

Egypt's gas exports can give it a foreign policy edge, petroleum minister says



Egypt's goal to be a net gas exporter by the end of this year will strengthen it politically, Egypt's petroleum minister said Saturday, stressing the opportunities for growth that would come from the recently-launched Eastern Mediterranean Gas Forum.

"We cannot deny that if we are able to have our own energy this will give us some – not independence but let us say some strength, edge," Tarek el Molla told CNBC's Hadley Gamble at the World Economic Forum on the Middle East and North Africa in Amman, Jordan.

The minister was speaking in response to a question about many Middle Eastern countries' reliance on their wealthier Gulf patrons like Saudi Arabia – and the fact that economic support from the Gulf also often means forfeiting independence in the foreign policy arena.

“The destiny of each country is at its own decision, however, you get to capitalize on what you have – so if you have the resource, the gas, you can play smart. And of course it would be a tool, or a card, that you can play with in politics, definitely,” el Molla said.

“When I talk about the Eastern Mediterranean Gas Forum, and we talk about the hub, I say that we will together be the hub,” the minister stressed. “Egypt will not ever be able to be the hub, no, it will be the hub together with its neighboring countries, allies, partners ... we are complementing each other in this field.”

The forum, which aims to establish a regional gas market and offer more competitive prices, consists of Egypt, Jordan, Israel, Italy, Greece, Cyprus, and the Palestinian Authority, with its headquarters in Cairo. El Molla has described high investor interest in the opportunities the forum will offer.

Hit by revolution and terrorist attacks from 2011 onward, Egypt ceased exporting its gas for several years, but has now made a comeback, becoming a key player in what many energy experts have called the “Eastern Mediterranean gas gold rush.”

Cairo is expected to become a net gas exporter by the end of 2019 and the country has seen widespread interest in its natural gas potential – particularly after the success of Egypt’s Zohr gas field, an offshore natural gas field in the Mediterranean Sea operated by Italian energy firm Eni.

Energy consultancy Wood Mackenzie has called it “Egypt’s astonishing gas renaissance,” and estimates that existing fields have gas reserves of 61 trillion cubic feet, with a further 45 trillion cubic feet yet to be discovered.

Foreign direct investment (FDI) in Egypt’s oil and gas sector reached \$10 billion in the full fiscal year of 2017/18, el Molla told an Egyptian newspaper last August, and expects at least the same in 2018/2019. In December, el Molla said Egypt had signed over 12 exploration and production

agreements with international oil companies (IOCs) during 2018. The petroleum minister told CNBC in January that Egypt's gas reserves could even be a catalyst for peace in the region.

Siemens is one firm that's no stranger to Egypt's energy sector and reportedly started doing business in the country in 1859. In recent years, it's supplied gas and wind power plants to boost the North African country's electricity generation and has what it calls the "Megaproject," which connects 14.4 gigawatts to the Egyptian national grid.

Also speaking to CNBC in Jordan this weekend, Siemens Middle East CEO Dietmar Siersdorfer told CNBC's Hadley Gamble that Egypt now has one of most modern energy systems in the whole world.

"In Egypt we've done the so-called mega projects, they've really electrified the country ... What happens there now is that the industry is growing, that was the plan from the beginning for the president, for the government," he said.

"They have also now the next level of digitalization. A lot of people have been trained now during the execution of our megaprojects," he said, adding that the country is also developing in terms of its mobility infrastructure.

—CNBC's Holly Ellyatt contributed to this report.

https://uk.finance.yahoo.com/news/egypt-apos-gas-exports-foreign-143352328.html?soc_src=community&soc_trk=wa&guccounter=1

Egypt on track to end fuel

subsidies: IMF



Egypt is on track to end subsidies on most fuels by June 15 as part of a reform programme led by the International Monetary Fund, the Washington-based body said Saturday.

The economy of the Arab world's most populous country has suffered from political instability and security threats since the 2011 uprising that ousted long-time leader Hosni Mubarak.

https://www.business-standard.com/article/pti-stories/egypt-on-track-to-end-fuel-subsidies-imf-119040700023_1.html

DIPLOMACY: Nicosia to host first trilateral summit of Cyprus, Greece and Lebanon

Leaders



Nicosia will host the first trilateral summit between the leaders of Cyprus, Greece and Lebanon later this year to review progress that has been achieved and map out further cooperation.

Cypriot Foreign Minister Nikos Christodoulides is in Beirut, where he participated in the first official tripartite Ministerial meeting between Cyprus, Greece and Lebanon, with Lebanese counterpart Gebran Bassil, and Greece's Georgios Katrougalos.

He said it was the start of a “trilateral journey”, with the three partners having to work to make their cooperation tangible in the agreed areas.

Pointing out that cooperation of the three was based on a positive agenda and was not directed against any other country, Christodoulides stressed Cyprus' intention was to turn this promising mechanism into a productive framework of interaction that would be beneficial for all.

He briefed his Lebanese counterpart on the decision to

establish a Permanent Secretariat in Nicosia, with the aim of improving the effectiveness and coordination within the tripartite cooperation mechanism with a vision to make the Eastern Mediterranean a region of peace, security and cooperation, despite the many challenges it faces.

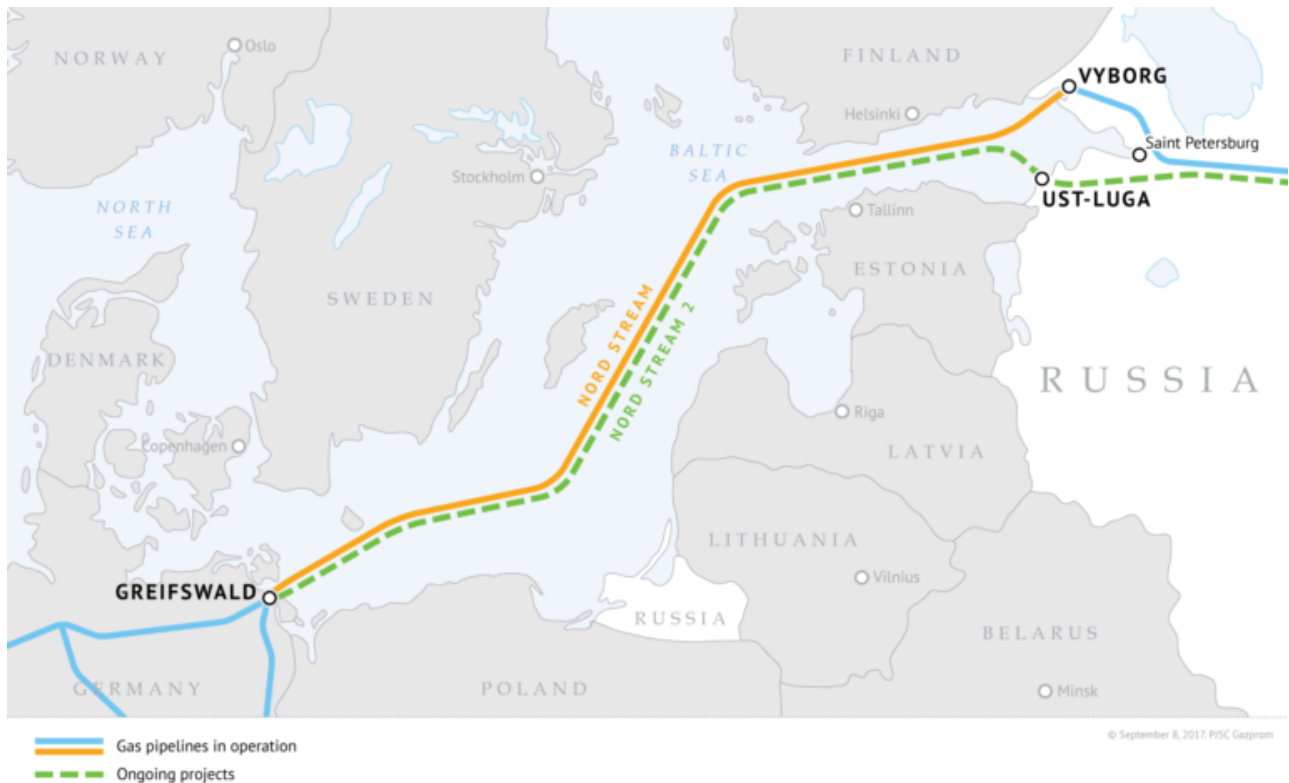
With regard to EU-Lebanon relations, Christodoulides said Cyprus would continue to work and actively assist in further strengthening them and said the EU must continue to show keen interest and activity in the region through its neighbourhood policy and its partnership priorities.

In a Joint Statement, the three Ministers recognize inter alia, the importance and value of the tripartite cooperation mechanism and reaffirm their strong commitment to further expanding and deepening their countries cooperation in this context, and to identify synergies in various areas of common interest, to the benefit of the societies and the citizens of the three countries.

According to the Joint Statement, the three Ministers also agree that this tripartite cooperation is based on respect for international law and the aims and principles of the Charter of Fundamental Rights of the United Nations.

The statement also defines the initial priority areas for cooperation as Tourism, Higher Education, Culture, Economy and Trade, with agreement to submit specific programs for these areas before the first Trilateral Summit, which was agreed to take place in Cyprus during 2019.

Gazprom raises gas exports to France by 58% in five years



MOSCOW – A working meeting between Alexey Miller, chairman of the Gazprom Management Committee, and Sylvie Bermann, ambassador extraordinary and plenipotentiary of France to the Russian Federation, took place today at the Arctic: Territory of Dialogue 5th International Arctic Forum in St. Petersburg.

The parties discussed issues related to cooperation in the gas sector, including gas supplies. It was noted that France ranks among Gazprom's key markets in Europe. The Company's gas exports to the country grew by 58% in five years, reaching 12.9 Bcm in 2018.

Particular attention at the meeting was paid to the progress of the Nord Stream 2 project. It was highlighted that 607.7 mi (978 km) of pipes – 40% of the gas pipeline's total length – have been laid in the Baltic Sea by now.

<https://www.worldoil.com/news/2019/4/10/gazprom-raises-gas-exp>

Jordan to reject any proposal without independent Palestinian state – PM



AMMAN – Jordan will reject any proposed settlement of the Palestinian-Israeli conflict that does not guarantee the establishment of an independent Palestinian state, Prime Minister Omar Razzaz said on Tuesday.

The premier noted during a press conference on Tuesday that Jordan's position on the long-running Palestinian-Israeli conflict rests on two irreversible constants; the establishment of an independent Palestinian state with East Jerusalem as its capital and the Hashemite Custodianship over Jerusalem's Islamic and Christian holy sites.

"These are the unshakable foundations of Jordan's position on Palestine and the non-negotiable red lines," Razzaz said in response to a question on how Jordan would respond to the so-called deal of the century.

Regarding calls to scrap a gas deal between Jordan's National Electric Power Company and Israel, Razzaz said that his government was not the one who signed the deal.

He added that the decision to keep or cancel the deal will be taken in accordance with Jordan's higher interests.

"There is definitely a penalty clause in the deal," the premier told reporters.

Razzaz said that the deal is currently being reviewed by the Constitutional Court.

The Lower House has recently declared its "utter rejection" of the gas deal, requesting that the agreement be "cancelled at any cost".

The government has decided to refer the gas deal with Israel to the Constitutional Court for interpretation of Article 33 of the Constitution.

Paragraph B of the said article reads: "Treaties and agreements which involve financial commitments to the Treasury or affect the public or private rights of Jordanians shall not be valid unless approved by the National Assembly. In no circumstances shall any secret terms contained in any treaty or agreement be contrary to their overt terms".

<http://www.jordantimes.com/news/local/jordan-reject-any-proposal-without-independent-palestinian-state-%E2%80%9494-pm>

Turkish household gas consumption down by 12.3% in 2018



Turkey's natural gas consumption per household decreased by 12.3% to 905 cubic meters in 2018 compared to the last three year's average consumption of 1,032 cubic meters, according to Yasar Arslan, chair of the Turkish Natural Gas Distributors Association, (GAZBIR) on Wednesday.

Arslan told Anadolu Agency the average temperature in Turkey in 2018 increased by 1.8 degrees centigrade to 15.4 degrees from 13.6 degrees in 2017.

"As a result of this increase, Turkey's natural gas consumption per household decreased and Turkey's gas imports also went down by 2 billion cubic meters," Arslan said.

He added that in monetary terms, this amounts to approximately 3.4 billion Turkish liras (\$600 million).

Turkey's natural gas consumption totaled around 48.9 billion

cubic meters last year.

Arslan noted that 80% of Turkey's population had access to natural gas as at the end of 2018.

"Thanks to the use of natural gas in residential buildings in 2018, 7.25 million tons of air pollutants and gases were prevented from being released into the environment," Arslan said and added, "In each household there was a reduction of 235 kilograms of particles, 250 kilograms of NOx and SOx with the use of natural gas."

In keeping with the country's aim to counter deforestation, gas distribution companies in coordination with the Energy and Natural Resources Ministry planted one tree for every new natural gas subscription.

Qatar Petroleum awards LNG expansion project deals



LNG giant Qatar Petroleum has awarded a number of contracts related to Qatar's LNG expansion project designed to enhance its capabilities by increasing LNG production capacity from 77 to 110 million tons per year by 2024.

Speaking at a conference in Shanghai recently, **Saad Sherida Al-Kaabi**, the Minister of State for Energy Affairs and President & CEO of Qatar Petroleum, said the fabrication and installation of the offshore jackets was awarded to McDermott.

He added that the contract for early site works required to prepare the site of the four new 8 mtpa LNG mega-trains in Ras Laffan Industrial City to a joint venture between Consolidated Contractors Company (CCC) and Teyseer Trading and Contracting Company.

Al-Kaabi also said, *"we are in the tendering phase for 8 rigs for the development drilling. The Front End Engineering and Design of the Onshore Facilities with Chiyoda will be completed in the next few days. The main Invitations to Tenders for the Engineering, Procurement and Construction of*

the Onshore Facilities will be issued before the end of this month."

He further added that in a few weeks, qualified shipyards will be invited to participate in a tender for the provision of LNG ship construction slots for the LNG shipping fleet required for the LNG expansion project.

Exxon Is in Talks Over Floating LNG Partnership in Israel



Exxon Mobil Corp. is in discussions to build a platform that would expand the export reach of Israel's biggest natural gas field, according to people familiar with the matter. Israeli gas stocks rose.

The world's largest publicly-traded oil and gas company is in talks with the firms developing Israel's Leviathan reservoir to build a floating liquefied natural gas ship, the people said, requesting anonymity because the matter is private. Such a project would allow the Leviathan partners to export to

countries not reachable with pipelines and avoid the need to build expensive infrastructure to connect to LNG facilities in Egypt.

It's possible the discussions ultimately won't lead to a partnership, the people cautioned. An Exxon representative declined to comment on its intentions in Israel. The company recently made a major gas discovery nearby, off the coast of Cyprus.

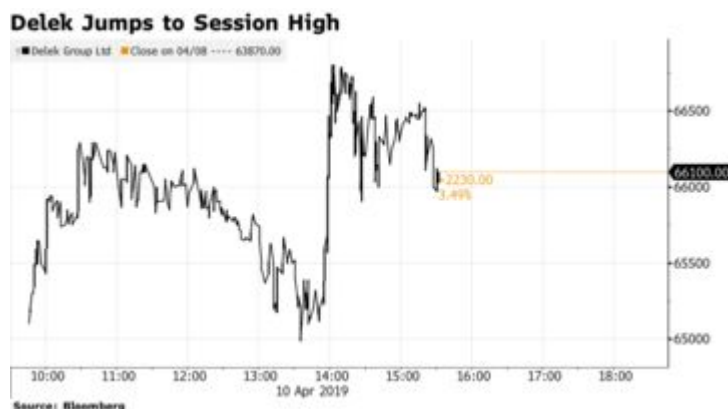
"It's too early to comment on specific development and production timelines" for the Cyprus discovery, the representative said.

Despite considerable gas discoveries in the Eastern Mediterranean region over the past decade, viable export routes have proven tough to find and global energy firms haven't rushed in. The Leviathan partners have signed deals to meet surging demand in Egypt, Jordan and Israel, but haven't yet found a way to export to Europe or East Asia.

Shares Rise

The partners developing Leviathan, a deep-sea find of about 600 billion cubic meters – at the time it was found, the biggest underwater gas discovery in a decade – have bookmarked the next phase of the reservoir's development for export deals and are examining ways to reach markets outside the region. Delek Drilling LP, the biggest shareholder in the Leviathan field, is looking into several options, such as buying a stake in one of Egypt's LNG sites.

Delek Group Ltd., controlled by billionaire Yitzhak Tshuva and largest shareholder of Delek Drilling, climbed as much as 6.5 percent on the news. Ratio Oil Exploration 1992 LP, which owns a 15 percent stake in the Leviathan project, gained as much as 4.6 percent.



The talks with Exxon are the latest sign that an unofficial energy boycott on Israel, imposed by leading Arab countries, is fading. Energy majors that partner with big Arab firms have hesitated to do business with Israel in the past, for fear of risking ties with states that control some of the world's biggest energy reserves and have been hostile toward Israel until now.

Those concerns seem to be dissipating. Israel and Persian Gulf states have found common cause against Iran, leading some Arab leaders, such as Saudi Crown Prince Mohammed Bin Salman, to break longstanding diplomatic taboos on Israel. Covert trade with the Arab world, mainly involving Israel's technology sector, also has grown.

For Exxon, expanding into Israel would reflect the company's growing ambitions in the East Med, an area that straddles Egyptian, Israeli, Lebanese and Cypriot waters. Exxon established a foothold in the region in February, when it found an offshore reservoir in Cypriot waters that's about one-third the size of Leviathan.

Exxon recently spoke with Israeli Energy Minister Yuval Steinitz about participating in an upcoming tender for new offshore drilling blocs, according to people familiar with the matter.

https://www.bloomberg.com/amp/news/articles/2019-04-10/exxon-is-said-in-talks-over-floating-lng-partnership-in-israel?__twitter_impression=true

Indonesia, Malaysia send letter protesting EU palm oil curbs



JAKARTA/BRUSSELS (Reuters) – The leaders of Indonesia and Malaysia, the world's two biggest palm oil producers, sent a letter of objection to the European Union criticizing its decision to no longer consider palm oil as a green fuel and threatening the bloc's ties with the countries.

Last month, the European Commission determined that palm oil has resulted in excessive deforestation and that it should no longer be considered a renewable transport fuel, albeit with some exemptions.

It will become law unless a majority in the European Parliament or in the group of EU countries objects. So far, there are no indications that either will do so.

Indonesia and Malaysia have both threatened a World Trade Organization challenge against the EU plan.

"Both our governments view this as a deliberate, calculated and adverse economic and political strategy to remove palm oil from the EU marketplace," Indonesian President Joko Widodo and Malaysian Prime Minister Mahathir Mohamad said in an April 5 letter that was reviewed by Reuters.

"Should this delegated regulation enter into force our governments shall review our relationship with the European Union as a whole, as well as its member states. This may include the reviewing of our partnership negotiations, procurements contracts and key imports from the EU," the letter said.

With the planned regulation, the EU plans to increase its use of renewable energy sources and to take into account deforestation when it determines what products can be labeled renewable.

Delegations from both countries arrived in Brussels for an official visit on Monday and Tuesday.

Indonesia's coordinating minister for economic affairs Darmin Nasution said the country would definitely file a World Trade Organization (WTO) complaint once the new rules were adopted. Tan Yew Chong, secretary general for Malaysia's ministry of primary industries, said his country would do the same.

The joint mission of the Council of Palm Oil Producing Countries, which also includes Colombia, have a series of meetings with EU officials, lawmakers and national governments to convey their disappointment and to fight the act put forward by the European Commission.

Indonesia, the world's largest palm oil producer, argues that rather than promoting sustainability in the vegetable oil sector, the regulation is more about protecting and promoting the European Union's home-grown vegetable oils, such as rapeseed and sunflower.

European spirits makers said last week they are facing difficulties exporting drinks to Indonesia as tensions over palm rise, but an Indonesian official denied that it was a retaliation against EU's renewable energy policy.

Engie-led consortium seals US\$8.6b purchase of Petrobras pipeline unit



PARIS (April 8): A consortium led by French utility Engie has won a bid for Petrobras' TAG pipeline arm with an US\$8.6 billion offer, in a deal that boosts Engie's presence in a fast-growing sector and will help Petrobras cut its debts.

Engie said on Monday its successful offer for a 90% stake in TAG was made by a consortium involving Engie and Canada's Caisse de Dépôt et Placement du Québec (CDPQ). Petrobras will keep a 10% stake in TAG.

Engie said buying TAG would provide it with a steady stream of profits, with TAG accounting for 47% of Brazil's entire gas infrastructure.

"Our acquisition of TAG is a significant milestone for ENGIE in Brazil, a key market for the group where we have been present for 23 years," said Engie Chief Executive Isabelle Kocher.

"It is fully aligned with Engie's strategy to become the leader of the zero-carbon transition, supporting Brazil in the decarbonization of its energy mix," added Kocher.

Under Kocher, Engie has been focusing its investments on energy services, renewable energy and infrastructure assets, while selling out of coal-related assets.

Engie said the acquisition of TAG, which had 2018 core earnings of US\$1.14 billion, would result in Engie's net debt increasing by around 1.6 billion euros (US\$1.8 billion).

The TAG divestment also represents a victory for Petrobras' leadership and its Chief Executive Roberto Castello Branco, who is pushing to unload assets in a bid to cut debt and refocus on exploration and production.

In September 2016, Petrobras sold a larger gas network pipeline, Nova Transportadora do Sudeste, for US\$5.2 billion to Brookfield Infrastructure Partners LP, which beat out a bid

by Engie.