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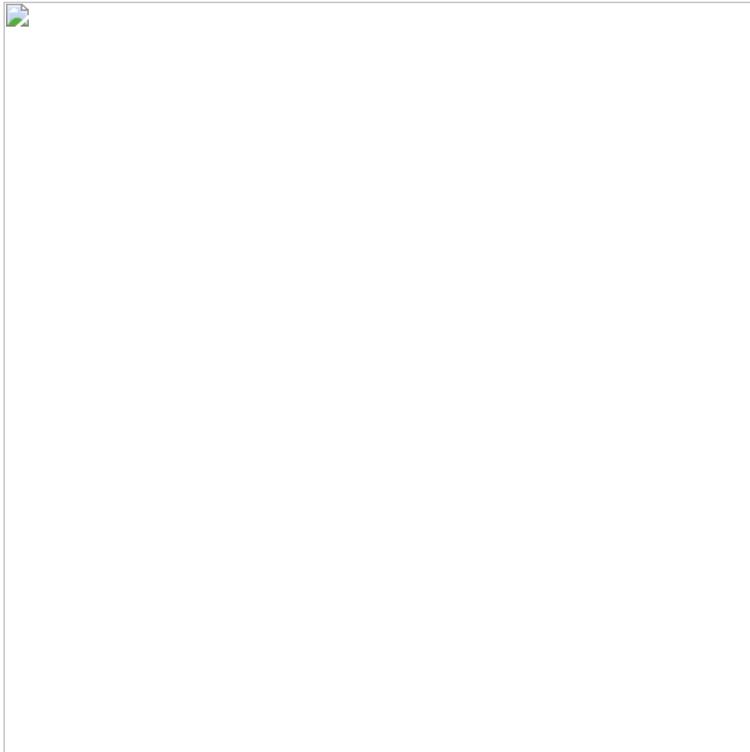
## EGPC Has a Successful 2011 Bid Round

Bid Round

In the midst of political turmoil and economic instability the Egyptian General Petroleum Corporation has successfully completed their first post-revolution bid round. Surprisingly, it was one of their most successful bid rounds in the last decade. Eleven out of fifteen offered blocks were rewarded by EGPC to nine different companies.

The blocks up for bid in the 2011 EGPC bid round were mostly onshore sites located in the Gulf of Suez and Western Desert. 25 different companies placed bids by the March 29th 2011 deadline, which had previously been extended from January 30th to allow more companies to make bids.

Canada's TransGlobe Energy picked up the most blocks with four concessions. Royal Dutch Shell followed with three blocks. While Apache, Dana Petroleum, Petroceltic, Beach Petroleum, RWE Dea, Dove Energy, and Vegas Oil and Gas split the remaining four. Dove Energy was the only new bidder to receive a concession. The concessions are expected to be ratified by the People's Assembly (Parliament) in late 2013.



This bid round was seen as a low risk opportunity for companies to show their support of Egypt and to add to their already developed acreage. Most of the blocks are oil prone and close to previously rewarded concessions.

TransGlobe Energy won three Eastern Desert blocks and one Western Desert block. The three Eastern Desert blocks, including the second largest block up for bid, are adjacent to blocks it already operates on at West Bakr and West Gharib. TransGlobe was considered the winner of this bid session due to the number of blocks it gained and their proximity to their present assets.

Shell gained three Western Desert blocks, two of which are near its Obaiyed gas field. Its third block is close to its Bard El Din and Alam El Shawish West producing areas.

Apache was awarded a single block in the Gulf of Suez. This block is adjacent to its East Ras Budran field, making it the major acreage holder in the area.

Vegas Oil and Gas won the largest block up for bid in this round. The 3000 km<sup>2</sup> field located in the Sinai, is close to other heavily producing fields.

RWE Dea/Dove Energy were awarded a water block in the Gulf of Suez. This block is close to RWE Dea's mature Ras Budran field. Dove Energy, the only new company in the bid round, acquired 20% interest in this block.

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### Should Data Packages of New Bid Rounds be Without Cost?

Commodity	Units	Price	Change
Crude Oil (WTI)	USD/bbl	47.97	+0.02%
Crude Oil (Brent)	USD/bbl	48.97	+0.04%
NYMEX Natural Gas	USD/MMBtu	3.02	-0.13%
OPEC Basket Price	USD/bbl	45.35	+2.27%

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This first pre-revolution bid round was seen as a major success. Its eleven out of fifteen awards was not only the highest number of blocks rewarded in the last decade, but it was the highest ratio of awards to blocks offered since 2005. In a country that is going through political and economic turmoil the success of this bid round shines bright.

While drilling and production were largely unchanged by the January 25 Revolution, Egypt has been late to make payments to International Oil Companies. It is rumored that the delayed payments are in the range of four to seven billion dollars. Additionally, before IOC's can start work on these blocks the concessions must be ratified by The People's Assembly, which at this moment has been dissolved.

EGPC plans to return to bid rounds every 18 months. In order for these to be successful, investors must see signs of increased stability and exploration success. A quick ratification process and timely payments by the Egyptian government will go far in stabilizing IOC's concerns.

*By Tatianna Duran*

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