ECOFIN AGENCY · EGYPT · LNG

Egypt finds 200 Bcf Mediterranean gas as imports surge

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Egypt has announced a new natural gas discovery in the Mediterranean Sea, with initial estimates placing the find at 200 billion cubic feet (Bcf). Further studies are required to determine recoverable volumes, meaning the commercial viability of the discovery remains unconfirmed at this stage. The announcement comes at a critical moment for Egypt's energy sector, which is grappling with declining domestic production and a sharply increased dependence on imported gas.

Egypt's LNG import volumes reached a record 9.01 million tons in 2025, underscoring the widening gap between domestic supply and national energy demand. The country, once a significant LNG exporter leveraging its Idku and Damietta liquefaction facilities, has seen its upstream output erode in recent years, forcing a reversal of its trade position from net exporter to net importer. The scale of the import surge highlights the urgency with which Egyptian authorities are seeking to replenish domestic reserves and restore production capacity.

The new Mediterranean discovery, while potentially significant, is at an early stage. Authorities have indicated that appraisal work must still be conducted to assess how much of the 200 Bcf estimate is technically and commercially recoverable. Until that work is completed, the find remains a prospect rather than a confirmed reserve addition. Egypt's Mediterranean offshore acreage has previously yielded major discoveries, including the supergiant Zohr field, which shaped the country's gas strategy throughout the late 2010s and early 2020s, though Zohr itself has experienced production declines that have contributed to the current supply shortfall.

The dual pressure of falling output and record import requirements is driving Egyptian energy authorities to accelerate exploration activity and attract upstream investment. Any confirmed reserve addition from the new find would need to be developed and brought to production before it could meaningfully offset import dependency. The timeline from discovery through appraisal, development, and first gas typically spans several years, meaning near-term relief for Egypt's supply balance will likely continue to depend on LNG procurement and any additional upstream deals that may be in progress.

Egypt's position as a potential LNG re-export hub for East Mediterranean gas, using its existing liquefaction infrastructure, remains a longer-term strategic ambition contingent on restoring surplus domestic production. The current record import figure of 9.01 million tons in 2025 illustrates how far the country's supply situation has shifted from that aspiration. Progress on the new discovery, alongside any further exploration results, will be closely watched by regional and international energy market participants as indicators of whether Egypt can stabilise its gas sector outlook.

Why this matters to partners and clients of Saga

The discovery is at reconnaissance/appraisal stage with no contract, FID, or tender announced; Norwegian service companies should monitor appraisal progress and use this period to build relationships with active operators in Egypt's Mediterranean offshore. If appraisal confirms commercial volumes and development planning begins, subsea, drilling, and well-services players will be well-positioned to engage procurement processes early.

PARTNER ANGLES

- **Drilling:** Appraisal drilling campaigns will be required to confirm recoverable volumes; establishing frame agreements with Mediterranean offshore operators now positions drilling contractors ahead of tender issuance.
- **Subsea/FPSO:** If the discovery proves commercial, subsea tieback or standalone development infrastructure will be needed; monitoring operator appraisal milestones is the appropriate step at this stage.

- **LNG:** Egypt's record 9.01 million-ton LNG import volume in 2025 signals active procurement demand; LNG vessel operators and regasification service providers should assess near-term supply contract opportunities.
- **Well Services:** Rising appraisal and exploration activity in Egypt's Mediterranean offshore creates demand for well-testing, logging, and completion services as operators move to delineate the new find.

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