberate shift toward resilience and diversification. Overall, Egypt's strategy, combining stability; innovation; and diversification, offers a model for managing global energy turbulence, safeguarding national security, and strengthening its role as a regional hub.

COASTAL DEFENSE MEETS ENERGY TRANSITION:

SEAWALLS AS POWER GENERATORS

By Fatma Ahmed

Energy systems worldwide are undergoing structural changes driven by decarbonization targets, environmental regulations, and growing pressure to improve climate resilience. This is prompting governments, industries, and infrastructure developers to reconsider how coastal protection systems should be designed in the future by the aid of the new innovative solutions.

Traditional seawalls and breakwaters were built primarily to defend coastlines from waves and erosion. Increasingly, however, experts are exploring how technology can transform these structures into multifunctional infrastructure systems capable of supporting renewable energy generation, environmental monitoring, desalination, and climate resilience.

Jagadish Vallarampara, Global Ocean, Carbon and Energy Technology Consultant at TERAOM, the UK-based marine environmental technology consultancy, noted that "traditional breakwaters and seawalls—designed purely for protection—are no longer enough."

The discussion is gradually shifting toward technology-driven coastal infrastructure that integrates wave, tidal, wind, and solar energy systems alongside real-time ocean intelligence and environmental monitoring technologies. Under this approach, seawalls could evolve from passive barriers into connected infrastructure platforms that support both coastal protection and the broader energy transition.

The Growing Pressure on Coastal Infrastructure

Coastal erosion is becoming an increasing threat to offshore and coastal energy infrastructure, particularly as climate change accelerates the rise of sea-levels and intensifies storms. Erosion can expose or weaken subsea pipelines near shore, damage export terminals and jetties, and increase flooding and foundation instability risks for coastal refineries and storage facilities. It also raises the likelihood of oil spills by compromising containment systems and disrupting access routes needed for maintenance and logistics.

These risks are becoming more visible in major energy-producing regions such as the Niger Delta in Nigeria, Ras Tanura in Saudi Arabia, and the US Gulf Coast, where offshore and coastal energy assets are increasingly exposed to erosion, storm surges, and extreme weather events. It is also becoming a major concern for countries with extensive coastlines and densely populated coastal regions. In Egypt's case, the Nile Delta and Mediterranean coastline are particularly vulnerable. Rising sea levels and sediment loss accelerate erosion, while climate change magnifies storm intensity. For a country positioning itself as an East Mediterranean gas hub, these pressures make coastal defense and infrastructure resilience central to energy security planning.

> **Coastal erosion can expose or weaken subsea pipelines near shore, damage export terminals and jetties, and increase flooding and foundation instability risks for coastal refineries and storage facilities.**

TERAOM prepared a study exploring how traditional seawalls and coastal infrastructure could be redesigned to support renewable energy, environmental monitoring, desalination, and climate adaptation. According to climate assessments referenced in the study, parts of the Nile Delta face significant risks from future sea-level rise, while Alexandria is already experiencing increasing coastal erosion.

The wider Middle East and North Africa region is also warming faster than the global average, increasing pressure on infrastructure systems already facing environmental stress. These risks are especially important for the energy sector. Ports, offshore platforms, pipelines, logistics centers, and coastal industrial facilities all depend on stable marine infrastructure. Disruptions caused by flooding, erosion, or extreme weather events can directly affect supply chains, exports, and energy operations.

Historically, coastal defense systems were designed mainly to reduce physical damage from waves and storms. But as climate threats intensify, there is growing recognition that future infrastructure must do more than simply withstand environmental pressures. It must also contribute to sustainability and operational efficiency. As Vallarampara stated, "Coastal infrastructure must evolve from passive defense into active systems that contribute to both resilience and sustainability."

From Passive Barriers to Multifunctional Systems

One of the emerging ideas in this area is the development of coastal systems that integrate renewable energy technologies directly into seawalls and marine infrastructure. Under this approach, seawalls could host wave, tidal, wind, and solar technologies capable of generating electricity along the shoreline. The energy produced could then be used locally to support industrial facilities, desalination plants, ports, or nearby offshore operations.

TERAOM has proposed ideas to redesignconventional seawalls into integrated coastal hubs that combine renewable energy systems, environmental monitoring, desalination technologies, and ecosystem restoration.

The framework also includes carbon management tools such as Direct Air Dust Capture (DADC) and ocean water column carbon monitoring. Together, these features would allow coastal infrastructure to play a role in emissions reduction while still serving its traditional protective function.

Although the framework remains conceptual rather than operational, it reflects the direction in which some infrastructure discussions are moving globally — particularly in regions where climate adaptation, coastal protection, and energy transition challenges increasingly overlap.

Smart Shores for a Changing Climate

For energy-producing countries like Egypt, the integrated system concept highlights how coastal infrastructure could evolve beyond traditional protection systems into integrated platforms that support emissions reduction, water security, environmental resilience, and operational efficiency. As many existing oil and gas facilities are expected to remain operational for years, integrating renewable energy into coastal and offshore infrastructure could offer "a practical pathway to reduce emissions from existing oil and gas operations," according to Vallarampara. Some proposals linked to the concept also explore how renewable electricity generated through coastal systems could help electrify offshore operations and reduce reliance on diesel-powered equipment in marine environments.

> **Seawalls could host wave, tidal, wind, and solar technologies capable of generating electricity along the shoreline. The energy produced could then be used locally to support industrial facilities, desalination plants, ports, or nearby offshore operations.**

The concept also reflects growing attention to water management and environmental restoration within future infrastructure planning. With Egypt facing increasing water pressures linked to population growth and climate change, some coastal infrastructure models include wave-powered desalination systems that use marine energy to help produce freshwater in coastal areas. At the same time, nature-based solutions such as mangroves, seagrass habitats, and artificial reefs are increasingly being considered alongside engineered infrastructure to reduce coastal erosion, improve biodiversity, and support blue carbon sequestration.

Another key element of this new framework is ocean intelligence and environmental monitoring. Advanced monitoring systems now allow operators to track waves, currents, sea temperatures, and other marine conditions in real time, helping improve operational safety and infrastructure resilience. The growing role of metocean intelligence — combining meteorological and oceanographic data — is becoming particularly important for offshore energy activities as climate risks intensify. As Vallarampara noted, "Real-time environmental intelligence is no longer optional, it is a frontline safeguard for coastal communities and critical infrastructure."

Turning Coastlines into Assets

Egypt's energy transition is evolving beyond the familiar metrics of capacity expansion and production growth. The new frontier lies in reimagining infrastructure itself—not simply as a defensive bulwark against rising seas, but as an active instrument of resilience, sustainability, and innovation. As climate pressures intensify along the Mediterranean coast, multifunctional systems that blend protection with energy generation, carbon management, and ecosystem restoration are emerging as strategic assets. They signal a shift from reactive adaptation to proactive transformation, where infrastructure becomes a platform for long term competitiveness and climate leadership. The coastline, once defined by its vulnerability, is now poised to become a driver of sustainable growth, a proving ground for integrated technologies, and a symbol of Egypt's capacity to align environmental stewardship with energy resilience. In this vision, coastal infrastructure is no longer a line of defense—it is the foundation of a new model for national development and global climate leadership.

EGYPT'S WAR MATH: BALANCING ENERGY SUPPLY AND COST

By Sherine Samir

The ongoing war has unleashed complex macroeconomic challenges for Egypt, with energy at the heart of the storm. As a net energy importer, the government faces the formidable task of navigating the financial arithmetic of conflict while executing International Monetary Fund (IMF)-mandated reforms, most notably the politically sensitive reduction of energy subsidies.

Cairo has moved on several tracks to hedge against surging oil prices and secure supplies. It increased fuel prices, upped import shipments, accelerated arrears repayments to international partners to spur new exploration, tapped alternative markets to diversify imports, and intensified regional cooperation - most notably with Cyprus - to ensure a steadier flow of gas in the years to come.

Some of these measures carry a heavy price tag, straining fiscal balances, yet they have so far succeeded in cushioning Egypt against the immediate repercussions of the war, buying time for the government to pursue longer-term strategies aimed at stabilizing the energy sector and sustaining economic resilience.

The Arithmetic of Volatility

Local fuel price increases were the government's first resort as energy import costs surged 2–2.5 times in the first month of the conflict, while the natural gas import bill nearly tripled to $1.65 billion a month. In March, barely a week after the conflict began, Egypt raised prices by 14–17% across a wide range of fuel products. In May, it also lifted natural gas prices for several energy intensive industries. These moves are not expected to be one offs, as the new fiscal year's budget shows.

The 2026/2027 budget submitted to parliament in April assumes international oil prices at $75 per barrel, a level that experts increasingly view as optimistic. That same month, prices spiked to a wartime high of $138.21 on April 7, driven by severe global supply concerns, before ending between $113.94 and $118.03. By late May, they hovered around $95–100 as tentative ceasefire talks between the United States and Iran raised hopes of reopening the Strait of Hormuz.

Fuel subsidies in the 2026/2027 budget are set to fall sharply from EGP75 billion to EGP16 billion. "Considering the sharp cut in energy subsidies in the new budget alongside the surge in global oil prices, another round of local fuel price hikes appears highly likely," said Aly Metwally, a MENA economic expert. He warned that without higher local fuel pr"saidhe gap between the limited EGP16 billion energy subsidies allocation and the elevated cost of oil would lead to mounting arrears to international oil companies or trigger severe financial strain across Egypt's wider energy system.

> "Considering the sharp cut in energy subsidies in the new budget alongside the surge in global oil prices, another round of local fuel price hikes appears highly likely."
>
> **Aly Metwally**
> MENA economic expert

The timing of any future increase depends on three variables: the duration of the Hormuz disruption, the Brent price path, and the stability of the Egyptian pound. Metwally notes that if Brent remains near or above $90–100 for a sustained period, and the import bill stays elevated, the probability of further administered price adjustments rises materially.

Politically, the government is better prepared for such a step than in earlier reform rounds because the IMF framework, the arrears clearance agenda, and the immediate energy security crisis provide a clear policy rationale, according to Racha Helwa, a senior economist and former advisor to Egypt's Minister of Investment. Future fuel price hikes are expected to be gradual and segmented, with sharper increases for higher income fuels, while diesel and (LPG) vital for transport and household cooking—would rise more slowly, supported by social measures, said Helwa.

Upstream Acceleration and the Arrears Race

Parallel to local fuel price adjustments, the Ministry of Petroleum and Mineral Resources views its most critical line of defense as expanding exploration and accelerating production, while fast tracking repayment of foreign arrears. Ramadan Abou El Ela, a professor of petroleum engineering and energy markets expert, praises these measures, noting that accelerating exploration—particularly in deepwater fields—is long overdue. Egypt's 2026 plan calls for 14 wells in the Mediterranean and six in the Nile Delta, within a broader nationwide campaign of 101 wells. Abou El Ela stresses that "Full settlement of arrears is the correct way to regain the trust of foreign partners and secure their willingness to inject more capital, since unpaid dues otherwise accumulate as toxic liabilities that weigh down the sector."

While expanded exploration, accelerated field development, and arrears repayments will help stabilize the supply balance over the medium term, these measures cannot offset an immediate global energy shock within weeks or months. This limitation reflects the physical realities of the upstream sector, where Abou El Ela notes that even the swiftest fast tracked well requires at least a year to commence commercial production. Helwa agrees with this timeline, adding that such measures could transform the supply balance within months only in the rare case of a major exploration success or an unexpectedly rapid recovery in existing fields.

Egypt aims to fully settle its remaining arrears by June 10, following an aggressive repayment strategy underway since June 2024, when arrears stood at $6.1 billion The dues had already been cut to $440 million in May from $714 million at the end of April and $1.2 billion in January. Commenting on this hurried pace of debt settlement, Metwally highlights that it imposes a heavy short term fiscal burden, as the government is forcing itself to clear historical obligations just as its import bill and debt service pressures are peaking.

Supply Diversification as a Risk Management Tool

With LNG shipments from Qatar and crude imports from Kuwait stalled by the war, Egypt has had to look elsewhere for volumes. The Egyptian General Petroleum Corporation (EGPC) and Algeria's Sonatrach recently signed a Memorandum of Understanding for Algerian crude, alongside a cooperation agreement with Libya. Helwa noted that while diversifying import sources is rational under crisis conditions, it should be seen as a tactical risk management tool rather than a cost saving strategy. Such bilateral deals do not eliminate Egypt's exposure to global benchmarks, shipping premiums, war risk insurance, hard currency constraints, or strict payment terms. Moreover, both Libya and Algeria face production, infrastructure, and political limits. Metwally cautioned that these moves are not a structural substitute for restoring domestic gas output or securing more stable, long term supply.

> "Full settlement of arrears is the correct way to regain the trust of foreign partners and secure their willingness to inject more capital, since unpaid dues otherwise accumulate as toxic liabilities that weigh down the sector."
>
> **Ramadan Abou El Ela**
> Professor of petroleum engineering

Leveraging Infrastructure for Long-Term Stability

Beyond short term fixes, the government's broader plan relies heavily on Egypt's established energy infrastructure. Egypt is well positioned to import piped natural gas from Israel and, later, Cyprus at costs far lower than LNG. Part of this gas will be used domestically, while the rest exported after liquefaction at the Idku and Damietta plants. Egypt maintains a $35 billion gas import agreement with Israel and has signed a 15 year deal to purchase the entire output of Cyprus's Aphrodite gas field, expected to begin production in about six years.

Regional gas cooperation offers Egypt its fastest and cheapest relief channel as piped gas is materially cheaper than LNG because it avoids liquefaction, shipping, and regasification. For Cairo, this reduces the import bill, stabilizes power supply, and preserves the long term economic value of its LNG facilities, noted Helwa. She added that "Cyprus offers a crucial diversification channel for gas imports, as Egypt's liquefaction plants can monetize Eastern Mediterranean discoveries that Cyprus alone struggles to export."

Another long term plan is to expand renewables—especially solar—in the energy mix. In May, the government launched an initiative to encourage 7,000 factories to generate power from rooftop solar panels. Banque Misr is also offering soft loans to support solar installations in residential units.

Balancing Pain and Resilience

Egypt's wartime energy strategy is less about quick fixes than about buying breathing space. Price hikes, arrears clearance, upstream acceleration, and regional gas cooperation are all stopgap measures to keep the system afloat until deeper reforms and new discoveries take hold. The calculus is harsh: every short term cushion comes with fiscal pain, but the government is wagering that resilience today will secure stability tomorrow. Success depends on global price trends, the durability of regional partnerships, and Cairo's ability to sustain reform momentum under political pressure.

ROOFTOP REVOLUTION:

SOLAR ENERGY IS RESHAPING EGYPT'S OIL AND GAS FUTURE

By Rana Al Kady

A New Energy Equation

As climate pressures intensify and global energy markets shift toward lower-carbon systems, arid countries like Egypt are finding themselves at the center of a new energy equation. With abundant sunlight, expanding industrial zones, and growing electricity demand, Egypt is increasingly positioning solar energy as a key pillar of its economic and energy future. Yet the country's renewable transition is not simply about replacing fossil fuels. Instead, Egypt is pursuing a more complex strategy; one that seeks to integrate solar power into its industrial economy while optimizing the role of natural gas within a changing global energy market.

This shift is becoming increasingly visible across the country. From large-scale solar parks in Upper Egypt to rooftop solar initiatives targeting factories and industrial facilities, the government is accelerating efforts to diversify the energy mix while reducing pressure on domestic gas consumption. Prime Minister Mostafa Madbouly has repeatedly emphasized that expanding renewable energy is now a strategic national priority tied directly to economic resilience, industrial competitiveness, and long-term energy security.

For decades, natural gas has served as the backbone of Egypt's electricity generation system and one of the country's most strategic economic assets. However, rising domestic electricity demand is placing increasing pressure on gas supplies that could otherwise support exports, industrial growth, and foreign currency revenues. Furthermore, Egypt currently aims to generate 42% of its electricity from renewable sources by 2030, with long-term ambitions reaching 60% by 2040. Yet renewable energy still accounts for only around 11.5% of the country's electricity generation mix, highlighting the scale of investment and infrastructure development still required.

Rooftop Solar Moves into Industry

One of the clearest signs of this shift is the government's proposed "Shams Al-Sinaa" ('Industry's Sun') initiative, which aims to install nearly 1 gigawatt (GW) of rooftop solar capacity across approximately 7,000 factories nationwide, as announced by the Egyptian Cabinet. Estimates suggest the initiative could require nearly seven million square meters of rooftop space, making it one of the largest industrial rooftop solar programs in the Middle East and Africa.

Moreover, the initiative comes at a critical time. Egypt's electricity demand continues to rise rapidly due to population growth, industrial expansion, urbanization, and increasing cooling demand during extreme summer temperatures. At the same time, the country has faced mounting pressure linked to declining domestic gas production and rising fuel import costs.

For years, renewable energy in Egypt was viewed primarily as a distant megaproject in the desert. Today, rooftop solar is transforming the transition into something far more integrated with the country's industrial economy and daily energy consumption patterns.

The industrial sector represents one of the clearest examples of the growing relationship between solar energy and Egypt's oil and gas economy. Energy-intensive industries such as fertilizers, petrochemicals, cement, steel, and chemicals consume enormous amounts of electricity and natural gas. At the same time, these sectors are facing growing international pressure to reduce carbon emissions as global markets move toward stricter sustainability standards.

European environmental regulations, particularly the Carbon Border Adjustment Mechanism (CBAM), are expected to reshape industrial competitiveness over the coming years by imposing carbon-related costs on emissions-intensive imports. For Egyptian manufacturers and exporters, renewable energy is therefore becoming both a sustainability priority and a commercial necessity.

Feed-in Tariffs and Residential Solar Expansion

Beyond industrial applications, Egypt has also attempted to encourage residential and small-scale solar deployment through feed-in tariff mechanisms and net metering systems. While the early phases primarily supported utility-scale projects, the policies also helped establish a regulatory foundation for rooftop solar expansion in residential and industrial areas. Today, net metering systems are increasingly viewed as essential tools for accelerating distributed solar adoption.

Under these systems, electricity consumers with rooftop solar installations can offset part of their electricity bills by exporting unused energy back to the grid during peak solar generation periods. However, residential solar adoption in Egypt still faces several challenges. High upfront installation costs, financing limitations, regulatory complexity, and limited public awareness continue to slow deployment among households and smaller businesses. Analysts argue that broader adoption may require additional financing support, low-interest green loans, tax incentives, and simplified licensing procedures.

Nevertheless, the economics of rooftop solar are gradually becoming more attractive. As Egypt continues energy subsidy reforms and electricity prices rise, solar power is becoming increasingly cost-competitive for both industrial and residential consumers. Many businesses are now viewing solar investments not simply as environmental commitments, but as long-term economic strategies capable of improving operational resilience and reducing energy costs.

Egypt's Recent Solar Momentum

Recent months have already demonstrated how rapidly Egypt's solar ambitions are accelerating. In early 2026, the government inaugurated the first phase of the Obelisk solar power project in Qena Governorate, developed by Norwegian renewable energy company Scatec. The first phase alone includes 500 megawatts (MW) of solar capacity alongside 200 megawatt-hours (MWh) of battery storage systems (BESS), while the full project is expected to reach 1 GW upon completion.

According to project estimates, the Obelisk facility could supply electricity to nearly 1.65 million households while reducing carbon emissions by approximately 1.4 million tons annually (mt/y). Officials also noted that the project is expected to significantly reduce natural gas consumption in the power sector, reinforcing the growing relationship between renewable energy expansion and Egypt's broader gas optimization strategy.

At the same time, Egypt continues to localize renewable energy manufacturing. Earlier this year, the country inaugurated a major solar manufacturing complex in Ain Sokhna within the Suez Canal Economic Zone. The project, developed by Singapore-based Elite Solar, represents an investment of approximately $116 million and is expected to support up to 5 GW of solar component manufacturing capacity annually. Commenting on the transition, Mohamed El Fouly, Chief Commercial Officer (CCO) at SolarizEgypt, noted that successful nations will not achieve their energy transition by abandoning conventional energy overnight, but rather by engineering a smarter, more diversified energy mix.

Grid Limits, Security Drivers

Despite the momentum, major challenges remain. Grid infrastructure continues to represent one of the biggest obstacles to renewable expansion. Integrating intermittent solar generation into the national electricity system requires major investments in transmission networks, grid flexibility, and energy storage capacity. Ramez Essam Habib, Environmental Engineer Consultant told Egypt Oil & Gas, "In my view the transition in Egypt is driven primarily by energy security concerns, and those security drivers in turn shape the economic agenda. Concerns over supply stability and import exposure have forced policymakers to prioritize diversification and domestic generation." Habib was also keen to add "Energy security is the main driver. Choosing renewables reduces dependence on imports and falling solar and wind costs make that security driven choice cheaper. Climate pledges and finance add political cover and funding, reinforcing the push—but security leads."

Egypt has already begun large-scale grid modernization projects, including the construction of ultra-high-voltage substations and expanded transmission lines, but infrastructure development will need to accelerate significantly to support future renewable growth.

Beyond Desert Megaprojects

For years, renewable energy in Egypt was viewed primarily as a distant megaproject in the desert. Today, rooftop solar is transforming the transition into something far more integrated with the country's industrial economy and daily energy consumption patterns.

For the oil and gas sector, this transformation may ultimately represent not a threat, but an opportunity. By allowing Egypt to optimize gas use, strengthen industrial competitiveness, and modernize its electricity system, solar energy could become an essential partner in the country's broader energy strategy. In that sense, Egypt's rooftop solar ambitions are about more than sustainability alone. They represent an attempt to redefine how traditional energy economies adapt to a rapidly changing global energy landscape; one where oil, gas, and renewables increasingly coexist rather than compete.

ENERGY CORRIDORS IN CRISIS, EGYPT EMERGES AS ALTERNATIVE

By Doaa Ashraf

Since the outbreak of the US-Israeli war on Iran and the subsequent closure of the Strait of Hormuz, global energy markets have experienced severe disruptions in oil and gas supplies, particularly flows from the Gulf region to Europe. The crisis has reignited concerns over the vulnerability of traditional maritime energy routes and accelerated the search for safer and more reliable alternatives.

Confidence in Energy Corridors Shaken

According to a Reuters survey, OPEC oil production in April 2026 fell to its lowest level in more than two decades. Output declined by 830,000 barrels per day (bbl/d) month-on-month to 20.04 million barrels per day (mmbbl/d), marking the lowest production level since at least 2000 and dropping below even the levels recorded during the COVID-19 demand collapse in 2020.

The International Energy Agency (IEA) warned that the consequences could extend far beyond temporary supply losses. Speaking in Vienna, IEA Executive Director Fatih Birol stated that confidence in the Strait of Hormuz as a secure energy corridor may already be permanently damaged.

"If it was closed once, it can be closed again," Birol said, describing the current period as "historic" in terms of energy, geopolitics, and foreign policy.

The IEA's latest Oil Market Report also warned that the disruption is beginning to affect global demand itself. The agency expects oil demand to decline by as much as 2.45 mmbbl/d year on year (YoY) this quarter as higher prices and supply shortages weigh on industrial activity, aviation, and petrochemicals.

At the same time, major producers have cautioned that restoring market stability could take significantly longer than initially expected. During the company's first-quarter earnings call, Amin Nasser, CEO of Saudi Aramco, warned that prolonged supply disruptions would delay the market's recovery even if the Strait of Hormuz were to reopen immediately.

Against this backdrop, large Gulf producers Saudi Arabia and the UAE have been turning to alternative export routes to maintain crude supplies to global markets.

The ongoing geopolitical turmoil in the Gulf has fundamentally reshaped global energy logistics and highlighted the vulnerabilities of traditional export routes. In this environment, Egypt is uniquely positioned to emerge as the premier alternative route for global energy trade.

Bypassing Hormuz: Gulf Alternatives

The UAE is working to reduce its dependence on the Strait of Hormuz by expanding the Habshan–Fujairah pipeline, which already carries up to 1.8 million barrels per day (mmbbl/d) directly to the Gulf of Oman. A new West–East pipeline, due by 2027, will double this bypass capacity to around 3.6 million barrels per day. In parallel, new logistics corridors through Oman—linking Sharjah's ports with Sohar, Duqm, and Salalah—are being developed to secure trade flows. Together, these routes aim to safeguard exports, strengthen Fujairah's role as a hub, and shield the UAE from Hormuz disruptions.

Saudi East-West Pipeline, which currently works at its maximum capacity of 7 mmbbl/d of oil, has proven itself to be a critical supply artery, helping to mitigate the impact of a global energy shock and providing relief to customers affected by shipping constraints in the Strait of Hormuz.

In March, Saudi Aramco instructed several buyers of its Arab Light crude to load shipments from Yanbu port on the Red Sea coast instead of Gulf terminals, effectively bypassing the Strait of Hormuz. The company operates the 745-mile East-West pipeline, which has a capacity of up to 7 mmbbl/d and transports crude from the kingdom's eastern oil fields to Yanbu port.

Shipping data showed that crude exports from Yanbu surged to nearly 4 mmbbl/d in March, compared to significantly lower levels before the outbreak of the Iran war. The increase demonstrates Saudi Arabia's growing reliance on Red Sea export infrastructure to sustain global oil supplies amid regional instability.

Oil transported to Yanbu reaches global markets through two principal routes: Northbound to Europe and the Americas where crude travels through the Red Sea to Egypt's Ain Sokhna terminal, enters the Suez-Mediterranean (SUMED) pipeline, and is transported to Sidi Kerir on the Mediterranean coast for re-export. The Other route is southbound to Asia where supertankers sail south through the Bab el-Mandeb Strait.

However, continued Houthi attacks and disruptions in the Bab el-Mandeb corridor have significantly reduced the reliability of the southern route, increasing the importance of Egypt's SUMED pipeline.

SUMED Regains Strategic Importance

Established in 1974, the SUMED pipeline connects Ain Sokhna on the Red Sea to Sidi Kerir on the Mediterranean coast through twin 42-inch pipelines extending approximately 320 kilometers (Km) across Egypt. Originally designed to transport Gulf crude to Europe while bypassing the Suez Canal's limitations, the pipeline is once again emerging as a cornerstone of global oil logistics. SUMED's combined storage capacity across both the Ain Sokhna and Sidi Kerir terminals is 6 million cubic meters (mmcm) of crude oil and petroleum products.

According to Asharq Business, oil flows through SUMED surged by nearly 150% following the escalation of the Iranian conflict, reaching the pipeline's maximum operating capacity of 2.5 mmbbl/d, compared to roughly 1 mmbbl/d before the crisis.

The pipeline is operated by the Arab Petroleum Pipelines Company, a joint venture between Egypt (50%) and gulf countries including, Saudi Arabia, Kuwait, the UAE, and Qatar.

Beyond oil, the closure of the Strait of Hormuz has also disrupted liquefied natural gas (LNG) exports from Qatar and the UAE, which together account for nearly 20% of global LNG exports. Europe still relies on liquefied natural gas (LNG) from the Gulf, especially Qatar, to diversify away from Russian supplies. As Gulf gas supplies face mounting uncertainty, attention is increasingly shifting toward to other routes including the Eastern Mediterranean.

Originally designed to transport Gulf crude to Europe while bypassing the Suez Canal's limitations, the SUMED pipeline is once again emerging as a cornerstone of global oil logistics.

East Med: Secure LNG Corridor

The Eastern Mediterranean is rapidly consolidating its role as a major alternative supplier for European energy security, supported by significant offshore discoveries near Cyprus, particularly the Aphrodite and Cronos gas fields, with reserves estimated at 3.1 trillion cubic feet (tcf) and 4.5 tcf, respectively.

Both projects are designed to transport natural gas directly to Egypt's LNG infrastructure, bypassing high-risk maritime chokepoints (Strait of Hormuz and Bab el Mandeb) strengthening Egypt's role as a regional gas hub.

Cooperation between Egypt and Cyprus has accelerated considerably in 2026. In April, the Egyptian Natural Gas Holding Company (EGAS) signed a 15-year agreement to purchase the entire production of the Aphrodite field, with an option to extend the agreement for an additional five years. Gas from the field will be transported via pipeline to Port Said, initially supplying up to 700 million cubic feet per day (mmcf/d) for six years before transitioning to more flexible volumes.

Under the agreement, Egypt and the Aphrodite consortium partners, US Chevron, UK Shell, and Israeli NewMed Energy, will establish a dedicated joint venture, Aphrodite Midstream Company, to construct and manage an integrated offshore gas transmission network linking Cyprus directly to Egypt's energy infrastructure.

Meanwhile, Cypriot Energy Minister Michael Damianos announced on May 13, following a meeting of EU energy ministers in Nicosia, that stakeholders in the Cronos field are targeting first gas production by late 2027 or the first half of 2028, pending the finalization of commercial agreements.

The gas is expected to be transported through a 110-kilometer subsea pipeline connected to the Zohr field infrastructure before reaching the 5 million tons per year (mt/y) Damietta LNG facility for liquefaction and re-export to European markets.

The ongoing geopolitical turmoil in the Gulf has fundamentally reshaped global energy logistics and highlighted the vulnerabilities of traditional export routes. In this environment, Egypt is uniquely positioned to emerge as the premier alternative route for global energy trade.

The Eastern Mediterranean is rapidly consolidating its role as a major alternative supplier for European energy security, supported by significant offshore discoveries.

THE NEW GULF ENERGY ORDER

IMPLICATIONS OF THE UAE'S OPEC EXIT

By Samar Samir

The United Arab Emirates (UAE) was part of the Organization of the Petroleum Exporting Countries (OPEC) for 59 years, accepting collective quotas in exchange for the price stability they were designed to deliver. On May 1, that arrangement ended. The UAE's departure from OPEC and OPEC+ was significant because it removed one of the few producers capable of shifting global supply, a state with capacity, the infrastructure, and now the sovereign freedom to produce on its own terms.

At the center of this shift is Abu Dhabi National Oil Company (ADNOC), the UAE's state-owned energy giant and the driver of the nation's hydrocarbon strategy. For decades, ADNOC's output was bound by OPEC quotas, meaning barrels it could produce but was barred from selling came at a direct cost to Abu Dhabi's energy policy. That tension sharpened when ADNOC unveiled a $150 billion expansion plan in November 2025 to lift capacity to 5 million barrels per (mmbbl/d) volumes the cartel's quota system would not allow it to use.

The market's initial reaction was muted. Brent crude spiked about 4% on the news before quickly retreating, reflecting short-term uncertainty rather than a clear trend. The limited impact was largely due to the closure of the Strait of Hormuz, which had already locked regional supply in place. Yet behind this brief calm lie deeper questions: how ADNOC will deploy its new capacity, whether OPEC+ can survive structurally, and what prices will look like once Hormuz reopens.

Sovereign Flexibility Replacing Cartel Restraints

Under its previous OPEC agreement, the UAE's production was limited to 3.2 (mmbbl/d) despite holding a capacity of 4.85 (mmbbl/d), leaving a gap of roughly 1.65 million bbl/d idle by contractual obligation, according to an analysis published by the Middle East Institute. To eliminate this restriction, ADNOC's five-year capital expenditure plan aims for a 47% capacity increase over pre-program baselines to hit the 5 (mmbbl/d) target by 2027. Ebtesam Al Ketbi, the Emirates Policy Center's President, told the National that the OPEC exit marks a transition from collective quota-based commitments to sovereign flexibility in managing production, enabling a faster response to market disruptions.

While the regional conflict did not spark this decision, it accelerated it. The UAE had spent years consistently pushing for higher baseline targets, creating challenging internal dynamics within OPEC. The current crisis merely provided the ideal structural window to break free.

Unconstrained Logistics Driving the Asian Strategy

ADNOC immediately moved from declaration to deployment, fast-tracking $55 billion in upstream and downstream project awards between 2026 and 2028 as the first major tranche of its capital plan, according to an official company press release. The company's immediate focus is bypassing maritime bottlenecks via the Abu Dhabi Crude Oil Pipeline (ADCOP). This 400-kilometer Habshan-Fujairah route can carry 1.5 (mmbbl/d), offering a Hormuz-independent export artery that no other quota-constrained Gulf producer controls. Naveen Das, senior oil analyst at the trade intelligence firm Kpler, told American outlet CNBC that ADCOP currently operates at 71% utilization, leaving 440,000 bbl/d of immediate spare bypass capacity, with the ability to surge to 1.8 (mmbbl/d) if required.

This infrastructure feeds ADNOC's primary commercial target: Asia. Data from the US Energy Information Administration (EIA) confirms that China, India, South Korea, and Japan consume over 75% of Middle East Gulf exports. To secure long-term demand, ADNOC has heavily prioritized these Asian downstream partnerships.

Underpinning this strategy is ADNOC's flagship Murban crude, a premium light, sweet onshore grade physically deliverable at Fujairah and traded under the ICE Futures Abu Dhabi (IFAD) exchange. Reuter's data shows Fujairah currently handles 1.07 (mmbbl/d) of Murban exports, drastically outpacing the 320,000 bbl/d shipped from Jebel Dhanna inside the Gulf. Market analysts from EIA have flagged Murban's potential to rival the Gulf Mercantile Exchange (GME), the primary benchmark for pricing Middle Eastern sour crude oil exported to Asian markets. Unbound by quotas, a sustained volume surge will solidify Murban as an independent regional pricing benchmark, structurally reshaping how Gulf crude is valued.

> **The UAE's departure signals a profound realignment in regional energy diplomacy. By prioritizing sovereign commercial interests and local infrastructural advantages over collective cartel compliance, Abu Dhabi has effectively decentralized Gulf oil politics.**
>
> Eitan Charnoff
> Founder and CEO, Potomac Strategy

OPEC+ Diminished Leverage

The cartel's first post-exit response highlighted its eroding leverage. The seven remaining OPEC+ members met virtually on May 3 and agreed to a marginal production increase of just 188,000 bbl/d for June. This minor adjustment stands in stark contrast to the heavy, multi-million-barrel market interventions historically deployed by the group. Furthermore, the OPEC+ statement made no mention of the UAE whatsoever, a glaring omission that underscores the fracturing of regional cohesion.

More fundamentally, the group has lost its structural buffer. Losing a member with nearly 5 million bbl/d of capacity deprives the cartel of a vital stabilization tool. Alongside Saudi Arabia, the UAE was the only member holding meaningful spare capacity that could be deployed within 30 days. Without this shock absorber, Saudi Arabia is left to shoulder the heavy lifting of price defense alone, which can be a huge burden.

There represents real danger that other countries will follow the UAE's lead and leave the oil alliance. As noted by Vandana Hari, chief executive of Singapore-based Vanda Insights (a research firm that analyzes global oil markets and prices), the UAE's decision to quit has severely weakened OPEC+. This move makes it politically much easier for countries that manipulate their production limits—such as Iraq and Kazakhstan—to leave the group as well. While neither country has stated they plan to exit just yet, the UAE has set an example.

Evaluating this diplomatic fallout, Eitan Charnoff, Founder and CEO of Potomac Strategy, a GCC-based geopolitical risk advisory firm, told Egypt Oil & Gas: "The UAE's departure signals a profound realignment in regional energy diplomacy. By prioritizing sovereign commercial interests and local infrastructural advantages over collective cartel compliance, Abu Dhabi has effectively decentralized Gulf oil politics. This sets a significant precedent, as neighboring producers will now increasingly weigh the diminishing returns of strict quota conformity against the immediate economic rewards of independent, volume-driven strategies."

Market Scenarios for the Post-Crisis Reopening

In a sudden reopening of the Hormuz Strait, major Gulf countries will rush to pump as much oil as they can, causing global oil prices to become highly unstable. According to analysis from the Syz Group (a Swiss wealth and asset management firm), the UAE could easily pump about 1 million more barrels of oil per day in the near future.

This situation will badly affect Saudi Arabia. The International Monetary Fund (IMF) notes that Saudi Arabia needs oil prices at around $88 per barrel to pay for its government budget, while the UAE only needs $45. Because of these tight financial limits, Saudi Arabia cannot afford to flood the market with more oil or compete with the UAE in a price war.

Reflecting on this long-term structural volatility, Hamzeh Al Gaaod, MENA Independent Economist, told Egypt Oil & Gas:

"If other producers follow the UAE's lead, global oil markets could become more fragmented and volatile, with pricing mechanisms increasingly resembling LNG's—less centralized and more responsive to localized, short-term supply-demand dynamics."

The UAE's exit from OPEC is not, at its core, a story about one country's quota frustration. It is the first institutional confirmation of a new competitive architecture in Gulf oil,one in which national production strategies take precedence over collective discipline, and in which the ability to export independently of a single maritime chokepoint is a strategic asset, not merely a contingency.

> **If other producers follow the UAE's lead, global oil markets could become more fragmented and volatile, with pricing mechanisms increasingly resembling LNG's—less centralized and more responsive to localized, short-term supply-demand dynamics.**
>
> Hamzeh Al Gaaod
> MENA Independent Economist

MoPMR Advances Energy Security with a Multi Track Strategy

The Ministry of Petroleum and Mineral Resources (MoPMR) stands at the heart of the nation's energy security. Its mission is not only to keep the lights on for citizens but also to underpin the wider economy. Over the years, the ministry has pursued a mix of policies and projects aimed at sustainability, balancing the country's immediate oil and gas needs with longer-term ambitions.

One of its most visible achievements has been the steady expansion of natural gas production. Egypt has witnessed a series of landmark discoveries, from the giant Zohr field to the Denise oil find in the Nile Delta, each reinforcing the country's position as a regional energy hub. These discoveries do more than add reserves: they generate jobs, boost public revenues, and provide the feedstock for new industries. At the same time, the sector has invested heavily in infrastructure to deliver gas directly to homes and factories, raising living standards and reducing reliance on imported fuels.

The MoPMR has also moved decisively into renewables. With abundant solar and wind resources, Egypt has attracted rising investment in clean energy projects. The goal is diversification,reducing dependence on fossil fuels while cutting emissions and aligning with global sustainability targets. This dual track of hydrocarbons and renewables reflects a pragmatic strategy: meeting today's demand while preparing for tomorrow's energy mix.

Human capital is another priority. Specialized training programs are equipping young engineers and technicians with the skills needed for a modern energy sector. By investing in people, the ministry not only improves efficiency but also creates opportunities that help reduce unemployment.

On the downstream side, modernization of fuel distribution has been critical. New and upgraded stations make fuel more accessible, while curbing smuggling and black-market activity. In parallel, the ministry has promoted natural gas as a transport fuel, converting vehicles to run on gas, a cleaner, cheaper alternative that improves air quality in congested cities.

The petrochemical sector has emerged as a growth engine. Strategic projects have expanded production capacity, met local demand and opening new export markets. By attracting foreign investment and deploying advanced technologies, Egypt is enhancing its competitiveness in global petrochemicals while embedding environmental safeguards to reduce emissions and improve resource efficiency.

Beyond hydrocarbons, the ministry has widened its scope to mineral resources. Gold, copper, and phosphate exploration is being advanced through partnerships and modern extraction technologies. A supportive regulatory framework is being built to ensure sustainable practices, turning Egypt's mineral wealth into another pillar of economic growth.

Taken together, these efforts form a coherent strategy: expand natural gas, embrace renewables, modernize infrastructure, train talent, and diversify into petrochemicals and minerals. The impact is tangible—greater energy security, stronger economic resilience, and improved quality of life for citizens.

The message is clear. Egypt's Ministry of Petroleum is not simply managing resources; it is reshaping the energy landscape. By reducing uncertainty and unlocking new reserves, it is giving the country confidence to drill deeper, invest smarter, and build a sustainable future.

By Mohamed Abdelraouf

Chairman & MD Petroamir

FROM UNCERTAINTY TO CONFIDENCE:

Unlocking Deep Gas Potential in Egypt with DHI-Driven Exploration

The focus of exploration activities is steadily shifting toward deeper and more complex reservoirs within the Nile Delta and Mediterranean offshore.

While these plays hold significant untapped potential, they are often associated with high uncertainty, subtle seismic responses, and increased drilling risk. The challenge facing operators today is clear: how to confidently identify hydrocarbon-bearing reservoirs in deep targets where conventional methods fall short.

For decades, seismic interpretation methods-especially Amplitude Versus Offset (AVO) analysis-have been central to hydrocarbon detection. Yet in deep Miocene and Oligocene formations, many gas bearing reservoirs show weak or low amplitude signals. These subtle responses, often linked to AVO Class II and IIp behavior, are easily missed, while stronger signals from water bearing sands (Class I) can mislead drilling decisions.

To overcome this, a new approach called CoreflowDDAV (Deep Detection Amplitude Variation) has been developed. It marks a major advance in seismic interpretation by targeting low impedance "soft kick" signatures that point to hydrocarbons in deep reservoirs. By combining rock physics modeling, advanced seismic conditioning, AVO re assessment, and data driven validation, CoreflowDDAV makes it possible to identify Direct Hydrocarbon Indicators (DHI) even when amplitudes are faint.

Unlike conventional approaches, CoreflowDDAV is designed to work with existing datasets. It can be applied to 3D seismic volumes, legacy data lacking far-offset stacks, and even reprocessed 2D seismic lines. This flexibility makes it particularly valuable for mature basins such as the Nile Delta, where maximizing the value of available data is essential.

Recent work in offshore Egypt has shown that this method is effective at spotting deep prospects supported by direct hydrocarbon indicators (DHIs). It also helps distinguish between sands that contain oil or gas and those that only hold water in the same area. These abilities cut down on guesswork and give companies a stronger basis for deciding where to drill.

From a business perspective, the impact is substantial. By improving the accuracy of prospect evaluation, CoreflowDDAV contributes to reducing dry well risk, accelerating prospect maturation, and enhancing reserve booking confidence. In a capital-intensive environment, such improvements translate directly into better investment efficiency and faster production growth.

As Egypt advances its strategy to maximize gas production and attract further investment, adopting technologies that reduce exploration risk and unlock deeper resources is essential. The CoreflowDDAV workflow supports this vision by transforming seismic data into actionable subsurface intelligence.

The implication for the industry is clear: the future of exploration lies in data-driven confidence.

No more drilling without DHI support—even in deep targets.

By Ramy Mohamed Fahmy Abou-Elhassan

Founder, CoreFlowMC | DDAV Workflow Developer | Specialist in Deep Target DHI Detection

EGYPT OIL&GAS RESEARCH & ANALYSIS

Fuel Demand vs. Network Expansion: Mapping Egypt's Competitive Fuel Market

Egypt's downstream petroleum products supply chain operates through a regulated distribution system, in which product flows from primary and secondary storage facilities to retail stations and industrial consumers are governed by monthly quota allocations assigned to marketing companies.

Supply and Consumption Race

Egypt's domestic petroleum products consumption rose by 6.9% to 36.94 million tons (mmt) in fiscal year (FY) 2024/25, up from 34.56 mmt in the previous year, according to the Egyptian General Petroleum Corporation (EGPC).

Petroleum consumption remains heavily concentrated in mass-market fuels, with gas oil accounting for the largest share, followed by fuel oil and liquefied petroleum gas (LPG), underscoring the strong dependence of the transport, industrial, and energy sectors on these strategic products.

On the supply side, companies mainly focus on gasoline grades, gas oil, fuel oil, and kerosene, while asphalt, derivatives, special products, and oils account for a lower share of overall consumption.

This increasing consumption was served by 14 marketing companies operating a combined network of 4,032 filling stations nationwide, with a total supply of 31.5 mmt. However, stations expanded by only 0.8% year on year (YoY). This raises a key question: are market share gains driven primarily by network size, or by operational efficiency and demand concentration?

Growth Leaders: Who Is Gaining Market Share?

The Cooperation Petroleum Company (CPC), already holding the largest market share, posted a 20.78% YoY increase in sales in FY 2024/25, reinforcing its dominance across both industrial and retail segments. Nile Petroleum Company sustained its upward trajectory with a 31.7% sales increase. The standout performer, however, was Mostakbal, which recorded a 450% surge in sales, signaling rapid scale-up from a low base and an aggressive entry into the competitive downstream market, according to EGPC.

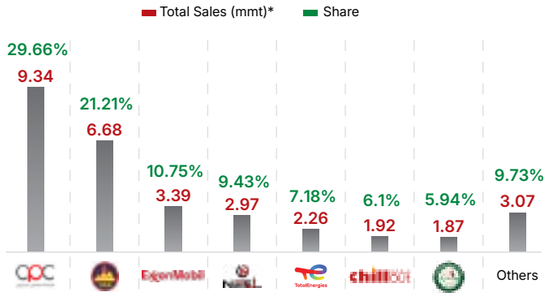
CPC captured around 30% of the total petroleum product market share, supported by 3.996 mmt of fuel oil, which accounts for 42.8% of its portfolio, highlighting its deep exposure to the industrial and B2B segments.

Nile Petroleum Company, ranked fourth in overall market share at 9.43%, secured second place among industrial suppliers, driven by 2.307 mmt in fuel oil sales. Misr Petroleum, ranked second in total sales, placed third among fuel oil suppliers, reflecting a more balanced exposure across both retail and industrial channels.

Conversely, operators focused on the consumer vehicle segment require an entirely different strategy. Exxon Mobil, Total Energies, and Chillout recorded demand patterns that are heavily concentrated in Gasoline and Gas Oil.

For these players, market share is driven by high-throughput retail operations rather than bulk industrial distribution, according to EGPC.

Market Share by Fuel Sales in FY 2024/25



*Sales from Total Gasoline, Gas Oil, Fuel Oil, and Kerosene

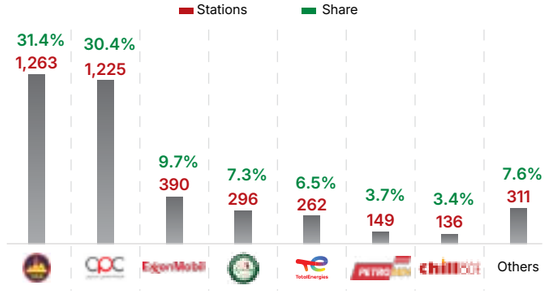
Beyond Retail Network Size

The retail landscape remains dominated by state-affiliated entities. Misr Petroleum and CPC together control over 60% of the national station network.

Despite holding 31.4% of all retail stations, Misr Petroleum ranks second in total sales. Meanwhile, Nile Company captures 9.43% of the total market volume while operating just 1.9% of the network.

This divergence highlights the primacy of station productivity, customer mix, and supply portfolio over raw station count as drivers of market performance, according to EGPC.

Retail Station Network Share by Company in FY 2024/25



Expansion activity, though modest in aggregate, signals intensifying downstream competition. Chillout led with seven new stations added during FY 2024/25, followed by ExxonMobil and Petromin with five each—reflecting continued strategic investment to capture incremental retail demand in Egypt's evolving fuel market, according to EGPC.

EGYPT OIL&GAS RESEARCH & ANALYSIS

Key Egyptian Economic Insights in April 2026

Annual Headline Inflation

13.4% | **-0.1** pp from March

Non-Oil Private Sector PMI

46.6 pts | **-1.4** pts from March

Net International Reserves

$53.009 Bn | **+$0.1784** Bn from March

Avg Exchange Rate

53 EGP/USD | **1.9%** from March

EGX Listed Petroleum Companies Performance in April 2026

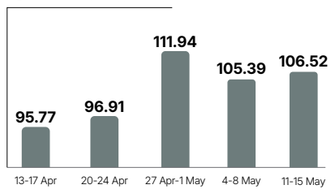
	Close Price	YTD Price Change	P/E*
TAQA	13.67 EGP	⊖ 5.66%	15.31
EDC	-	0%	2.36
AMOC	1.7 EGP	⊕ 24.1%	7.16
EGAS	48.72 EGP	⊕ 10.1%	22
	18.24 EGP	⊖ 6.94%	18.17
MOPCO	50.49 EGP	⊕ 65.54%	12.82

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

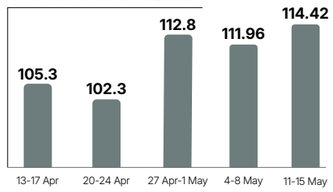
Petroleum Pricing Highlights

Average International Prices

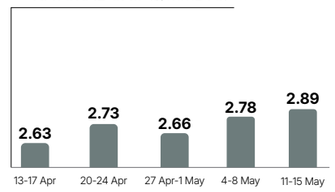
BRENT OIL ($/BBL)



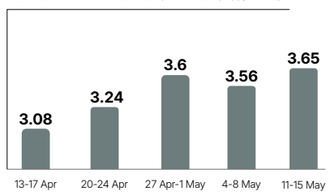
OPEC BASKET ($/BBL)



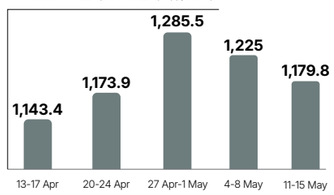
NATURAL GAS ($/MMBTU)



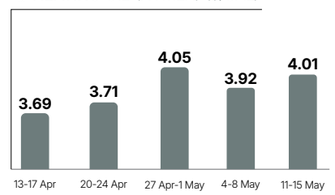
RBOB GASOLINE (NYMEX) ($/GAL)



GAS OIL (NYMEX) ($/MT)



HEATING OIL (NYMEX) ($/GAL)



setcore

Integrity Beyond Inspection

Leveraging industry expertise and advanced technologies, Setcore delivers Asset Integrity Management solutions designed to enhance reliability, reduce operational risk, and ensure long-term asset performance across critical operations.

Setcore — Your Trusted Partner in Asset Integrity Management.

www.setcore.com

Contact Us Now