

MINISTRY OF PETROLEUM & MINERAL RESOURCES - NEWS (EGYPT) · EGYPT · UPSTREAM

Cyprus Aphrodite field nears Egypt gas export deal

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Egypt and Cyprus have moved a step closer to developing the offshore Aphrodite gas field, with the Egyptian Minister of Petroleum and Mineral Resources and the Cypriot Minister of Energy witnessing the initialling of a new agreement aimed at finalising the financial framework for Aphrodite's development and the transportation of its gas to Egypt.

The initialling marks a heads-of-agreement-level instrument — not a signed or ratified contract — meaning the parties have agreed in principle on the financial structure but have not yet executed binding commercial terms. This distinction matters for suppliers and service companies tracking procurement opportunities: the project remains in a pre-contract phase, and no formal tender or procurement process has been announced in connection with this development.

Aphrodite is a significant offshore gas discovery located in Cypriot waters, and routing its production to Egypt has long been discussed as the most commercially viable export pathway. Egypt's existing LNG liquefaction infrastructure — including the Idku and Damietta plants — makes it a natural destination for East Mediterranean gas, and Cairo has actively positioned itself as a regional gas hub. The new agreement appears intended to resolve the financial arrangements that have previously complicated efforts to move Aphrodite toward a final investment decision.

The involvement of both energy ministers at the signing ceremony signals high-level political commitment from both governments, which is a meaningful step for a cross-border development project that requires regulatory alignment, intergovernmental

agreements, and coordinated commercial structures between international operators and state entities. However, until a final investment decision is taken and engineering, procurement, and construction contracts are issued, the project's direct procurement opportunities remain prospective.

For the broader East Mediterranean gas landscape, progress on Aphrodite carries strategic weight. Bringing additional offshore gas volumes to Egypt strengthens the country's position as a transit and processing hub, and any eventual development would likely involve a subsea tie-back, pipeline infrastructure across maritime boundaries, and integration with onshore processing or liquefaction facilities. The scale and technical complexity of such a development would represent a substantial workload for the offshore service industry if and when it reaches sanction.

Why this matters to partners and clients of Saga

Norwegian service companies should monitor this development closely but hold off on procurement outreach — the initialing of a financial framework agreement is a pre-FID instrument and no contracts have been awarded or tenders announced. The appropriate posture now is relationship-building with the operators active on Aphrodite and the Egyptian state entities involved in gas reception infrastructure, positioning for when the project moves toward FID and formal FEED or EPCI scopes are released.

PARTNER ANGLES

- **Subsea/FPSO:** An Aphrodite development would likely require a subsea production system and export pipeline; Norwegian subsea contractors should track operator FEED announcements for early engagement opportunities.
- **Pipeline:** Cross-border gas transportation from Cypriot waters to Egypt implies significant marine pipeline scope; pipeline contractors should monitor project structure as the financial framework is finalised.
- **LNG:** Egyptian LNG liquefaction plants at Idku and Damietta are the probable end-destination for Aphrodite gas; LNG process and maintenance service firms should map current operator relationships at these facilities.

- **Drilling:** Development drilling on Aphrodite will be required ahead of first gas; drilling contractors should track FID timing and rig-demand signals from the operator consortium.

[Original source: Ministry of Petroleum & Mineral Resources - News \(Egypt\) →](#)

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