



# OAPEC

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# OAPEC: IMPORTANT SOURCE OF ARAB JOINT ACTION



# The Cover



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# Contents

## IN THIS ISSUE

6

**OAPEC  
ACTIVITIES**

16

**OAPEC MEMBER  
COUNTRIES NEWS**

26

**PETROLEUM  
DEVELOPMENTS**

30

**TABLES ANNEX**

### 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.



## BEN SABT: TANGIBLE OUTCOME OF THE 163RD MEETING OF OAPEC EXECUTIVE BUREAU

6

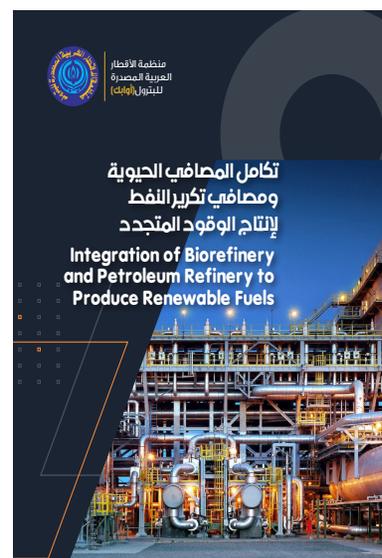


12

## MATURE FIELDS AND GLOBAL ENERGY DEMAND

## OAPEC RELEASES A NEW STUDY ON "INTEGRATION OF BIO-REFINERIES AND OIL REFINERIES TO PRODUCE RENEWABLE FUELS"

15



### • 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.



# OAPEC: IMPORTANT SOURCE OF ARAB JOINT ACTION



**By: Ali Sabt Ben Sabt**  
OAPEC Secretary General

The Organization of Arab Petroleum Exporting Countries (OAPEC) is an important source of joint Arab action. The Secretariat General has been keen on activating this role by strengthening cooperation between its member countries on the one hand, and with Arab, regional and international energy organizations and institutions on the other hand. This is in order to facilitate access to clean energy technology research, including renewable energy technologies, clean petroleum fuels, cutting carbon emissions using CCSU techniques, and encouraging investment in clean energy infrastructure.

The Secretariat General spared no effort to achieve the goals for which the organization was established, foremost of which is strengthening cooperation among its member countries. This has been done through the aspired Arab economic integration, affirming what was stated in the Algiers Declaration issued by the “Reunification” summit held in the Republic of Algeria in November 2022 regarding the need to “work on strengthening joint Arab action to safeguard Arab national security in its comprehensive concept including all its political, economic, food, energy, water and environmental dimensions,” by exploiting the available opportunities in many areas included in the plan to activate the organization’s role.

Despite facing some difficulties, the Secretariat has been able during recent years to make many achievements and make tangible progress to enhance this cooperation in many fields. As for activating the relationship with OAPEC joint ventures and national companies in the member countries, the Secretariat was keen to boost cooperation and integration among these companies, discuss the possibility of creating business opportunities, and provide any technical consultations, training courses or other services of common interest, by playing the role of mediator between these companies and national companies in the member countries.

In the field of training, the Secretariat organized a number of training courses in coordination with specialized petroleum training centres in the member countries, and in cooperation with the Arab Planning Institute in the State of Kuwait. The number of trainees reached about 3154 participants during the year 2022, without any financial costs to the member countries or the organization.

As for initiatives put forward by member countries to boost joint Arab action, the Secretariat General was keen to unify the efforts of member countries, the latest of which was the regional cooperation initiative to address carbon emissions, where the Secretariat follows up on the activation of the Council of Ministers Resolution No. 4/107 on the Green Middle East Initiative and adopting the application of the circular carbon economy concept led by Saudi Arabia.



## BEN SABT: TANGIBLE OUTCOME OF THE 163<sup>RD</sup> MEETING OF OAPEC EXECUTIVE BUREAU



OAPEC Secretary-General, HE Ali Sabt Ben Sabt, stated that OAPEC Executive Bureau held its 163rd meeting in the State of Kuwait on Thursday, 13 October 2022. The meeting was chaired by the representative of the Syrian Arab Republic at the Executive Bureau, His Excellency Eng. Khaled Matar Al Elaij, in the presence of the Executive Bureau members as representatives of the member countries. Syria has the presidency of the current term.

Ben Sabt clarified that the meeting discussed OAPEC's projected draft budget (the Secretariat General and Judicial Tribunal) for the year 2023. The meeting approved the draft budget to be submitted to OAPEC's next ministerial meeting, which will be held in the State of Kuwait in December 2022.

During the meeting, a number of points on the agenda were discussed,



the most important of which was reviewing the latest developments of implementing OAPEC's role activation plan. A briefing has been given on the most important work carried out by the Secretariat General during the period from May to October 2022 within the framework of the various axes of activation, including coordination between

OAPEC joint ventures. Ben Sabt explained that the Secretariat General held a coordination meeting in Cairo, Arab Republic of Egypt, in the presence of the Secretary-General, heads of OAPEC joint ventures, as well as national companies in the member countries with the aim of discussing methods to boost cooperation between these companies, and



to identify the most prominent obstacles facing these companies in their work sites in the Arab countries.

Ben Sabt indicated that the meeting reviewed a report on the coordination meetings, including the third meeting of officials of petroleum research institutes and centres in the member countries; the 29th coordination meeting of environmental and climate change experts, the first meeting of the technical team on the Kingdom of Saudi Arabia's initiative on carbon emissions, and the 21st experts meeting on identifying natural gas investment cooperation opportunities in the member countries. This is in addition to the seminars, workshops and training courses organized by the Secretariat General from May to October 2022, where the number of participants reached more than 1500.

The meeting was briefed on the Secretariat General's preparations to attend the 27th United Nations Conference of the Parties on Climate Change "COP27", which will be held in the Arab Republic of Egypt, and stressed



the significance of the presence of Arab countries in these important international forums. The meeting also reviewed the efforts of the Secretariat General to boost cooperation with the various organizations, especially OPEC.

Moreover, Ben Sabt explained that the meeting was briefed on the organization's endeavours in coordinating petroleum media activities in the member countries, which are carried out through the media liaison officers in the member countries. The meeting stressed the importance of continuing media coordination efforts among the member countries.

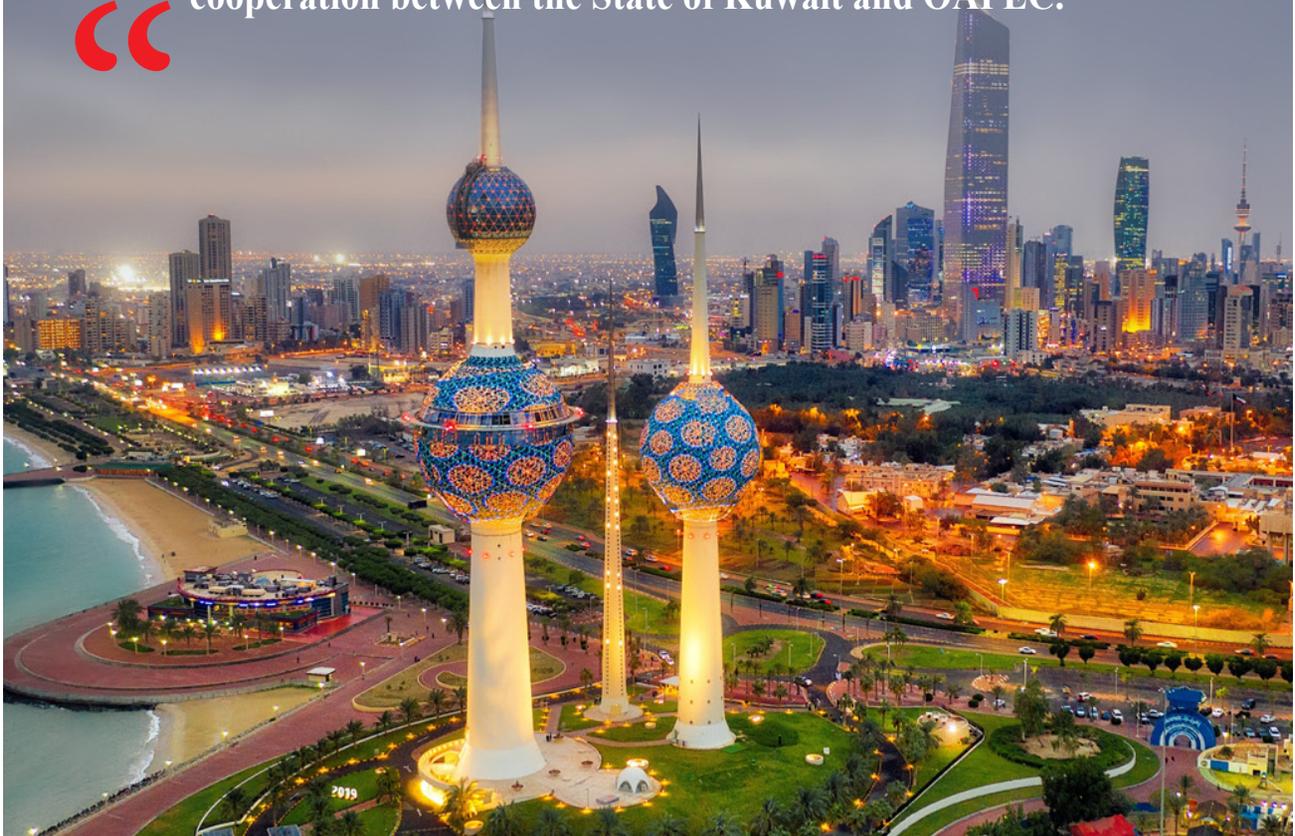
On another note, the meeting discussed OAPEC's preparations to hold the Twelfth Arab Energy Conference in 2023, one of the oldest and most established Arab petroleum conferences, as its first session was held in 1979 in Abu Dhabi.

Ben Sabt concluded his statements by indicating that the meeting reached a number of recommendations, which will be put into practice.





OAPEC Secretary General HE Ali Sabt Ben Sabt sent a cable of congratulations to HE Dr Bader Al Mulla, on the occasion of his appointment as Kuwait’s Deputy Prime Minister and Minister of Oil. Ben Sabt wished HE Al Mulla all success in his new post, while looking forward to continuing the already existing fruitful cooperation between the State of Kuwait and OAPEC.





# يوم الاستقلال العراقي

IRAQI INDEPENDENCE DAY

3 تشرين الاول 2022  
OCTOBER 2022

OAPEC Secretariat General wishes to express heartfelt congratulations to the leadership, government and people of the Republic of Iraq on the occasion of the National Day on 3 October.



# MATURE FIELDS AND GLOBAL ENERGY DEMAND

In a report on the importance of mature fields in meeting the future demand for energy, OAPEC Secretary-General HE Ali Sabt Ben Sabt, explained that many of the world's giant fields are now included in the classification of mature fields whose maximum production rate is constantly declining, or those which have been in production for more than 25 years. He indicated that these fields are the backbone of the petroleum industry, and their contribution is estimated at 75-80% of the world's oil production. This is what makes it extremely important to maintain the security of supply and the balance of the global oil market in the present and the foreseeable future.



The Secretary-General explained that despite the multiple future scenarios, the reference case scenario, which is referred to as "Business as Usual", remains the most important, because the rest of the scenarios are often linked to variables that are not precisely defined, such as population growth, national income, and the percentage of renewable energies' contribution to the energy mix, in addition to other variables. Therefore, they remain theoretical scenarios that may change suddenly for several reasons, including but not limited to: health crises that swept the world, economic crises, and geopolitical crises, which can play an important role in redrawing demand



and supply maps, as happened recently when European Union countries halted plans to reduce the use of fossil energy sources, not to mention the fact that this type of crises affected the volatility of energy prices and the accompanying rise in inflation rates.

Ben Sabt pointed out that the global demand for energy is constantly growing within the scenario of the reference case. This includes the growth of demand in the producing countries themselves, which means that the quantities available for export will shrink if the current production rates remain stable, not to mention the possibility of a decline in these rates in the event of a decrease in investing in development.

He believed that oil and gas supplies would represent, in this case, about 50% of the energy mix in 2045. This is in line with forecasts of various entities such as BP, OPEC, and EIA, that see that the share of oil and gas from the total future demand in 2045 will be 55%, 53 %, 45%, respectively. He stressed in the same context that coal may meet about 17-21% of the demand, meaning that fossil fuel sources will collectively meet between 67-71% of the total global demand, while the rest (24-38%) will be distributed between nuclear energy, hydropower and renewables. He explained that the share of renewable energy sources (solar and wind) constituted only about 6.7% of the energy mix consumed globally in 2021.

Ben Sabt also noted that oil and gas meeting at least half of the global energy demand during the next two decades will not be an easy goal in the event of a decline in investments in the petroleum industry, as it is estimated that the world will consume - within the reference case scenario - about 800-870 billion barrels of oil until 2045, equivalent to about 60-67% of the total proven reserves in the world in 2020, of about 1.28 trillion barrels.

This means that there is great importance to compensate for the produced quantities through new discoveries, or through the adoption of improved oil recovery techniques, noting that during the past years, new discoveries from giant fields have declined, and have become smaller whether in terms of number or size.

HE Ben Sabt concluded by emphasizing that fossil fuels will remain at the forefront of the global scene as the most important element of the energy mix in the coming decades. Oil will continue to



play a vital role in advancing global development, which leaves the petroleum industry in front of two options that must go in parallel. The first is to inject investments in exploration, which is an important option, of course, but the number of giant oil fields that are discovered annually has declined during the past decade compared to the number of giant gas discoveries. This fact intensifies the importance of the second option, which is the development of the established proven reserves in mature fields, which is a less risky option than exploring new areas.

In this regard, he explained that enhanced oil recovery methods play a fundamental role in developing mature fields by raising the production rate, and by raising the extraction coefficient from these fields, which can be viewed as a new discovery, as it is scientifically accepted that the average extraction coefficient in many of the world's fields did not exceed 35%. This means that there are 65% of the remaining geological reserves that still represent an important source of supplying the recoverable reserves, which requires directing more investments towards developing enhanced oil recovery techniques.



# OAPEC SECRETARIAT GENERAL PARTICIPATED IN THE LNG SHIPPING FORUM



OAPEC Secretariat General participated in the LNG Shipping Forum, which was held on 22 September 2022 via video conferencing. Representatives of many international companies and bodies specialized in maritime transport, logistic services, as well as, European organizations specialized in the field of liquefied natural gas participated in the forum.

The representative of OAPEC Secretariat General, Eng. Wael Hamed Abdel-Moati, Gas Industries Expert, presented the organization’s vision on the prospects for the liquefied natural gas industry at a session titled “LNG Shipping Industry in the Next 5 Years”, where he indicated that the Arab region will witness a surge in liquefaction capacity by about 40% or 55 million tons annually after the completion of the ongoing projects in the State of Qatar, the Sultanate of Oman in addition to Mauritania, which will join the club of liquefied natural gas exporting countries for the first time by the end of 2023. He also explained that the Arab region, through specialized national shipping companies, was able to play an important role in the LNG maritime transport market by building a fleet of highly efficient and large-tonnage vessels to transport its exports based on long-term contracts to different markets, which together

accounted for 13% of tonnage of the global LNG fleet by the end of 2021.

Although the Arab region has historically been considered one of the major exporters of liquefied natural gas and is still its main activity, several Arab countries have shown an interest in attracting investments in the activity of small capacity liquefied natural gas and its applications, foremost of which is the supply of ships with liquefied natural gas. This is due to the characteristics of the region, which enjoys a distinguished geographic location in the middle of international shipping lines, and in line with IMO legislation aimed at cutting carbon emissions from the shipping sector, setting the global ceiling for sulfur in bunker fuel at 0.5%.

An example of this is the LNG ship bunkering project in Sohar, Sultanate of Oman, with a capacity of 1 million tons/year, which is expected to be completed and operated within three years, to become the first ship bunkering project in the region. This is in addition to other scheduled projects in the United Arab Emirates, Algeria, and Egypt, which, once completed and operated, will contribute to transforming the Arab region into a major hub for supplying ships with liquefied natural gas.

# OAPEC RELEASES A NEW STUDY ON “INTEGRATION OF BIO-REFINERIES AND OIL REFINERIES TO PRODUCE RENEWABLE FUELS”

OAPEC Secretariat General has recently released a study tackling the integration options between crude oil refineries and biofuel production refineries to produce renewable fuels with similar characteristics to petroleum fuels.

The study comes within the framework of the Secretariat’s endeavors to support the efforts of those in charge of the oil industry in the member countries towards cutting carbon emissions, as the process of refining oils derived from biomass in oil refineries is one of the important techniques that enable the refining industry to meet the requirements of environmental legislation to reduce carbon emissions from petroleum products at all stages, from production to consumption.

The study reviewed the most important possible options for integration between oil refineries and biofuel refineries and their role in overcoming the difficulties facing both the biofuel production sector and the oil refining industry. The oil refining sector suffers from a drop in demand for petroleum fuels, driven by the global trend towards imposing legislation to reduce carbon emissions, while the biofuel production sector faces a lack of competitiveness due to high production costs and limited blending ratio with petroleum fuels.

The study also focused on the techniques used for refining bio-oils in oil refinery units, the most important benefits and challenges of these technologies and possible opportunities to improve their performance.

The study also introduced some conclusions and recommendations, which emphasized the need to support scientific research efforts in OAPEC member countries to improve the integration process between oil refineries and bio-oil refineries and to maximize their benefits, and to work on applying bio-oil refining techniques in existing oil refineries with the aim of enabling them to meet the requirements of environmental legislations on cutting carbon emissions.





# ARAMCO CEO: URGENT GLOBAL CONSENSUS REQUIRED TO CONCURRENTLY ADDRESS CLIMATE PRIORITIES AND ENERGY SECURITY CHALLENGES



SWITZERLAND, September 20, 2022- Aramco President and CEO Amin H. Nasser highlighted the need for a much more credible energy transition plan, as he delivered a keynote speech at the Schlumberger Digital Forum on 20 September 2022.

During the event, he stressed the importance of achieving a new global consensus on the way forward, and outlined three strategic pillars that should be central to the response.

**The pillars are:**

- a recognition by policy makers and other stakeholders that supplies of ample and affordable conventional energy are still



nuclear power, your transition plan had better be right. Instead, as this crisis has shown, the plan was just a chain of sandcastles that waves of reality have washed away. And billions around the world now face the energy access and cost of living consequences that are likely to be severe and prolonged.”

On the importance of greater investment in the oil and gas sector, Mr Nasser said:

“A fear factor is still causing the critical oil and gas investments in large, long-term projects to shrink. And this situation is not being helped by overly short-term demand factors dominating the debate. Even with strong economic headwinds, global oil demand is still fairly healthy today. But when the global economy recovers, we can expect demand to rebound further, eliminating the little spare oil production capacity out there. And by the time the world wakes up to these blind spots, it may be too late to change course. That is why I am seriously concerned.”

On the need for the world to unite behind a credible new energy transition plan, Mr Nasser said:

“As the pain of the energy crisis sadly intensifies, people around the world are desperate for help. In my view, the best help that policymakers and every stakeholder can offer is to unite the world around a much more credible new transition plan, driving progress on the three strategic pillars I have outlined this morning... That is how we deliver a more secure and more sustainable energy future.”

required over the long term;

- further reductions in the carbon footprint of conventional energy, and greater efficiency of energy use, with technology enabling both;
- new, lower carbon energy, that steadily complements proven conventional sources.

Highlighting the consequences of a flawed transition plan, Mr Nasser said:

“When you shame oil and gas investors, dismantle oil- and coal-fired power plants, fail to diversify energy supplies (especially gas), oppose LNG receiving terminals, and reject



## FORMULA 2 AND FORMULA 3 PARTNER WITH ARAMCO TO PIONEER LOW-CARBON FUELS FROM 2023

DHAHRAN, September 02, 2022- Formula Motorsport Limited (FML) have signed a Memorandum of Understanding (MoU) on 2 September 2022 with Formula 1 Global Partner, Aramco, to introduce the use of sustainable fuels in both championships from 2023. It demonstrates how the FIA Formula 2 and Formula 3 Championships are pioneers in this important area of development, while continuing to bring the FIA Formula One World Champions of the future through the single-seater pyramid.

The agreement is subject to FIA World Motor Sport Council approval. It will form part of the wider sustainability strategy announced by the FIA and Formula 1, which will see the sport become net zero carbon by 2030.

By 2026, all FIA Championships will be required, by regulation, to power their cars with 100% sustainable fuels. A key milestone in the journey will be the introduction of

a 100% sustainable fuel from the 2026 F1 season, alongside the next generation hybrid power units.

Motor sport continues through these innovations not only to promote, but also to be at the forefront of the creation of the multiple technologies that will play a critical role in the future of the entire transportation industry.

Aramco is working on the development of sustainable fuels as a “drop-in” technology, meaning they could be rolled out to the world’s existing automotive fleet — helping to reduce global transport emissions.

Mohammed Ben Sulayem, FIA President, said: “Sustainability is at the top of the global motor sport agenda, and it is vital to see this work not only going on in Formula 1, but also in Formula 2, Formula 3 and throughout the entire ecosystem. Our sport is developing and evolving rapidly and it will continue to lead the way, pioneering the technologies, including sustainable fuels, that will be crucial to tackle climate change. We are a key part of the solution to the problems we are facing worldwide.”

Stefano Domenicali, President and CEO, Formula 1, said: “Aramco is a leader in this space and, subject to the approval of the FIA World Motor Sport Council, will deliver our sustainable fuel ambitions, working closely with our colleagues in F2 and F3, who not only bring through the drivers of the future but offer a superb testing ground for the latest engineering in motorsport. In 2026, F1 will move to zero-emission sustainable fuel that offers a game-changing solution for the automotive sector and beyond. With the support of Aramco and all our manufacturers, we can accelerate the sector’s move to net zero.”

Ahmad Al Sa’adi, Senior Vice President of Technical Services, Aramco, said: “Aramco’s ambition is to achieve net-zero Scope 1 and Scope 2 emissions across our wholly-owned operated assets by 2050. Moreover, we recognize the need to work closely with our suppliers and customers to reduce emissions along the entire value chain of our products. This includes those in the transportation sector, where our approach includes redesigning internal combustion engines, and the fuels that power them. Our sustainable fuels partnership with F2 and F3 will be an extension of these efforts, and we are



extremely enthusiastic about its potential.”

Ahmad Al Khowaiter, Chief Technology Officer, Aramco, said: “Aramco is leveraging its unique scale, global network, and technological expertise to help deliver low-carbon transport solutions. We believe strongly in the power of partnerships and, through our collaboration with F2 and F3, we aim to demonstrate the significant potential of liquid synthetic fuels. We are exploring practical solutions that can enable decarbonization of the transport sector, from low-carbon fuels and more efficient engines to cutting-edge materials and carbon capture technology. By teaming up with F2 and F3 on this journey, we hope to make a positive impact by enabling emissions reduction in motorsport and, ultimately, the broader transportation sector.”

Bruno Michel, CEO, FIA Formula 2 and FIA Formula 3, said: “Sustainability is a top priority in today’s world, and we have been working on making our sport more sustainable for some time now. The goal to switch to synthetic fuel can only be achieved through the partnership with a company of the scale of Aramco, which is determined to produce advanced sustainable fuel in the near future. It’s easier to implement such a significant change in F2 and in F3, as they are single-make categories with single suppliers. We’re very happy to undertake an innovation role – as we did last season with the introduction of the 18-inch tires now used in F1 – and take the first steps towards synthetic sustainable fuel.”



# ADNOC REFINING TO COMPLETE FIRST PHASE OF WASTE HEAT RECOVERY PROJECT AS ADNOC ACCELERATES FOCUS ON SUSTAINABILITY ACROSS ITS OPERATIONS



ADNOC Refining, a joint venture company between the Abu Dhabi National Oil Company (ADNOC), Eni, and OMV, is set to complete the first phase of its innovative Waste Heat Recovery project at the General Utilities Plant in Ruwais, Abu Dhabi.



*ADNOC continues to reinforce its commitment to sustainability and responsible production, aligned to the UAE Net Zero by 2050 Strategic Initiative*





***The company is further reducing its greenhouse gas (GHG) emissions intensity by 25% by 2030, meeting emerging demand for low-carbon fuels and supporting the global energy transition***

***Project recycles waste heat from ADNOC Refining's plant in Ruwais, increasing power production and thermal efficiency of the facility by around 30% with no additional emissions***

ADNOC produces some of the world's least-carbon intensive crude and the company is further reducing its greenhouse gas (GHG) emissions intensity by 25% by 2030, aligned to the UAE Net Zero by 2050 Strategic Initiative.

The Waste Heat Recovery project is one of several strategic initiatives to decarbonize ADNOC's operations and builds on the company's heritage of responsible environmental stewardship. This includes milestones such as the implementation of a zero routine gas flaring policy in the early 2000s and establishing the region's first commercial-scale Carbon Capture and Underground Storage facility in 2016. In the last 12 months ADNOC has announced partnerships to decarbonize its operations at scale, with up to 100% of the company's grid power being supplied by clean nuclear and solar energy sources and the first-of-its-kind, sub-sea transmission network in the MENA region which will connect ADNOC's offshore operations to clean onshore power networks.

Started in 2018, the \$600 million (AED2.2 billion) Waste Heat Recovery project will recycle waste heat generated from the plant to produce up to an additional 230 megawatts (MW) of electricity per day – enough to

power hundreds of thousands of homes. It will also produce 62,400 cubic meters (m<sup>3</sup>) of distilled water per day for use in the plant. Overall, the project will increase power production and thermal efficiency at the plant by around 30% with no additional carbon dioxide (CO<sub>2</sub>) emissions.

Phase one of the project, which includes the operation of two new boilers and turbines, will be completed before the end of the year, while phase two, which includes a further two boilers, will be completed around the middle of 2023.

Abdulla Ateya Al Messabi, CEO of ADNOC Refining said: "At ADNOC Refining we are committed to finding innovative ways to improve the efficiency and sustainability of our operations. The Waste Heat Recovery project will revolutionize power and water generation at our plant in Ruwais, and is vital to the ongoing expansion of Ruwais as part of ADNOC's 2030 smart growth strategy."

ADNOC's Waste Heat Recovery project is designed to capture exhaust heat from the gas-powered turbines at ADNOC Refining's General Utilities Plant, which is currently vented into the atmosphere, to produce steam that is subsequently used for power production.



# ADNOC AND TAQA CLOSE LANDMARK CLEAN ENERGY AND DECARBONIZATION TRANSACTION



Abu Dhabi National Oil Company (ADNOC) and Abu Dhabi National Energy Company PJSC (TAQA) announced on 23 September 2022 the successful financial closing of their \$3.8 billion strategic project to power and significantly decarbonize ADNOC's offshore production operations.

Together with a consortium comprised of Korea Electric Power (KEPCO), Kyushu Electric Power Company (Kyuden) and Électricité de France (EDF) (the Consortium), this is a first-of-its-kind high-voltage direct current (HVDC) sub-sea transmission network in the MENA region. The innovative project progressed rapidly from concept to development phase with construction starting in early 2022, underscoring both ADNOC and TAQA's leading positions to drive climate action and support the 'UAE Net-Zero by 2050 Strategic Initiative'.

The Consortium will build, own, operate and transfer the state-of-

*Combined investment from Consortium, commercial lenders and Export Credit Agencies yielded more than \$3 billion in foreign direct investment, underscoring the UAE's standing as a trusted, go-to global investment destination*

the-art transmission system alongside ADNOC and TAQA, with the full project being returned to ADNOC after 35 years of operation.

Commenting on the successful financial closing of the transaction, His Excellency Dr. Sultan Al Jaber, UAE Minister of Industry and Advanced Technology, Special Envoy for Climate Change and Managing Director and Group CEO of ADNOC, said: “ADNOC has once again demonstrated its ability to successfully structure and close a bold and progressive transaction that will help secure our low-carbon future as we intensify our efforts to decarbonize our operations. This innovative and first-of-its-kind project in the region is driving responsible and sustainable value creation into Abu Dhabi, further cementing the UAE’s standing as a trusted, go-to investment destination of global capital. As the responsible provider of reliable and low-carbon energy, ADNOC will continue to work with our partners to advance practical and commercially viable solutions as the energy transition partner of choice.”

The development is expected to reduce the carbon footprint of ADNOC’s offshore operations by more than 30%, replacing existing offshore gas turbine generators with more sustainable power sources available on the Abu Dhabi onshore power network, operated by TAQA’s wholly owned subsidiary, Abu Dhabi Transmission and Despatch Company (TRANSCO).

His Excellency Mohamed Hassan Alsuwaidi, Chairman of TAQA, said: “TAQA is taking a progressive role in accelerating the UAE’s energy transition by delivering cohesive solutions that enable cleaner sources of power to fuel economic growth. Reaching financial close is an important milestone for this distinctive project, which will see TAQA providing ADNOC offshore facilities with low-carbon energy securely and efficiently through TRANSCO’s power network system. TAQA continues to showcase how its expertise can



*First-of-its-kind sub-sea transmission network in the MENA region, the project rapidly progressed from concept to development phase with construction starting in early 2022*

*Strategic sustainable power project significantly decarbonizes ADNOC’s offshore production operations, strengthening ADNOC and TAQA’s leading positions in supporting the UAE’s ‘Net Zero by 2050 Strategic Initiative’*

be utilized to decarbonize industry through strategic partnerships and bringing value to its stakeholders.”

More than 50% of the value of this project will flow back into the UAE’s economy under ADNOC’s hugely successful In-Country Value (ICV) program. This landmark transaction also sets another benchmark for large-scale investment into the UAE and ADNOC from leading global energy companies and reinforces ADNOC’s focus and role as a catalyst for responsible and sustainable investment and value creation for Abu Dhabi and the UAE.



قطر للطاقة  
QatarEnergy



## SETS DIESEL AND GASOLINE PRICES FOR OCTOBER 2022

QatarEnergy announced the diesel and gasoline prices for the month of October 2022.

The price of Diesel was set at QR 2.05 a liter, Super Gasoline (95) at QR 2.1 a liter, and Premium Gasoline at QR 1.95 a liter. (QNA)



١,٩٥  
ر.ق./ليتر



Gasoline جازولين

1.95  
QR/Litre

٢,١٠  
ر.ق./ليتر



Gasoline جازولين

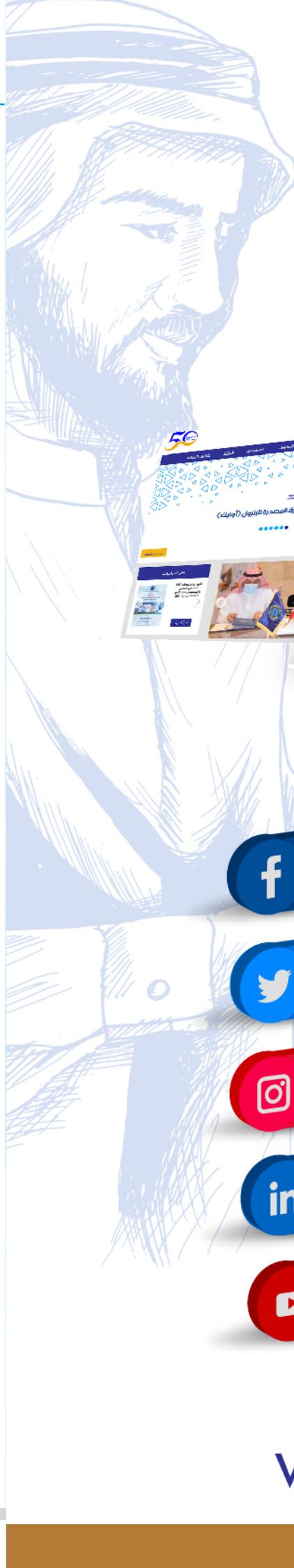
2.10  
QR/Litre

٢,٠٥  
ر.ق./ليتر



Diesel ديزل

2.05  
QR/Litre



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# Monthly Report on Petroleum Developments in The World Markets

## Monthly Report on Petroleum Developments in The World Markets

**October 2022**

### **First: World Oil Markets**

#### **1. Oil Prices**

OPEC primary estimates indicate that OPEC Reference Basket price decreased in October 2022 by 1.8% compared to the previous month, to reach \$93.6/bbl. While annual price of OPEC Basket is estimated to increase in 2022 by 47.3% compared to 2021, to reach \$103/bbl.

It's worth mentioning that, OPEC Reference Basket decreased in September 2022 by 6.5% or \$6.6/bbl compared to the previous month, to reach \$95.3/bbl. This is mainly attributed to growing concerns about slowing global economic growth and energy demand, and softening crude buying interest in the spot market which caused high market volatility. Along with softer demand in the spot market (specifically in the Atlantic Basin, due to the refinery maintenance season that should peak in October - November, and Continuing withdrawal from the US strategic reserves.

#### **Weekly Average Spot Prices of OPEC Basket of Crudes, 2021-2022 (\$/bbl)**



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

#### **2. Supply and Demand**

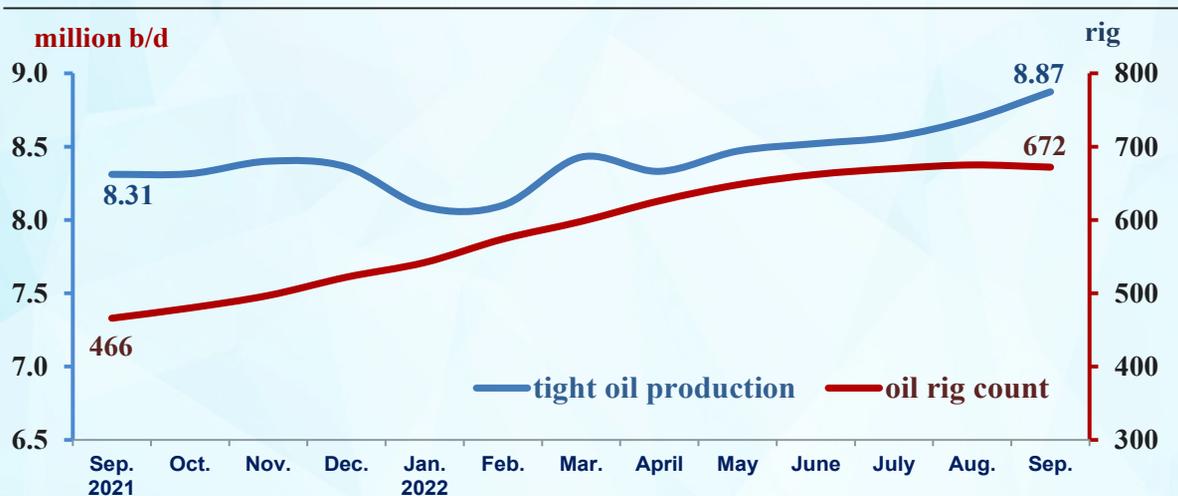
- Primary estimates indicate that world oil demand is increased in Q3 2022 by 1% compared with previous quarter, to reach 99.3 million b/d. As demand in OECD countries increased by 2.4% to reach 46.5 million b/d. Whereas demand in Non-OECD countries decreased by 0.4% to reach 52.8 million b/d.



Projections indicate that world oil demand is expected to increase in Q4 2022 to reach 101.6 million b/d. As Demand in OECD countries is expected to increase to reach 47.1 million b/d. And demand in Non-OECD countries is expected to increase to reach 54.5 million b/d.

- Primary estimates indicate that **world** crude oil and NGLs/condensates total supplies in September 2022, increased by 1 million b/d or 1% comparing with previous month level to reach 101.7 million b/d. Non-OPEC supplies increased by 1.2% to reach 66.5 million b/d. And OPEC supplies increased by 0.4% to reach 35.2 million b/d.
- **OPEC+** crude oil total supplies in September 2022, is increased by 88 thousand b/d, or 0.2% comparing with previous month level to reach 40.5 million b/d. Non-OPEC supplies, which are members in OPEC+, decreased by 0.4% to reach 15.1 million b/d. Whereas OPEC-10 supplies, which are members in OPEC+, increased by 0.6% to reach 25.4 mb/d.
- US tight oil production increased in September 2022 by 186 thousand b/d compared to previous month level to reach 8.874 million b/d. Production is expected to continue rising in October and November 2022 to reach 9.104 million b/d. On other development, US oil rig count decreased in September 2022 by 3 rigs, to stand at 672 rigs.

### US tight oil production and oil rig count

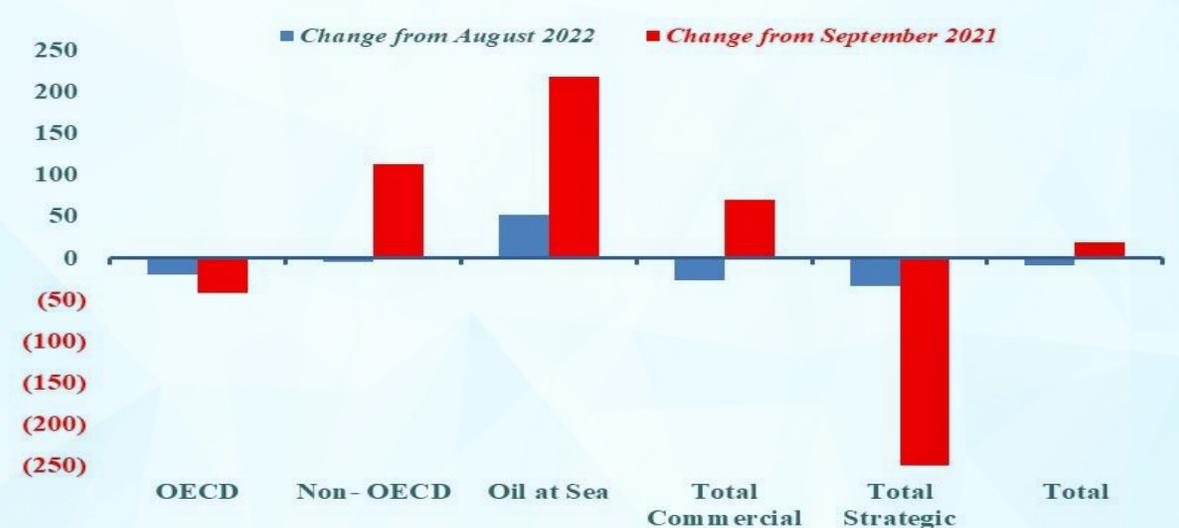


Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Oct. 2022.

### 3. Oil Inventories

- OECD commercial inventories in September 2022 decreased by 21 million barrels from the previous month level to reach 2715 million barrels, and strategic inventories decreased by 34 million barrels from the previous month level to reach 1544 million barrels.

## Change in Global Inventories at the End of September 2022 (million bbl)



Source: Oil Market intelligence, December 2021 and October 2022.

## 4. Oil Trade

### US Oil Imports and Exports

- US crude oil imports in September 2022, increased by 2.9% from the previous month level to reach about 6.3 million b/d, and US crude oil exports increased by 6.5% to reach about 4.1 million b/d.
- US petroleum products imports in September 2022 decreased by 14.8% from previous month level to reach about 1.7 million b/d, whereas US petroleum products exports increased by 1.3% to reach 6.3 million b/d.

## Second: Natural Gas Market

### 1. Prices

- The average spot price of natural gas at the Henry Hub decreased in September 2022 to reach \$7.88/million BTU.
- The price of Japanese LNG imports in August 2022 increased by \$2.14/m BTU to reach \$19.80/m BTU, the price of Korean LNG imports increased by \$3.07/m BTU to reach \$22.97/m BTU, the price of Taiwan LNG imports increased by \$7.66/m BTU to reach \$24.53/m BTU, and the price of Chinese LNG imports increased by \$3.5/m BTU to reach \$16.95/m BTU.

### 2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 3.649 million tons in August 2022 (a share of 22.2% of total imports).

## Tables Annex



## ANNOUNCEMENT

# OAPEC AWARD

## FOR SCIENTIFIC RESEARCH FOR THE YEAR **2022**

In line with OAPEC'S policy to encourage scientific research by awarding two prizes on a biennial basis (**First Prize** KD 7000-10000 equivalent to USD \$23000-\$32500, **Second Prize** KD 5000 equivalent to USD \$16000), upon the resolution number 1/162 of OAPEC Executive Bureau at its meeting dated **18 May 2022**. **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 2022" is:

### Decarbonization Techniques in the Petroleum Industry and the Circular Carbon Economy "CCE"





**Organization of Arab Petroleum Exporting Countries (OAPEC)  
OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2022**

**In the Field of  
Decarbonization Techniques in the Petroleum Industry and the  
Circular Carbon Economy "CCE"**

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