

Mediterranean's gas could be positive for energy security, drawing countries in the region closer together. A more diversified gas, as well as electricity, supply and infrastructure could also improve the life of those on the southern shores of the Mediterranean, by improving their energy supply and security, and even ease issues such as migration, he said.

### Game changer

Until relatively recently, upstream offshore development was in stasis offshore Egypt. The uprising in 2011 saw President Hosni Mubarak overthrown and resulted in a period of uncertainty, as well as unpaid debt to international oil companies mounting into billions.

Tarek El-Molla, Egypt's Minister of Petroleum and Mineral Resources told OMC how the country, after 2011, fell fast into gas shortages, resulting in blackouts and factory stoppages. "We were paralyzed," he says. It wasn't until 2013 that a decision was taken to build LNG import infrastructure in place, so that the country, which is 92% reliant on fossil fuels for its energy, would have the energy it needed. Meanwhile, the country has some 19 Bcm/yr of idle LNG export capacity, says Manfred Hafner, professor at Johns Hopkins University and associate fellow at Fondazione Eni Enrico Mattei. Zohr will go a significant way to putting that export capacity back to use.

"Zohr is a game-changer," El-Molla says. "We have been, since 2011-2013, having difficult times... changes of regime and instability: politically, in security and economically. A great discovery like Zohr has made a lot of changes for us. Zohr is the biggest discovery in the Mediterranean and one of the major discoveries in the world and for us this is the beginning.

"We will be self-sufficient [in gas] by 2018 and, by 2019,



Eni CEO Claudio Descalzi at OMC 2017. Photo from Eni's Flickr.

we will be in a position to resume export by existing LNG plants," he adds. "We may go beyond that, with expansion of [our] LNG plants with additional trains. [there could be] other strategic plans for fertilizers and petrochemicals, that would need gas in parallel to exports."

Zohr, slated to be one of the longest subsea tiebacks in the world, was found in 2015 in one of 15 blocks awarded by Egyptian state-owned company Egas in 2012. Until then, exploration in the area hadn't yielded significant results (OE: April 2016). IHS Markit says Zohr holds in-place resources of 32 Tcf of dry gas, with possible recoverable resources of about 20 Tcf. A development plan for the field was approved in 2016 and first gas is expected late 2017. Meanwhile, in July 2015, Eni also discovered Nooros, which was brought online in September the same year.

"In a few years we are going to fulfill all domestic needs for Egypt for gas," said Claudio Descalzi, Eni's CEO at OMC.

## Raccortubi expands

Before and through the downturn, Italy's Raccortubi Group has been expanding through acquisition and setting up new subsidiaries. The firm set up subsidiaries in Dubai, Singapore and São Paulo, Brazil, in 2013, acquired specialized butt weld fittings manufacturer Petrol Raccord in 2014, and then Raccortubi Norsk (then Norsk Alloys) in 2015.

The moves broaden the firm's geographic spread but also mean the firm's traditional production of butt weld fittings, from 1/2in to 16in from Tecninox, a part of the group since 1988, complemented with seamless and welded fittings up to 56in.

Last year, Raccortubi also introduced Titanium Gr 2 into its manufacturing and stockholding range, together with all the relevant base material. This means the firm can react quickly to orders and deliver complete packages, says Luca Pentericci, Raccortubi Group's President. The same ethos cuts across the whole business.

"Due to the extensive raw material availability, we can work on tight schedules for specific projects but we are also able

to guarantee a fast-track service to meet any urgent request from our customers," he says, adding that the firm's business model is to offer the flexibility of a stockholder while having the expertise of a manufacturer. "In Petrol Raccord, not only have we included in manufacturing welded elbows in two halves, but we have also implemented a new quick production line to rapidly manage orders even within a few weeks. This, of course, thanks to extensive raw material availability, [including] sheets/plates up to 50mm-thick in duplex, superduplex, 6Mo and titanium."



Luca Pentericci

It should put the firm in good stead, when orders start to pick up. "We expect a global recovery when the oil price reaches a level at which companies will be able to arrive at a convenient breakeven point and restart investing," Pentericci says. "Of course,

oilfields are very different to one another, but if the general situation is not expected to change rapidly, the methods for extracting crude oil will remain more or less the most traditional, without looking for complex solutions in terms of neither technology nor materials." ■