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Organization of Arab Petroleum Exporting Countries



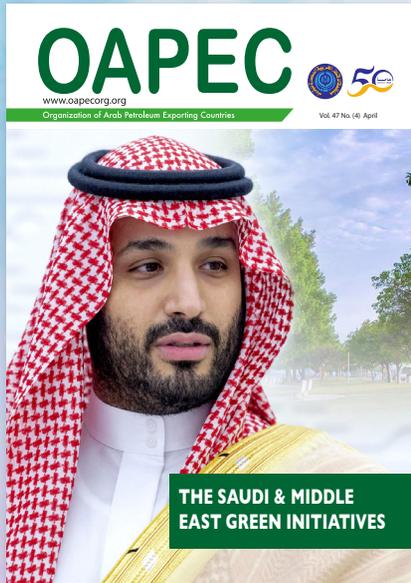
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**THE SAUDI & MIDDLE
EAST GREEN INITIATIVES**



The Cover



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OAPEC AWARD

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.

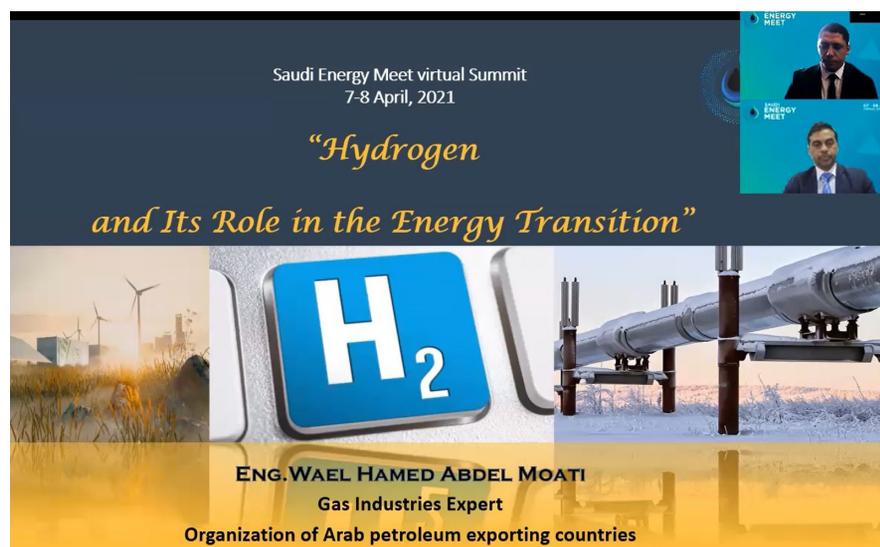
In 1970 the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain and the Republic of Algeria joined the Organization, followed by the Syrian Arab Republic and the Republic of Iraq in 1972, Arab Republic of Egypt in 1973, then the Republic of Tunisia in 1982 (its membership was suspended in 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.

KNPC & OAPEC SIGN MOU ON RESEARCH, OIL SECTOR DEVELOPMENT, & DIGITAL LIBRARIES



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SAUDI ENERGY MEET



Saudi Energy Meet virtual Summit
7-8 April, 2021

*“Hydrogen
and Its Role in the Energy Transition”*

H₂

ENG. WAEL HAMED ABDEL MOATI
Gas Industries Expert
Organization of Arab petroleum exporting countries

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• OAPEC-Joint 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.

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.



THE SAUDI & MIDDLE EAST GREEN INITIATIVES

OAPEC Secretariat General has been following with great interest “The Saudi Green Initiative” and “The Middle East Green Initiative” announced by Saudi Crown Prince, Deputy PM, and Minister of Defence HRH Mohammed bin Salman. More details would be announced in the few coming months. Both initiatives would contribute to drawing up Saudi Arabia’s current and future orientations and trends in saving the planet and nature, as well as, having a clear and ambitious roadmap that would strongly contribute to realising global aspirations. The initiatives also largely embody the region’s interests and orientations towards supporting international efforts on environment protection.

Both initiatives have been welcomed massively, both on Arab and international levels, due to: their pioneer goals on environment protection; delivering on global sustainable development goals; the planet and nature protection; and cutting CO2 emissions. This would be achieved in partnership with the GCC countries and other Middle Eastern countries. The announcement of these initiatives also demonstrates and emphasizes the leading role of Saudi Arabia, as a global pioneer oil producer. It also proves the Kingdom’s contribution to international efforts on combating climate change; boosts its already active role in stabilising the world’s energy markets, especially oil and gas markets; and represents KSA’s determination to lead the next green era. Moreover, the initiatives compliment the Kingdom’s efforts on planet protection throughout its G20 presidency last year, which resulted in a special declaration on environment; adopting the circular carbon economy; founding the first taskforce on environment; and launching a Global Initiative on Reducing Land

Degradation and another on Coral Reef Conservation.

OAPEC Secretariat General underscores the seriousness of environmental challenges in the Arab World that have been mentioned in the initiatives, including desertification, which imposes a genuine economic threat to the region. OAPEC also lauds the pioneer step of the Middle East Initiative in terms of KSA's endeavours, in partnership with its peers in the Middle East, to plant 50 billion trees in the Middle East, becoming the largest reforestation program in the world. In addition to that there are other environmental challenges represented in developing plant cover, cutting carbon emissions, fighting pollution and land loss, and maintaining marine life.

In light of the close and continuous follow up of environmental and climate change issues, OAPEC believes that the most ideal method to face negative climate change impacts is through continued global collaboration in order to reduce global warming. It is important that international endeavours take into consideration common but differentiated responsibilities (CBDR), respective capabilities, climate justice, adaptation, and mitigation.

OAPEC Secretariat General would like to avail itself of this opportunity to congratulate Saudi Arabia on these two initiatives hoping that they would contribute to supporting international efforts on combating climate change and enhancing competitiveness towards creativity and creating job opportunities. OAPEC would also like to reiterate the importance of international and regional organisations in providing support to both initiatives to deliver in terms of the concept of international cooperation on environment.



SAUDI ENERGY MINISTER DISCUSSED BOOSTING ENERGY COOPERATION WITH KUWAITI COUNTERPART

Saudi Arabia’s Minister of Energy HRH Prince Abdulaziz Bin Salman met with Kuwaiti Oil Minister HE Dr Mohammad Al Fares in Riyadh, KSA, on 17 March 2021. The ministers discussed means of bolstering energy cooperation in various aspects.

According to SPA, the ministers also reviewed the positive developments following over a year of signing the agreements on the divided Neutral Zone between the two countries and a memo of understanding on resuming joint oil production along the border which embodied the strong brotherly bonds between the two countries.

Furthermore, the Kuwaiti and Saudi ministers discussed the upcoming stages that target strengthening the bilateral relations by executing the agreements which would help achieve common goals.

On the other hand, both sides discussed recent market standings, joint cooperation to support the stability of the petroleum market, and their active roles in the OPEC+ agreement, which led to accelerating the rebalance of global oil markets.

The ministers underscored the importance of joint efforts and continued bilateral dialogue to maintain achievements and further progress.

OAPEC Secretary General, HE Ali Sabt Ben Sabt, strongly denounced the terrorist attack of 19 March 2021 against Riyadh Oil Refinery in Saudi Arabia, describing it as a disgraceful act of vandalism that targets vital and civil facilities in the Kingdom. He added that the attack threatens global economy and the security and stability of the world’s energy supplies. **HE Ben Sabt** called upon the world and international organisations to take strict measures against such terrorist attacks targeting the flow of energy supplies.





UAE AND JAPAN SIGN AGREEMENT TO EXPLORE OPPORTUNITIES IN HYDROGEN DEVELOPMENT

The UAE Ministry of Energy and Infrastructure and the Japanese Ministry of Economy, Trade, and Industry signed a virtual cooperation agreement to explore the opportunities in the field of hydrogen development. The agreement will expand the joint areas of collaboration and enhance investment in the hydrogen sector, supporting the ambition to accelerate the energy transition towards a low-carbon future.

The agreement, which was signed by HE Eng. Suhail Al Mazrouei, UAE's Minister of Energy and Infrastructure, and HE Ejima Kiyoshi, State Minister of Economy, Trade, and Industry of Japan, in the presence of high-ranking officials from both sides, contributes in strengthening the bilateral relations between the UAE and Japan, as well as emphasizing the Ministry of Energy and Infrastructure's approach to developing the scope of strategic partnerships between the two friendly countries in terms of their pursuit of global leadership in the field of clean energy, and enhancing the opportunities for growth and development in relying on hydrogen as a clean source of energy.

At the outset of the virtual meeting, HE Al Mazrouei welcomed the attendees, emphasizing that the agreement reflects the development of relations between the countries of the UAE and Japan and that the agreement is an extension of the historic partnership between UAE and Japan in various fields, which includes the close collaboration in the energy, infrastructure and transport sectors as Japan is considered one of the world leaders in those areas that represent a major supporter of the national economies. Such partnerships support the direction of the two countries towards achieving the goals of the Paris Climate Agreement, as well as contributing to forming the shift towards clean, renewable energy

by relying on hydrogen production. He pointed out that the United Arab Emirates aims to intensify its efforts to enhance investment opportunities in the field of hydrogen and promote work on developing technologies and reducing costs for green and blue hydrogen production.

He added: "The agreement also aims to open broad prospects for growth and development as part of the two countries' efforts to diversify the energy mix, relying on clean energy, building more partnerships, and strengthening cooperation to take advantage of the opportunities associated with the global leadership of the UAE and Japan in the fields of innovation, technology, and sustainability. This agreement pursues as well the cooperation to exchange information related to hydrogen production, building the supply chain and transport to Japan, and exchanging information to develop regulations and policies".

Al Mazrouei indicated that UAE seeks to reduce the carbon footprint by implementing the 2050 energy strategy aiming at reducing carbon dioxide in the country by 70%, and raising the individual and institutional consumption efficiency by 40% by the year 2050.

"We also aim to diversify the future energy mix, and raise the contribution of clean energy to the total energy mix produced in the country to 50%," he said. (WAM)



QATAR PETROLEUM SIGNS A LONG-TERM SPA TO SUPPLY 2 MTPA OF LNG TO CHINA'S SINOPEC

Qatar Petroleum, on 22 March 2021, entered into a 10-year LNG Sale and Purchase Agreement (SPA) with China Petroleum & Chemical Corporation (Sinopec) for the supply of 2 million tons per annum (MTPA) of LNG to the People's Republic of China.

According to a statement published on the company's website, the SPA was signed by His Excellency Mr. Saad Sherida Al Kaabi, the Minister of State for Energy Affairs, the President and CEO of Qatar Petroleum, and Mr. Zhang Yuzhuo, the Chairman of Sinopec Group, during a virtual ceremony attended by senior officials from both sides.

Under the agreement, LNG deliveries will commence in January 2022, and will be delivered to Sinopec's LNG terminals in China. This SPA further demonstrates the State of Qatar's continued commitment to meeting the growing energy demand of its customers globally in the form of reliable long term LNG supplies.

Commenting on this occasion, His Excellency Mr. Saad Sherida Al Kaabi, the Minister of State

for Energy Affairs, the President and CEO of Qatar Petroleum, said, "In a step that will further solidify the excellent bilateral relations between the People's Republic of China and the State of Qatar, we are delighted to enter into this historic long term LNG SPA. We are also proud of the fact that this agreement will be Sinopec's first long term LNG SPA from Qatar, and we are hopeful that it will mark the start of a long and fruitful partnership with Sinopec. Our LNG relationship with China dates back to 2009, when we started supplying LNG through a host of LNG SPAs with a number of our valued Chinese partners. This SPA will further supplement Qatar's contribution in meeting China's growing energy needs and we look forward to commencing deliveries under the agreement."

HE Minister Al Kaabi concluded his remarks by saying, "This SPA also illustrates our position in the market as a reliable and trust-worthy LNG supplier, and we are grateful to all our customers around the world who select us as their LNG supplier of choice."



EGYPT LAUNCHED & DELIVERED FIRST BATCH OF NATURAL GAS-POWERED VEHICLES

Egypt's Petroleum and Mineral Resources Minister, HE Eng. Tarek El Molla, took part in the ceremony marking the first batch of beneficiaries who had applied to replace their old vehicles with new natural gas-powered cars under Egypt's Go Green initiative.

In his speech, HE El Molla underscored that the national project on the expansion of using natural gas as car fuel enjoyed all factors of success, on top of which the full support of President Abdul Fattah El Sissi, who launched a presidential initiative to replace old vehicles with new natural gas powered cars. This is in addition to economic reform policies that helped the repricing of fuels in the right way, which motivated citizens to benefit from price difference as a litre of gas is almost half the price of a litre of petrol. Moreover, natural gas resources are at hand to meet

domestic consumption needs.

The minister reviewed the programme that has been implemented under the initiative mentioning that work is accelerating to provide stations and gas conversion centres in all governorates across Egypt.

He said the target is to reach 1000 station across Egypt within one year (instead of the planned 250 stations when the initiative was first launched). The minister emphasised that in 3 years-time there will be one million cars powered by gas.

HE El Molla lauded the active and fruitful cooperation of the Central Bank as the Governor responded to provide concessional finance through banks to establish stations. He also praised the provinces' governors for facilitating the issuance of construction permissions and licenses of the stations.



BAHRAIN'S OIL MINISTER:

BAHRAIN DUE TO START DRILLING WELLS IN NEW SHALE OILFIELD BY END OF 2022

Bahrain's Oil Minister, HE Sheikh Mohammed bin Khalifa Al Khalifa, expected drilling for the first production wells in Bahrain's new offshore shale oil discovery to start at the end of 2022.

Responding to parliamentary questions, the Minister added that shale oil reserves are estimated at about 80 billion barrels, explaining that the assessment has been approved by specialized international consultancy companies including the US Demac Petroleum Consultants, which currently carries out geological, engineering and lab studies on the find's content, size and extraction viability.

The Minister explained the difficulty of determining the price of an oil barrel produced from Bahrain's Gulf Oilfield as calculating production costs from any oil field requires to be made by the end of the assessment stage when technical and scientific data have been accumulated.

He pointed out that calculating projected fiscal revenues should be done at the beginning of the actual commercial production. He underscored that the project would cause a commercial and financial euphoria represented in creating promising investment opportunities through founding new plants and introducing job opportunities for Bahraini youth.



منظمة الأقطار العربية المصدرة للبترول (أوابك)
ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

SIGNIFICANT DATES IN THE HISTORY OF PETROLEUM INDUSTRY

YEAR	PLACE	EVENT
5000 B.C.	Egypt	Using oil in mummification
940 B.C.	China	Transferring gas via bamboo pipes
600 B.C	Japan	Excavations of wells to access gas
331 B.C.	Near the Caspian Sea	Alexander the Great's tent burnt using oil
347	China	Well excavations to access oil using bamboo
1264	Persia	Marco Polo described oil assembling from superficial spills
1500	Poland	Street lighting by oil recovered from superficial leaks
1594	Baku & Iran	Well drilling to reach a depth of 35 metres
1735	France	Gathering tar sand to extract oil
1780	Sweden	Invention of oil lamp
1807	Britain	Street lighting using coal oil
1815	USA	Oil considered an undesired secondary product found in saltwater wells
1833	France	First use of drilling fluids by French Engineer Fauvelle
1848	North East Baku	F. N. Simonov drills his first well
1849	Canada	Kerosene distillation from oil by Abraham Gesner
1850	California	Carbon oil distillation by General Andreas Pico
1854	Poland	First oil wells drilled in Europe at depths between 30-50 metres
1858	Ontario, Canada	Drilling of first oil well in North America
1859	Pennsylvania	Drilling of the renowned Drake oil well at a depth of 21 metres

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SIGN MOU ON RESEARCH, OIL SECTOR DEVELOPMENT, & DIGITAL LIBRARIES



The Organization of Arab Petroleum Exporting Countries (OAPEC) inked a Memorandum of Understanding (MoU) with Kuwait National Petroleum Company (KNPC) on research, oil sector development, and digital libraries.



The MOU was signed at OAPEC’s headquarters by the Secretary General HE Ali Sabt Ben Sabt and KNPC CEO Mr Waleed Al Bader.

On this occasion, HE Ben Sabt said that signing the MoU comes as both sides seek to exchange scientific expertise on the energy industry in light of accelerating technological developments in this field, both on Arab and international levels. He added that the MOU comes within the



framework of OAPEC's role activation plan endorsed by its Council of Ministers recently.

HE Ben Sabt also hailed the distinguished bilateral relations between OAPEC Secretariat General and KNPC, hoping that this MoU would mark a new era of fruitful collaboration between the two sides.

On his part, Mr Al Bader underscored the importance of research and development in the oil industry, which has become increasingly dependent on modern technology to cut costs and produce clean oil products of high quality. Al Bader added that this issue requires KNPC, as a leading Company in its field, to work with distinguished bodies like OAPEC that has the ability to communicate with research centres in the region and enjoys access to the sources that provide the latest studies and research on the oil and gas industry.

It is worth noting that the MoU aims at enhancing the joint cooperation between the



two sides in research and development, as well as, sharing OAPEC's research, technology and development database. It also covers developing an integrated electronic office system to create a database on the oil and energy industry, including periodicals, studies and regular reports to allow the exchange of information, studies and publications on the downstream industry in particular.

This experimental step will give KNPC staff an excellent opportunity to explore OAPEC resources on the latest in technology and to get to know research and development centres in the Arab World.



HE Mohammed Arkab

OAPEC Secretary General HE Ali Sabt Ben Sabt sent a cable of congratulations to HE Mohammed Arkab, on the occasion of his appointment as Algeria’s Energy and Mines Minister. HE Ben Sabt wished the Minister all success.



HE Ali Sabt Ben Sabt

OAPEC TAKES PART IN “FREE GAS IN KUWAIT” SEMINAR



Upon a kind invitation by Kuwait’s Oil Ministry Undersecretary, HE Sheikh Nimr Al Sabah, OAPEC Secretariat General took part in a virtual seminar organized by Kuwait’s Ministry of Oil under the title “Free Gas in the State of Kuwait” on Tuesday 6 April 2021. 46 petroleum and press participants joined the event.

OAPEC Secretariat General was represented by Eng. Turki Hemish, Petroleum Expert (Exploration and Production); and Eng. Wael Abdul Moati, Gas Industries Expert.

The seminar discussed various issues including Kuwait Oil Company’s (KOC) plans to increase the number of wells in order to boost production to 950 million cubic feet/day in 2023 and maintain this rate up to at least 10 years. This is the third and final stage of the Jurassic fields development project. It is worth mentioning that in spite of the high costs of developing such fields, KOC is determined to progress in executing the project which contributes mainly to meeting the domestic market needs of natural gas especially in power generation.



HE Sheikh Nimr Al Sabah



SAUDI ENERGY MEET

OAPEC Secretariat General took part in the Saudi Energy Meet, a Virtual Expo and Summit, on 07 - 08 April 2021. The Summit tackled a diversified group of issues including energy mix and all facets of the energy industry across oil and gas (upstream, midstream and downstream), renewables, hydrogen, power, utilities and more. Hydrogen had the most extensive coverage with many sessions dedicated to discuss the subject.

The event was attended by international and regional energy experts and specialists; CEOs; industry stakeholders; policy makers; and government officials. Representatives from many international organisations took part in the event, including OPEC, Gas Exporting Countries Forum, IRENA, and others.

OAPEC Secretariat General has been represented by Mr Abdul Kareem Ayed, Director of Financial and Admin Affairs; Eng. Emad Mekki, Senior Refining Expert; Eng. Wael Abdul Moati, Gas Industries Expert; and Mr Majed Amer, Senior Economist.

OAPEC Secretariat General presented a

paper on “Hydrogen and its Role in Energy Transition” as part of Day 2 of the Summit. Eng. Abdul Moati prepared and presented the paper. It highlighted OAPEC Secretariat General’s technical vision on hydrogen and the way it can contribute to energy transition since hydrogen enjoyed international momentum recently, being one of the solutions to achieve carbon neutrality in the economies of many countries.

The paper tackled 4 key elements:

- Key facts and figures on hydrogen
- Hydrogen’s role in energy transition
- Success factors of establishing hydrogen-based economies in the Arab World
- Arab countries’ hydrogen plans and projects

The paper concluded by a key message stating that, together, natural gas and hydrogen would play a significant and major role in energy transition; they would actively contribute to building a sustainable energy system in the future.



APICORP UPS NET INCOME BY 3% IN 2020

The Arab Petroleum Investments Corporation (APICORP) announced that its Board of Directors recommended to the General Assembly the approval of its financial results for the year ended December 31, 2020. Continuing its record performance, the Corporation posted a 3% year-on-year (y-o-y) rise in net income despite the fallout of the unprecedented COVID-19 global crisis – from USD112 mn in 2019 to USD115 mn in 2020.

The key drivers include a 6% y-o-y growth in APICORP's Corporate Banking portfolio to reach USD3.9 bn, as well as a 13% y-o-y growth in its Treasury & Capital Markets portfolio, which also netted USD46 mn in capital gains, a 488% increase from the prior year.

Moreover, the Corporation's balance sheet increased from USD7.34 bn to USD7.89 bn in 2020, a 7.5% y-o-y uptick which is higher than the 5% CAGR recorded over the past five years. Key financial and risk metrics also continued their steady improvement, as the Corporation recorded its highest ever liquidity ratio at 349% and increased its capital adequacy ratio to 31% (+1% y-o-y), as well as reducing its leverage level from 2.5x in June 2020 to 2.23x in December 2020.

Apart from demonstrating the strength and resilience of APICORP's financial position, the robust financial and risk metrics enabled APICORP to retain its 'Aa2' rating with a stable outlook from Moody's and earned its inaugural 'AA' rating with a stable outlook by Fitch – the only regional financial institution in MENA to hold two 'AA' ratings.

The year also witnessed a landmark capital increase by which the Corporation increased its authorized capital from USD2.4 bn to USD20 bn, subscribed capital from USD2 bn to USD10 bn, paid-up capital from USD1 bn to USD1.5 bn, and callable capital from USD1 bn to USD8.5 bn.

Commenting on APICORP's results, Dr. Aabed bin Abdulla Al-Saadoun, Chairman of the Board of Directors said: "The strong 2020 financial results despite the uncertain economic landscape that clouded most of the year illustrates APICORP's exceptional steadfastness and resilience. The fact that we ended the year with a 3% increase in net income points to the Corporation's strong and solid fundamentals. As the region, and indeed the world, begins to recover from the impact of the COVID-19 pandemic, we are confident that we will continue to ably support the MENA energy sector, including the proactive advancement of the energy transition agenda."

Dr. Ahmed Ali Attiga, Chief Executive Officer of APICORP, said: "We are immensely proud to close yet another successful financial year for APICORP. The milestones we achieved in 2020 were made more remarkable given the shockwaves of the unprecedented triple crisis stemming from the COVID-19 pandemic that severely impacted the financial results of peer financial institutions and affected all sectors. Complemented by the resolute support from our Member Countries, deep partnership base, and the hard work of all staff members, our positive results underscore the soundness of our long-term investment and funding strategy, as well as our agile and efficient approach to tackle the challenges of 2020."



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Monthly Report on Petroleum Developments in The World Markets

Monthly Report on Petroleum Developments in The World Markets *

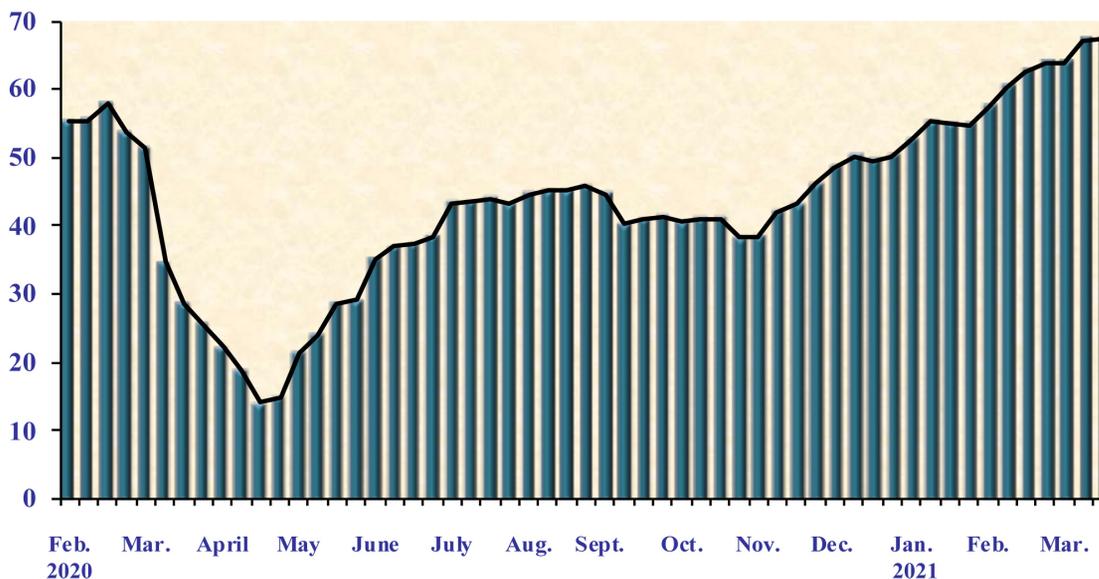
First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price increased in March 2021 by 7.5% compared to the previous month, to reach \$65.62/bbl. While annual price of OPEC Basket is expected to increase in 2021 by \$18.4/bbl or 44.4% compared to 2020, to reach \$59.87/bbl.

It's worth mentioning that, OPEC Reference Basket increased in February 2021 by 12.3% or \$6.7/bbl, compared to the previous month, to reach \$61.1/bbl, the highest monthly average since January 2020. This is mainly attributed to improving oil market fundamentals and the positive futures markets in anticipation of demand recovery and a restrained global oil supply. As OPEC+ continued to show strong conformity levels to their production adjustments, and Saudi Arabia began to implement an additional, voluntary reduction in its production by 1 million b/d, which will continue over the months of February and March 2021. This further contributed to accelerating the global oil market rebalancing. Oil prices were also supported by data showing a decline in OECD oil stocks in January, a continuing decline in US crude stocks in the first half of February, and a supply disruption in the US caused by unusually cold winter weather.

Weekly Average Spot Prices of OPEC Basket of Crudes, 2020-2021 (\$/bbl)



Source: OPEC, Monthly Oil Market Report, Various issues.

2. Supply and Demand

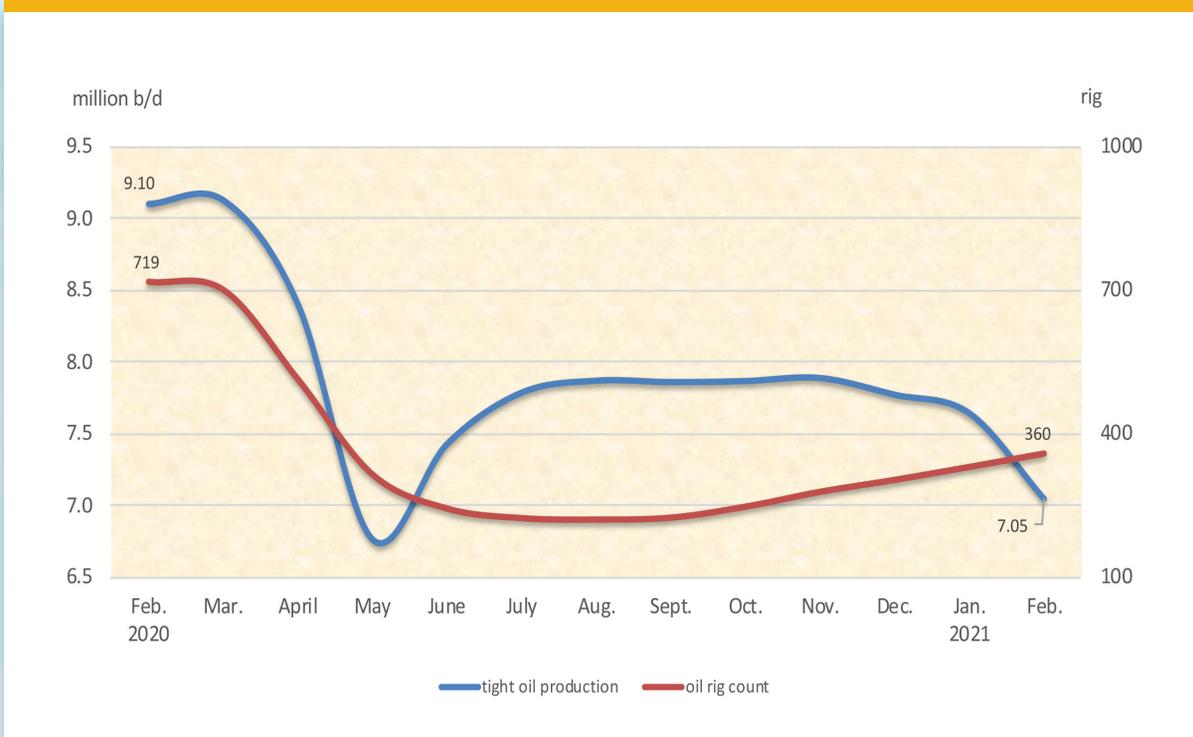
- Primary projections indicate that world oil demand is expected to decrease in Q1 2021 by 1.2% compared with previous quarter, to reach 93 million b/d. As demand in OECD countries is expected to increase by 0.8% to reach 43.3 million b/d. Whereas demand in Non-OECD countries is expected to decrease by 2.8% to reach 49.7 million b/d.

* Prepared by the Economics Department.



- Projections indicate that world oil demand is expected to increase in Q2 2021 to reach 95.6 million b/d. As Demand in OECD countries is expected to increase to reach 44.7 million b/d. And demand in Non-OECD countries is expected to increase to reach 50.9 million b/d.
- Primary estimates indicate that world oil supplies in February 2021, decreased by 1.150 million b/d or 1.2% comparing with previous month level to reach 91.8 million b/d. Non-OPEC supplies decreased by 0.8% to reach 61.8 million b/d, and OPEC crude oil and NGLs/condensates total supplies decreased by 2.1% to reach 30 million b/d.
- US tight oil production in February 2021 decreased by 595 thousand b/d compared to the previous month level, to reach 7.052 million b/d. Production is expected to rise for the first time in four months during March 2021 to reach 7.504 million b/d, before dropping during April 2021 to 7.458 million b/d. On other development, US oil rig count increased in February 2021 by 28 rigs, to stand at 360 rigs.

US tight oil production and oil rig count

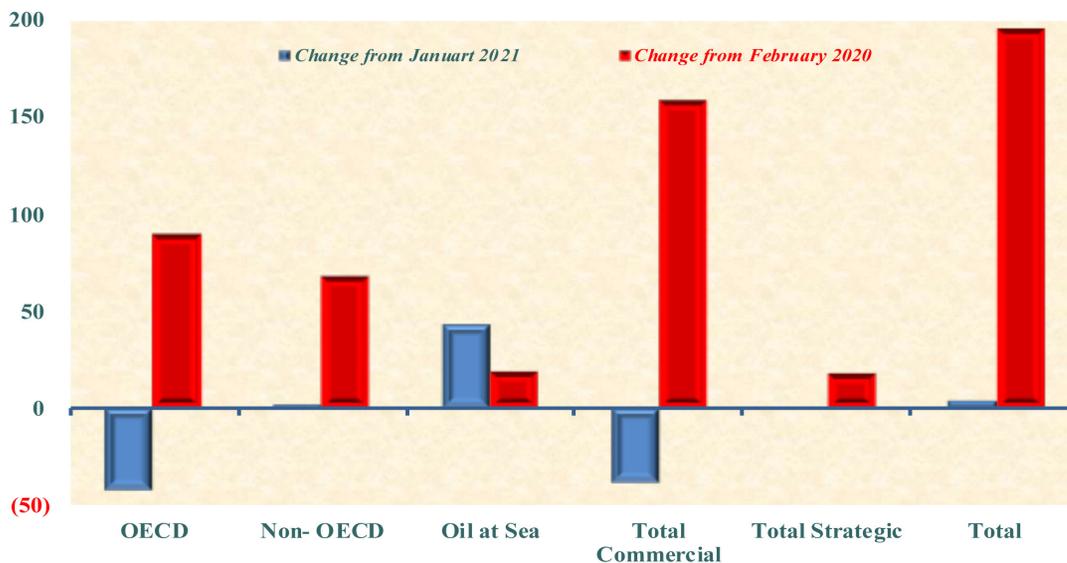


Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions March 2021.

3. Oil Inventories

- OECD commercial inventories in February 2021 decreased by 41 million barrels from the previous month level to reach 2982 million barrels, whereas strategic inventories settled at the same previous month level of 1846 million barrels.

Change in Global Inventories at the End of February 2021 (million bbl)



Source: Oil Market intelligence, May 2020 and March 2021.

4. Oil Trade

- US crude oil imports in February 2021, decreased by 5.1% from the previous month level to reach about 5.7 million b/d, and US crude oil exports decreased by 7.9% to reach about 2.8 million b/d.
- US petroleum products imports in February 2021 decreased by 2.5% from the previous month level to reach about 2.1 million b/d, and US petroleum products exports decreased by 13.6% to reach about 4.5 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub increased in February 2021 to reach \$5.35/ million BTU.
- The price of Japanese LNG imports in January 2021 increased by \$1.25/m BTU to reach \$8.41/m BTU, and the price of Korean LNG imports increased by \$1.06/m BTU to reach \$7.94/m BTU.

2. Exports

- Arab LNG exports to Japan and South Korea were about 3.194 million tons in January 2021 (a share of 25.5% of total imports).

Tables Annex

ANNOUNCEMENT

OAPEC AWARD

FOR SCIENTIFIC RESEARCH

FOR THE YEAR 2020

Pursuant to its policy of encouraging scientific research by awarding two prizes on a biennial basis (**First Prize** KD 7000, **Second Prize** KD 5000, equivalent to USD \$23000 and USD \$16000), upon the resolution number 1/151 of OAPEC Executive Bureau at its meeting dated 1/10/2018. **The Organization of Arab Petroleum Exporting Countries (OAPEC)** is pleased to announce that the research field selected for the “OAPEC Award for Scientific Research for the Year 2020” is:

Environmental Research Related to Petroleum & Energy Industry

The deadline for receiving research participating in the OAPEC Scientific Award for the year 2020 has been extended to 31 May 2021 instead of 31 December 2020.

Research papers will be received by email of the award:
Oapecaward2020@oapecorg.org

Research Field:

Environment is an important aspect of the world's energy system. Energy is closely linked with environmental issues, particularly after the conclusion of the UN agreement on climate change by the international community. The petroleum and energy industry is currently facing many challenges, most significantly the increasing global interest in environmental perspectives and the tightening of environmental legislations and their impacts on the energy industry in general, and petroleum industry in particular. Therefore, research work in this field varies to cover all aspects of the petroleum industry from exploration, production, transportation, storage, to refining, distribution and marketing. This is along with considering the impact of new energy and renewables on the environment.

The research work eligible for this award may address one or more of the environmental perspectives of the petroleum and energy industry, including, but not limited to:

- 1. Environmental Impacts and the Role of Modern Technologies in:**
 - Exploration and Production of Oil and Gas
 - Treatment of Liquid and Solid Waste Resulting from Downstream Industries
- 2. Environmental Impact Assessment of the Petroleum and Energy Facilities and the Processing Methods.**
- 3. Economic Implications of Environmental Legislations on the Petroleum and Energy Industry**
- 4. New Environmental Regulations and their Impacts on the Operation Performance of Production Units, e.g. Cleaner Fuel Production.**
- 5. New Energy and Renewables Technologies and their Potential Implications for the Status of Oil in the Global Energy Mix.**
- 6. Energy Policies Trends in the Developed Countries and the Impacts of Carbon Tax and its markets following the Conclusion of Paris Climate Change Agreement During COP21 in Paris in 2015.**

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 submitted must be new and original, and has not been granted an award previously.
3. The author(s) shall agree in advance 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 with the research (sample provided below). The author(s) will maintain all other rights, including patent rights (if applicable). OAPEC shall not exercise its right to publish the winning research for a period of six months commencing with the date of advising the winning author (s) with the decision of the Award Committee, must be provided.
4. A statement by the author(s), attesting that the research is original, must be provided. Segments fully or partially taken from other sources should be properly cited. A detailed list of all references used must also be attached.
5. Four hard copies and a digital copy of the research (either in Arabic or English) should be submitted, along with the Curriculum Vitae of each researcher.
6. The deadline for submitting the research is **31st December, 2020**. No submission will be accepted after that date.
7. Prizes are awarded to individuals of all nationalities advised of the Award Committee's decision.
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.

Researchers will be notified by OAPEC Secretariat of the Award Committee's decision. The winners will be officially announced at the end of the OAPEC's Ministerial Council in 2021.
For further information you may contact the OAPEC General Secretariat at:

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Organization of Arab Petroleum Exporting Countries (OAPEC)
OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2020

Field

Environmental Research Related to Petroleum & Energy Industry

Statement of relinquishment of printing and publication rights for the research

I, undersigned:

Hereby undertake to relinquish all printing and publication rights of the research submitted by me entitled:

to the Organization of Arab Petroleum Exporting Countries (OAPEC), in the event of winning one of the two prizes of OAPEC Award for Scientific Research for the year 2020.

Name:

Signature:

Date: / /