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Human Resources Development in Arab Petroleum Industry

Highlights & Ongoing Challenges

H.E. The Secretary General: OAPEC Seeks to Boost Cooperation among Member Countries

Abu Dhabi to Host High-level Ministerial Meeting on Climate Change

ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

The Organization of Arab Petroleum Exporting Countries (OAPEC) was founded on the basis of the agreement signed in Beirut, Lebanon on 9 January 1968 between the governments of Kingdom of Saudi Arabia, the State of Kuwait and the (then) Kingdom of Libya. The agreement stipulates that the Organization shall be domiciled in the City of Kuwait.

The principal objective of the Organization is the cooperation of the members in various forms of economic activity in the petroleum industry, the determination of ways and means of safeguarding the legitimate interests of its member countries in this industry, individually and collectively, the unification of efforts to ensure the flow of petroleum to its markets on equitable and reasonable terms, and providing appropriate environment for investment in the petroleum industry in member countries.

In 1970 the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain and the Republic of Algeria joined the Organization, followed by the Syrian Arab Republic and the Republic of Iraq in 1972, Arab Republic of Egypt in 1973, then the Republic of Tunisia in 1982 and its membership was suspended in 1986. Any Arab country which derives a significant share of its national income from petroleum is eligible for membership in OAPEC upon the approval of three-quarters of the member countries, including all three founding members.

OAPEC'S ORGANS

The Organization carries out its activities through its four organs:

- **Ministerial Council:** The Ministerial Council is the supreme authority of the Organization, responsible for drawing up its general policy.
- **Executive Bureau:** The Executive Bureau is composed of one representative from each of the member countries, drawing recommendations and suggestions to the Council, reviewing the Organization's draft annual budget and submitting it to the Council, it also adopts the regulations applicable to the staff of the General Secretariat. The resolutions of the Executive Bureau are issued by the majority of two- thirds of all members.
- **General Secretariat:** The General Secretariat of OAPEC plans, administers, and executes the Organization's activities in accordance with the objectives stated in the agreement and directives of the Ministerial Council. The General Secretariat is headed by the Secretary General. The Secretary General is appointed by resolution of the Ministerial Council for a tenor of three years renewable for similar period(s). The Secretary General is the official spokesman and legal representative of the Organization and is accountable to the Council.
  The Secretary General directs the Secretariat and supervises all aspects of its activities, and is responsible for the tasks and duties as directed by the Ministerial Council. The Secretary General and all personnel of the Secretariat carry out their duties in full independence and in the common interests of the Organization member countries. The Secretary General and the Assistant Secretaries General possess in the territories of the Organization members all diplomatic immunities and privileges.
- **Judicial Tribunal:** The protocol of the Judicial Tribunal was signed in Kuwait on 9 May 1978 and came into effect on 20 April 1980. The Tribunal is competent to consider all disputes related to the interpretation and application of OAPEC's establishment agreement, as well as disputes arising between two or more member countries concerning petroleum operations.

- **OAPEC-Sponsored Ventures:** OAPEC has sponsored the creation of four companies: The Arab Maritime Petroleum Transport Company (AMPTC), established in 1972 with headquarters in Kuwait City, the Arab Shipbuilding and Repair Yard Company (ASRY) established in 1973 with headquarters in Bahrain, the Arab Petroleum Investments Corporation (APICORP) established in 1974 with headquarters in Khobar, Saudi Arabia, the Arab Petroleum Services Company (APSC) established in 1975 with headquarters in Tripoli, Libya.

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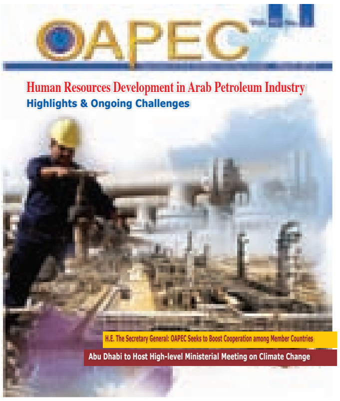

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Human Resources Development in Arab Petroleum Industry

Highlights & Ongoing Challenges

Development in its comprehensive social, economic, and cultural sense is one of the main goals of all Arab countries. It is a means for achieving an ideal use of a country's economic resources. It is through development that countries can draw comprehensive strategies to improve the skills of their society members.

Development also ensures an active participation from the state's institutions and civil society, develops infrastructures, boosts scientific research, and spreads the use of advanced technology in all industrial and service facilities.

The Arab countries face real challenges in human development due to the continuous and rapid growth in population resulting in rise in energy consumption, load on infrastructure, increase in unemployment, deterioration of education quality, and increase in illiteracy in some countries. The UNDP 2012 Report puts the Arab countries on the medium strength/moderate human development list, which is an indicator to the need for redrawing their population and education policies.

Petroleum industries enjoy prominent importance in the Arab countries' economies. They affect all economic sectors and form a main source of attraction to the Arab labour force. An ILO report has mentioned that every new job in the oil production and refining sectors creates other indirect job opportunities in other petroleum fields.

The petroleum industry is of an international nature and wide geographical spread. It needs huge capitals and depends on advanced technology in all its stages from exploration through intermediate and following stages until the final product. These characteristics bind those in charge of the industry to be up to date with the ongoing development of the industry. Rapid developments in the international petroleum industry led to the emergence of unprecedented challenges mainly in the capacities and skills of the human resources working in the field.

The prestigious position of OAPEC member countries in the international petroleum industry obliges them to continue playing their positive role in contributing to the stability of the international petroleum market while sparing no effort in keeping petroleum as the main source of energy. There is no doubt that the continuity of the role of OAPEC countries as the main providers of petroleum is conditioned by a number of factors including having qualified human resources capable of utilising modern technology in all stages of the industry.

To face this challenge, most Arab petroleum countries have paid special attention to developing their human resources considering it a main priority in their strategic plans. This is done through the establishment of independent departments and petroleum training centres equipped with the latest scientific and illustrative tools. Intensified long term training programmes for those working in the field have been prepared to cover various technical and administrative jobs in coordination with regional and international training institutions.

OAPEC has spared no effort in supporting the Arab human resources development efforts. Article 2 of the organisation's founding agreement pointed out OAPEC's role in providing training and job opportunities to the citizens of the member countries that have the facilities. To achieve this goal, OAPEC has established the Arab Petroleum Training Institute (APTI) in Baghdad, Iraq in 1978. Moreover, the Secretariat General holds an annual meeting for the heads of Arab petroleum training institutes, which aims at identifying potential cooperation opportunities in the oil sector.

The Secretariat General organises many conferences and training programmes for all professional levels in the Arab petroleum industry. The biannual 'Basics of Oil and Gas Industry Forum' is among these activities. The Forum's aim is to update those working in the Arab oil industry on the different activities in the field and help them develop their skills and broaden their professional horizons be it exploration, production, refining, or transportation. The Forum's latest 22nd term was held in Kuwait in 2013.

While observing the current Arab petroleum human resources development programmes, the Secretariat General highly appreciates the tangible efforts in this field. It hopes for more cooperation among Arab countries in petroleum training to help facing current and future challenges in the industry guided by scientifically and professionally qualified staff. The Secretariat General also calls for backing Arab petroleum research centres that are the main supporters of the Arab petroleum industry.

In a press interview by AL-ANBAA newspaper of Kuwait

H. E. The Secretary General:
OAPEC Seeks to Boost Cooperation among Member Countries

His Excellency, Mr. Abbas Ali Al-Naqi, Secretary General of the Organization of Arab Petroleum Exporting Countries (OAPEC), mentioned that energy cooperation serves as one of the most significant aspect of cooperation between Arab countries, in view of the resources and natural wealth available in many Arab countries. These include hydrocarbons (oil and natural gas), renewable energy (solar, thermal, and wind), and other resources, in addition to their excellent geographic locations among the world countries, their dense human resources, and close historic ties between the Arab peoples.

In a press interview recently published in Al-Anbaa newspaper of Kuwait, His Excellency indicated that OAPEC aims at achieving cooperation between its member countries in the various areas of economic activity in petroleum industry. The Organization also aims at defining the approaches to safeguard the legitimate interests of its member countries in this industry, individually and jointly, concerting efforts to secure supply of petroleum to consuming markets under fair and reasonable terms, as well as providing the proper climate for investment in oil industry in the member countries.

His Excellency Mr. Abbas Al-Naqi emphasized that the petroleum producing the exporting countries, through OAPEC, are keenly desirous to continue their positive role as major and effective global provider of oil, despite the uncertainty surrounding the global economy from time to time, especially from OECD countries. Such uncertainty is the result of repeated reviews during the year of the global economic growth, where those rates have a direct impact on the level of global demand for oil.

As certain positive indicators to the improvement of global economy emerge, especially in the major oil consuming countries, global demand for oil is expected to Continue to increase in 2014 in a positive and limited way. The same applies to the supply, where oil market is expected to witness a production increase in certain oil producing countries in the Middle East. On the other part, the growth rate of demand for oil varies according to the global blocks, including industrialized nations, developing countries, and industrially converting countries.

His Excellency The Secretary General revealed that the economic fluctuations weigh heavily on oil and gas prices. Since the late 2008 world countries have been swept by the global financial crisis, having negative implications for the global oil markets. At that time, demand retreated and prices dropped notably, causing suspension or cancelation of several petroleum projects in the oil producing countries. However, at a later stage, global economy recovered, thus contributing to the re-stabilization of the oil market.

The GCC – Germany Business and Investment Forum

OAPEC Secretary General His Excellency Mr Abbas Ali Al Naqi took part in The GCC – Germany Business and Investment Forum in Berlin from 12 to 13 March 2014 upon a kind invitation from the Chairman of The Gulf Research Center Foundation His Excellency Dr Abdul Aziz bin Othman bin Saqer. The event was cosponsored by The Gulf Research Center Foundation, Arab- German Chamber of Commerce and Industry (Ghorfa), and the Federation of GCC Chambers (FGCCC). A large number of senior officials from both sides participated in the event.

The Forum aimed at identifying potential investment opportunities at both sides and showcasing the current situation in addition to cooperation scopes in the fields of logistics, health, education, and energy.

His Excellency Mr Al Naqi gave a speech presenting the current situation and future prospects of the oil and gas industry in the GCC countries. He pointed out to the significant position of these countries within the global energy industry. His speech touched upon the future of the international energy demand in light of the current developments. The Secretary General also enumerated the fields of energy cooperation between the GCC countries and Germany.

The Forum issued a number of recommendations calling for supporting investments and transparency in businesses, encouraging mutual economic projects, conducting mutual economic feasibility studies, benefiting from German expertise in the field, enhancing the role of the GCC and German private sectors in economic development, and encouraging investment in small and medium size institutions being the main drive for economic development in the GCC countries.

A number of agreements and MOUs have been signed on the sidelines of the Forum to set up mutual projects between the GCC countries and Germany.

Al-Mazrouie: UAE Interested in Energy Investment in Iraq

H.E. Mr. Suhail Mohammad Bin Faraj Al-Mazrouie

H.E. Mr. Kareem Aftan Al-Jumaili

A number of energy sector officials in the UAE and the Republic of Iraq expressed their aspiration to boost cooperation between both countries in the various areas of energy. The aspiration stems from the joint ties between energy sectors in both countries, as major global oil producers, members of OPEC and OAPEC, and as both countries meet challenges to increase oil production capacity.

This came during the opening of Energy Projects in Iraq Conference, which has been recently held in Dubai, with the participation of His Excellency Mr. Suhail Mohammad Bin Faraj Al-Mazrouie, who deputized His Excellency Mr. Rashid Abdulla Al-Matroushi, Assistant Undersecretary for Institutional and Support Service Affairs, with the attendance of His Excellency Mr. Kareem Aftan Al-Jumaili, Minister of Electricity in the Republic of Iraq.

His Excellency the UAE Minister of Energy, in his address, reviewed his country's direction towards adopting a policy to diversify the energy resources to suit its geographic and climatic nature. His Excellency stated that UAE has been a pioneer at the level of the region in utilizing solar and nuclear energy resources to generate electrical power. His Excellency explained that UAE, with the objective of boosting the global market stability, seeks to increase its crude oil production to peak 3.5 million b/d in 2017, in response by UAE and oil producing countries to the increasing global demand for oil and natural gas.

About the implications of oil and gas production increase from unconventional resources for the global energy industry, His Excellency indicated that the increase of shale oil production cost and its environmental effects evidence that it may face substantial challenges, or it may be at a tighter

scope that does not qualify it to compete with conventional oil production. His Excellency referred to the potential impacts of shale gas on the prices of conventional gas vary to some extent, as the prices of conventional gas have increased over the past few years as a result of the increasing demand for natural gas, and as certain producers seek to link the prices of natural gas with the prices of crude oil.

His Excellency said that the current developments in shale gas production, if continues, will have a positive impact on the stabilization of gas prices, in a manner that helps utilization of gas in wider areas, such as increasing use in producing electricity or in the transport sector.

His Excellency stressed that the future challenges in the region will be to create a balanced system from the energy generation resources to achieve sustainability, regularize the optimal use of resources, and adopt a policy of regulating subsidy for such basic services, which is conducive to minimizing consumption and maintaining natural resources.

From his part, His Excellency Mr. Kareem Aftan Al-Jumaili, in press releases on the sidelines of the Conference, commended the bilateral cooperation in the various areas of fossil energy resources (oil and gas), and renewable energy between Iraq and UAE. His Excellency stated that a number of UAE companies are implementing major projects in the Iraqi energy sector.

His Excellency expressed his country's willingness to increase ties of cooperation in energy with the various regional and global parties, including the 8 country electricity inter-connection project, in addition to the bilateral interconnection projects with Iraq neighboring countries.

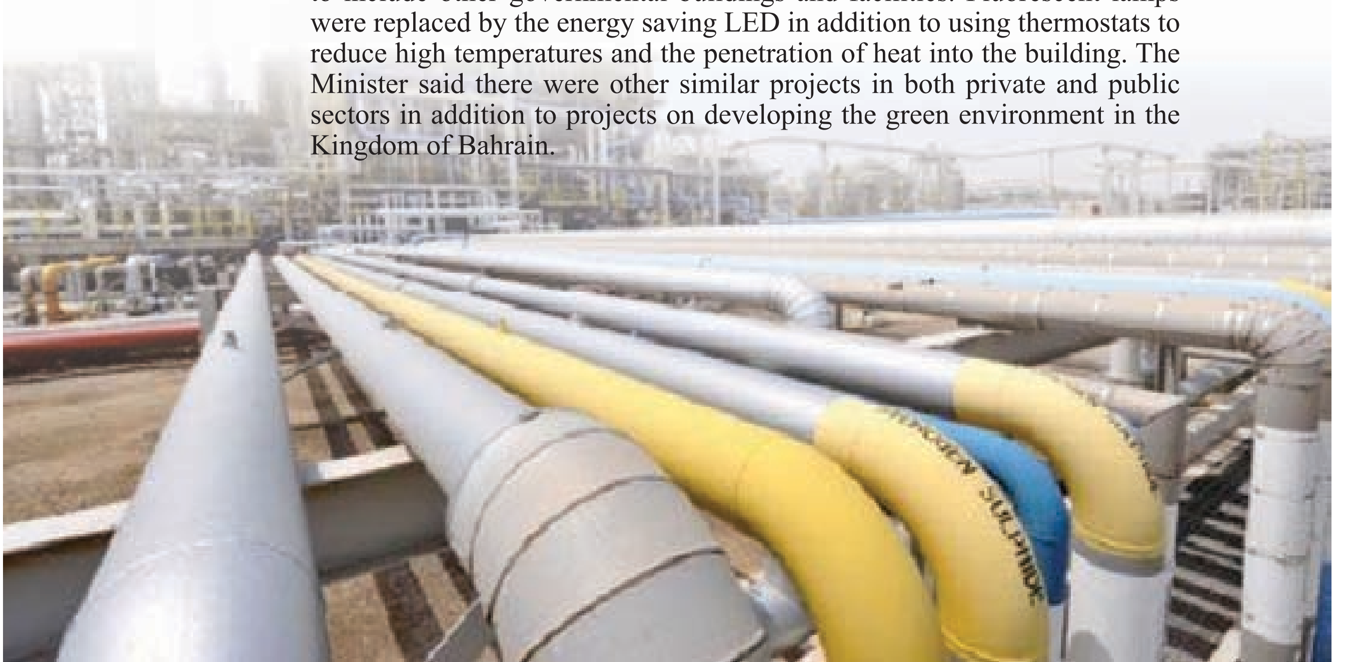
HE Sheikh Ahmed bin Mohammed Al Khaleefah

Bahraini Strategy to Secure Energy Resources

HE Sheikh Ahmed bin Mohammed Al Khaleefah, Bahrain's Finance Minister and acting Oil and Gas Minister, pointed out that his country has prepared a strategic plan to secure its energy supplies in a safe and sustainable way. On top of these preparations comes the enhancement of Bahrain Oil Field which is significantly important to the national economy.

During his speech at the PetroTech Conference and Exhibition 12-15 January2014 in New Delhi, India, the Minister said that current signs showed that Bahrain might look for importing natural gas in the future to meet the increasing local demand for energy. The National Oil and Gas Authority prepared studies with a future vision on establishing a refinery for liquid natural gas. HE Al Khaleefah drew the attention to the trend of using renewable energy resources in the Kingdom of Bahrain with the finalization of the pilot project on producing 5 megawatt of solar energy as a first stage. The Minister stressed the importance of changing the energy consumption culture as a result of the increase in energy expenses and the dire need to control Co2 emissions to reduce energy consumption and enhance its use efficiency.

HE Al Khaleefah has mentioned many programmes and initiatives in this field, for example Bahrain's Energy Efficiency Implementation Program (KEEP) launched recently and jointly with the World Bank. Also, the Finance Ministry's 5 years plan to reduce electricity consumption by 40% inside its building as an experiment that could be generalized later to include other governmental buildings and facilities. Fluorescent lamps were replaced by the energy saving LED in addition to using thermostats to reduce high temperatures and the penetration of heat into the building. The Minister said there were other similar projects in both private and public sectors in addition to projects on developing the green environment in the Kingdom of Bahrain.



3 New Petroleum Agreements Signed on Sinai, Suez Gulf, and the Mediterranean Sea Areas

Egypt's Minister of Petroleum and Mineral Resources HE Engineer Sherif Ismael stressed that continuing to implement new petroleum agreements would give a strong push to searching and excavating oil and natural gas in his country. He explained that the aim of this process was to increase production to meet local demand for energy in addition to attracting new foreign investments within the frame of development efforts to help the recovery of the Egyptian economy.

The Minister's statements came following the signing of 3 petroleum agreements by Egypt General Petroleum Corporation (EGPC) and the Egyptian Natural Gas Holding Company (EGAS) to excavate oil and natural gas in Sinai, the Gulf of Suez, and the Mediterranean Sea in collaboration with Egyptian and international companies. The agreements total amount is $ 165 million of investments and $ 8 million of signed grants to drill 4 new oil wells as follows:

An agreement between EGPC, England's Dana Petroleum, Ireland's Petroceltic and Australia's BP to work in Sahl El Qa'a area in Sinai with investments worth $ 15 million minimum and a signed grant worth $ 3 million to drill 2 new wells.

An agreement between EGAS and Italy's IEOC in Shurouq marine area in the deep waters of the Mediterranean Sea with investments worth $ 150 minimum and a signed grant of $ 5 million minimum to drill 2 new wells.

Amendments to General Petroleum Company (GPC) to extend the contract of using an area in Umm Al Yusr western the Gulf of Suez for 15 years.

The Minister pointed out that with the signing of the first agreement, the Egyptian Petroleum sector would have signed the 21 agreements that have been included in HE the President's decisions in September with investments worth $ 713 million minimum and signed grants of $ 132.5 million to drill 109 exploratory wells. The second and third agreements represent the first batch of the 8 new agreements approved by HE the President beginning of 2014. HE the President has issued laws in this regard which will be signed later.

The total number of petroleum agreements signed during the current government's term amounts to 23 agreements with a total investment of $ 863 million and signed grants of $ 128.5 million to drill 111 new wells. The signing of these agreements reflects the capability of the Arab Republic of Egypt to attract foreign investments and to win the trust of international companies in the light of promising petroleum potentials in different parts of Egypt.

A Cable of Congratulations to His Excellency the Minister of Petroleum and Mineral Resources in Egypt

OAPEC Secretary General His Excellency Mr. Abbas Ali Naqi has sent a cable of congratulations to His Excellency Engineer Sherif Ismail on the occasion of his reappointment as Minister of Petroleum and Mineral Resources in the Arab Republic of Egypt and taking the oath of office before the new Government led by His Excellency Engineer Ibrahim Mehlab. His Excellency the Secratary General has expressed his sincere appreciation for Egypt's and other membber states' efforts in supporting and facilitating the execution of theOrganisation's activities.

Qatar and Japan: Long-Term Liquefied Natural Gas Sale and Purchase Agreement

On 4 February 2014 Qatar Gas announced the execution of a long-term liquefied natural gas sale and purchase agreement between Qatar Gas 3 and Tohoku Electric Power Company of Japan.

From the Qatari side, the agreement was signed by His Excellency Dr. Mohammad Bin Saleh Al-Sada, Minister of Energy and Industry, and Chairman of Qatar Gas 3, and from the Tohoku Electric Power Company, Mr. Makotu Kaiwa, General Manager of the Company.

According to this agreement, Qatar Gas 3 will supply liquefied natural gas consignment to Tohoku Electric Power for 15 years, with effect from 2016. The consignments will be supplied from Qatar Gas 3 (Production Line 6), a joint venture between Qatar Petroleum, Conoco Philips of the US, and Mistui of Japan, which commenced production in January 2010. Consignments will be supplied on board Q-Flex liquefied natural gas tankers.

From his part, His Excellency Dr. Al-Sada welcomed the agreement, describing it as another contribution towards global energy security. "The agreement will contribute to enhancing the relations between Qatar Gas and one of its major clients. It evidences Qatar Gas' constant commitment to supply liquefied natural gas to Japan in the long run.

Sheikh Khalid Bin Khalifa Al Thani, CEO of Qatar Gas, stated that the Company has realized a substantial achievement in developing its partnership with Tohoku Electric Power, which commenced in 1994, when an agreement was signed with the Japanese Companies Association, including Tohoku Electric Power.

Tohoku is one of the eight Japanese Association companies that had signed sale and purchase agreements with Qatar Gas 1 in 1994.

Kuwait Gulf Oil Company and Chevron Saudi Arabia

Comprehensive Seismic Surveys in the Onshore Joint Operations Zone

Kuwait Gulf Oil Company (KGOC), a subsidiary of Kuwait Petroleum Corporation (KPC), on 1 February 2014, signed a contract with WesternGeco – Schlumberger, to implement advanced 3-D seismic surveying operations, covering an area estimated at about 4,612 km2 in the divided land zone at Wafra Joint Operations, for a total of about $225 million.

Sheikh Ali Homoud Al-Sabah, spokesman of KGOC, in a press release, mentioned that the preparations for the project will commence in March 2014, including logistics, surveying, mine detection, etc. He expected that actual seismic surveying will commence during the third quarter of 2014, and that the project will be completed within a maximum of two years. "The Company, in coordination with Chevron Saudi Arabia, has finalized preparation of documents to implement the seismic surveying in the joint operations zone." The spokesman stated. "The geologic nature of Al-Wafra fields is different from the other areas of the State of Kuwait, making it the target of the Joint Operations to focus on drilling new wells, and using tech of higher quality and more efficiency to maintain and boost the hydrocarbon resources in the reservoirs, while serving the exploration efforts, and evaluating the production potential of this zone." He continued.

"3-D seismic surveying, subject of the contract, is the largest in the history of Kuwait. It will cover an estimated area of about 4,612 km2. It is the largest in the history of prospecting by Chevron Saudi Arabia, the partner in the divided zone, and will rank fifth globally in the history of onshore seismic surveys." He elaborated.

Regarding the technologies used in the survey, Sheikh Ali Homoud Al-Sabah said: "State-of-the-art technology available will be utilized, such as unique sensing technology. This survey is the most challenging from the implementation perspective, as it will take place in petroleum producing fields, and Al-Khafji Town, passing through Al-Wafra farms, and Al-Khiran City, as well as the Sabkhas (marshes)." He continued.

The spokesman stressed that the new seismic surveying project will contribute to providing new oil and gas prospecting opportunities in untested deep reservoirs, will provide carefully studied expectations for the current reservoirs, will support their development program, and structurally define the productive reservoirs.

Kuwait Oil Company: Mega Capital Projects

Engineer Hashim Hashim, CEO – Kuwait Oil Company (KOC), stated that, under its 2020 strategy, the Company is in the process of implementing a number of strategic projects, mainly:

- North Fields Development project, targeting increase of production capacity of North Kuwait to 1 million b/d during 2017-2018.
- Construction of 3 gathering centers, a compressed gas booster station, and an associated water injection plant.
- Wara Reservoir Pressure Maintenance system (South and East Kuwait).
- Current Production Facilities Upgrading project to absorb the production associated water and maintain production capacity of Great Burgan Field.

In an expanded press interview, published by KPC World Magazine, of Kuwait Petroleum Corporation (KPC), Engineer Hashim added that KOC has finalized Phase 1 of the existing Jurassic Free Gas Reservoirs Development program in North Kuwait. Those reservoirs currently produce about 145 million cubic feet/d of free gas, in addition to nearly 55,000 b/d of light crude and condensates. He expected the Company to finalize Phase 2 of the development program in 2017, bringing the production capacity up to about 600 million cubic feet/d of free gas, in addition to about 200,000 b/d of light crude and condensates.

KOC CEO indicated that the Company is currently studying the plans and development programs of Phase 3, which is expected to be completed in 2020, bringing the overall production capacity from Jurassic free natural gas reservoirs in North Kuwait up to the equivalent of 1 billion cubic feet/d of free gas, in addition to about 300,000 b/d of light crude. Engineer Hashim Hashim expected that the Company's ongoing explorations will add new natural gas reserves, with an additional production capacity estimated at 1.5 billion cubic feet/d of gas when upgraded in 2030. He revealed that the quantities of produced associated gas depend on the quantities of oil, and the ratio of gas to produced oil per reservoir.

SHALCO and Sharjah National Oil Company Merge

His Highness Dr Shaikh Sultan Bin Mohammad Al Qasimi, Supreme Council Member and Ruler of Sharjah, has issued an Emiri Decree on merging Sharjah Liquefaction Gas Company (SHALCO), and the Sharjah National Oil Company into one corporation called the Sharjah National Oil Corporation (SNOC). The headquarters of the SNOC will be in Sharjah City and branches will be established inside and outside the emirate.

SNOC will be specialized in discovering, mining, excavating and producing oil, in addition to operation engineering, construction, maintenance, training, transportation, distribution, refining, storing, buying and selling, producing and handling of all hydrocarbon compounds and their relevant activities. SNOC will also design, engineer, construct, operate and maintain the corporate laboratory to extract liquid gas and condensed petroleum from natural gas. It will also buy, sell, trade, market, and transfer natural gas, liquid petroleum gas, and condensed petroleum. SNOC will work in importing and exporting substances required for oil and natural gas industries.

The corporate will be seeking partnerships and establishing companies in coordination with firms and companies of similar activities inside and outside the country and investing in them. These companies could have similar activities to those of the corporate provided that they should be legal inside and outside the country to ensure the partial or full achievement of the purposes for which they were established. SNOC could also start any other specialized activity decreed by the Ruler or the the Sharjah Oil Council.

The People's Democratic Republic of Algeria

Algeria has invited interested companies to bid for oil and gas exploration in 31 areas. Due date is 6 August 2014. This is the fourth petroleum bidding round in the country.

The Arab Republic of Egypt

Apache Corporation has mentioned that the recent excavation results and the new permissions it got from the Egyptian Government on three franchises and the expansion of natural gas processing facilities in West Kalabsha area have all contributed to the continuation of its investment growth in the Western Desert in 2014. A successful example is the excavation of its deepest well in the Western Desert, and the drilling of the first horizontal well within its programme for tight rocks containing traditional and nontraditional hydrocarbon resources.

The company has enlisted its new discoveries as follows:

Apries-1X located in Shushan basin as part of Khalda in Maghmoorah. When examined, the well produced 4389 b/d of oil and 400000 cubic meters of gas per day. It has penetrated 26.5 meters of active density of the Paleozoic era sands. The costs of the excavation and completion of the well reached about $5 million.

NTRK-H-1X located in Matrouh basin within the North Tareq franchise. When examined, the well produced about 566000 cubic meters of gas per day, 250 barrels of condensates per day from the fractured Safa rocks formation belonging to the Jurassic era. This well followed the announcement of the discovery of NTRK-G-1X formed from the upper Safa rocks zone and the excavation of 4788 meters deep. The process costs reached about $7 million.

On another note, Dana Gas has signed a franchise agreement on sector 6 in North Arish opposite The Nile Delta shores. The company stated that they started a four years exploration stage, which will include conducting earthquake surveys and excavating an exploratory well. Sector 6 size is about 2980 square meters located in waters with a maximum depth of 1000 meters. The company obtained a license to develop Balsam oilfield located at Gharb el Manzalah area in The Nile Delta. The size of the area is 32 square kilometers. The company has now 13 development licenses.

The Syrian Arab Republic

During a meeting with the management of The Syrian Company for the Storing and Distribution of Petroleum Products and its branch managers, the Syrian Oil and Mineral Resources Minister stated that changes have hit oil production due to current events. These changes have led to a decline of 96% of oil production (from 385000 b/d before the events to 14000 b/d in February 2014).

The Republic of Iraq

Iraqi Oil Ministry has announced the start of accelerated production at Hamrin Oilfield as an outcome of the Ministry plans to develop northern oilfields in order to pump oil through the national pipelines net. The Ministry has explained that the process is part of its plans to develop oilfields and increase production within the North Oil Company sector.

On another note, a consortium of 4 South Korean companies led by Hyundai Engineering and Construction Co. has won a $6.04 billion contract to build an oil refinery in Karbala (120 km south Baghdad). The project's duration is 54 months. The refinery will process 140000 barrel of crude oil a day to be transformed into liquefied petroleum gas, benzene, diesel and other petroleum products. It has been considered the biggest individual contract for building an industrial facility won by any South Korean company.

Stressing the importance of UNFCCC principles

Al Naimi: Constructive Cooperation among Like-minded Countries (LMDCs)

HE Engineer Ali bin Ibrahim Al Naimi, Petroleum and Mineral Resources Minister in Saudi Arabia, stressed the importance of continuing international efforts to face possible negative impacts of climate change. The Minister has explained that reducing Co2 emissions causing global warming is a serious global challenge in the 21st century.

While opening The Like-minded Developing Countries Coordinating Meeting (LMDCs) hosted by the Petroleum and Mineral Resources Ministry in Saudi Arabia on 11 February 2014 with the participation of 26 countries, HE Al Naimi pointed out the significance of collaborative work by the international community to maintain global economic recovery. The three focal points composing sustainable development should form the basis for this effort through a solid and comprehensive manner (including economic, social and environmental factors).

The Minister stressed the significance of the principles of the United Nations Framework Convention on Climate Change (UNFCCC), especially those related to fairness, (CBDR) Common but differentiatel responsibilities . This is in addition to the responsibility of the member-states mentioned in the Annex 1 Parties to the Convention (i.e. industrial countries) to take the initiative to reduce Co2 emissions, provide funding and capacity building, and to support technology transfer to developing countries.

HE Al Naimi has put forward the most important outcomes of the Conference of the Parties (COP) of the United Nations Framework Convention on Climate Change held in Warsaw, 2013. The conference discussed climate change future trends while stressing the importance of the year 2014 to achieve the mutual goal of concluding an agreement for the year 2020 and beyond at the upcoming COP in Paris in 2015. The Minister highlighted the progress achieved in Warsaw where a general roadmap for 2015 had been agreed.

On the workforce tasked with the Durban approach to enhance efforts, HE Al Naimi explained that countries with mutual stances managed to change the term ‘obligations’ to ‘contributions’, which ended the chapter on transferring future burdens to developing countries. The Group has also succeeded in establishing the importance of future implementation methods.

On the financial side the Minister added that the Group achieved a progress on short term funding for eligible developing countries. It has also paved the way to improve the technical aspect, and to specify, report and investigate any emissions in a non-obligatory way. The group succeeded in strengthening its position within the forum.

The Minister drew the attention to the fact that these achievements formed the basis which the Group of Like-minded Countries would use during the 2015 COP conference in Paris. He has reiterated that the Group’s solidarity would enable its members to maintain these achievements and work by them till the Year 2020 and Beyond Agreement is reached.

Abu Dhabi to Host High-level Ministerial Meeting on Climate Change

UN Secretary General HE Ban Ki-moon and UAE State Minister and Energy and Climate Change Special Envoy HE Dr Sultan Ahmed Al Jaber have announced the UAE capital Abu Dhabi as a host of a high-level ministerial meeting on 4 and 5 May 2014. The meeting will be held in preparation for 'The Climate Summit 2014' due in New York on 23 September 2014, which will take place at the same time of the 69th UN General Assembly session, a day before the UNGA's public discussion with the participation of a large number of heads of states and governments and senior officials from around the world. The Summit will focus on finding practical solutions and taking precautionary measures to face the climate change phenomena while highlighting the economic benefits of such measures within social and development dimensions.

The preparatory ministerial meeting will include UN member state ministers, business leaders, companies, financial sectors, and civil society institutions. They will discuss proposed measures to combat climate change and enhance the participation of all countries in various initiatives in this regard in order to agree and endorse practical measures during the summit.

In a press statement, the UNSG has said that the UAE's initiative to host the preparatory ministerial meeting is a significant addition to The Climate Summit 2014. 'The meeting will be an important step to build momentum for the success of the upcoming Summit.' The UNSG hoped for a wide participation from around the globe.

HE Dr Sultan Ahmed Al Jaber said that his country's hosting of the high- level meeting in preparation for The Climate Summit 2014 would enhance the global efforts through The COP21 Conference due in Paris in 2015. COP21 is expected to finalise negotiations over reaching a binding agreement on climate to be implemented after 2020. The said agreement is expected to include a number of measures and practical steps to be announced during the Summit.

The upcoming 20th Session of the Conference of the Parties to the UNFCC (COP20) will take place in Lima, Peru, from 1 to 12 December 2014.

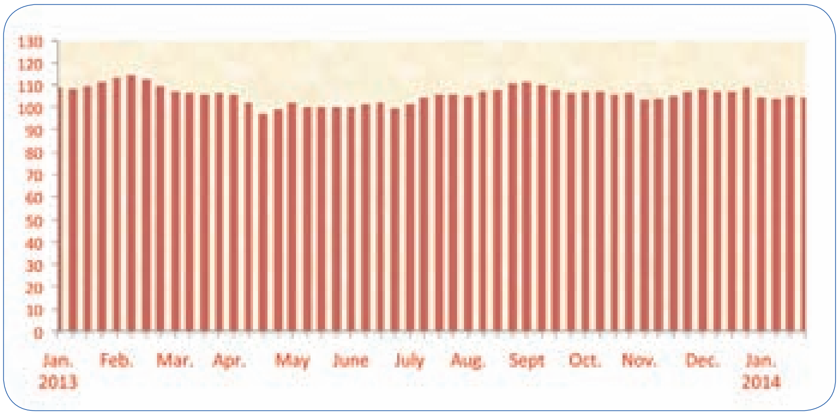
1. Oil Market

1. Prices

1-1Crude Oil Prices

Weekly average price of OPEC basket decreased during the first week of January 2014, recording $104/bbl, It continued its downward trend during the second week, to reach $104.1/bbl ,and changed course after that, to reach its heights level of $105.2/bbl in the third week, during the fourth week, weekly average price fell to $104.7/bbl, as shown in figure 1:

Figure - 1 Weekly Average Spot Price of the OPEC Basket of Crudes 2013 - 2014 ($/bbl)



On monthly basis, OPEC Reference Basket averaged $104.7/bbl, representing a decrease of $3.0/bbl or 2.7% comparing with previous month, and a decrease of $4.6/bbl or 4.2% from the same month of previous year. Rising supply, weak demand, and refinery maintenance were major stimulus for the decrease in oil prices during the month of January 2014.

Key Indicators

- *In January 2014,* ***OPEC Reference Basket decreased*** *by 2.7% or $3.0/bbl from the previous month level to stand at $104.7/bbl.*
- ***World Oil Demand*** *in January 2014,* ***decreased*** *by 0.02% or 20 thousand b/d from the previous month level to reach92.2 million b/d.*
- ***World oil supplies*** *in January 2014,* ***increased*** *by 0.4% or 0.4 million b/d from the previous month level to reach 93.8 million b/d.*
- ***US crude oil imports*** *in December 2013,* ***decreased*** *by 3.7% from the previous month level to reach 7.3 million b/d, and* ***US product imports decreased*** by *16% to reach about 1.6 million b/d.*
- ***OECD commercial inventories*** *in December 2013* ***decreased*** by *63 million barrels from the previous month level to reach 2541 million barrels*. whereas **Strategic inventories** in OECD-34, South Africa and China ***increased*** by *9 million barrels to reach 1952 million barrels.*
- ***The average spot price of natural gas*** *at the Henry Hub in January 2014* ***decreased*** *by $1.0/million BTU from previous month level to reach $3.29/ million BTU.*
- ***The Price of Japanese LNG imports increased*** *in December 2013 by $1.0/m BTU to reach $16.4/m BTU, and the* ***Price of Korean LNG imports also increased*** *by $0.1/m BTU to reach $14.6/m BTU, and* ***the Price of Chinese LNG imports increased*** *by $4.3/m BTU to reach $13.8/m BTU.*
- ***Arab LNG exports to Japan, Korea and China*** *were about 5.540 million tons in December 2013(a share of 38.1% of total imports).*

* Prepared by the Economics Department.

Petroleum Developments in the World Market and Member Countries*

Table (1) and figure (2) show the change in the price of the OPEC basket versus last month and the corresponding month of last year :

Table 1 Change in Price of the OPEC Basket of Crudes, 2012-2013 ($/bbl)

	Jan 2013	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan 2014
Monthly Change	2.7	3.5	-6.4	-5.3	-0.4	0.4	3.4	3.0	1.2	-2.0	-1.7	2.7	-3.0
Month-on-Month Change from the Previous Year	-2.5	-4.7	-16.6	-17.1	-7.4	7.1	4.9	-2.0	-2.0	-1.7	-1.9	1.1	-4.6

* Effective June 16,2005 OPEC replaced its seven-crude basket with one comprised of eleven crudes, one from each member country (weighted according to production and exports to major markets). Effective 1 January and mid of October 2007, Angola's Girassol and Ecuadorian Oriente crudes have been incorporated to become the 12th and 13th crudes comprising the new OPEC Basket. As of Jan.2009, the basket excluded the Indonesian crude.

Figure - 2 Change in the Price of the OPEC Basket of Crudes, 2013-2014 ($/bbl)

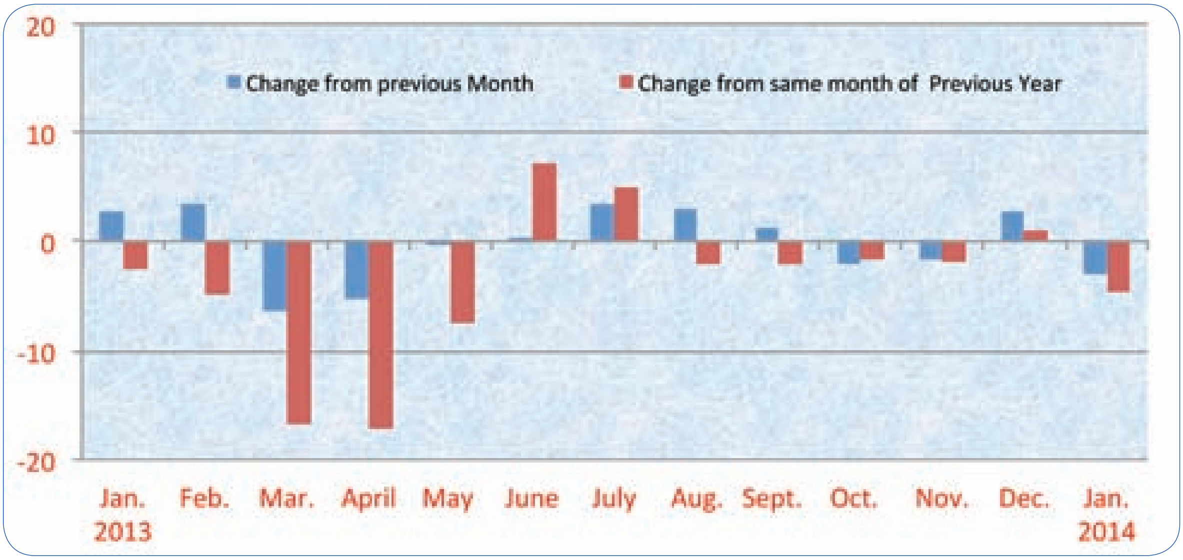


Table (3) in the annex show spot prices for OPEC basket and other crudes for the period 2012-2014.

1-2 Spot Prices of Petroleum Products

- **US Gulf**

  In December 2013, the spot prices of premium gasoline increased by 5% or $5.7/bbl comparing with their previous month levels to reach $119.8/bbl, spot prices of gas oil increased by 3.5% or $4.1/bbl to reach $123.2/bbl, and spot prices of fuel oil increased by 1.7% or $1.7/bbl to reach $99.5/bbl.

- Rotterdam

The spot prices of premium gasoline increased in December 2013, by 1.7% or $2.0/bbl comparing with their previous month levels to reach $120.9/bbl, spot prices of gas oil increased by 2.5% or $3.0/bbl to reach $125.5/bbl, and spot prices of fuel oil increased by 1.6% or $1.5/bbl to reach $95.0/bbl.

- Mediterranean

The spot prices of premium gasoline increased in December 2013, by 2.7% or $3.1/bbl comparing with previous month levels to reach $115.5/bbl, spot prices of gas oil increased by 2.4% or $3.0/bbl to reach $126.3/bbl, and spot prices of fuel oil increased by 2.9% or $2.8/bbl to reach $98.9/bbl.

- Singapore

The spot prices of premium gasoline increased in December 2013 by 3.3% or $3.8/bbl comparing with previous month levels to reach $118.7/bbl, spot prices of gas oil increased by 1.9% or $2.3/bbl to reach $127.5/bbl, and spot prices of fuel oil increased by 0.7% or $0.7/bbl to reach $97.0/bbl.

Figure (3) shows the price of Premium gasoline in all four markets from December 2012 to December 2013.

Figure - 3 **Monthly Average Spot Prices of Premium Gasoline, 2012-2013** ($/bbl)

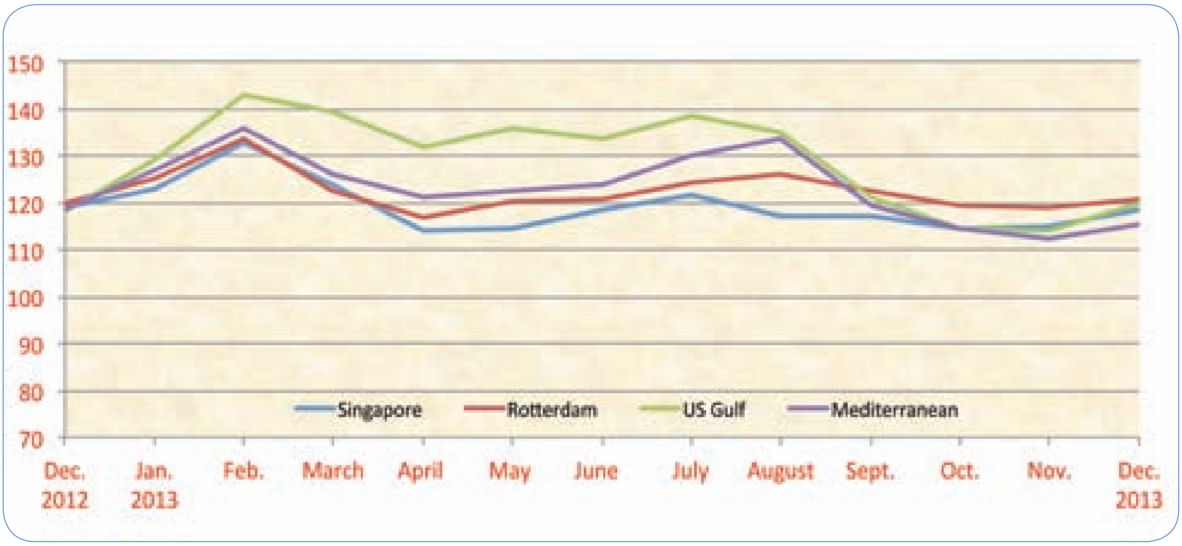


Table (4) in the annex shows the average monthly spot prices of petroleum products, 2012-2013.

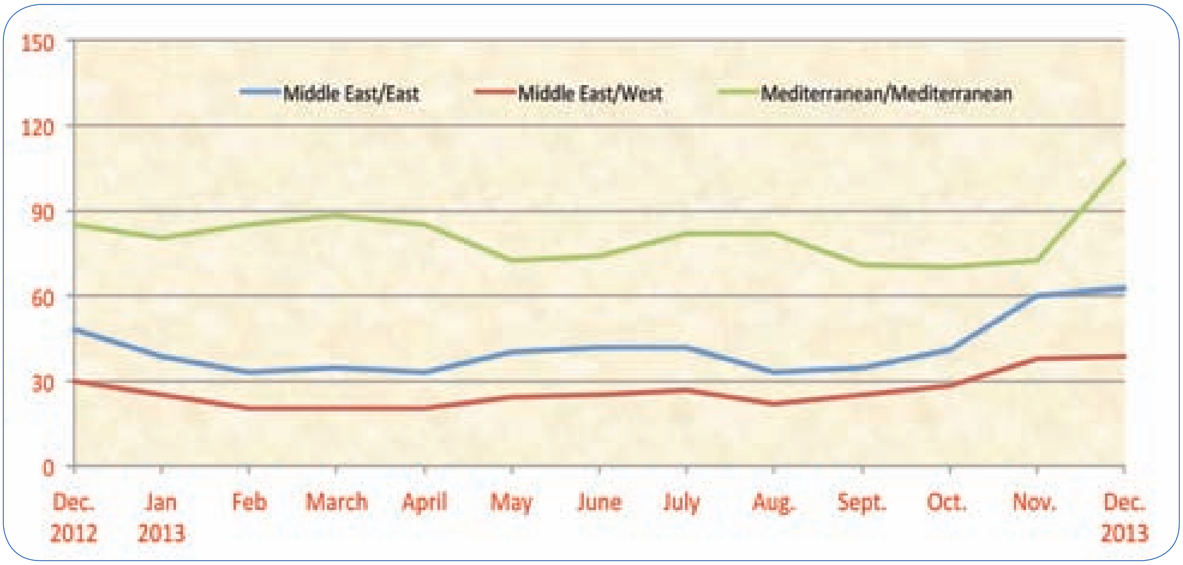
1-3 Spot Tanker Crude Freight Rates

In December 2013, Freight rates for crude oil for tanker size (230-280 thousand deadweight tons (dwt)), leaving Middle Eastern ports to the East, increased by 3 points or 5% comparing with previous month to reach 63 points on the World Scale (WS*).

Freight rates for crude oil for tanker size (270-285 thousand deadweight tons (dwt)), leaving Middle Eastern ports to the West, increased by 1 point or 2.6% comparing with previous month to reach 39 points on the World Scale (WS), and freight rates for inter - Mediterranean for small to medium sized tankers (80-85 thousand deadweight tons (dwt)), increased by 35 points or 48.6% comparing with previous month to reach 107 points on the World Scale (WS).

Figure (4) shows the freight rates for crude oil to all three destinations from December 2012 to December 2013.

Figure - 4 **Monthly Spot Crude Oil Tanker Freight Rates, 2012 -2013** (World Scale)*



* World Scale is a method for calculating freight prices. One point for the WS means 1% of the standard price of freight in the direction in the WS book, which is published annually by the World Scale Association. The book contains a list of prices in the form of US dollar per ton, called "World Scale 100," for all the major routes in the world.

1-4 Spot Tanker Product Freight Rates

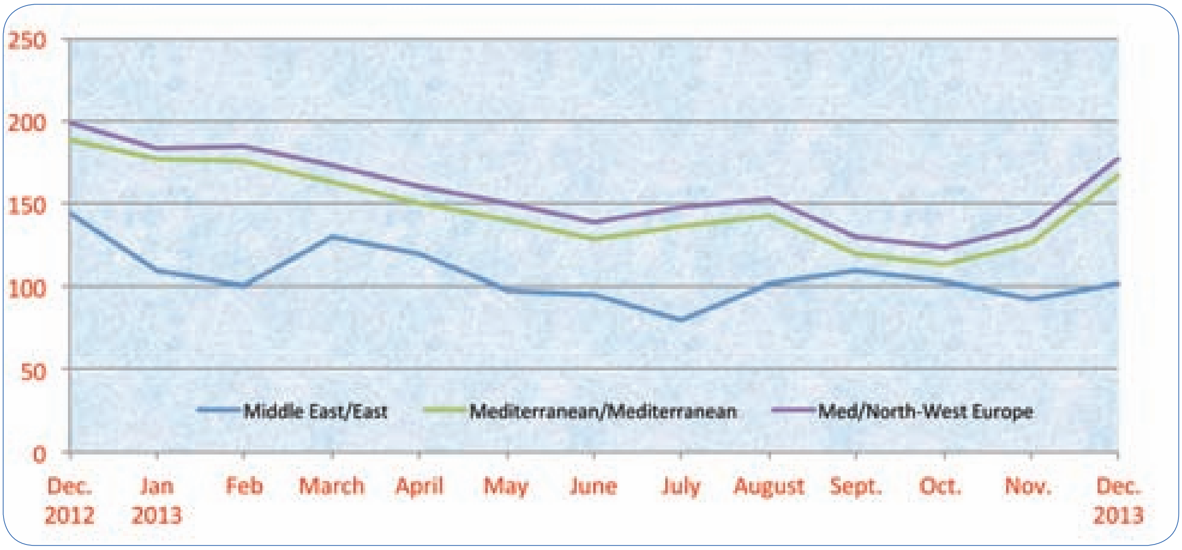
In December 2013, monthly spot Tanker freight rates for petroleum products [for tanker size 30-35 thousand deadweight tons (dwt)], leaving

Middle Eastern ports to the East, increased by 10 points or 10.9% comparing with previous month to reach 102 points on (WS).

Freight rates for Petroleum Products across Mediterranean [for tanker size 30-35 thousand deadweight tons (dwt)], increased by 41 points, or 32.5% to reach 167 points on WS, similarly freight rates for petroleum products [for tanker size 30-35 thousand deadweight tons (dwt)], leaving Mediterranean to North-West Europe increased by 41 points, or 30.1% to reach 177 points on WS. **Figure (5)** shows the freight rates for oil products to all three destinations from December 2012 to December 2013.

Table (5) and (6) in the annex show crude and products Tankers Freight Rates, 2011-2013.

Figure - 5 **Monthly Spot Product Tanker Freight Rates, 2012 -2013** (World Scale)



2.Supply and Demand

Preliminary estimates in January 2014 show a decrease in world oil demand by 0.02% or 20 thousand b/d, comparing with the previous month to reach 92.2 million b/d, representing an increase of 1.0 million b/d comparing with their last year level.

Demand in OECD countries decreased by 0.4% or 0.22 million b/d comparing with their previous month level to reach 46.2 million b/d, representing an increase of 0.4 million b/d from their last year level, whereas Demand in Non-OECD countries increased by 0.4% or 0.2 million b/d comparing with their previous month level to reach 46.1 million b/d, representing an increase of 0.7 million b/d from their last year level.

On the supply side, preliminary estimates show that world oil supplies for January 2014 increased by 0.4% or 0.4 million b/d comparing with the previous month level to reach 93.8 million b/d, a level that is 2.4 million b/d higher than last year.

In January 2014, OPEC crude oil and NGLs/condensates total supplies decreased by 0.3% or 0.1 million b/d comparing with the previous month level to reach 36.0 million b/d, a level that is 0.4 million b/d lower than last year. Preliminary estimates show that Non-OPEC supplies increased by 0.9 % or 0.5 million b/d comparing with the previous month level to reach 57.8 million b/d, a level that is 2.8 million b/d higher than last year.

Preliminary estimates of the supply and demand for January 2014 reveal a surplus of 1.6 million b/d, compared to a surplus of 1.2 million b/d in December 2013 and a surplus of 0.2 million b/d in January 2013, as shown in table (2) and figure (6):

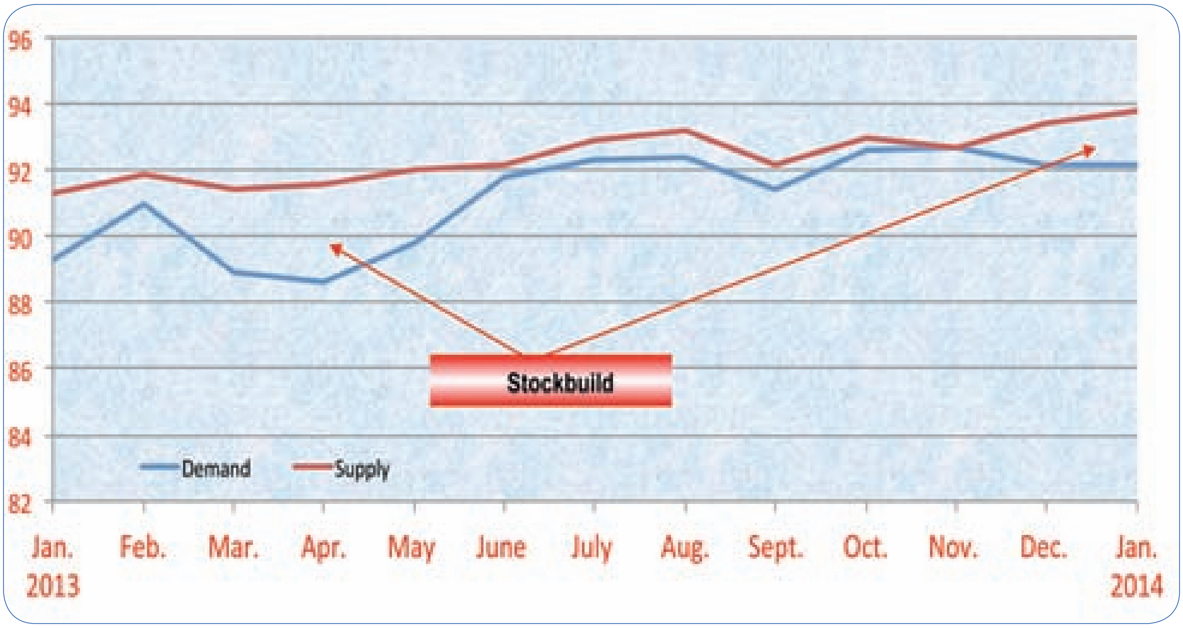
Tables (7) and (8) in the annex show world oil demand and supply for the period 2012-2013.

Table 2 **World Supply and Demand** (Million b/d)

	January 2014	December 2013	Change from December 2013	January 2013	Change from January 2013
OECD Demand	46.2	46.4	- 0.22	45.8	0.4
Rest of the World	46.1	45.9	0.2	45.4	0.7
World Demand	**92.2**	**92.2**	**- 0.02**	**91.2**	**1.0**
OPEC Supply:	36.0	36.1	- 0.1	36.4	- 0.4
Crude Oil	29.7	29.8	- 0.1	30.3	- 0.6
NGL's & Cond.	6.3	6.3	-	6.1	0.2
Non-Opec Supply	55.5	55.0	0.5	52.9	2.6
Processing Gain	2.3	2.3	-	2.1	0.2
World Supply	**93.8**	**93.4**	**0.4**	**91.4**	**2.4**
Balance	**1.6**	**1.2**		**0.2**	

Source: Energy Intelligence Briefing February 17, 2014.

Figure - 6 World Supply and Demand (Million b/d)



3.Oil Trade

USA

In December 2013, US crude oil imports decreased by 286 thousand b/d or 3.7% comparing with the previous month level to reach 7.3 million b/d, and US oil products imports decreased by 251 thousand b/d or 16% to reach about 1.6 million b/d.

On the export side, US product exports increased by 137 thousand b/d or 3% comparing with previous month level to reach 3.4 million b/d. As a result, US net oil imports in December 2013 were 674 thousand b/d or nearly 11% lower than the previous month, averaging 5.5 million b/d.

Canada remained the main supplier of crude oil to the US with 34% of total US crude oil imports during the month, followed by Saudi Arabia with 21%. OPEC Member Countries supplied 45% of total US crude oil imports.

Japan

In December 2013, Japan's crude oil imports increased by 150 thousand b/d or 4 % comparing with the previous month to reach 3.9 million b/d, whereas Japan oil product imports decreased by 87 thousand b/d or 12 % comparing with the previous month to reach 641 thousand b/d.

On the export side, Japan's oil products exports decreased in December 2013, by 36 thousand b/d or 7% comparing with the previous month, averaging 454 thousand b/d. As a result, Japan's net oil imports in December 2013 increased by 99 thousand b/d or 2.5% to reach 4.1million b/d.

Saudi Arabia remained the main supplier of crude oil to Japan with 32% of total Japan crude oil imports, followed by UAE with 20% and Qatar with 12% of total Japan crude oil imports.

China

In December 2013, China's crude oil imports increased by 576 thousand b/d or 10% to reach 6.3 million b/d, and China's oil products imports increased by 161 thousand b/d or 17% to reach 1.1 million b/d, the highest level since July 2013

On the export side, Chinese crude oil exports decreased by two thousands b/d or 8% comparing with the previous month to reach 22 thousand b/d, whereas Chinese oil products exports increased by 143 thousand b/d or 26% comparing with the previous month to reach 699 thousand b/d.

As result, China's net oil imports reached 6.7 million b/d, representing an increase of 10% comparing with the previous month.

Saudi Arabia remained the main supplier of crude oil to China with 15% of total China's crude oil imports during the month, Angola with 15%, followed by Oman with 11%, and Iran with 9% of total China's crude oil imports.

Table (3) shows changes in crude and oil products net imports/(exports) in December 2013 versus the previous month:

Table 3 USA, Japan and China Crude and Product Net Imports / Exports (Million bbl/d)

	Crude Oil			Total Products		
	December 2013	November 2013	Change from November 2013	December 2013	November 2013	Change from November 2013
USA	7.349	7.635	-0.286	-1.862	-1.474	-0.388
Japan	3.871	3.721	0.150	0.187	0.238	-0.51
China	6.301	5.725	0.576	0.401	0.383	0.018

Source: OPEC Monthly Oil Market Report, various issues 2013.

4. Oil Inventories

In December 2013, **OECD commercial oil inventories** decreased by 63 million barrels from the previous month to settle at 2541 million barrels – a level that is 123 million barrels lower than a year ago. It is worth mentioning that during the month, **commercial crude inventories in OECD** decreased by 39 million barrels to reach 964 million barrels, and **commercial oil products inventories** decreased by 24 million barrels to reach 1577 million barrels.

Commercial oil inventories in Americas decreased by 41 million barrels to reach 1297 million barrels, of which 500 million barrels of crude and 797 million barrels of oil products. **Commercial oil Inventories in Europe** decreased by 6 million barrels to reach 867 million barrels, of which 319 million barrels of crude and 548 million barrels of oil products. Whereas **Commercial oil inventories in Pacific** decreased by 16 million barrels, to reach 377 million barrels, of which 145 million barrels of crude and 232 million barrels of oil products.

In the rest of the world, commercial oil inventories increased by 19 million barrels to reach 2363 million barrels, and the Inventories at sea increased by 12 million barrels to reach 989 million barrels.

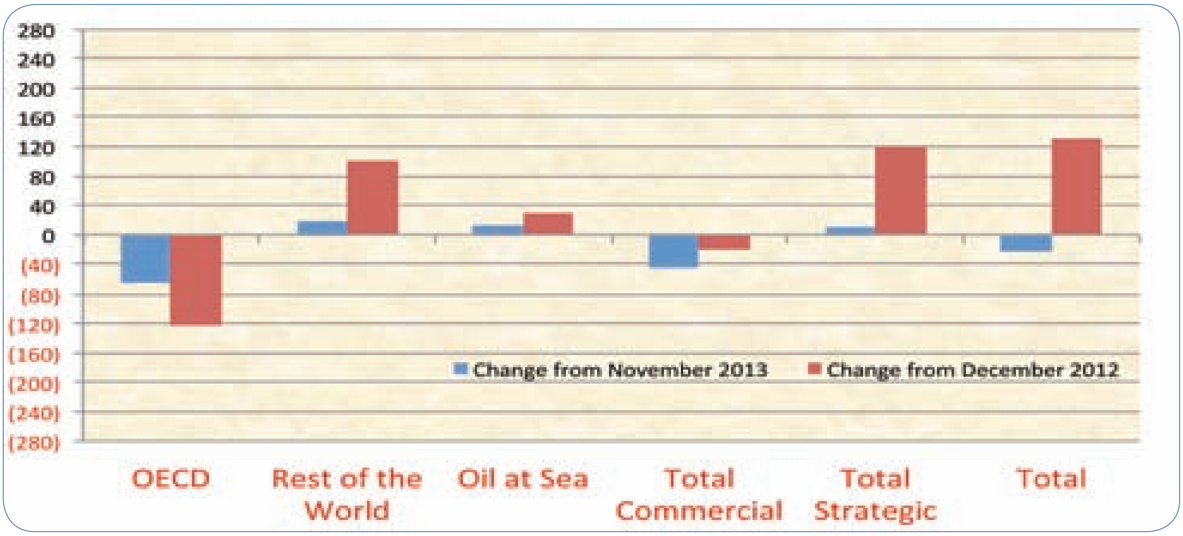
As result, **Total Commercial oil inventories** in December 2013 decreased by 44 million barrels comparing with the previous month to reach 4904 million barrels – a level that is 21 million barrels higher than a year ago.

Strategic inventories in OECD-34, South Africa and China went up by 9 million barrels comparing with the previous month to reach 1952 million barrels – a level that is 121 million barrels higher than a year ago.

Total world inventories, at the end of December 2013 were at 7845 million barrels, representing a decrease of 23 million barrels comparing with the previous month, and an increase of 130 million barrels comparing with the same month a year ago.

Table (9) in the annex and figure (7) show the changes in global inventories prevailing at the end of December 2013.

Figure - 7 Changes in Global Inventories at the End of December 2013 (Million bbl)



II. The Natural Gas Market

1- Spot and Future Prices of Natural Gas in US market

The monthly average of spot natural gas price at the Henry Hub in January 2014 decreased by $1.0/million (BTU) comparing with the previous month to reach $3.29/ million (BTU).

The comparison, shown in table (4), between natural gas prices and those for the WTI crude and low sulfur fuel oil reveal differential of $13.1/ million (BTU) in favor of WTI crude and $15.7/ million (BTU) in favor of low sulfur fuel oil.

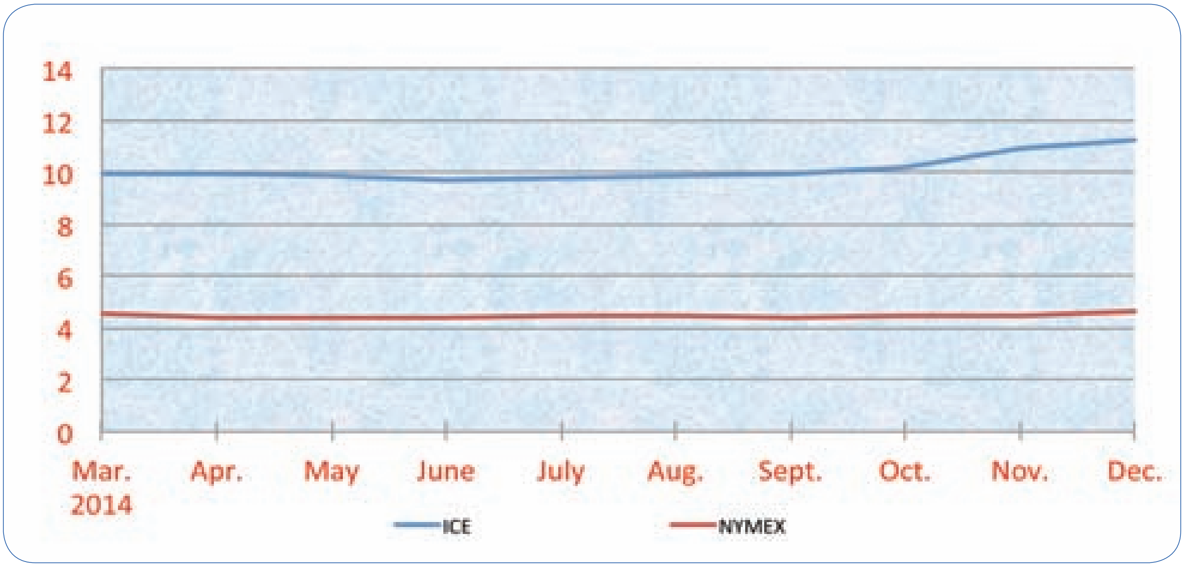
Table 4 Henry Hub Natural Gas, WTI Crude Average, and Low Sulfur Fuel Oil Spot Prices, 2013-2014 (Million BTU[1])

	Jan. 2013	Feb.	Mar.	Apr.	May	Jun.	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. 2014
Natural Gas [2]	3.3	3.3	4.0	4.2	4.0	3.9	3.6	3.4	3.6	3.7	3.6	4.2	3.3
WTI Crude [3]	16.3	16.4	16.0	15.9	16.3	16.5	18.0	18.4	18.3	17.3	16.2	16.8	16.4
Low Sulfur Fuel Oil (0..3%)	19.0	21.0	18.3	17.1	16.8	16.3	16.1	16.7	17.0	17.7	19.1	19.4	19.0

1. British Thermal Unit.
2. Henry Hub spot price.
3. WTI – West Texas Intermediate Crude oil price, in dollars per barrel, is converted to dollar per million BTU using a conversion factor of 5.80 million BTU/bbl.
Source: World Gas Intelligence February 5, 2014.

Futures gas prices recorded on February 10, 2104,indicate that those quoted at the London's ICE were higher than those quoted at the NYMEX for the period from March 2014 to December 2014,with maximum differential of $6.65/million (BTU) in December 2014. These developments are shown in figure (8).

Figure - 8 **Gas Futures, February 10, 2014** ($/Million BTU)



Source: World Gas Intelligence February 12, 2014.

2- Asian LNG Markets

In December 2013, the price of Japanese LNG imports increased by $1.0/ million (BTU) comparing with the previous month to reach $16.4/ million (BTU). Similarly the price of Korean LNG imports increased by $0.1/ million (BTU) comparing with the previous month to reach a level of $14.6/ million (BTU), and the price of Chinese LNG imports also increased by $4.3/million BTU comparing with the previous month to reach $13.8/ million (BTU).

Total Japanese, Korean and Chinese LNG imports from various sources, increased by 23.1% or 2728 thousand tons from the previous month level to reach 14.540 million tons.

The Arab countries LNG exports to Japan, Korea and China totaled 5.540 million tons - a share 38.1% of total Japanese, Korean and Chinese LNG imports.

Table (5) shows the prices and quantities of LNG imported by Japan, South Korea, and China in 2008-2013.

Table 5 LNG Prices and Imports: Korea, Japan, and China 2008-2013

	Imports (thousand tons)				Average Import Price ($/million BTU)		
	Japan	Korea	China	**Total**	Japan	Korea	China
2008	**69628**	**26257**	**3336**	**99221**	**12.5**	**13.8**	**5.4**
2009	**64492**	**25847**	**5532**	**95871**	**9.0**	**10.0**	**4.4**
2010	**70008**	**32466**	**9295**	**111769**	**10.8**	**10.4**	**6.1**
2011	**78411**	**36679**	**12215**	**127305**	**14.7**	**12.5**	**9.1**
2012	**87184**	**36399**	**14698**	**138281**	**16.6**	**14.5**	**10.8**
Jan. 2012	8150	2889	1303	12342	16.7	13.3	11.6
February	7667	4659	832	13158	16.0	14.3	9.2
March	8126	3494	1127	12747	16.3	13.6	10.2
April	6906	2721	1057	10684	16.9	15.2	10.1
May	7052	2208	1139	10399	17.1	15.9	9.8
June	6647	2448	1211	10306	17.2	16.6	11.6
July	7150	2762	1331	11243	18.1	15.7	12.0
August	7319	2353	1087	10759	17.7	15.5	10.8
September	7129	2813	1379	11321	16.8	14.7	12.7
October	6665	2701	1322	10688	15.3	12.9	8.8
November	6665	3033	1082	10780	15.0	12.8	10.6
December	7705	4316	1827	13848	15.4	14.7	10.7
Jan. 2013	8230	3982	1505	13717	15.9	14.8	11.5
February	7525	4144	1412	13081	16.5	15.0	13.3
March	7739	4174	1257	13170	16.3	15.2	10.5
April	7050	3513	1559	12122	16.2	14.3	10.9
May	6421	2915	1352	10688	16.2	14.6	9.1
June	6442	2788	1250	10480	16.6	14.9	11.0
July	7412	2426	1347	11185	16.2	14.9	10.8
August	7249	3271	1689	12209	15.6	14.7	11.5
September	6582	2476	1517	10575	15.0	14.9	11.8
October	7538	3189	1356	12083	15.2	14.4	9.4
November	7217	3277	1318	11812	15.4	14.5	9.5
December	8085	4020	2435	14540	16.4	14.6	13.8

Source: World Gas Intelligence various issues.

Gulf Cooperation Council Interconnection Authority (GCCIA)

Gulf Cooperation Council Interconnection Authority (GCCIA) and Shizi Middle East have signed a cooperation agreement on power networks operating and planning within the framework of establishing a GCC and Arab energy market.

WAM stated that Shizi energy systems and applications consultant would provide the GCCIA with specialized consultation on the latest technical services in the preparatory operating and planning process; in addition to full studies and feasibility studies on developing international transport and interconnection among the Gulf States. The company would also review designs, surveys, examinations and training in addition to other tasks related to sustainability and the efficiency of the complicated energy infrastructure required for transferring electricity in the Gulf region.

GCCIA was established in 2001 to coordinate GCC countries' efforts in the field of electricity and create an energy market among the Arabian Gulf States through The Gulf electricity network project.

The Sultanate of Oman

The Sultanate of Oman's National Council for Statistics and Information has issued its monthly bulletin. December 2013 statistics showed that the country's oil production has reached 846000 b/d, in addition to about 99000 b/d of condensates. It also showed that the average marketed gas reached about 83 million cubic meters per day.

Yemen

The Yemeni Government owned Safer Exploration and Production Co. declared discovering new gas reserves in Sector 18 stretching from Marib Dam to Al Jawf Governorate (North East). The company issued a press statement on 18February2014 mentioning that the first exploration well excavation in the western area of Sector 18 had shown various hydrocarbon zones. The first zone had been tested. The first well produced about 6 million cubic meters of gas per day.

The company added that the evaluation was still in its early stages. The company would continue to examine the well's other hydrocarbon zones in the coming days. It would also conduct a thorough exploration in Sector 18 to drill 3 exploration wells in western and other areas.

Angola

Cobalt International Energy Company has made a new oil discovery in Sector 21 located in deep waters under salt beds in partnership with the franchised Sonangol Company.

Bicuar-1A is the first of its kind within a reservoir that has been created during the sedimentary basin descent at Angola shores. The well has been excavated to a depth of 5739 meters and penetrated 56 meters of active density in a number of consecutive interactions. Well logs, cores, and fluid acquisitions have confirmed the presence of oil and condensates in these interactions. No free gas carrier zone was noticed. Moreover, no convergence point between oil and water has been noticed. All data have been collected during the open hole tests.

The Occupied Palestinian Territories.

Palestine Power Generating Company (PPGC) has signed an agreement with Delek Group by which the latter would provide gas for PPGC for twenty years. The agreement would take effect after the start of the Leviathan gas field production located in deep waters. The gas production is designed to reach 4.75 billion cubic meters to be used in feeding a power plant that will be built near West Bank's Jenin. The net agreement amount is $1-1.2 billion.

Pakistan

Jura Energy has made oil and condensates discoveries through Ayesha-1 exploration well in Sector Badin IV southern Pakistan. The well before Sector B at Goru lower formations of the Cretaceous period has been completed. When tested, the well produced 323000 cubic meters of gas per day. The well head flowing pressure reached about 1998 pounds per square inch. The condensates percentage to gas varied between 3.6 to 4.3%. Hydration was at its lowest.

Indonesia

Lundin Petroleum started excavating the exploration well Balqis-01 within Baronang franchise located in Natura Sea. The drilling targeted sands from the Tertiary Era to reach a reservoir of sediments in a river environment at the Oligocene Epoch within structures of four-way dip closures. The well excavation has been designed to reach a depth of 2130 meters followed by an excavation of a side track with a length of 820 meters.

Colombia

Canacol Energy Ltd has made a new oil discovery through its Leono 2 exploration well excavated in Lianos basin penetrating 37 meters of net thickness with four separate reservoirs. Final well depth was 3843 meters.

When tested, the well produced 1328 b/d of oil from a zone with a thickness of 3 meters and a porosity of 19%. The well also produced 3000 b/d of another formation whose porosity reached 18% and active density was 18 meters.

Congo (Brazzaville)

Eni announced the discovery of gas and light oil in Marine XII Sector through the exploration well Nene Marine 3 that has been excavated in waters with a depth of 28 meters and 17km away from the Congo shores. Hydrocarbons were found within a consecutive series of clastics under salt layers at 3000 meters depth. The new discovery's significance lies in its stress on the wide hydraulic connectivity of Nene Marine field as it is just 2 km away from the company's previous discovery Nene Marine 1. It is also 4 km away from Nene Marine 2 discovered in August 2013. The geological oil reserve in both fields is estimated at 600 million barrels in addition to about 19.8 billion cubic meters of gas.

Brazil

Brazil's Pertobras company's oil reserve estimates have risen by 43% in 2013 in comparison to 2012. In 2013, the company excavated 42 wells to below salt beds stretching from the south of Espirito Santo to the east of Santa Catarina.

Malaysia

Exxon Mobil Corp has announced starting the production of gas from Damar field in front of the eastern Malaysian coast as the company owns 50% of the project shares. The project's design capacity is around 5.66 million cubic meters of gas per day. The company has laid a plan to dig 16 development wells in this field. This step came after Tyloc field started production in March 2013. Both fields would contribute to meeting the increasing demand for gas in Malaysia in addition to encouraging gas industries in the country.

The United Kingdom

The United Kingdom has launched the 28th bid round to grant licensing for exploring oil and gas in new areas in Maghmourah. The British Government said it expected a great interest in this round especially that it had granted 219 licenses in November2013 bid round. Deadline for submitting bids would be on 25 April 2014. A new round of shale gas exploration would be expected in the beginning of next summer.

Nigeria

Island Oil and Gas plc started production from Eboma field under the MOL40 land license in Nigeria. The production started through the successful use of existing systems available in the area and the reopening of two old wells whose production would be expected to be fixed at 2500 b/d.

Greece

Greece plans to launch a bid round in the second half of 2014 to explore oil and natural gas in the western coasts of the country to the south of Crete. Advertising shall start in June. The plan is part of Greece's efforts to encourage the country's growth following a shrink of about one fifth of its economy during six years of recession that left about ¼ of the population unemployed. Greek Energy Ministry said that the initial assessment of the earthquake survey data south Crete showed the presence of geological compositions similar to those producing oil and gas in Albania and south east Italy.

The United States of America

The US Environmental Protection Agency has specified new conditions for using diesel in hydraulic fracture. The new conditions could be adapted by the various states to control the cracking process that has enhanced the gas production boom in the country. Commenting on that a number of those who work in excavation said that using diesel in hydraulic fracture has almost stopped. They added that the proposed criteria would practically lead to delay in obtaining excavation licenses.

Tables Annex

ANNOUNCEMENT

OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2014

Pursuant to its policy in encouraging scientific research by awarding two prizes on biennial basis (First Prize KD 7000, Second Prize KD 5000). The Organization of Arab Petroleum Exporting Countries (OAPEC) is pleased to announce that the research topic for the OAPEC Award for Scientific Research for the year 2014 is:

"THE INTEGRATION BETWEEN REFINING AND PETROCHEMICAL INDUSTRIES"

Research Theme:

Refining and petrochemical industries are facing several challenges that drive the refiners and petrochemical producers toward higher levels of integration in order to improve the revenues and maximize their operational performance.

The main objective of the research is to highlight the impact of the integration of petrochemical plant with the refining industry on their performance and competitiveness.

The following main issues are suggested for the research, to which the author is encouraged to add other suitable aspects:

1. **Opportunities of integration between oil refineries and petrochemical plants.**
2. **Success factors of the refinery-petrochemical integrated projects.**
3. **The technical and economic advantages of integration between oil refineries and petrochemical plants.**
4. **Case studies on projects implemented worldwide.**
5. **Review of the current and planned refining-petrochemical integrated projects in Arab countries.**
6. **Conclusion and recommendations.**

Conditions for Submitting the Research

1. **The research may be submitted by one or more author(s). Institutions and organizations are excluded.**
2. **The research must be new, and has not been granted an award previously.**
3. **The author(s) shall, in advance, agree to give OAPEC the right to print and publish the research in case he/she/they win one of the prizes. A signed statement to this effect must be submitted (sample appended). The author(s) maintain all other propriety rights including that of patent (if applicable). OAPEC shall exercise its right to publish the winning research after six months from the date of advising the winning author (s) with the decision of the award committee.**

4. **The author (s) should submit a statement to declare that the research is new and original. Segments fully or partially adopted from other sources should be properly cited. A detailed list of reference, cited or used, must be attached.**
5. **Four hard copies along with a digital copy of the research (either in Arabic or English) should be submitted. The author(s) resume' giving his/her/their professional background (s) should also be included.**
6. **The deadline for submitting the research is 31st May, 2014**
7. **The competition is open to all nationalities.**
8. **The award will not be presented twice consecutively to the same recipient.**
9. **Any research that does not fulfill the above conditions shall be disregarded.**

The OAPEC Secretariat shall notify the author (s) of the Award Committee's decision. The official declaration of the winner (s) will be announced at OAPEC's 2014 Ministerial Council Meeting.

For further information please contact the OAPEC General Secretariat at:

Organization of Arab Petroleum Exporting Countries (OAPEC)
Technical Affairs Department
P.O.Box 20501 Safat 13066 Kuwait
Tel.: (+965) 24959715 - Fax: (+965) 24959755
E-mail:oapec@oapecorg.org
Website: www.oapecorg.org

Organization of Arab Petroleum Exporting Countries (OAPEC)

OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2014

TOPIC

"The Integration Between Refining and Petrochemical Industries"

Statement of relinquishment of printing and publication right for the research

I, undersigned:

....

Hereby undertake to relinquish all printing and publications right of the research submitted by me entitled:

....

....

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to the Organization of the Arab Petroleum Exporting Countries (OAPEC), in the event of winning one of the two prizes of OAPEC Award for Scientific Research for the year 2014.

Name: ....

Signature: ....

Date: / /