

RWE Dea launches gas production in Egypt

Cairo, 10 September 2013

RWE Dea Egypt has produced first gas from the Disouq concession in the Egyptian Nile Delta. The project encompasses the development of seven gas fields in the area to produce a total of approx. 11.4 billion cubic metres of gas. Disouq is the first natural gas project to be brought into production by RWE Dea as operator in Egypt.

RWE Dea is pleased to announce that the first gas from the Disouq concession, in which RWE Dea Egypt holds 100% of all shares and with the Egyptian Natural Gas Holding Company (EGAS) as state partner, has been delivered to the Egyptian National Grid. The production is expected to ramp-up progressively during the commissioning period to reach a rate of around 1.4 million cubic metres of gas per day. A peak production level of around 4 to 4.5 million cubic metres per day is expected to be achieved in mid-2014 when additionally a central treatment plant will start producing.

“We’re excited to be able to start production in this RWE Dea growth project,” says Dirk Warzecha, Chief Operating Officer of RWE Dea AG.

“We have until today produced oil as operator in the Gulf of Suez for almost 30 years and are now proud to be able to extend our long-term commitment in Egypt to include our own-operated gas production in Disouq.” The gas produced from this particular project is to contribute materially towards supplying the growing energy market in Egypt.

During the initial project phase, four of a total of seven gas fields will be brought into production by July 2014. The gas produced from the North West Khilala (NWK) field will initially be collected in a temporary processing facility, where it will be separated into dry gas and condensate. From the facility operated by Suez Oil Company (SUCO), the gas will be fed into the Egyptian gas supply grid via the state-owned GASCO pipeline system.

In the first half of 2014, the *Disouq Central Treatment Plant (DCTP)*, a dedicated facility set up by RWE Dea, will start production by receiving gas from the fields North Sidi Ghazy, North West Sidi Ghazy and South Sidi Ghazy. After the shut down of the temporary processing facility also the gas of NWK will be routed to the DCTP, which is located in the immediate vicinity to North Sidi Ghazy, one of the largest of the seven gas finds so far. The DCTP has a processing capacity of 4.25 million standard cubic metres of gas per day. The treated gas and the condensate are pumped by the DCTP into the national grid via two pipelines, each about 40 kilometres in length.

During the second project phase from July 2014 to the end of the same year, further gas fields discovered by RWE Dea, namely Sidi Salem South East as well as the Disouq Fields, will be integrated into production. RWE Dea plans to produce the total volume of approx. 11.4 billion cubic metres of gas in the first two project phases via a total of 16 production wells. "We plan to have all 16 wells in production by the end of 2014," explains Maximilian Fellner, General Manager RWE Dea Egypt. "All members of the project teams in RWE Dea and SUCO, from exploration and construction of the gas treatment plant all the way through to pipeline installation and commissioning, have done an excellent job in order to achieve the production launch," says Fellner.

The gas deposits in Disouq range from rock formations of the Pliocene era to the Messinian, with the lion's share of gas reserves being found in the Messinian. RWE Dea plans to develop additional natural gas potential in the areas adjoining the reservoirs already discovered and belonging to the concession.

The Disouq concession is located in the Kafr el Sheikh Governorate, in Egypt's gas-rich region of the Nile delta that reaches all the way to the Mediterranean. The concession currently comprises a total area of 3,217 square kilometres and was awarded to RWE Dea in July 2004. "We look forward to taking up operations as a gas producer in Kafr el Sheikh and, within the scope of good neighborly relations, we will continue to work with our community to foster further development in the area we are active in" says Fellner.

Including its predecessor company, RWE Dea Egypt has already been engaged in upstream operations in Egypt for almost 40 years and has produced oil in the Gulf of Suez as operator for three decades now. In recent years, the Company has made a number of large gas discoveries in Egypt and extended

its portfolio substantially by acquiring additional concessions. RWE Dea is engaged in 11 onshore and offshore concessions in Egypt with a total area of about 6,500 square kilometres.

Stakes in the licence:

RWE Dea Egypt (operator): 100.00%

Further particulars

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Background information

RWE Dea AG, headquartered in Hamburg, is an international company engaged in the exploration and production of natural gas and crude oil. The company deploys state-of-the-art drilling and production technologies and puts its many years' experience acquired to good use in its activities. RWE Dea has set new standards in the fields of safety and environmental protection.

RWE Dea has stakes in production facilities and concessions in Germany, the UK, Norway, Denmark, Egypt and Algeria, and holds exploration licenses in Ireland, Libya, Mauritania, Poland, Suriname, Trinidad & Tobago, and Turkmenistan. Moreover, in Germany RWE Dea operates large subterranean storage facilities for natural gas. RWE Dea is part of the RWE Group, one of Europe's largest energy utilities.