

**Comments by Julian Bowden, Senior Visiting Research Fellow, The Oxford Institute for Energy Studies (OIES), Oxford, UK**

**1. Egypt**

- Production crisis. Gas output collapsed....
  - Peak was 2021. We have data through to October 2025. Over these 10 months, and 2021 to 2015, then lost 23 bcm, **Or down 40%**
- Gas demand roughly stable though. Balance achieved through cutting LNG exports to zero, LNG imports and pipe imports from Israel. So supply side rather than demand side policy moves to rebalance gas balance.
- Imports of pipe and LNG met 35% of demand in 2025 (based on 10 months data). Up from just 3% in 2020. A transformation.
- In 2025, Israel supplied 15% of Egyptian demand. Material dependence on Israeli supply.
- Geopol of this: while Egypt has large dependency on Israel for supply; Israel has large dependency on Egypt for market of its gas surplus.
- And they don't really like each other.
- No alternative in sight. Lots of options talk – LNG in Cyprus, FLNG, pipe to Europe.... Nothing so far.
- 2025 – production stabilised; has been approx. flat through 2025
- Magnet of Egyptian deficit – pulling in gas from Cyprus. But that won't happen in any significant way this side of 2030.
- Egypt struggling: big gas market; now deficit. Policy push: upstream; turning to renewables (dependent on Gulf money to support that) and also nuclear. (Rosatom. First Unit in 2026?). And LNG imports and more pipeline gas from Israel. So far not much on the demand side - demand is roughly flat.
- LNG to Europe – not this side of 2030. More the reverse; Egypt as taking from the LNG market rather than putting LNG into it.
- Conclusion: not much will change this side of 2030: production may respond a bit, but basically it is imports to meet the gap. And size of the gap (ie in order that gap does not get bigger) to be controlled by renewables
- **If** Cyprus gas can be isolated from the Egyptian domestic market, then it can be monetised through the idle Egyptian LNG plants. But then we have the odd situation of Egypt still needing LNG imports from the international market.

## Black Sea

- Why Black Sea important? Why relevant here in an EM discussion?
  - Discoveries made, so we're not dealing with potential, but actuals.
  - Established market in SE Europe. And it's mostly EU so has an EU regulatory system.
  - Projects are taking shape: Turkey Sakarya on; Romania Neptun Deep should be on in 2027; Bulgaria drilling now.
  - All this will have an impact on SE Europe markets before 2030.
  - Infrastructure: exists, and is being expanded.
- Impact on East Med?
  - **Negative:** competitor for market space. And, it will get there first. Will it squeeze East Med out, deny EM an opportunity? Depends on extent of further discoveries...
  - **Positive:** improve overall market liquidity; create a pricing point (hub)? Potential for joint use of infrastructure. More reach from larger gas volumes.
  - SE Europe needs gas. Decarb opportunity from removal of lignite. Only Greece making significant reductions. Lignite remains important in energy systems of Bul, Rom, Serbia etc
  - Maybe NewMed realises all this – partner in Bulgaria offshore
- Conclusion: what happens in Black Sea will help shape how EM gas comes to market.