

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

*Vol. XXXVIII - N° 918*  
*16 December 2009*

## EDITORIAL

- After oil, Arab countries might start exporting solar energy . . . . . 3

## IRAQ

- Iraq intends to regain its rightful place in the oil market . . . . . 5

## PRICES

- Price of WTI falls below \$70/b . . . . . 9

- Qatar	:	Qatar's oil production capacity has risen to 1 million b/d, according to the EIA. Pearl GTL and Qatargas 4 will boost Shell's global production by 350,000 boe/d from 2011.	14
- Saudi Arabia	:	Price formula for Arabian Light delivered to the United States in January set at the ASCI less \$0.75/b. Cost of Manifa field development now put at \$15.75 billion and target completion date deferred to 2015. . . . .	18
- Libya	:	Hess reports an offshore gas/condensate discovery in Area 54 in the Sirte basin . . .	24
- Egypt	:	Technip wins 65-million euro contract for work on Phase VII of the development of the WDDM tract. Oil Minister signs two oil agreements calling for spending of \$330.5 million . . . . .	26
- Algeria	:	Neither side will have to pay compensation to the other following the cancellation of the Gassi Touil contract. . . . .	29
- Algeria/Egypt	:	Sonatrach and the Egyptian companies EGPC and EGAS have quietly created a joint venture called Selene Petroleum . . . . .	31
- Yemen	:	Much of the Yemeni LNG lifted by GDF Suez will be marketed in the United States..	32
- Iran	:	Talks are continuing between Iran and Total on South Pars phase 11, says NIOC . .	34
- U.A.E.	:	Abu Dhabi raises its retroactive crude oil prices by a further \$4.30-4.52/b for November. Moody's reviews the credit ratings of entities linked to the UAE federal government and the emirate of Abu Dhabi . . . . .	35
- Arab Countries	:	Nabeel Ali al-Adsani appointed Deputy General Manager of Apicorp . . . . .	38
- Israel	:	Bontan Corporation acquires interests in three offshore tracts close to the Tamar and Dalit gas finds. . . . .	39
- Jordan	:	WorleyParsons to provide pre-construction consulting services for the first nuclear power station . . . . .	40
- Syria	:	Tatneft's development plan for the South Kishma field approved by the authorities..	41
<b>AFRICAN OIL</b>			
- Cameroon	:	Engineering studies for a liquefied natural gas project due to start in early 2010. . .	42
- Ghana	:	Appraisal of Odum discovery confirms its commercial potential . . . . .	42
STUDY	:	Natural gas in the world, by Cedigaz. . . . .	43

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

*Vol. XXXVIII - N° 917*  
*1 December 2009*

## World Energy Outlook 2009

	- We will need additional gas production capacity equal to four times that of Russia by 2030, Fatih Birol, Chief Economist of the IEA, tells AOG. ....	8
	- Natural gas will play a key role in the transition of the world energy market, says the IEA. ....	3
<b>- Saudi Arabia</b>	: Saudi Aramco to double its refining capacity by 2015 and step up its gas production to 4.5 billion cu ft/day by 2014. Funding package for the Satorp refinery could be finalized by the end of January .....	14
<b>- Prices</b>	: Oil prices hanging in the balance due to numerous uncertainties. ....	19
<b>- Algeria</b>	: Eleven hydrocarbon discoveries have been made since the beginning of 2009. ....	21
<b>- UAE</b>	: Gasco awards Technip a contract worth \$415 million for the Asab-3 project. Korean companies win the contracts for the last three works packages of the Ruwais refinery expansion .....	22
<b>- Qatar</b>	: With the signing of MOUs with CNOOC and Petrochina, LNG exports to China could reach 12 million tons/year .....	26
<b>- Bahrain</b>	: Development of Bahrain field by Tatweer could increase national oil production to 250,000 b/d by 2016 .....	27
<b>- Caspian Sea/UAE</b>	: Block N off Kazakhstan could produce 1.5-3 million b/d if exploration operations are successful .....	28
<b>- Syria</b>	: Hayan Petroleum Company's second oil and gas processing plant will be completed in December 2010. ....	29
<b>- Iraq</b>	: Iraqi crude oil exports fell below the 60-million barrel mark in September. ....	32
<b>- North Africa</b>	: More exploration wells are planned onshore and offshore in Mauritania in the coming months. Eni's production in North Africa rose by 14% a year between 2004 and 2008. ....	33
<b>- Libya</b>	: Shokri Ghanem is back .....	35
<b>- Sudan</b>	: Capacity of Khartoum refinery to be doubled to 200,000 b/d by 2011 .....	36
<b>- Iran</b>	: Iran should be the first Middle Eastern country to have underground gas storage facilities. Pakistan commissions ILF and Nespak to carry out a feasibility study of the Iran-Pakistan gasline project .....	37
<b>- Egypt/Iraq/Iran</b>	: Activities of Dana Gas in Egypt and Iraqi Kurdistan continue to boost its profits ..	39
<b>AFRICAN OIL</b>		
<b>- Gabon</b>	: Total Gabon to drill more wells at the Anguille field starting in early 2010. ....	38
<b>ARAB COUNTRIES</b>	: Arab countries' energy consumption rose by 22% to 10 million boe/d between 2004 and 2008 .....	40

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

*Vol. XXXVIII - N° 916*  
*16 November 2009*

## EDITORIAL . . . . . 3

Iraq: Internal dissent could hamper the development of oil production

## IRAQ . . . . . 4

Foreign companies will participate in the exploitation of the Rumaila, Zubair and West Qurna (Phase 1) fields

## INTERVIEW . . . . . 12

ETAP will become a foreign operator for the first time by the end of 2009, Khaled Becheikh, Chairman of ETAP, tells AOG

- Saudi Arabia	:	Starting in January, Saudi Aramco will use the Argus Sour Crude Index for pricing oil exports to the United States. Khursaniyah gas plant is due to come on stream in late November or early December . . . . .	6
- Prices	:	Futures prices of light reference crudes are close to \$100/b ... for end-2017 contracts. . . . .	10
- North Africa	:	Natural gas production in south-western Algeria could reach 3 billion cu ft/day. BG's cumulative investments in Tunisia exceed \$3 billion . . . . .	18
- Qatar	:	Qatar diverts 5 million tons of LNG destined for the United States to China instead. . . . .	20
- Algeria	:	Algerian gas demand will double to 54.22 billion cubic meters/year between 2008 and 2018, according to the CREG. Sonatrach strikes gas on the Tinrhert tract . . . . .	21
- Bahrain	:	Upstream and downstream development projects will require investments of \$16-17 billion over 20 years. . . . .	24
- UAE	:	Contracts worth \$15.4 billion awarded by subsidiaries of ADNOC, mostly to South Korean companies. Abu Dhabi's retroactive crude oil prices raised by \$5.15-5.35/b for October liftings. . . . .	25
- Egypt	:	Apache's oil and gas production jumped by 41.8% and 39.6% respectively in the first nine months of 2009. New oil and gas discoveries reported on the North West Gemsa tract . . . . .	31
- Kuwait	:	Apache and Kufpec acquire a 25% interest in Chevron's Wheatstone LNG project in Australia. Gross domestic product at current prices grew by 22.1% to \$148.5 billion in 2008 . . . . .	34
Caspian Sea/UAE	:	ENOC to take 100% control of Dragon Oil for £1.15 billion in cash . . . . .	37
<b>AFRICAN OIL</b>			
- Ghana	:	70% of the development wells planned in phase 1 of the Jubilee project have already been drilled . . . . .	38
- Angola	:	Total drills its first exploration well and makes its first oil discovery on Block 17/06. . . . .	39
- STUDY	:	The world needs a low-carbon energy revolution, by the IEA . . . . .	42

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 915**  
**1 November 2009**

## **EDITORIAL** ..... 3

New discoveries are only lessening the risks of a supply crunch

## **YEMEN** ..... 4

Yemen LNG expects to dispatch its first cargo of LNG in the coming weeks

## **PRICES** ..... 8

Price of light sweet crude breaks through the \$80/b mark

- Oman	:	Oman Oil Company teams up with Reliance Industries to explore offshore Blocks 18 and 41 .....	7
- Saudi Arabia	:	Saudi Aramco due to award a five-year drilling contract in November for wells in the south of the Ghawar field. Sabic's net earnings doubled to \$960 million in the third quarter of 2009 .....	12
- Iraq	:	A consortium led by Eni is to develop the Zubair oil field .....	17
- UAE	:	New plans for transporting by rail the sulfur produced at the Shah and Habshan fields. Cost of the further development of the Upper Zakum field could reach \$12 billion .....	20
- Qatar	:	Economic crisis has not affected the country's LNG projects, says the Emir of Qatar. Consortium composed of Saipem and Hyundai Engineering wins the EPC contract for Qafco-6 .....	26
- Algeria	:	Sonatrach selects several companies for the construction of the Tiaret refinery and the upgrade of the Algiers refinery .....	29
- Egypt	:	Dana Gas's two latest discoveries in the Nile Delta expected to boost its gas reserves by 86 billion cu ft. PGNiG to start exploration operations on the Bahariya tract (Block 3) shortly .....	31
- Egypt/Israel	:	EMG signs three new agreements for the supply of Egyptian gas to Israeli power stations .....	32
- Tunisia	:	DNO could acquire a 50% interest in the Chorbane exploration tract. Dietswell signs two drilling contracts in Tunisia .....	33
- Bahrain	:	Bapco awards Technip a contract for equipment supply and substation construction at the Sitra refinery .....	34
<b>AFRICAN OIL</b>			
- Ghana/Ivory Coast:		Mahogany-4 well confirms the extension of Jubilee and encounters a new pay zone.	35
- STUDIES	:	- RasGas' Train 6: from concept to reality .....	38
		- Weathering the storm: building a brighter energy future together, by Rich Kruger, President, ExxonMobil Production Company .....	43

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 914**  
**16 October 2009**

<b>IRAQ</b> .....	3
DNO resumes its oil production operations in Kurdistan, but at a far lower rate than before	
Oil Ministry says it has canceled Sinopec's prequalification for the second international bid round	

<b>KUWAIT</b> .....	12
After saying the 4-million b/d oil production capacity target had been put back to 2030, Sheikh Ahmed changes his tune	
BP could partner with KPI and Sinopec in the Zhanjiang refining/petrochemical joint venture	

- Algeria :	Timimoun tract will produce 1.6 billion cu m/year of gas at its peak following an investment of some \$1 billion .....	8
- Saudi Arabia :	New elastomers units to be developed by Sabic/ExxonMobil could cost up to \$5 billion. KBR confirms that it has been awarded the FEED and PMS contracts for the Shaybah NGL project .....	10
- Libya :	Ali Mohammed Saleh replaces Shokri Ghanem as NOC chief. ....	11
- UAE-Oman :	IPIC and Oman Oil Company to study plans for developing a refining/petrochemical complex in Oman. ....	15
- Qatar :	Qatargas not to embark on any new LNG projects until 2015 at the earliest. Contract for the pre-FEED studies for the expansion of the Ras Laffan condensate refinery awarded to JGC/APS. ....	16
- Prices :	Depreciation of the dollar and the economic recovery propel oil prices to more than \$70/b. ....	21
- Syria :	Consortium headed by Stratic Energy spuds the Al Taysr-101 exploration well ....	27
- Jordan :	Government approves the partnership between NPC and BP for the further development of the Risha gas field. Tractebel Engineering will lead a study on the site near Aqaba selected for the first nuclear power station. ....	28
- UAE :	Jacobs Engineering to perform the FEED work for the Borouge 3 polyethylene/polypropylene plant. Abu Dhabi's retroactive crude oil selling prices reduced by \$3.55-3.65/b for September .....	31
- Mauritania :	Total has started drilling its first exploration well in the Taoudeni basin. ....	34
- Caspian Sea :	Total and GDF Suez join Lukoil and KMG in the development of Khvalynskoye ..	35
- Bahrain :	Government sets up a joint operating company in conjunction with Occidental and Mubadala .....	37
- Egypt :	EIB to advance loans for wind farm and water projects .....	37
<b>AFRICAN OIL</b>		
- Angola :	BP has made a 19th discovery, Tebe, on Block 31 .....	38
- Ghana :	ExxonMobil and Eni throw their hats in the ring .....	40
- STUDY :	The role of gas in the future of energy, Tony Hayward, Chief Executive, BP. ....	43

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

*Vol. XXXVIII - N° 913*  
*1 October 2009*

## **EDITORIAL**

Tsars can get it wrong too. . . . . 3

## **IRAQ**

Kurdistan Regional Government decides to suspend all of DNO's activities in the region. . . . . 4

## **LIBYA**

Libya's sovereign wealth fund to take over the Canadian company Verenex Energy. NOC is planning to step up the country's oil production from existing fields . . . . . 8

- Iran	:	Pars Oil and Gas to issue €1 billion of bonds to finance the further development of South Pars. . . . .	6
- Saudi Arabia	:	A crude price of \$70-80/b would attract investments in the energy sector, says Mr. al-Naimi. Sumitomo wins contract for communications systems at the Manifa field. . .	13
- Qatar	:	Emir of Qatar will inaugurate the Adriatic LNG Terminal on 19 October. Fluor announces the completion of the Common Offplot Project at Ras Laffan . . . . .	16
- Prices	:	Sharp rise in United States oil stocks drives down prices of light reference crudes .	18
- Kuwait	:	KNPC processed 906,300 b/d of crude in its refineries in 2008-09. Nghi Son refining/petrochemical complex in Vietnam could be on stream in 2013. . . . .	23
- Jordan	:	JPRC has been granted a 15-year concession to enable it to expand the Zarqa refinery.	26
- UAE/Yemen/Iraq:	:	Crescent Petroleum and Dana Gas to study the development of a Gas City in Yemen.	27
- UAE	:	Emirates Steel awards Danieli the construction contract for phase IIB of the expansion of its steelworks . . . . .	28
- Algeria	:	National Mineral Resources Agency issues a tender for the conduct of airborne geophysical surveys over five tracts. . . . .	29
- Egypt/Yemen	:	IFC extends credit facilities to Kuwait Energy for developing its upstream assets in Egypt and Yemen. . . . .	30
- Bahrain	:	U.S. Ex-Im Bank has agreed to extend a \$230-million loan for the Al-Dur IWPP . . .	30
- Bibliography	:	"International Petroleum Exploration and Exploitation Agreements" (Barrows Company, New York, 2009) . . . . .	31
<b>AFRICAN OIL</b>			
- Uganda	:	Ngassa-2 well encountered a "significant" oil field that could be the largest in the Lake Albert basin. . . . .	32
- Sierra Leone	:	Venus find strengthens Anadarko's assumptions about the continuity of the cretaceous play off West Africa . . . . .	33
- STUDIES	:	- Saudi Aramco in a changing world: The international, national and organizational context, by Khalid A. Al-Falih, Saudi Aramco President & Chief Executive Officer.	34
		- The oil industry and the challenge of sustainability, by Katrina Landis, CEO BP Alternative Energy, BP . . . . .	39

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

Vol. XXXVIII - N° 912  
 16 September 2009

## ALGERIA REPORT



□ Investments : Sonatrach moves up a gear . . . . .	3
□ INTERVIEW	
- Industrialized countries should act with greater determination to reduce the excesses of speculation, the Algerian Minister of Energy and Mines, Chakib Khelil, tells AOG. . . . .	5

- Yemen	:	Oil export revenues slumped by almost three-quarters in the first seven months of 2009. . . . .	4
- OPEC	:	OPEC thinks the oil market remains very vulnerable . . . . .	10
- Saudi Arabia	:	Ras Tanura refining/petrochemical complex will have a capacity of 8 million tons/year. . . . .	16
- Iran	:	Oil Minister announces a major oil discovery in the south-west of the country . . . . .	17
- Libya	:	Has Mr. Shokri Ghanem resigned as Chairman of NOC? . . . . .	18
- Syria/Turkey	:	MOU signed for the supply of 500-1,000 million cu m/year of Turkish gas to Syria over five years . . . . .	18
- S. Arabia/ Kuwait	:	LPG prices raised to \$565-595/ton for September, the highest level this year. KJO puts back the deadline for bids for the installation of onshore water treatment facilities to 7 December . . . . .	19
- Qatar	:	After awarding offshore block BC to CNOOC, QP is offering the onshore/offshore D tract for exploration. Start-up of Qatargas II train 5 will boost Qatargas' LNG output to 25 million tons/year by the end of 2009 . . . . .	20
- Egypt	:	19.2% fall in oil trade surplus to \$3.97 billion contributed to a sharp deterioration in the balance of payments in 2008-09. Melrose's Egyptian production rose to 145 million cu ft/day of gas and 9,000 boe/d of liquids in the first half . . . . .	25
- Kuwait	:	Fresh tenders could be issued for the Al Zour refinery project following the reshuffle of the SPC. Excelebrate Energy has delivered its first cargo of regasified gas to Kuwait. . . . .	29
- Sudan	:	Oil production expected to reach 562,000 b/d in 2010, 100,000 b/d more than in 2008. . . . .	31
- UAE	:	Retroactive price of reference crude Murban raised by \$6.55/b to \$72.75/b for August. Taqa Bratani finalizes the acquisition of four exploration blocks in the North Sea from Shell and Esso Exploration . . . . .	32
- Syria	:	Sinochem's acquisition of Emerald Energy expected to be finalized on 12 October. Capacity of the southern gas processing plant will reach 7.5 million cu m/day by end September . . . . .	36
- Near East	:	Egypt and Syria agree to supply 600 million cu m/year of natural gas to Lebanon . . . . .	38
<b>AFRICAN OIL</b>			
- Gabon	:	Total Gabon's oil investments will amount to no more than \$300 million in 2009 . . . . .	40
- Angola	:	Following a \$3.8-billion development program, the Tombua and Landana fields will produce 100,000 b/d at their peak . . . . .	41
STUDY	:	Changing fortunes: global energy, Peter Voser, CEO, Royal Dutch Shell . . . . .	43

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

*Vol. XXXVIII - N° 911*  
*1 September 2009*

## □ EDITORIAL

- Drop in natural gas prices is unsustainable . . . . . 3

## □ IRAQ

- 45 oil companies prequalified for the second international bid round for field development projects. Oil Ministry threatens to ban Sinopec from participating in the second international bid round. . . . . 10

## □ PRICES

- Price of light sweet crude reached \$75/b during trading on 25 August, before slipping back . . . . . 4

- Saudi Arabia :	IMF expects Saudi oil export earnings to plunge to \$159.1 billion in 2009. Oil sector expanded by 34.9% in 2008, driving an increase in GDP to \$464.4 billion . . . . .	17
- Algeria :	Eight oil and gas discoveries have been made in eight months . . . . .	21
- Egypt :	BG has brought the offshore Sequoia field into production, six months ahead of schedule. Five amendments and one new oil agreement have been signed that call for total spending of \$2.3 billion . . . . .	22
- Caspian Sea :	Bank of America Merrill Lynch breaks off its ties with Dragon Oil due to its relations with Iran . . . . .	26
- UAE/Iran :	Tehran announces the signing of an agreement with a UAE-based company for the import of Iranian gas. . . . .	27
- Iran :	Production at Azadegan should shortly reach 30,000 b/d. Gas transportation capacity due to reach 170 billion cu m/year in 2009-2010 . . . . .	28
- UAE :	With cash in hand of \$1.36 billion at the end of June, Taqa is planning to invest a further \$1 billion in acquisitions. Promoters of Shuweihat-2 IWPP close to finalizing a \$2.2-billion funding package. . . . .	31
- Qatar/UAE :	Dolphin Energy has completed phase 1 of the gasline from Taweelah to Fujairah. .	34
- Syria :	Sinochem offers to acquire Emerald Energy for \$875 million in cash . . . . .	35
- Qatar :	With oil and gas revenues having totaled \$22.1 billion, the state budget recorded a surplus of \$10.6 billion in 2008-09 . . . . .	37
- Libya :	Azzawiya Oil Refining Company issues a tender for the supply and installation of a gas turbine . . . . .	38
- Kuwait :	Final accounts indicate that the net budget surplus fell to \$2.3 billion in 2008-09. KNPC studying claims for compensation from companies selected for the Al-Zour refinery . . . . .	39
- Egypt/Iraq/Iran :	Dana Gas reports sharply higher earnings thanks to its activities in Egypt and Iraqi Kurdistan . . . . .	41
- STUDY :	Growing challenges to human security in the Arab world . . . . .	42

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 910**  
**16 August 2009**

## □ PRICES

- Whereas crude oil prices have stabilized at \$70-75/b, concerns are growing about a future upsurge . . . . . 9

## □ ALGERIA

- Anadarko's oil production was stable at 55,000 b/d in the first half of 2009. Tracts in the second bid round represent "rarely seen investment opportunities", according to Sonatrach. . . . . 13

## □ STATISTICS

- OPEC countries' refined product consumption has increased by 30% in six years, while their production rose by only 13% . . . . . 41

- Saudi Arabia	:	SRAC's Kidan-6 well yielded a combined flow of 90 million cu ft/day of natural gas. Marafiq awards a contract to Hanwha Engineering for a 500-MW power station at Yanbu. . . . .	3
- Qatar	:	Qatargas 2 train 5 and RasGas (III) train 6 have been "mechanically" completed, says ExxonMobil. Study on the profitability of natural gas liquids plants to be launched in the fourth quarter . . . . .	6
- Iraq	:	Japanese companies are helping expand the capacity of the Fao oil terminal. KRG intends to eliminate shortages of electric power and petroleum products in Kurdistan. . . . .	17
- Kuwait	:	Three methane tankers have arrived at the new LNG terminal at Mina al-Ahmadi . . . . .	19
- Saudi Arabia/ Kuwait	:	Saudi and Kuwaiti LPG export prices reduced by \$10-20/ton for August liftings . . . . .	20
- Egypt	:	Ganope issues a tender for the development of the offshore Seabird block. Apache's discovery on the Matruh tract to be brought into production in the third quarter . . . . .	21
- UAE	:	Abu Dhabi reduces its retroactive crude oil prices by \$4.70-5.55/b for July liftings. Taqa has become operator of the North Sea Brent System pipeline and the L11b-A platform in Holland. . . . .	26
- Qatar/UAE	:	Dolphin Energy arranges loan facilities of \$4.1 billion to refinance existing debt and fund Taweelah-Fujairah gasline . . . . .	30
- Sudan	:	Arbitral Tribunal stresses the binding nature of its ruling over the Abyei zone . . . . .	31
- Syria	:	Following the expansion of its early production system, Gulfsands' production is now running at 14,700 b/d . . . . .	33
- Gulf	:	Phase 1 of the Gulf Power Grid has come on stream . . . . .	34
- Caspian Sea	:	Dragon Oil has completed the Dzheitune (Lam) 28/136 and Dzheitune (Lam) 13/135 wells on the Cheleken tract . . . . .	35
- Tunisia	:	Pioneer Natural Resources to utilize GE Energy's Jenbacher engines to reduce associated gas emissions. . . . .	36
<b>AFRICAN OIL</b>			
- West Africa	:	Anadarko has identified over 30 prospects bearing similarities to the Jubilee field . . . . .	37
- Companies	:	Africa accounted for 29% of ExxonMobil's liquids production in the first half, extending its lead over other regions . . . . .	38
- Uganda	:	Oil production from the Lake Albert rift basin could start in 2011 . . . . .	39

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

*Vol. XXXVIII - N° 909*  
*1 August 2009*

## □ EDITORIAL

- Demand destruction: Is it good or bad news? . . . . . 3

## □ PRICES

- Prices of the light reference crudes sank by \$4-5 per barrel on 28-29 July. . . . . 4

## □ IRAQ

- Parliament asked to vote on a bill that would recreate a National Oil Corporation. Iraq thinks it could be supplying around 15 billion cu m/year of gas to Europe by 2015. 10

<p>- Libya :                  - UAE :                    - UAE/Iran :                    - Saudi Arabia :                  - Egypt :                    - Qatar :                  - Oman :                    - Sudan :                    - Caspian Sea :                  - Arab Countries :                    - Syria :                  - Israel :                    - Bahrain :    <b>AFRICAN OIL</b>                  - Angola :                  - Ghana :                    - Nigeria :                  - Cameroon :</p>	<p>ExxonMobil has spudded the first well in the country's deep offshore . . . . . 13                  EPC contracts worth \$10 billion awarded for the Integrated Gas Development project. Descon to carry out the civil and mechanical engineering work for the Elixier II project serving Habshan. . . . . 14                  Crescent Petroleum has decided to seek international arbitration to settle its dispute with NIOC . . . . . 16                  Saudi Aramco to embark shortly on the construction of gas facilities at the Arabiyah and Shaybah fields. Sabic reports a net profit for the second quarter of 2009 . . . . . 18                  Proven hydrocarbon reserves revised up to 4.4 billion barrels of crude/condensate and 77.2 trillion cu ft of natural gas. EGPC and Ganope offer 10 offshore blocks for exploration in the Gulf of Suez and the Red Sea. . . . . 23                  GDF Suez acquires Anadarko's 60% interest in Block 4 and becomes operator. . . . . 28                  BP thinks the Khazzan-Makarem fields could produce at least 1 billion cu ft/day of gas . . . . . 30                  North and South pledge to abide by the decision on the Abyei Zone of the Permanent Arbitration Court. . . . . 32                  Azerbaijan intends to step up exploration-development operations in the Caspian. . . . . 33                  Desertec Industrial Initiative aims to be supplying up to 15% of Europe's power needs using solar energy by 2050 . . . . . 34                  National crude oil production declined to 377,000 b/d in the first half of 2009 . . . . . 35                  After drilling the Tamar-2 appraisal well, Noble Energy now estimates the field's resources at 6.3 trillion cu ft of gas . . . . . 38                  GDF Suez and GIC sell a minority interest in the al-Dur 1 IWPP and raise a \$1.6-billion loan facility. . . . . 40                    Chinese oil companies make a further breakthrough in Angola . . . . . 41                  Jubilee field scheduled to enter production barely three years after the discovery well was drilled . . . . . 44                  Volume of gas flared by Shell in its oil production operations fell by 60% between 2002 and 2008 . . . . . 45                  With the award of the Lungahe exploration tract, Total is "consolidating its presence in its zone of operation" . . . . . 48</p>
---	---

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 908**  
**16 July 2009**

## □ EDITORIAL

- World recession throws the gas industry off course ..... 3

## □ ALGERIA

- Gas projects are gathering pace despite the world recession. Touat gas fields should produce 4.5 billion cu m/year of gas at their peak. After the inconclusive results of the last bid round, another 10 exploration blocks are now being offered ..... 14

- Prices	:	Price of WTI has lost some \$10/b since the end of June and is down to little more than \$60/b ..... 5
- Iraq	:	1st international bid round: a Pyrrhic victory for BP and CNPC? ..... 13
- Qatar	:	Qatar enters the Eastern European market with an agreement to supply 1 million tons/year of LNG to PGNIG. Preliminary agreement signed for the supply of 1.5 million tons/year of LNG and 1 million tons/year of LPG to Pakistan. Qatar was the leading LNG and LPG supplier to Japan among GCC countries in 2008 ..... 21
- UAE	:	Retroactive price of reference crude Murban raised by \$11.50/b to \$71.65/b for June. Linde Group to build the Borouge 3 ethane cracker, while Tecnimont wins FEED contracts for other units. ADNOC and ConocoPhillips sign joint venture agreement for the Shah sour gas project ..... 25
- Saudi Arabia	:	Saudi Aramco and Dow Chemical have issued a request for proposals for phase I of the Ras Tanura complex. Satorp signs EPC contracts for the Jubail refinery. EADS in association with Al Rashid wins the contract for the Saudi frontier security program.. 31
- Kuwait	:	Contract for protecting refineries awarded to Oil Sector Services Company. .... 35
- Yemen	:	Start-up of LNG project will be a major step in the monetization of Yemen's gas resources ..... 37
- Syria	:	Contract awarded to Metka/Ansaldo for the second unit of the Deir Ali power station has been finalized ..... 38
- Bahrain	:	NOGA to cooperate with Masdar to reduce greenhouse gas emissions in Bahrain . 38
<b>AFRICAN OIL</b>		
- TSGP	:	Major maneuvers around the TSGP project. .... 39
- Nigeria	:	Government and the oil companies are largely responsible for the tragedy in the Niger delta, says Amnesty International ..... 40
<b>STUDY</b>	:	The 2008 World Energy Review, by Enerdata ..... 43

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

*Vol. XXXVIII - N° 907*  
*1 July 2009*

## □ EDITORIAL

- Beneficial and damaging effects of the recession on refining and petrochemicals . 3

## □ IRAQ

- Major maneuvers in Kurdistan. BP and CNPC win the contract for the redevelopment of the Rumaila field . . . . . 4

## □ SAUDI ARABIA

- Satorp awards 15 contracts worth a total of \$9.6 billion for the Jubail refinery. Closing date for bids for the Yanbu refinery fixed at 31 January 2010. . . . . 11

---

- Iran	:	Dietswell has started project management operations for the 24-well drilling campaign for South Pars phases 15 and 16 . . . . .	9
- Prices	:	After several weeks of steady gains, the prices of the light reference crudes have leveled off at around \$70/b. . . . .	16
- Qatar	:	StatoilHydro signs a short-term agreement with RasGas for the supply of LNG to the Cove Point terminal in the U.S. 2009-2013 five-year plan calls for investments of \$40 billion, including \$26.2 billion in the oil and gas sectors . . . . .	21
- Kuwait	:	KPC signs an agreement with Shell International Trading for the import of LNG starting in August. Kuwait's current account surplus increased by 30.8% to \$64.9 billion in 2008. . . . .	25
- Algeria	:	SNC-Lavalin to build the Rhourde Nous fields' gas processing facilities by the fall of 2012. Seven hydrocarbon discoveries have been made since the beginning of 2009. . . . .	28
- Oman	:	For the first time since 2000, PDO's liquids production increased in 2008 . . . . .	31
- Egypt	:	Consultative Council approves 13 oil agreements and amendments entailing total investments of \$2.4 billion. WorleyParsons signs a consulting and engineering services contract for the civil nuclear energy program. . . . .	33
- Saudi Arabia/ Egypt	:	SNC-Lavalin awarded consulting services contract for the interconnection of the Saudi and Egyptian power grids. . . . .	36
- UAE	:	WorleyParsons wins six PMC contracts for six works packages connected with the IGD project. Mubadala, ConocoPhillips and KazMunaiGaz sign exploration agreement for Block N off Kazakhstan . . . . .	37
- Bahrain	:	Bahrain Lubricant Basic Oil Lubrication Holding Company established with a capital of \$596 million. GE Energy signs two contracts worth over \$500 million for the supply of equipment and services for the Al-Dur 1 IWPP . . . . .	40
- Syria	:	Khurbet East early production facility will come on stream in July with a capacity of 18,000 b/d . . . . .	42
STATISTICS	:	World oil reserves fell by 3 billion barrels to 1,258 billion barrels in 2008, giving an R/P ratio of 42 years (BP Statistical Review of World Energy). . . . .	43

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 906**  
**16 June 2009**

## □ EDITORIAL

- Kurdish oil heightens inter-ethnic tensions. . . . . 3

## □ PRICES

- WTI tops \$71/b, its highest level in seven months . . . . . 4

## □ ALGERIA

- JGC awarded an EPC contract for gas processing facilities at the seven Gassi Touil fields. Construction of the GK3 gasline will boost gas transportation capacity by 9 billion cu m/year . . . . . 11

- Iran	:	CNPC replaces Total as contractor for Phase 11 of the development of South Pars .	10
- Caspian Sea	:	ENOC could pay \$1.1-1.5 billion to increase its holding in Dragon Oil to 100% . . . .	14
- Iraq	:	DNO started exporting oil from the Tawke field on 1 June . . . . .	15
- UAE	:	Agreement between ADNOC and ConocoPhillips for the Shah sour gas project should be finalized shortly. Retroactive price of Abu Dhabi's reference crude Murban raised by \$8/b to \$60.15/b for May liftings. . . . .	16
- Qatar	:	Total capital investment in Qatargas trains 4 to 7 expected to reach \$30 billion. Chevron and Semptra LNG sign agreements with RasGas (III) for importing LNG into the U.S.	22
- Kuwait	:	Oil reserves and compensation claims for the Al-Zour refinery are major challenges for the new government. Mina al-Ahmadi LNG terminal due on stream in August	25
- Oman	:	Texan firm PetroTel signs an exploration agreement for Block 17 in northern Oman. Oman Oil Company acquires a 5% stake in Enagas. . . . .	26
- Saudi Arabia	:	Deadline for awarding contracts for the Jubail refinery, originally scheduled for mid-June, could be put back. . . . .	28
- Near East	:	Egypt and EMG sign an agreement revising the terms of the sale and purchase contract for Egyptian gas . . . . .	30
- Tunisia	:	Hasdrubal gas field will enter production this summer. 10 hydrocarbon discoveries were made in 2008. 20 blocks currently available for exploration . . . . .	32
- North Africa	:	Following its return to the Egyptian upstream, Total says it is open to other opportunities in the country . . . . .	36
- Bahrain	:	Closing date for deep gas exploration bid round put back to 24 June. Investments of \$20 billion expected in the oil and gas sector over the next 20 years. . . . .	38
- Yemen	:	Oil production has fallen to under 300,000 b/d due to the disappointing results of upstream operations . . . . .	41
- Egypt	:	BG Egypt has started producing additional volumes of gas from the phase 5 facilities on the WDDM concession. Melrose Resources' oil and gas production in Egypt totaled 30,665 boe/d in the first quarter. . . . .	44
- Morocco	:	Circle Oil reports a fourth gas discovery on the onshore Sebou tract . . . . .	46
<b>AFRICAN OIL</b>			
- Angola	:	BP reports its 18th discovery on Block 31, where oil production is to start in 2011 .	47

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 905**  
**1 June 2009**

## □ EDITORIAL

- \$90 billion/year required for Arab energy investments, 2009-2013 . . . . . 3

## □ CURRENT AFFAIRS

- Agreement between OMV, MOL, Dana Gas and Crescent could provide some of the gas for Nabucco. Differences between the federal Oil Ministry and the KRG cast doubts on Kurdistan's oil ambitions and the Nabucco project . . . . . 4

## □ PRICES

- Price of light sweet crude nudging \$62/b . . . . . 10

- Interview	:	Polyolefins: Only vertically integrated producers with easy access to cheap feedstock will stand, Eshwaran Raghavan, Research Associate of Frost & Sullivan, tells AOG.	25
- Saudi Arabia	:	Saudi Aramco's investment plan includes adding oil and gas production capacity of 4 million b/d and 3.3 billion cu ft/day. . . . .	15
- Egypt	:	Eni has its license for the Belayim concession extended by 10 years to the end of 2030 and undertakes to spend \$1.5 billion. InterGas V highlights the growing role that Egypt is playing in the international gas industry . . . . .	20
- Jordan	:	Shell to undertake a phased oil shale exploration program over a 22,000-sq km area.	28
- Algeria	:	Hydrocarbon industry making sound progress amid volatile world energy markets. Sonatrach awards another contract to Cegelec for ensuring the security of its facilities.	29
- Caspian Sea	:	Saipem and Aker Solutions win two contracts worth \$2.6 billion for Phase 1 of Kashagan. Invensys Process Systems opens a service center in Kazakhstan . . . . .	32
- Iraq	:	Government proposes a profits tax of 35% for companies in the hydrocarbon sector.	34
- UAE	:	Mubadala had a 0.62% shareholding in GE on 31 March. Taqa to install two new 350-MW units at the Jorf Lasfar power station in Morocco . . . . .	35
- Oman	:	GE Oil & Gas signs 16-year service agreement covering the 12 GE gas turbines of the Oman LNG complex. . . . .	38
- Egypt/Iraq	:	Egypt and Iraq agree to set up joint ventures to engage in oil projects and oil-related services . . . . .	39
- OAPEC	:	OAPEC-IFP international refining seminar (Rueil-Malmaison, 23-25 June 2009) . . .	39
STATISTICS	:	Cedigaz: Exports of gas by pipeline rose by 4.2% to 710 billion cubic meters in 2008	40

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 904**  
**16 May 2009**

<b>□ EDITORIAL</b>		
- Iraqi oil production could rise to 6 million b/d, if .....	3	
<b>□ IRAQ</b>		
- Kurdistan expects to start exporting oil on 1 June. Heritage Oil reports a major oil find with the Miran West-1 exploration well in Kurdistan .....	5	
<b>□ INTERVIEW</b>		
- Cooperation between national and international oil companies is more necessary than ever, Yves-Louis Darricarrère, President Exploration & Production of Total, tells AOG.....	9	
<b>- Kuwait</b> :	Kuwait to develop a refining/petrochemical complex in China in association with Sinopec, Shell and Dow .....	8
<b>- Prices</b> :	WTI broke through the \$60/b threshold on 12 May .....	16
<b>- Yemen</b> :	Total indicates that Yemen LNG will bring its liquefaction plant on stream during the summer .....	22
<b>- Saudi Arabia</b> :	Satorp has finished evaluating technical bids for the main works packages of the Jubail refinery. Sabic and Sipchem sign an MOU covering the development of new petrochemical plants in Jubail .....	23
<b>- Algeria</b> :	Samsung Engineering & Construction wins the contract for revamping and upgrading the Skikda refinery. Saipem to build an ammonia and urea marine export terminal at Arzew .....	26
<b>- Qatar</b> :	Further increase in retroactive crude oil prices in April takes Qatar Land up to \$51.60/b. South Hook terminal will enable 2 billion cu ft/day of gas to be delivered to the United Kingdom by the end of 2009.....	29
<b>- Saudi Arabia/ Kuwait</b> :	Investments of \$11 billion planned in the Divided Zone over the next 20 years . . .	31
<b>- UAE</b> :	For the first time since November, Abu Dhabi raised its retroactive crude oil prices to more than \$50/b in April. Chemaweyaata awards FEED contract to Neste Jacobs for its Chemical Industry City .....	32
<b>- Iran/UAE</b> :	Dispute over the selling price is still preventing the start of Iranian gas exports to the UAE.....	36
<b>- Egypt</b> :	Apache has made another three oil and gas discoveries in the Western Desert. Kuwait Energy's latest discovery on the Area A concession is yielding 2,200 b/d of oil. . . .	37
<b>- Mauritania</b> :	Exploration activity remains intense despite a difficult political context .....	41
<b>- Syria</b> :	KHE-9 development well yielded a stabilized flow of 3,040 b/d of crude. IPR reports an oil discovery on Block XXIV .....	44
<b>- Caspian Sea</b> :	Dragon Oil's production in Turkmenistan increased by 19% to 43,787 b/d in the first quarter .....	45
<b>STUDY</b> :	2008 natural gas year in review, by Cedigaz .....	47

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 903**  
**1 May 2009**

## □ EDITORIAL

- United States' new energy program: good intentions run up against big obstacles... 3

## □ IRAQ

- Parliamentary oil and gas committee intends to "do everything" to oppose the gas agreement with Shell. .... 4

## □ SAUDI ARABIA

- Saudi Aramco will have to mothball several fields after the Khurais field comes on stream. Feasibility study of Rabigh II launched ..... 13

- Prices :	While prices have stabilized at around \$50/b, OPEC intimates that it will not reduce its production again. ....	7
- Qatar :	Qatargas to supply 1 million tons/year of LNG to PGNiG starting in 2014. IQ's adjusted first quarter net earnings were 26.6% down at \$388 million. ....	17
- Iran :	Obama Administration brandishes the carrot and the stick over Tehran's nuclear ambitions. ....	20
- Bahrain :	Oxy and Mubadala sign an agreement for stepping up production at the Bahrain field to 100,000 b/d. ....	22
- Iraq/Syria :	Iraq seeking new bids for the rehabilitation of the Kirkuk-Banias pipeline. ....	23
- Algeria/Libya :	Sonatrach reports its first discovery abroad. ....	24
- Egypt :	BG has still not been given the go-ahead for the construction of the Brindisi LNG terminal. Egypt accounted for 21% of the worldwide production and 14% of the proven reserves of Apache in 2008. ....	25
- Mauritania :	Total planning to spud its first exploration well on Block Ta8 in September. ....	29
- Euro-Arab Gas Forum :	Subsidies on energy prices in Egypt are not sustainable, says the European Investment Bank. ....	30
- UAE :	Adco has already saved \$1.7 billion on projects for which bids have been revised down. ....	33
- Israel :	Dalit discovery yielded a test flow of 33 million cu ft/day of natural gas. ....	34
- Oman :	Petronas granted exploration rights to Block 63. ....	35
- Kuwait :	KOC signs new drilling contracts worth \$390.4 million with four foreign companies. Oil revenues increased by 12.2% to KD 68.1 billion in fiscal 2008-2009. ....	36
- Yemen :	Kuwait Energy offers to farm out interests in six exploration tracts in Yemen. ....	38
- Gulf :	Qatar to supply 500 MW of electricity to Kuwait this summer following the start-up of Phase 1 of the Gulf power grid. ....	39
- Syria :	KHE-8 delineation well extends the southern limits of the Khurbet East field. ....	40
- Morocco :	Circle Oil has made another gas discovery on the Sebou tract in the Rharb basin. .	41
- Companies :	Oxy's production in Arab countries edged up to 145,000 b/d of liquids and 229 million cu ft/day of gas in the first quarter. ....	42
STUDY :	World refining outlook, by Constancio Silva, IFP. ....	43

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 902**  
**16 April 2009**

## ▣ PRICES

- IEA forecasts that world oil demand will fall by 2.4 million b/d, or 2.8%, to 83.4 million b/d in 2009 . . . . . 3

## ▣ PROSPECTS

- Cut in investments will accelerate the decline of output at producing fields in non-OPEC countries, says the IEA . . . . . 7

- Saudi Arabia	:	Shaybah phase 2 and Manifa development programs postponed. Satorp has reportedly received bids worth \$1.3 billion for two refinery works packages. . . . .	8
- Qatar	:	Authorities defer the Barzan gas project and the Al-Shaheen refinery to take advantage of lower costs. Based on an oil price of \$40/b, the 2009-2010 budget projects a deficit of \$1.6 billion . . . . .	10
- UAE	:	Abu Dhabi extends the concession of Abu Dhabi Gas Industries Ltd. by 20 years. Abu Dhabi's retroactive crude oil prices raised by \$2.60-3.05/b for March liftings . .	15
- Iraq	:	Nine foreign oil companies prequalified for the second international tender out of the 38 that applied. Turkey's Genel Enerji acquires minority stakes in the Tawke and Duhok concessions . . . . .	21
- Algeria	:	Six discoveries, all of natural gas, have been made in Algeria since the beginning of 2009. Sonatrach to supply 2 billion cu m/year of gas to a future ammonia and urea complex in Arzew . . . . .	24
- UAE/Oman	:	RAK Petroleum increases its interests in Oman to 50% in Block 8 and 100% in Blocks 31 and 47 . . . . .	27
- Euro-Arab Gas Forum	:	Dialogue must be at the heart of a common security approach between gas producers and consumers, says Claude Mandil. Middle Eastern gas exports to Europe will increase three-fold between 2005 and 2015, says Wood Mackenzie . . . . .	28
- Saudi Arabia/ Kuwait	:	LPG prices reduced to \$395-405/ton for April liftings . . . . .	33
- Yemen	:	TransGlobe Energy's oil production averaged 3,400 b/d in March . . . . .	33
- Egypt	:	To speed up production from its new Abu Qir gas discovery, Edison is to install a new platform. Dana Gas has started gas production at the Al Basant field, which contains estimated reserves of over 123 billion cu ft . . . . .	34
- Kuwait	:	Sinopec is to build five drilling rigs for KOC . . . . .	37
- Israel	:	Noble Energy makes a second offshore gas discovery with the Dalit-1 well. Isramco Oil and Gas assigned an exploration license for the offshore Daniel tract . . . . .	38
<b>AFRICAN OIL</b>			
- South Africa	:	Pretoria launches another international exploration bid round for offshore zones .	40
- Uganda	:	Chevron sells its oil product distribution interests in Uganda to Total. . . . .	40
<b>STUDY</b>	:	Outlook for the natural gas industry, by Emmanuel Valentin, Cedigaz . . . . .	41

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 901**  
**1 April 2009**

## □ EDITORIAL

- Fall in oil industry investments heightens the supply-side risk. . . . . 3

## □ OPEC

- Oil prices move above the \$50/b mark. . . . . 4

## □ INTERVIEW

- Because they are determined to exploit their oil fields themselves, national oil companies are becoming increasingly important clients for us, Andrew Gould, Chairman of Schlumberger, tells AOG. . . . . 9

- Saudi Arabia	:	Planned investments in PetroRabigh phase 2 and the Ras Tanura petrochemical complex confirmed. J. Ray McDermott to carry out more work at the offshore Safaniya oil field. . . . .	16
- Qatar	:	Chiyoda wins EPCM contract for work at RasGas LNG plants and gas processing facilities. Nakilat finalizes a \$1.5-billion borrowing. . . . .	20
- Algeria	:	Development of MLE and CAFC fields will yield production of 9 million cu m/day of gas and 32,350 b/d of liquids. . . . .	22
- Iraq	:	Baghdad is already applying the provisions of the future oil law, says the Oil Minister. Oil Minister is surprised by the small number of French companies present in Iraq. . . . .	23
- Morocco	:	Repsol YPF reports a major gas discovery on the offshore Tanger-Larache tract . . . . .	25
- Libya	:	Verenex neither confirms nor denies that Libya intends to take it over instead of China National Petroleum Corporation. Libyan Investment Authority is on the lookout for investment opportunities in western real estate markets . . . . .	26
- Kuwait	:	Cancellation of the letters of intent for the al-Zour refinery are expected to cost Kuwait about \$1.2 billion. Moody's intends to review its sovereign ratings for Kuwait . . . . .	28
- U.A.E.	:	Adco awards an \$805-million contract to SK Engineering for gas compressors for the Bab field. Takreer could issue tenders in June for work connected with the expansion of the Ruwais refinery. . . . .	31
- Euro-Arab Gas Forum	:	Total reiterates its interest in the Trans-Sahara Gas Pipeline project. . . . .	33
- Bahrain	:	Occidental Petroleum and Mubadala Development hoping to step up production at the Bahrain field to 100,000 b/d. 20 companies had asked to consult the gas exploration data room by the beginning of March . . . . .	38
- Egypt	:	Enap Siptrol sells its 50% interest in the North Bahariya concession to Sahara Oil and Gas. KBR to carry out the FEED studies for EHC's ammonium nitrate plant . . . . .	41
<b>AFRICAN OIL</b>			
- Nigeria	:	Chevron sells its interests in refined product distribution in Nigeria. . . . .	42
<b>STUDY</b>	:	Euro-Arab gas relations: growing share of Arab gas in European imports, by Nicolas Sarkis, Chairman of the Organizing Committee, Euro-Arab Gas Forum . . . . .	43

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 900**  
**16 March 2009**

## □ EDITORIAL

- Europe: The gas deficit is growing fast ... and so are the challenges ..... 3

## □ OPEC

- IEA's comments on oil prices are "confusing" and "misleading", says the Secretary General of OPEC ..... 5

## □ INTERVIEW

- The best OPEC can hope for in 2009 is that oil prices remain around their present level, John Waterlow, principal analyst at Wood Mackenzie, tells AOG..... 12

- Saudi Arabia	:	Saudi Aramco awards development contracts for the Karan gas field to Petrofac, Hyundai Engineering and McDermott. Eight local firms and six foreign companies prequalified for the Jazan refinery project.....	16
- Qatar	:	Qatargas II project will be inaugurated on 6 April. Agreements for the supply of 5 million tons/year of LNG to China starting in 2010-11 have been confirmed .....	20
- Iraq	:	Parliament has approved the 2009 budget, which provides for expenditure of \$58.6 billion.....	23
- Companies	:	New projects due on stream in 2009 will boost ExxonMobil's production by 485,000 boe/d. Technip's business in the fourth quarter was underpinned by several major projects in Africa and the Middle East.....	24
- Algeria	:	El Merk field to enter production in March 2012. Three fields to be developed on Block 245 South .....	26
- Egypt	:	Apache's gas reserves in Egypt increased by 15.9% in 2008 to 1.37 trillion cu ft. Oil production has started on the North West Gemsa tract at an initial rate of 1,450 b/d.	28
- U.A.E.	:	IPIC takes over Nova Chemicals and forms a joint venture with Restis Group to engage in energy-related activities. Retroactive price of reference crude Murban trimmed by \$0.90/b to \$44.95/b for February.....	31
- Caspian Sea	:	Total adds the Absheron exploration tract to its asset portfolio in Azerbaijan .....	35
- Israel	:	Following the Tamar gas find, the Infrastructure Ministry has received 20 applications for offshore tracts.....	36
- Syria	:	Capacity of the Khurbet East early production system will rise to 18,000 b/d in mid-2009 .....	37
- Kuwait	:	Tony Blair Associates retained as strategic consultant by the Kuwaiti government.	39
- Jordan	:	Two blocks offered in the 2009 Exploration Bid Round.....	40
<b>AFRICAN OIL</b>			
- Nigeria	:	Total brings the Akpo gas and condensate field into production. Shell is planning to lend \$3 billion to Nigeria to move its key oil and gas projects forwards .....	41
- Ghana	:	Tullow Oil and Anadarko report an "outstanding" oil discovery with the Tweneboa-1 well .....	46
- Gabon	:	CGGVeritas to carry out deepwater 2-D seismic surveys in preparation for an international bid round in 2010.....	48

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 899**  
**1 March 2009**

## □ SAUDI ARABIA

- Start-up of the Khurais field in mid-2009 will increase the Kingdom's surplus production capacity to 4.5 million b/d. GE Energy wins \$1-billion contract for the supply of over 30 gas turbines to the PP10 power station in Riyadh. . . . . 3

## □ PRICES

- With prices stuck at around \$40-45/b, OPEC is more likely to cut output further . 10

## □ INTERVIEW

- Transparency is the best guarantee of stability and equity in the long run, the Chairman of the EITI, Mr. Peter Eigen, tells AOG . . . . . 17

- Qatar	:	All RasGas LNG trains will be in production by the end of 2009 with a total capacity of 36.6 million tons/year. Kahramaa renews the consulting services contract of Chubu Electric for another two years . . . . .	8
- Egypt/Israel	:	Egyptian authorities and EMG have reached an agreement in principle for revising the gas price paid by EMG . . . . .	9
- Algeria	:	El Merk is one of Anadarko's mega-projects and should create substantial value . .	15
- Prospects	:	Total stresses the heightened long-term risks to oil production capacity . . . . .	21
- U.A.E.	:	ConocoPhillips confirms its commitment to push ahead with the Shah sour gas project. Terminal under construction in Fujairah will be able to handle 70% of Abu Dhabi's crude oil exports . . . . .	23
- Iran/UAE	:	Crescent Petroleum calls for legal intervention to settle its dispute with Iran. . . . .	27
- Oman	:	PDO has discovered three more oil fields. PDO's hydrocarbon production exceeded 1 million boe/d in 2008 for the third year in a row . . . . .	28
- UAE/Oman	:	RAK Petroleum announces the start of production at Oman's West Bukha field . . .	32
- Libya	:	NOC has been successful in its policy of renegotiating existing oil contracts . . . . .	33
- Kuwait/Iraq	:	Preliminary agreement concluded between Kuwait and Iraq on frontier oil fields .	34
- Kuwait/Qatar	:	RasGas to supply 1.6 million tons/year of LNG to Kuwait during the summer months for five years . . . . .	35
- Bahrain/Iran	:	Bahrain suspends negotiations on the import of Iranian gas following the claims made by Tehran on the Kingdom . . . . .	36
- Egypt	:	Dana Gas estimates the gas reserves discovered with the Azhar-1 well at over 100 billion cubic feet. RWE Dea and El Paso exchange exploration interests . . . . .	37
- Iraq	:	Oil export capacity through the Basrah terminal to be stepped up to 4.5 million b/d. Technip to carry out the detailed engineering studies for the construction of a 140,000-b/d refinery . . . . .	40
- Caspian Sea	:	Dragon Oil's production was running at 45,600 b/d of crude oil at the end of 2008 .	42
- Israel	:	Tamar-1 well flowed at 30 million cu ft/day of gas, and could produce 150 million cu ft/day after completion . . . . .	44

**EURO-ARAB GAS FORUM, 19-20 March 2009, Unesco, Paris: Five Arab and African Ministers are to attend.** 45

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 898**  
**16 February 2009**

## □ EDITORIAL

- Continued overproduction by OPEC keeps the OPEC basket stalled at \$40-42/b . 3

## □ PRICES

- The race is on between OPEC and the fall in demand. . . . . 4

## □ INTERVIEW

- If prices remain at their current level for long, investment will be greatly affected, Jean-Louis Schilansky, President of the French Oil Industry Trade Association (UFIP), tells AOG. . . . . 7

- Algeria :	Four natural gas discoveries were announced in January. Bids received for the El Merk project are currently being evaluated. . . . .	15
- Current Affairs :	Europe must prevent its energy dependence on Russia from becoming political dependence, says Hillary Clinton. . . . .	19
- Saudi Arabia/ Kuwait :	Saudi and Kuwaiti LPG prices raised by \$125/ton to \$505/ton for February . . . . .	20
- Saudi Arabia :	Saudi Aramco to finance half the cost of the Jubail refinery. Oil Ministry puts back the closing date of its request for proposals for the Jazan refinery to 2 September . . . . .	21
- Kuwait :	Sheikh Ahmed al-Abdullah al-Sabah appointed Minister of Oil. Kuwait could receive its first shipment of Qatari LNG in May . . . . .	24
- U.A.E. :	ADNOC raises its retroactive crude oil selling prices for January for the first time since July. Adco awards contracts to Petrofac and Tecnicas Reunidas/CCC for the development of the SAS fields. . . . .	27
- Egypt :	BP/RWE Dea strike gas with the Ruby-3 well on the West Mediterranean Deep Water tract. Technip wins a contract from Midor for the expansion of its coking unit. Offshore Al-Theka gas field brought into production at a rate of 95 million cu ft/day. . . . .	32
- Qatar :	First cargo of LNG from Qatargas II train 4 will arrive at the South Hook terminal in February. Retroactive price of Qatar Land raised to \$45.07/b for January liftings. . . . .	35
- Libya :	Total agrees to its oil agreements being converted into EPSA IV contracts . . . . .	38
- Iraq :	2009 budget revised down on the basis of an oil price of \$50/b . . . . .	38
- Oman :	Oil production rose to 757,000 b/d in 2008. . . . .	39
- Iran :	Germany substantially reduced its export guarantees to Iran in the first half of 2008. . . . .	39
- Bahrain :	12 companies invited to visit the data room opened for deep onshore gas exploration. NOGA and Shell sign an MOU for studying the feasibility of several gas projects . . . . .	40
<b>AFRICAN OIL</b>		
- Angola :	Oil revenues could be halved in 2009, which would endanger the country's reconstruction, says the World Bank . . . . .	42

**EURO-ARAB GAS FORUM, 19-20 March 2009, Unesco, Paris: Five Arab and African Ministers are to attend. 43**

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 897**  
**1 February 2009**

## □ EDITORIAL

- Supply restrictions trigger a price recovery ..... 3

## □ PRICES

- Brent and WTI perk up despite a very large increase in United States oil stocks. . 4

## □ STRATEGIES

- Total invests in a shale oil project in the United States ..... 28

- Algeria	:	Sonatrach's medium-term plan calls for capital expenditure of \$63 billion between 2008 and 2012. Algerian crude production will have fallen by 200,000 b/d to 1.2 million b/d between September and the end of February ..... 9	9
- Libya	:	Two more gas discoveries reported in the Ghadames basin. Libya pretends to be considering the nationalization of foreign oil companies ..... 12	12
- Qatar/UAE	:	Due to maintenance work, DEL will not supply any gas to the northern emirates for one month. .... 14	14
- UAE	:	Abu Dhabi sets its sights on renewable energies. ADNOC teams up with Masdar to develop carbon emission reduction projects ..... 15	15
- UAE/Nigeria	:	Dubai World to invest \$16 billion in the development of oil and gas projects in Nigeria. 21	21
- Egypt	:	Apache reports three more discoveries that yielded test flows of 80 million cu ft/day of gas and 5,909 b/d of liquids. Edison reiterates that it could sell 25% of its interest in the Abu Qir concession. .... 23	23
- Oman	:	Ocal's second PET plant has come on stream. .... 25	25
- Saudi Arabia	:	Sabic restructures some of its activities following a profits collapse in the fourth quarter of 2008 ..... 26	26
- Israel	:	Noble Energy reports a "significant" gas discovery with the offshore Tamar-1 well. 30	30
- Iraq	:	State oil revenues soared by 55% to \$62 billion in 2008. Gulf Keystone Petroleum is due to spud its first well on the Shaikan tract early in the second quarter. .... 32	32
- Iran	:	Phases 9 and 10 of the South Pars field due to begin supplying gas to the domestic market shortly ..... 33	33
- Syria	:	Gulfsands reports another oil discovery at Khurbet East with the KHE-7 well .... 34	34
- Jordan	:	After drilling one dry well, Porosity is to spud a second contractual well, Isaal Poro-2. 35	35
- Bahrain	:	Agreement with Occidental for the redevelopment of the Bahrain field should be signed before the end of 2009. .... 36	36
- Yemen	:	DNO's Raoq-1 exploration well yields promising hydrocarbon indications ..... 39	39
STUDY	:	<i>Annual Energy Outlook 2009 of the Energy Information Administration. .... 40</i>	40

**EURO-ARAB GAS FORUM, 19-20 March 2009, Unesco, Paris, Five Arab and African Ministers are to attend. 45**

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

**Vol. XXXVIII - N° 896**  
**16 January 2009**

## □ CURRENT AFFAIRS

- Gas war between Russia and Ukraine: Europe has its back to the wall ..... 3

## □ PRICES

- Four days of consecutive falls in crude oil prices ..... 4

## □ ALGERIA

- Sonatrach plans to extend its hydrocarbon transportation network by one-third to 21,500 km by 2012. Sonelgaz planning to invest \$20 billion in its gas and power activities up to 2017 ..... 7

- Saudi Arabia/ Kuwait	:	Saudi and Kuwaiti LPG prices raised by \$40-45/ton to \$380/ton for January liftings .	10
- Saudi Arabia	:	Saudi Aramco has made eight new oil and gas discoveries in the Eastern province .	11
- Kuwait	:	Kuwait says it has taken the necessary steps to defend itself against future legal action by Dow Chemical. Net budget surplus reached \$30 billion in the first eight months of 2008-09 .	13
- Iraq	:	Second international tender covers 11 fields, several of which are in the giant and supergiant class .	16
- Egypt	:	Dana Gas announces two more gas/condensate discoveries in the Nile delta .	18
- Prospects	:	Worldwide proven oil reserves rose by about 1% to 1,342 billion barrels in 2008 .	21
- UAE	:	Despite being reduced to \$42.1/b in December, the retroactive price of Murban averaged \$97.85/b in 2008. Emal and GDF Suez line up funding packages for their respective industrial projects .	22
- Oman	:	2009 budget was drawn up on the basis of an oil price of \$45/b .	25
- Companies	:	ExxonMobil comes out in favor of a carbon tax .	26
- Markets	:	Addition of crude oil contracts contributed considerably to the growth of business on the DGCX in 2008 .	27
- Syria	:	Abu Rabah gas field brought into production on a trial basis. Sinopec International completes the acquisition of Canada's Tanganyika Oil Company .	28
- Qatar	:	Retroactive prices of Qatari crudes reduced to \$39.25-41.30/b for December liftings. Gas sector accounted for a larger proportion of GDP than the oil sector in the first nine months of 2008 .	31
- Iran	:	Budget for fiscal 2009-2010 could be based on an oil price of only \$37.50/b .	33
- Qatar/UAE	:	DEL plans to seek new credits in the first half of 2009 to refinance \$3.45 billion of loan facilities raised in 2005 .	34
- Jordan	:	Kepeco to carry out a feasibility study of the country's first nuclear power station .	34
OAPEC	:	OAPEC countries' oil export earnings soared more than five-fold between 1998 and 2007, reaching \$408 billion .	36

**EURO-ARAB GAS FORUM, 19-20 March 2009, Unesco, Paris, Five Arab and African Ministers are to attend. 45**

# ARAB OIL & GAS

Bulletin of information and studies published fortnightly by  
**THE ARAB PETROLEUM RESEARCH CENTER**

Editor and Publisher: Nicolas SARKIS

Best Wishes for **2009** to All Our Readers Around the World

**Vol. XXXVIII - N° 895**  
**1 January 2009**

## □ EDITORIAL

- Hara kiri OPEC-style ..... 3

## □ PRICES

- Although oil prices rebounded on 26 and 29 December, the short-term outlook for oil producers remains gloomy ..... 5

## □ INTERVIEW

- Growth of the Middle East's chemical industry is a challenge and an opportunity for European chemical companies, Chris Stirling, European Head of Chemicals and Pharmaceuticals at KPMG, tells AOG ..... 14

- <b>Strategies</b>	:	Whatever the present difficulties, demand for energy and electricity will continue to grow, Diarmaid Mulholland, General Manager, GE Energy Services Europe, tells AOG.....	20
- <b>Current Affairs</b>	:	New Forum of Gas Exporting Countries will have its headquarters in Qatar.....	24
- <b>Algeria</b>	:	Disappointing results for the exploration bid round that closed in December. Hydrocarbon export earnings may have reached a record \$76 billion in 2008.....	9
- <b>Qatar</b>	:	Despite delays in several projects, Qatar will attain its target of LNG production of 77 million tons/year by 2012.....	18
- <b>Kuwait</b>	:	Dow Chemical voices great disappointment at Kuwait's decision to cancel its agreement with PIC.....	25
- <b>Saudi Arabia</b>	:	Government reports a budget surplus of \$157.2 billion for 2008 and projects a deficit of \$17.3 billion for 2009. Construction of Jubail refinery launched with the award of a contract for the provisional utilities complex.....	27
- <b>Egypt</b>	:	Fresh oil and gas discoveries reported by TransGlobe Energy, Vegas Oil & Gas and Hess. Dana Petroleum's Akhenaton-1 well encounters an oil-bearing formation on the South October block.....	32
- <b>UAE</b>	:	Adco asks bidders for the development of the SAS fields to submit lower bids. Taqa and RBS Sempra Commodities have set up a new joint venture in the United States, Taqa Gen X.....	35
- <b>Iraq</b>	:	Under a contract worth nearly \$3 billion, GE Energy is to supply gas turbines with enough capacity to enable electricity production to be doubled.....	39
- <b>Libya</b>	:	Hess announces a hydrocarbon discovery on Area 54 in the offshore Sirte basin. After making 11 discoveries in the Ghadames basin, Canada's Verenex Energy is thinking of putting itself up for sale.....	41
- <b>Bahrain</b>	:	2009-2011 Khuff gas well drilling program has started at the Bahrain field.....	44

**EURO-ARAB GAS FORUM, 19-20 March 2009, Unesco, Paris, Five Arab and African Ministers are to attend.** 46