

ARAB OIL & GAS

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

Editor and Publisher: Nicolas SARKIS

Best Wishes for **2011** to All Our Readers Around the World

Vol. XL - N° 943
1 January 2011

IRAN Special Report

- Energy price subsidies: Tehran crosses the Rubicon. Increased output at heavy crude fields could offset the decline of existing fields **3**

Prospects of the international gas industry

INTERVIEW

- Gas supply-demand tensions could emerge by 2013-2014, Armelle Lecarpentier, Chief Economist of Cedigaz, tells AOG **8**

STUDY

- Natural gas in the world in 2010, by Cedigaz. **46**

- Qatar	:	QP and Shell to study a petrochemical complex with a capacity of 3.5 million tons/year.	13
- Iraq	:	New oil minister wants to bury the hatchet with the authorities in Kurdistan	15
- Saudi Arabia	:	Government projects a budget deficit of \$10.7 billion in 2011, as against a surplus of \$28.9 billion in 2010	16
- Prices	:	Oil prices are at their highest level in 26 months under the influence of market fundamentals	21
- Algeria	:	Closing date for bids for the third international exploration bid round put back by two weeks to 17 March	26
- Egypt	:	Gas exports reduced to 29.3% of total gas production in 2009-10	29
- Egypt/Israel	:	EMG signs five agreements with Israeli companies for the sale of 1.4-2.9 billion cu m/year of gas	31
- Caspian Sea	:	Capacity of the Caspian Pipeline Consortium pipeline to be doubled to 1.4 million b/d by 2015.	34
- Libya	:	Turkey's TPAO makes another discovery on Block 147/3 in the Murzuk basin.	35
- Companies	:	The rebirth of Trouvay & Cauvin Group	36
- Kuwait	:	Saipem to build the early production facility for the Jurassic Oilfield. KIA has acquired a 4.8% shareholding in the French company Areva for €600 million	39
- Oman	:	Chemicals and plastics production capacity set to rise by 60% to 8.5 million tons/year in 2012	40
- Jordan	:	NRA invites bids for the East Safawi exploration block. YTL Power International has acquired a 30% equity stake in the Eesti Energia/NEI oil shale project.	41
- Lebanon	:	Tender to be issued shortly for the construction of a coastal gasline.	42
- UAE	:	Bechtel wins support services contract for the design and management of the UAE's first nuclear power station	43
- Syria	:	Oil and gas production of 140 million barrels and 10.13 billion cu m respectively targeted in 2011	45

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Vol. XL - N° 944
16 January 2011

EDITORIAL

- Development of solar energy: change of course for Arab countries' energy policies. 3

INTERVIEW

- Power connections between Europe and Southern and Eastern Mediterranean countries are inevitable, André Merlin, President of Medgrid, tells AOG 8

Algeria Special Report

- Renewable energies: Algeria moves up a gear. Hydrocarbon export earnings increased by 25% to \$55.7 billion in 2010. Sonatrach's latest annual report makes no mention of the scandals that came to light in 2010. Exploration operations in 2009 resulted in the discovery of 140 million toe of hydrocarbon reserves. 13

- Near East	:	Noble Energy's confirmation of the Leviathan discovery could heighten tension in the Near East.	4
- Iraq/Jordan	:	Project for laying a pipeline from Iraq to Jordan reactivated	7
- Mediterranean	:	Medgrid to study the feasibility of a trans-Mediterranean power transmission system.	11
- Prices	:	Brent only inches away from \$100 a barrel	24
- Qatar	:	ExxonMobil will have a 7% stake in Barzan Gas Company, which will produce 1.4 bcf/d of gas from 2014-15. Qatari crude oil prices raised by \$6.10-6.38/b for December liftings, ending 2010 at an average of \$90.30/b	29
- Saudi Arabia	:	Saudi Aramco reduces almost all its crude price differentials for February, except for light crudes delivered to Asia. Technip said to be the low bidder for the Shaybah NGL recovery plant and is also a contender for the Jazan refinery	32
- UAE	:	Gasco awards contracts worth \$1.17 billion for a sulfur granulation plant and export terminal. Retroactive price of Murban raised by \$6.20/b to \$91.85/b for December, making an average of \$79.20/b through 2010	36
- Iraq	:	Production at Rumaila running at over 1.17 million b/d	39
- Libya	:	TPOC has completed production tests of seven hydrocarbon discoveries on Block 147/3.	40
- Egypt	:	BP Egypt's Hodoa discovery estimated to contain 600 billion cu ft of gas and 17 million barrels of condensate. Output from Dana Gas's Nile delta tracts increased by 20% to 42,000 boe/d in 2010	42
- Sudan	:	Crude oil production was running at 490,000 b/d at the beginning of 2011.	45
- Morocco/UAE	:	Taqqa confirms its commitment to solar energy by bidding for the construction of a solar power plant in Morocco	46
- Caspian Sea	:	Dragon Oil announces the completion of three infrastructure projects on the Cheleken tract	47
AFRICAN OIL			
- Ghana	:	Ghana is now an oil exporter.	48

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Bulletin of information and studies published fortnightly by
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Vol. XL - N° 945
1 February 2011

UNITED ARAB EMIRATES

- ADNOC selects Occidental Petroleum as its new partner for the Shah sour gas project. Masdar defers its hydrogen power station project with BP and cancels its planned solar module plant in Abu Dhabi 3

QATAR

- Mr. Mohammed Saleh al-Sada replaces Mr. al-Attayah as Minister of Energy. Qatar Petroleum is studying seven blocks with a view to offering them for exploration.. 6

- Algeria	:	\$1.2-billion contract awarded to Petrofac for maintaining gas exports from In Salah at the 9-billion cu m/year level.	9
- Libya	:	Oil India and Indian Oil relinquish some of their licenses	10
- Iraq	:	Baghdad aims to step up oil production to a new high of 4.5 million b/d	11
- Prices	:	Oil prices start moving up again after several successive falls, but have not yet reached the \$100/b mark	13
- Egypt	:	EGPC and EGAS plan to launch exploration bid rounds in 2011-12 offering 18 and 19 blocks respectively. First stage of phase VII of the development of the WDDM tract has been completed	18
- Syria	:	Four companies are to invest \$24.8 million during second extensions of their initial exploration periods	21
- Saudi Arabia	:	Saudi Aramco selects SK Engineering and Samsung Engineering for the Wasit gas processing facilities. Sabic's net earnings rebounded by 138% to \$5.76 billion in 2010.	24
- Kuwait	:	Prequalification applications for cleaning up oil lakes have to be submitted by 14 February. 2011-12 budget projects a deficit of \$16 billion	27
- Yemen	:	Fuel shortages bring down the Oil Minister and the Executive Director of Yemen Petroleum Company	30
- Sudan	:	Price of Nile Blend has reached \$100/b. North Sudan's oil production will exceed that of South Sudan within a few years, says the Oil Minister.	32
- Gulf	:	Lightbridge to supply consulting services to a Gulf country for the development of renewable energies	34
- Bahrain	:	Occidental Petroleum selected for the onshore deep gas exploration program.	36
- Tunisia	:	OMV adds to its Tunisian interests by purchasing Pioneer Natural Resources' assets for \$866 million. ADX obtains a three-year extension of its Kerkouane permit.	37
AFRICAN OIL			
- Cameroon	:	Authorities are seeking to give a renewed boost to exploration by offering five blocks.	39
- Congo	:	Another development project could be implemented on the Moho-Bilondo tract ..	40
STUDY	:	Emerging economies to lead energy growth to 2030 and renewables to outgrow oil, concludes BP's Energy Outlook 2030	42

ARAB OIL & GAS

Bulletin of information and studies published fortnightly by
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Editor and Publisher: Nicolas SARKIS

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EGYPT Special Report

- After Mubarak: an uncertain transition for the energy sector. Explosion at the Sheikh Zuwaid gas metering station damaged the Arab Gas Pipeline but not the gasline to Israel. Some 1.56 million b/d of crude oil passed through the Suez Canal and Sumed bound for western markets in 2010. 3

ALGERIA Report

- 29 hydrocarbon discoveries were made in 2010, according to Sonatrach. Investments in the hydrocarbon sector expected to total \$17.2 billion in 2011. Hydrocarbon production totaled 214 million tons of oil equivalent in 2010, but could decline in 2011 14

- Qatar	:	Following the start-up of Qatargas 4, all the country's LNG trains are now operational.	13
- Libya	:	Waha Oil Company makes another hydrocarbon discovery in the Sirte basin	18
- Prices	:	Brent remains at over \$100/barrel despite the departure of President Hosni Mubarak.	19
- UAE	:	Abu Dhabi Oil Co. signs a new 30-year concession agreement that also incorporates the Hail field. Retroactive price of Murban raised by \$3.65/b to \$95.55/b for January liftings	25
- Saudi Arabia	:	Crude price differentials for March raised for the United States and reduced for other destinations. Saudi Arabia accounted for more than one-quarter of Japanese crude oil imports in 2010.	28
- Companies	:	Total's share of production in the Middle East increased by 20% to 527,000 boe/d in 2010	33
- Sudan	:	Total remains very cautious as to when it will resume exploration operations on Block B.	37
- Saudi Arabia/ Kuwait	:	LPG prices cut by \$110-115/ton for February	39
- Iraq	:	Gas agreement about to be finalized between South Gas Company and Shell/Mitsubishi	40
- Morocco	:	Circle Oil maintains its 100% success rate on the Sebou tract.	40
AFRICAN OIL			
- Mozambique	:	After making three offshore gas finds, Anadarko is considering an LNG export project.	41
- Ghana	:	Production from Jubilee phase 1 expected to reach its plateau rate of 120,000 b/d by mid-2011	41
STUDY	:	The Outlook for Energy: A View to 2030, by ExxonMobil.	45

ARAB OIL & GAS

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Vol. XL - N° 947
 1 March 2011



SPECIAL REPORT

	The political crisis in MENA countries: limited impact on the energy sector so far, but numerous uncertainties remain.	3
	LIBYA: Foreign companies are pulling out, oil production is falling and exports have come to a halt	10
	BAHRAIN: Unrest in Bahrain is causing concern in other Gulf states.	11
	EGYPT/ISRAEL/JORDAN: Egyptian security forces deployed at El Arish to protect the export gaslines to Israel and Jordan.	14
	EGYPT: Mr. Mahmoud Latif, Chairman of EGAS, replaces Mr. Sameh Fahmy as Minister of Petroleum. Apache announces that its production reached a record 374,000 boe/d in November. Dana Gas's natural gas reserves in Egypt have more than doubled in five years to stand at 70 trillion cu ft	15
- Interview	: It would be unrealistic to think that greenhouse gas emissions will be stabilized by 2030, Nazeer Bhore, Senior Advisor to ExxonMobil, tells AOG.	22
- Saudi Arabia	: WikiLeaks' "revelations" about a 40% overestimate of oil reserves are rejected by Mr. al-Husseini. Siemens to supply \$1 billion worth of equipment for the Ras al-Zour power and water complex	18
- UAE	: IPIC's takeover of Cepsa will give it refining capacity of 528,000 b/d and a network of 1,750 service stations.	26
- UAE/Iran	: Arbitration ruling on conflict between Crescent Petroleum and NIOC over gas supplies to the UAE is expected in 2011	28
- Iraq	: Crude oil exports averaged 1.89 million b/d in 2010, virtually the same as the year before. Gas agreement between South Gas Company and Royal Dutch Shell/Mitsubishi will not be approved as early as thought.	29
- Companies	: Middle East accounted for 32.1% of Technip's order book at the end of 2010	32
- Algeria	: Sonatrach to start exploring offshore	34
- Qatar	: GE to supply compressors for the boil-off gas recovery project on LNG jetties at Ras Laffan. Qapco contracts The Shaw Group to provide basic engineering services for the expansion of its ethylene plant	35
- Israel/Lebanon	: Spectrum offers its clients new marine seismic data covering the eastern Mediterranean offshore	36
- Egypt	: Apache Corporation's gas reserves fell by 7.1% to 1.08 trillion cu ft in 2010	37
- Egypt/Yemen	: TransGlobe's production was running at 11,300 b/d at the end of January – 8,400 b/d in Egypt and 2,900 b/d in Yemen.	38
STUDIES	: - Facts on Libya: oil and gas, by the IEA	39
	: - Oil situation in 2010 and trends, by IFP Energies nouvelles.	42

ARAB OIL & GAS

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 16 March 2011

SPECIAL REPORT

	<i>Turmoil in the Middle East and North Africa: Political upheavals and their energy impact</i>	3
	LIBYA: Uncertainties mount for the hydrocarbon sector	3
	SAUDI ARABIA: Riyadh bans all demonstrations and issues a warning against any foreign interference in its domestic affairs. Saudi crude price differentials to be raised by \$0.10-0.80/b for Europe and Asia in April.	9
	EGYPT: Mr. Abdallah Ghorab is appointed Oil Minister in the new government of Mr. Essam Sharaf. EMG asks for the help of foreign governments in securing a resumption of Egyptian gas exports.	13
	BAHRAIN: Oil production and development plans have not been affected by the political situation.	16
- Saudi Arabia	Saipem wins the contract for the offshore works of the Wasit gas project. Saudi Aramco establishes a new subsidiary to trade in refined products.	18
- Qatar	Centrica signs an agreement with Qatargas for the import of 2.4 million tons/year of LNG over three years. Condensate production capacity is expected to reach 780,000 b/d by 2015	21
- Algeria	Algiers confirms that it intends to focus on the development of the country's unconventional gas potential. BP will not sell its Algerian interests to TNK-BP, says the Energy Minister.	24
- UAE	Foster Wheeler to carry out studies for the expansion of Zadc's processing facilities on Zirku Island. Retroactive prices of Abu Dhabi crudes raised to more than \$100/b for February liftings.	27
- Iran	Gasoline consumption has reportedly fallen from 78 million liters/day in 2006-07 to 51 million liters/day now. Implementation of all phases of the development of South Pars would require an investment of \$60 billion, says Oil Minister	29
- Companies	ExxonMobil is planning to make annual investments of \$33-37 billion up to 2015.	31
- Oman	CB&I to carry out FEED studies for expanding Sohar refinery's capacity to 187,000 b/d.	32
- Iraq	Crude oil exports averaged almost 2.2 million b/d in January	33
- Kuwait	GS Engineering to build LPG storage tanks at Mina al-Ahmadi for KNPC.	34
- Caspian Sea	Dragon Oil plans to invest \$250 million in its oil infrastructure in 2011.	35
AFRICAN OIL		
- Uganda	Tullow Oil, Total and CNOOC could be given the official go-ahead by the summer to develop Blocks 1, 2 and 3A	37
- Ghana	Enyenra is a major light crude discovery, says Tullow Oil	38
- Gabon	Total Gabon's gross cash flow increased by 40% to \$780 million in 2010	39
- Egypt	Melrose's share of natural gas production increased by 6.5% to 27.8 billion cu ft in 2010.	40
STUDY	The impact of Middle East events on U.S. energy markets, by the Energy Information Administration, U.S. Department of Energy.	42

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EDITORIAL

From now on, there will be: Before and after the Arab revolts and Fukushima 3

SPECIAL REPORT:

Political turmoil in Arab countries: hopes, worries and uncertainties 5

Libya: Opposition to the Gadhafi regime wants to sell the oil it controls with the help of Qatar. 5

Saudi Arabia: King Abdallah announces a new \$133-billion program of social assistance and police reinforcement 12

Egypt/Israel/Jordan: Melrose says recent events have highlighted the importance of the diversification of its upstream assets 13

Egypt: Egyptian Oil Minister intends to alter the terms of gas export contracts with Israel and Jordan 15

Syria: Results of the exploration bid round for onshore blocks could be announced at a later date 16

Bahrain: Parliamentary commission to investigate the strikes at Bapco and the fall in its refinery's output 18

- Saudi Arabia	:	Four EPC contracts worth \$2.76 billion awarded to Samsung Engineering for the Shaybah NGL project. Saudi Aramco signs MOUs with Sinopec and PetroChina for refining projects in Yanbu and Yunnan	19
- Algeria	:	Exploration: Algeria's attractiveness in doubt.	24
- Japan/ Middle East	:	Saudi Arabia: Japan will be given priority in the supply of Saudi crude, says the Chairman of Saudi Aramco UAE: Japan's nuclear power station crisis could delay the granting of a building permit to ENEC	29 30
- Prospects	:	Additional LNG capacity of 150 million tons needed by 2025 to meet growing demand, says Wood Mackenzie.	31
- Qatar	:	In preparation for the commissioning of its plant, Pearl GTL has started receiving gas from the North Field	32
- Kuwait	:	KPC extends its LNG import contracts from mid-March to the end of November.	33
- Iraq	:	Output of West Qurna phase I has risen by some 17% to 285,000 b/d.	34
- UAE	:	KNOC approves a heads of terms agreement for acquiring interests in three blocks held by ADNOC.	35
- Iran	:	Tehran thinks the country will have surplus gasoline production capacity of 20 million liters/day in 2011-2012.	38
- Tunisia	:	EIB planning to advance a €140-million loan to the Groupe Chimique Tunisien	39
- Iran/Syria/Iraq	:	Iran to start supplying 3-5 million cu m/day of gas to Syria before the year end	40
- Syria	:	Study by RPS Energy concludes that Kulczyk Oil's Block IX has good oil and gas prospects.	41
- Libya	:	Repsol reports its first oil discovery on Block 4 of Area 130 in the Murzuk basin	42
STUDY	:	Libya is a major energy exporter, especially to Europe, by the EIA	43

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16 April 2011

OMAN SPECIAL REPORT:

- PDO's hydrocarbon production exceeded 1 million boe/d in 2010 for the fifth year in succession. PDO made five hydrocarbon discoveries in 2010, four of oil and one of natural gas 23

PRICES

- Fears about the impact of the upsurge in prices on world oil demand send crude prices tumbling 3

- Algeria	:	Sonatrach/BP/Statoil consortium to drill 33 production wells at the southern In Salah fields between 2012 and 2016.	8
- Kuwait	:	KPC to invest some \$90 billion in developing the oil and gas sector over the next five years. Thanks to oil revenues of \$61.1 billion, the net budget surplus reached \$20.3 billion at the end of February.	9
- UAE	:	Technip to supply engineering and procurement services to Zadco for the Upper Zakum development. ADNOC and Occidental finalize their joint-venture agreement concerning the Shah gas project 12	12
- Qatar	:	2011-12 budget, drawn up on the basis of an oil price of \$55/b, projects a surplus of \$6.19 billion.	15
- Saudi Arabia	:	Crude price differentials to be reduced by \$0.10-1.30/b for Europe, Asia and the Mediterranean in May. Jacobs Engineering to provide engineering and project management services to Saudi Aramco over five years.	18
- Saudi Arabia/ Kuwait	:	Disagreement over the route of the evacuation gasline is delaying the development of the Dorra gas field.	22
- Israel	:	Noble Energy suspends the Leviathan 1 well and confirms the completion of the Tamar development for the end of 2012.	27
- Yemen	:	21 exploration wells were drilled in 2010, as against 13 in 2009 and 28 in 2007. Oil production averaged no more than 275,000 b/d in the first half of 2010.	29
- Iran	:	Upstream and downstream work connected with the South Pars development will require investments of \$90 billion. NIORDC said to be in touch with foreign companies to speed up the expansion of Iranian refining capacity.	33
- Syria	:	Prequalification applications for three offshore exploration blocks must be submitted by 1 August and bids by 5 October.	35
- Egypt	:	TransGlobe Energy acquires Epedeco's interest in the West Bakr tract for \$60 million.	38
AFRICAN OIL			
- Uganda	:	Oil production in the Lake Albert basin could reach over 300,000 b/d, says Total ..	39
- Nigeria	:	Usan field to come on stream in early 2012 and will produce 180,000 b/d of crude at its peak 42	42
- Arab Countries	:	126 discoveries were made in Arab countries in 2009, as against 50 to 100 a year between 2005 and 2008 44	44

ARAB OIL & GAS

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1 May 2011

INTERVIEW

- Calm is not likely to return to the oil market in the coming months, Jean-Louis Schilansky, President of the French Oil Industry Union (UFIP), tells AOG 8

PRICES

- Brent is at \$125/b despite a 6.2-million barrel increase in U.S. crude stocks 3

- Egypt/Israel	:	Fresh attack in the Sinai interrupts the pumping of natural gas to Israel and Jordan again	6
- UAE	:	IPIC resurrects its plans for building a refinery in Fujairah, which is expected to cost \$3 billion. Adgas awards a FEED contract to The Shaw Group for the replacement of liquids storage tanks	16
- Japan/Gulf	:	Qatar to supply Japan with an additional 4 million tons of LNG over 12 months . .	19
- Qatar	:	Qatargas finalizes a three-year, 2.4-million ton/year LNG sales contract with Centrica.	21
- Saudi Arabia	:	Sabic's net earnings increased by 41.6% to \$2 billion in the first quarter. Saudi Aramco awards KBR a five-year engineering and project management services contract . .	22
- Iraq	:	Baghdad wants to offer 12 exploration tracts to international oil companies	27
- Iran	:	NIOC estimates the country's recoverable oil reserves at 155 billion barrels.	29
- Algeria	:	Algeria intends to step up its hydrocarbon exports by 8% to 125 million toe between 2011 and 2015. Total's hydrocarbon production in Algeria fell by 45% to 41,000 boe/d in 2010	30
- Kuwait	:	2010-11 state budget recorded a net surplus of \$23.3 billion, according to preliminary figures. KOC has issued three tenders for the cleanup of oil lakes and oil recovery..	32
- Egypt	:	Kuwait Energy has finalized the sale of a 22% interest in the Abu Sennan concession to Beach Energy	34
- UAE/Oman	:	RAK Petroleum's production from Block 8 in Oman averaged 9,250 b/d of oil and 31.2 million cu ft/day of gas in 2010	35
- Morocco	:	Rural electrification rate rose from 18% in 1996 to 96.8% by the end of 2010.	37
- Middle East	:	Total's share of hydrocarbon production in the Middle East increased by 20.3% to 527,000 boe/d in 2010.	38
- Arab Countries	:	Several international financial institutions are preparing an action plan for "shared growth" in the Arab world.	38
- Gulf	:	UAE is now connected to the GCC power grid	40
AFRICAN OIL			
- Climate/Energy	:	France/Kenya: vicious circle between the shortage of funds and the lack of interesting projects has to be broken	41
- Uganda	:	Heritage Oil thinks it owes nothing to Tullow Oil or the state after selling its interests in Blocks 1 and 3A	42
STUDY	:	World shale gas resources: an initial assessment of 14 regions outside the United States, by the EIA.	44

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SAUDI ARABIA

- Saudi Aramco raises the differentials on light crudes for delivery to all destinations in June. Saudi Aramco planning investments of \$125 billion over the next five years. 8

ALGERIA

- Unconventional gas: Sonatrach and Eni are going to evaluate the country's potential, which is thought to be great. El Merk development is 75% complete. 15

- Prices	:	Light sweet crude falls below the \$100/b mark.	3
- Saudi Arabia/ Kuwait	:	Al-Khafji Joint Operations has issued an international tender for work at the Hout field.	14
- UAE	:	Occidental Petroleum will pay \$1 billion under the terms of the Shah development agreement in 2011. Retroactive price of Abu Dhabi's reference crude Murban raised to \$120.70/b for April liftings	21
- Iran	:	Substituting natural gas for liquid fuels is a national priority, says the Oil Minister..	24
- Egypt	:	Apache's Egyptian oil and gas production was 2.8% and 0.5% up respectively in the first quarter. Dana Gas reports another gas discovery with the Abu El Naga-2 well drilled on the West El Manzala tract.	25
- Kuwait	:	Mr. Mohammed al-Busairi appointed Minister of Petroleum in the seventh government of Sheikh Nasser	28
- Syria	:	Opponents propose that elections be held within six months as a means of resolving the political crisis. Crude oil production edged up by 1.2% to 387,000 b/d in the first quarter.	28
- Qatar	:	JX Nippon Oil & Gas to invest \$100 million during the first phase of exploration on offshore Block A. Retroactive prices of Qatari crudes raised by \$2.45-5.25/b for April liftings	30
- Yemen	:	Political crisis is having little effect on oil and gas operations but crude oil production is continuing to decline.	31
- Mauritania	:	Exploration-production: some good news that has not yet spawned anything tangible.	33
AFRICAN OIL			
- Liberia/ Sierra Leone	:	Anadarko to drill three wells off Sierra Leone and Liberia during the second quarter..	35
- Ghana	:	Production from the Jubilee field is expected to reach 120,000 b/d in August.	37
- Angola	:	Total makes a third discovery on deepwater Block 17/06	37
STUDY	:	Natural gas in the world: review of developments in 2010, by Cedigaz.	39

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1 June 2011

SAUDI ARABIA

- Saudi Aramco brings forward the deadline for completing the development of Manifa to the original date of 2015. Sabic signs an MOU with Sinopec for the development of a 260,000-ton/year polycarbonates plant in China. 3

ALGERIA

- Algeria was GDF Suez's third largest long-term gas supplier in 2010, with a 13% share. State of the energy sector one year on from the appointment of Mr. Youcef Yousfi as Minister of Energy and Mines 14

- OPEC	:	IEA puts pressure on OPEC to step up its production as a matter of urgency	9
- Egypt/Israel/ Jordan	:	Fresh negotiations planned to amend Egypt's gas export contracts with Israel and Jordan	12
- Lebanon	:	Tender issued for the rehabilitation of 14 refined product storage tanks at Tripoli .	13
- Tunisia	:	Exploration period for the Chorbane tract extended by 12 months to 12 July 2012 .	18
- Iraq	:	Kazakh company KMG EP will not participate in the development of the Akkas gas field. Super-giant West Qurna-2 field to come on stream in 2013	19
- Iran	:	Although he is now Oil Minister, President Ahmadi-Nejad will not be attending the next OPEC conference. Seven companies, including an Israeli one, sanctioned by Washington for breaching sanctions against Tehran	23
- Libya	:	What is Mr. Shokri Ghanem up to?	25
- Qatar	:	Total acquires a 25% interest in the offshore BC block. Trouvay & Cauvin to handle the maintenance of all the LNG trains at Ras Laffan	26
- Israel	:	Noble Energy abandons the Leviathan 2 well and prepares to drill another appraisal well there. Three Israeli firms seek to obtain gas from Yam Thetis to offset the halt in Egyptian gas exports	29
- Syria	:	Onshore Blocks III and VII awarded to Total/Petro-Canada and HBS of Tunisia respectively	32
- U.A.E.	:	Taqā secures final approvals for the Bergermeer gas storage facility. Torresol Energy has brought the Gemasolar solar power plant in Spain on stream	34
- Egypt/Iraq/UAE	:	Arrears of \$148 million due from the Egyptian state could delay Dana Gas's investment program in the country	37
AFRICAN OIL			
- Ghana	:	Tullow Oil increases its interest in Jubilee to 36.5% by purchasing EO Group's assets in Ghana	38
STUDY	:	World energy consumption rose by over 5% in 2010, by Enerdata	40

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OPEC

- Brent has regained more than \$3/b within a week and is now above the \$120/b mark again 3

PROSPECTS

- New IEA scenario for the WEO 2011: Middle Eastern gas demand rises by 89% to 632 billion cu m between 2008 and 2035 8

SAUDI ARABIA

- Volume of gas delivered to processing plants rose by 10% to 9.4 billion cu ft/day in 2010. Saudi Aramco is raising the differentials on all crudes for delivery to Europe and the Mediterranean in July. Sabic sets up a joint venture with Mitsubishi Rayon for the construction of two chemical plants in Jubail 13

- Iran :	Mr. Mohammad Aliabadi succeeds President Ahmadi-Nejad as Minister of Petroleum. 10
- Qatar :	At a crude price of \$70/b, Shell expects annual cash flow of \$4 billion from its interests in Pearl GTL and Qatargas. Tender for the expansion of the Ras Laffan C power and water complex could be issued this summer. 11
- Iraq :	OMV announces an oil find on the Bina Bawi tract in the Kurdistan region. Agreements for the development of the Akkas, Sibba and Mansouriya gas fields have been signed. 22
- Saudi Arabia/ Kuwait :	Wafra steam injection program could increase production to 500,000 b/d, says Chevron. 25
- Egypt/Israel/Jordan:	Following the resumption of gas exports, a new agreement on prices could be signed with Jordan before the end of June 27
- Algeria :	Algerian natural gas exports increased by 5% to 55.28 billion cu m in 2010, according to Cedigaz. Sonatrach and Gas Natural Fenosa have settled their differences over gas prices. 29
- Egypt :	Eni to invest \$3 billion in its Egyptian activities in the coming years. Enap Sipetrol and Kuwait Energy have made two more oil finds on the East Ras Qattara tract. 30
- U.A.E. :	\$550-million contract awarded to CCC for the Shah sulfur granulation plant. Retroactive prices of Abu Dhabi crudes reduced by \$7-7.45/b for May liftings. 33
- Morocco :	Kosmos Energy and Pathfinder Hydrocarbon to explore the offshore Foum Assaka block. Longreach Oil and Gas adds the Sidi Mokhtar development lease to its Moroccan assets 36
AFRICAN OIL	
- Ghana :	Two more offshore oil discoveries reported by Hess and Kosmos Energy 38
- Nigeria :	Nigerian NGOs fiercely criticize the political class for not passing the Petroleum Industry Bill 40
STATISTICS :	World oil demand grew by 2.7 million b/d, 3.1%, to 87.4 million b/d in 2010, the biggest increase since 2004 - BP Statistical Review of World Energy. 41

ARAB OIL & GAS

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1 July 2011

PRICES

- Oil prices rebound on markets' optimism over Greece after plunging when IEA started releasing strategic stocks. 3

ALGERIA

- Algerian gas strategy: greater caution concerning exports and a focus on unconventional gas 13

<ul style="list-style-type: none"> - Oman - Iran - Qatar - Libya - Saudi Arabia - Iraq - Syria - Kuwait - Egypt - Israel - U.A.E. - Sudan - Qatar/UAE - Yemen - Morocco - Documents 	<ul style="list-style-type: none"> : BP could invest some \$15 billion in the development of the gas fields on Block 61 8 : NIOC reiterates that Iran is not importing gasoline. 9 : Qatargas sends a second cargo of LNG for the commissioning of the Map Ta Phut terminal in Thailand. With oil and gas revenues of \$23.55 billion, the budget surplus amounted to an estimated \$4.41 billion in 2010-11. 10 : NOC has still not officially recognized the defection of Mr. Chokri Ghanem 12 : Oil export earnings increased by 32% to \$215.25 billion in 2010, according to SAMA. Sabic signs a technology licensing agreement with Montefibre for a new carbon fiber project 16 : Oil export earnings rose to almost \$7.5 billion in May. United Kingdom stresses the need for Iraq to enact the hydrocarbon bill 21 : Sanctions and political unrest lead to a reduction in Syrian oil exports 24 : SPC has reportedly approved the fourth refinery and clean fuels projects. Current account surplus increased by 42.3% to \$36.8 billion in 2010, according to the Central Bank 25 : Apache Corp. makes another five discoveries in the Faghur basin in the south-west of the Western Desert. Output of the NW Gemsa block running at 7,000-8,000 b/d. 27 : At the behest of the Infrastructure Ministry, Noble Energy and Israel Oil are to develop the Noa North and Or fields 30 : Mr. Abdullah Nasser al-Suwaidi replaces Mr. Yousef Omair bin Yousef as CEO of ADNOC. Takreer selects UOP's Oleflex technology for a new propane dehydrogenation plant 33 : Oil production on Blocks 3 and 7 is running at twice the level of that on Blocks 1, 2 and 4 35 : Following leaks in a sulfur recovery unit, DEL has reduced its gas deliveries to the UAE to 1.8 billion cu ft/day 36 : Yemen LNG supplied 36,000 tons of liquefied petroleum gas to the domestic market in May-June 37 : Construction of a gasline linking the Sebou tract to Kenitra will enable Circle Oil to step up its sales of gas. Moroccan oil consumption increased by 5.4% to 9,578,000 toe in 2010. 39 : IEA makes 60 million barrels of oil available to market to offset Libyan disruption. 42
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SUDAN/SOUTH-SUDAN

- Sudanese oil production was running at 456,000 b/d on the eve of independence for the Republic of South Sudan 3

QATAR

- Qatargas to supply 5 million tons/year of LNG to the Argentine company Enarsa over 20 years. Retroactive prices of Qatari crudes reduced by \$1.15-1.45/barrel for June liftings 11

- Prices	:	Despite the sale of a part of the IEA's strategic stocks, the price of Brent is once again approaching the \$120/b mark 8
- Iran	:	Oil Minister advocates the privatization of petrochemical and drilling companies. NIOC announces fresh hydrocarbon discoveries and a new exploration target 12
- Saudi Arabia	:	Saudi Aramco reduces the differentials on light crudes for all destinations except the Mediterranean. FEED studies for the Riyadh refinery's clean fuels project commissioned from Foster Wheeler SOFCON 14
- Iraq	:	Oil Minister casts doubt on the usefulness of creating a national oil company. Iraq outlines great ambitions in natural gas 19
- Egypt	:	BG to embark on Phase 8b of the development of the West Delta Deep Marine tract in 2011. TransGlobe Energy acquires a 50% interest in the South Alamein tract from Cepsa and takes over as operator 22
- Egypt/Israel/ Jordan	:	More attacks in the Sinai raise doubts about the reliability of Egyptian gas exports to Israel and Jordan 26
- Oman	:	Petroleum Development Oman stresses the exploitation of the unconventional gas potential in its concession area 27
- Syria	:	Sytrol's crude oil exports are apparently being reduced to 106,400 b/d in July 29
- U.A.E.	:	ADNOC has reduced its retroactive crude oil prices by \$1.10-1.65/b for June liftings. Rex Oil and Gas granted a concession in Sharjah covering the Khor Fakkan and Kalba areas. 30
- Lebanon	:	Tender issued for the lease of petroleum product storage tanks at Tripoli and Zahrani. 32
- Algeria	:	Following its reconciliation with Sonatrach, Gas Natural Fenosa is going to become a shareholder in Medgaz 33
- Jordan	:	Qualified companies are invited to express an interest in providing consulting services for an LNG terminal 35
- Israel	:	Netherland, Sewell & Associates revises up gas resource estimates for the Myra and Sara licenses to 6.5 trillion cu ft 36
STUDY	:	The price effects of the financialization of commodity markets (UNCTAD) 38

ARAB OIL & GAS

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INTERVIEW

- Libyan crisis has removed 180 million barrels of light, sweet crude from the market, David B. Fyfe, Head of the IEA's Oil Industry and Markets division, tells AOG . . . 9

TRENDS

- The global oversupply of gas could end as early as the winter of 2012, according to Wood Mackenzie 17

<ul style="list-style-type: none"> - Prices - Kuwait - Libya - Iraq - Israel - Saudi Arabia - Saudi Arabia/ Kuwait - Qatar - Yemen - Egypt/Israel/ Jordan - Algeria - U.A.E. - Syria - Mediterranean - Morocco - Qatar/Kuwait 	<ul style="list-style-type: none"> : Developments in the United States push oil prices down. 3 : Committee set up to inquire into possible irregularities in Shell's gas service contract. As approved by Parliament, spending estimates in the 2011-12 budget are 44.5% higher than the initial \$67.5 billion 12 : Mr. Chokri Ghanem has been replaced by Mr. Omran Abukarah as Chairman of NOC. 15 : Agreement with Shell and Mitsubishi on South Gas Utilization Project will enable Iraq to export natural gas. Recoverable reserves of the Tawke field operated by DNO estimated at 636 million barrels. 19 : New and deeper gas formation discovered under the Tamar field 22 : Saudi Aramco and Dow Chemical launch their petrochemical joint venture, Sadara Chemical Company. Karan gas field has entered production 26 : KJO awards another PMS contract to Penspen covering the development of the al-Khafji and Hout fields. 30 : Qatargas to supply 1.5 million tons/year of LNG to Petronas LNG over 20 years starting in 2013. QSA has revised up its preliminary estimates of nominal GDP in 2010 to \$127 billion 31 : Oil production resumed on Block S-1 in mid-July after a four-month interruption . 33 : Egypt preparing to apply to the ICSID for an increase in the value of its gas sale contract with Israel to \$10 billion 35 : Petroceltic International confirms the extension of the Ain Tsila gas field on the Isarène tract. BHP Billiton's share of production in Algeria fell by 8.7% to 40,370 b/d in the first half of 2011 36 : ADNOC to step up its crude oil sales to China National Petroleum Corporation to 200,000 b/d from 2014. ABB to supply equipment worth over \$30 million to Saipem and Samsung for the Shah sour gas project. 40 : Oil is being pumped once again through the pipeline linking the Omar field to the al-Tayyem station 41 : France and Morocco intend to give a new impetus to the Mediterranean Solar Plan.. 42 : Despite a slight increase in its utilization, natural gas remains a marginal energy source. 44 : Qatar First Investment Bank acquires shares worth \$16 million in Kuwait Energy Company. 46
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ARAB OIL & GAS

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PRICES

- Crude oil prices are in free fall due to the debt crisis and poor growth prospects in Europe and the United States 3

IRAQ

- Crude oil export revenues were 62% up at \$41.3 billion in the first half of 2011. Oil production from West Qurna phase 1 now running at over 340,000 b/d. Hess and Petroceltic International could spend \$360 million over three years exploring the Dinarta and Shakrok blocks. 8

- Saudi Arabia	:	Saudi Aramco raises the formula prices of all its light crudes for September, apart from Arabian Light for Asia. Fluor Corporation awarded the contract for the utilities and offsites of the Sadara Chemical complex in Jubail	13
- Saudi Arabia/ Kuwait	:	Saudi and Kuwaiti LPG prices raised to \$835-885/ton for August liftings	19
- Iran	:	Revolutionary Guards officially take control of the Ministry of Petroleum. Iran's gas export capacity will reach 200-250 million cu m/day within two or three years	20
- Algeria/Morocco	:	Algeria to sell 640 million cu m/year of natural gas to Morocco over 10 years	23
- Algeria	:	With AT-5, three out of four wells tested on the Isarène tract have yielded commercial gas flows	23
- Qatar/UAE	:	Dolphin Energy produced 2 trillion cu ft of natural gas and 100 million barrels of condensate in 2010.	24
- Kuwait	:	Canadian company CORRE prequalified to bid for the cleanup of oil lakes.	25
- Egypt	:	Apache Corporation has reported two more oil and gas discoveries in the Faghur basin. Egyptian Hydrocarbon Company created to develop a nitric acid and ammonium nitrate plant.	26
- Caspian Sea	:	Work has started on the doubling of the capacity of the Caspian Pipeline Consortium pipeline to 1.4 million b/d.	28
- Israel	:	Noa North field will produce 100 million cu m/day of gas from two wells starting in the second half of 2012	29
- Syria	:	Crude oil and natural gas production rose by 0.2% and 11% respectively in the first half. Sadad-2 well will boost production at the Sadad gas field to 1 million cu m/day.	32
- U.A.E.	:	ADNOC raises its retroactive crude oil prices by \$1.60-2/b for July liftings. IPIC finalizes the acquisition of Total's 48.83% interest in Cepsa for €3.7 billion	34
- Qatar	:	Retroactive prices of Qatari crudes raised to \$110.45-113.05/b for July liftings	36
- STUDY	:	Egypt: marketed gas production could increase to as much as 120 bcm/year around 2008, by the Observatoire Méditerranéen de l'Energie (OME)	37

ARAB OIL & GAS

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1 September 2011

SPECIAL REPORT: LIBYA

- Hydrocarbon sector after the fall of the Gadhafi regime: A host of uncertainties. . . 3

SPECIAL REPORT: SYRIA

- European oil embargo would deprive Syria of most of its export markets. Pressure is building on oil companies operating in Syria to halt their activities 8

- Prices	:	Price of Brent remains firm at over \$110/b.	13
- Iraq	:	41 companies prequalified for the fourth international bid round organized by the Oil Ministry. Iraqi crude oil export revenues exceeded \$7 billion in July for the fifth month in a row.	18
- Kuwait	:	Net budget surplus fell to \$11 billion in 2010-11. Power consumption expected to rise by 9% to 12,000 MW in 2011	23
- Caspian Sea	:	Gaslines to Europe: the deadline for choosing is approaching. Dragon Oil's production rose by 25% to 58,000 b/d in the first half of 2011	26
- Saudi Arabia	:	Saudi Kayan awards a construction contract to Sinopec for a distilled natural alcohol plant. Evonik Industries and Saudi Acrylic Acid Company set up a joint venture to produce super-absorbent polymers	31
- Iran	:	Iran plans to become a major exporter of gasoline within the next three years. Oil production capacity to be stepped up by 1.5 million b/d over the next 10 years.	34
- Iraq/Kuwait	:	United Nations Compensation Commission had approved total payments of \$33.3 billion by the end of July	36
- Algeria	:	Petroceltic International is considering another farm-out deal to reduce its interest in the Isarène concession. "Precise" evaluation being made of Algeria's unconventional hydrocarbon potential.	37
- Qatar	:	FEED contract for phase 2 of the expansion of the Ras Laffan refinery awarded to Technip	38
- U.A.E.	:	Larsen & Toubro awarded two contracts by Gasco and Adma-Opco worth \$639 million. Dutch Supreme Court suspends the Bergermeer gas storage project being undertaken by Taqa.	39
- Lebanon	:	Cairn Energy forms a consortium with CCC and Cove Energy to bid for offshore exploration rights in 2012.	42
AFRICAN OIL			
- Mozambique	:	Recoverable gas resources of Offshore Zone 1 estimated at over 6,000 billion cubic feet.	43
- Ghana	:	Oil production from Jubilee expected to rise by 20,000 b/d to 105,000 b/d in October.	45
Conference	:	SolarMed, 10-11 October 2011, Palais des Congrès, Paris	47

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IRAQ

- Six more companies prequalified for the fourth international bid round. Kurdistan Region's presidency calls for the immediate withdrawal of the new federal hydrocarbon bill. 3

SYRIA

- China, India or Russia will replace Syria's European customers, says Finance Minister. 9

<ul style="list-style-type: none"> - Libya : - Qatar : - Saudi Arabia : - Iran : - Prices : - UAE : - Caspian Sea : - Algeria : - Israel : - Appointment : - Saudi Arabia/ Kuwait : - Egypt/Iraq/UAE : - OPEC : - Annual Surveys : 	<p>Libyan crude production could be restored to its pre-conflict level within a year, says the NTC's de facto Oil Minister. NTC planning a far-ranging restructuring of NOC. Scheduled maintenance work on several LNG trains starting in mid-September is expected to push prices up. Central Bank revises down its estimate of the 2010-11 budget surplus to \$3.7 billion 12</p> <p>Crude price differentials reduced for the United States but raised for other destinations for October liftings. Jacobs Engineering wins the FEED contract for the Ras Tanura clean fuels and aromatics project 17</p> <p>Oil Minister wants to mobilize domestic skills and resources to speed up the development of shared fields. Seven of Iran's nine refineries to be privatized by March 2012, according to the Oil Ministry. 21</p> <p>Price of Brent in a range of \$110/b to \$115/b, defying the morose economic climate.. 23</p> <p>Technip/NPCC win \$500-million contract for the further development of the offshore Satah field. ADNOC reduced retroactive crude oil prices by \$4.90/b for August liftings. Total refers to potential gas resources of several trillion cubic feet after drilling the Absheron X-2 well 32</p> <p>Bir Seba field could be producing 36,000-40,000 b/d of crude around 2016. 33</p> <p>Noble Energy has spudded the Dolphin 1 well on the offshore Hanna license. Drilling of Leviathan 3 well suspended once again due to technical problems 35</p> <p>Maria van der Hoeven replaces Nobuo Tanaka as head of the IEA. 36</p> <p>Saudi and Kuwaiti LPG prices reduced by \$20-45/ton for September liftings. 37</p> <p>Dana Gas received revenues of \$57 million from Egypt and Iraqi Kurdistan in the second quarter 38</p> <p>OPEC controls 81% of the world's proven oil reserves 39</p> <p>AOGD, NGS, RPS 2011. 49</p>
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LIBYA

- Total and Eni have brought the Al Jurf and Bu Attifel fields back into production. National oil output could recover to 1.5 million b/d within 15 months, according to NOC..... 3

SYRIA

- Sanctions and protests start to have an impact on the Syrian economy 7

<p>- Prices : - Algeria : - Egypt : - UAE : - Iraq : - Iran : - Saudi Arabia : - Bahrain : - Kuwait : AFRICAN OIL - Kenya : STUDY : - Annual Surveys :</p>	<p>Oil is overtaken by the debt crisis 11 Hydrocarbon export earnings could exceed \$67 billion this year. Sonatrach's net earnings bounded by 148% to 705 billion dinars in 2010. 15 Apache Corporation reports two more discoveries in the Faghur basin and at the Abu Gharadig field. EGPC offers 15 onshore and offshore blocks for exploration. . 17 Abu Dhabi's crude oil production averaged 2.26 million b/d in 2010, of which 2.04 million b/d was exported. Etihad Rail awards several contracts for the Shah-Habshan-Ruwais railroad 20 Eni is a candidate for participating in the development of the Nassiriyah field. Kurdistan region's oil export capacity could shortly reach 300,000 b/d 24 Tehran calls CNPC to order over phase 11 of the development of the South Pars field. 26 Satorp to launch its first issue of islamic bonds. Axens process technology licensed for several units of the Jazan refinery 27 Output of the Bahrain field rose by 28.2% to 3.5 million barrels in the first quarter. Banagas awards a contract to JGC Gulf International for the construction of a gas compression station 30 GS Engineering & Construction wins two contracts worth \$741.8 million from KOC and the Electricity Ministry. Net budget surplus amounted to \$17.8 billion in the first quarter of 2011-12 35 Total says its acquisition of interests in five offshore blocks forms part of its "bolder" exploration strategy. 36 World liquids production projected to increase by 26.6 mb/d to 112 mb/d from 2008 to 2035, by the EIA. 39 AOGD, NGS, RPS 2011 47</p>
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ARAB OIL & GAS

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Vol. XL - N° 962
16 October 2011

PRICES

- While the price of WTI is at only \$84/b, Brent is above the \$110/b mark again. . . . 3

EASTERN MEDITERRANEAN

- Turkey starts exploring off Cyprus, with operations taking place under military escort. Egypt planning a sharp increase in the price of natural gas exported to Israel and Jordan. 8

- Global Outlook :	World upstream investments will rise by 5-10% to \$570-600 billion in 2012, according to IFP Energies nouvelles	11
- Libya :	Heritage Oil acquires a foothold in Libya and intends to play a significant role . . .	12
- Saudi Arabia :	Price of Arabian Light for Asia in November will be an all-time high in relation to the Oman/Dubai spot average. Government is going to earmark \$100 billion for the construction of 16 nuclear reactors	13
- Syria :	Gulfsands Petroleum's production cut by three-quarters to 6,000 b/d	18
- Qatar :	QP raises its retroactive crude oil prices by \$1.85-2.25/b for September liftings. Qatari LPG production has more than doubled to 10 million tons since 2008.	20
- UAE :	ADNOC increases its retroactive crude oil prices for September by \$1.85-2.20/b. 79% of ADNOC's crude oil and condensate exports went to Asia in 2010	23
- Iraq :	Crude oil exports in August were worth over \$7 billion for the sixth month in a row. Deadline of the exploration bid round put back from late January to 7-8 March 2012.	26
- Iran :	It is unacceptable to cite sanctions against Iran to justify delays in the development of South Pars, says POGC.	31
- Algeria :	AT-8 well could produce over 50 million cu ft/day of natural gas, says Petroceltic .	32
- Egypt :	Apache Khalda Corp. awards a contract to Foster Wheeler for expanding the Qasr field's compression facilities. Arrears due by the Egyptian authorities to Dana Gas have reached \$200 million	33
- Kuwait/Australia:	Part of the feed gas for the Wheatstone LNG project will come from the Julimar and Brunello fields of Apache and Kufpec	34
- Kuwait/Vietnam:	IFC and JBIC to provide funding for the Nghi Son refining and petrochemical complex in Vietnam.	35
- Morocco :	East West Petroleum interested in Morocco's unconventional hydrocarbon resources.	36
AFRICAN OIL		
- Mozambique :	Anadarko revises up its minimum estimate of the recoverable gas resources of Offshore Zone 1 to 10,000 billion cu ft	37
- Tanzania :	Mubadala Oil & Gas acquires a 20% interest in an offshore block from Dominion Petroleum	39
- Nigeria :	Nigeria was the fifth largest oil supplier to the United States in January-July 2011 .	39
STUDY :	OPEC liquids production would increase from 35.6 mb/d in 2008 to 46.9 mb/d in 2035, by the U.S. Energy Information Administration.	42

ARAB OIL & GAS

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LIBYA

- Eni and NOC have started tests with a view to resuming the export of Libyan gas to Italy. IEA expects Libyan crude oil production to be approaching 600,000 b/d at the year end. 3

SYRIA

- Syria is still trying to find alternative markets for the oil it can no longer export to Europe. Siemens awarded contract for the expansion of the Nasseriah power station. 6

<p>- Egypt/Jordan/ Israel :</p> <p>- Qatar :</p> <p>- Kuwait :</p> <p>- UAE :</p> <p>- Iran :</p> <p>- Saudi Arabia :</p> <p>- Prices :</p> <p>- Iraq :</p> <p>- Tunisia :</p> <p>- Algeria :</p> <p>- Jordan :</p> <p>- UAE/Iraq :</p> <p>- Sudan :</p> <p>- Bahrain :</p> <p>AFRICAN OIL</p> <p>- Mozambique :</p> <p>- Egypt :</p> <p>STUDY :</p>	<p>Egypt has resumed gas deliveries to Jordan and Israel 5</p> <p>CNPC, Shell and QPI secure initial approval for a refining-and-petrochemical complex in China. RasGas to supply a record 8.3 million tons of LNG to South Korea in 2011. 9</p> <p>Net budget surplus amounted to \$25.5 billion in the first five months of 2011-12 . . 11</p> <p>Fluor Corporation to carry out the FEED studies for the new facilities at the Nasr field. Federal budget for 2012 projects a deficit of \$109 million 12</p> <p>Tehran insists that the Pars LNG, Persian LNG and Iran LNG gas liquefaction projects have not been scrapped. Iran's natural gas production capacity could be expanded by 133% to 1.4 billion cu m/day by 2014 13</p> <p>Saudi Aramco and Sinopec could sign the agreement creating Red Sea Refining Company in late November. Sabic's net earnings increased by 52% to \$6.4 billion in the first nine months of 2011 17</p> <p>Oil markets banking on eurozone and EU member countries adopting a tough plan. 21</p> <p>Trouvay & Cauvin Group to establish a logistics platform in Rumaila, which will be its fifth worldwide. DNO's crude oil exports were running at only 25,000 b/d in mid-October 27</p> <p>Dragon Oil is due to acquire a 55% interest in the offshore Bargou exploration block. 29</p> <p>Planned Galsi gasline from Algeria to Italy could benefit from North Africa's instability. 30</p> <p>Karak International Oil assigned an exploitation license for oil shale deposits in the al-Lajjun region 32</p> <p>Taqta enters the Iraqi upstream by acquiring a 20% interest in Western Zagros Resources. 35</p> <p>Crude oil production in Sudan and South Sudan was running at 420,000 b/d in mid-October 36</p> <p>400,000-ton/year base stock plant of Neste Oil/Bapco/Nogaholding has entered production 36</p> <p>Another discovery by Eni considerably boosts the gas potential of the Rovuma basin. 37</p> <p>Phase 8a of the development of the West Delta Deep Marine concession has come on stream 38</p> <p>World liquids consumption would rise from 87.1 mb/d in 2010 to 89.8 mb/d in 2012, by the EIA 41</p>
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GLOBAL OUTLOOK

- Central scenario of WEO 2011 implies energy supply investments of \$38,000 billion from 2011 to 2035. 3

ALGERIA

- The 29 discoveries made in 2010 boosted proven and probable reserves by 212 million toe. E.ON Ruhrgas and Sonatrach planning to develop the Rhourde Yacoub tract in the Berkine basin 16

<ul style="list-style-type: none"> - Libya - Qatar - Syria - Prices - Israel - Egypt - Saudi Arabia - Iraq - UAE - Iran - Mauritania - Morocco - Tunisia STUDY 	<ul style="list-style-type: none"> : National oil production expected to reach 700,000 b/d by the end of 2011 5 : RasGas and EDF Trading renew their LNG sale and purchase agreement for a volume of 3.4 million tons/year. Cost of the Barzan gas project revised up to \$10.3 billion. . 6 : Damascus has reportedly halted payments to foreign oil companies. Stroytransgaz secures an upward revision in the value of its contract for the construction of the Palmyrides gas plant. 9 : Tensions over Iran and a fall in OECD countries' oil stocks drive crude prices up. . 11 : Micoperi Marine Contractors awarded a contract to install a floating LNG reception terminal. 24 : BP announces another gas discovery on the North El Burg Offshore tract. Proven hydrocarbon reserves revised down slightly to 77.5 trillion cu ft of gas and 4.33 billion barrels of liquids. Apache's oil production in Egypt rose by 4.6% to 103,913 b/d in the first nine months of 2011. 26 : Crude price differentials for December liftings raised for the United States and Europe but reduced for Asia. Jacobs Engineering wins two more contracts for petrochemical facilities 30 : Crude oil exports fell to 63.1 million barrels in September, the lowest level since February. Iraqi crude oil production averaged 2.65 million b/d in September 34 : ADNOC has reduced its retroactive crude oil prices by \$1.60-1.95/b for October liftings. ADNOC and Etihad Rail agree head of term agreement for the transport of granular sulfur 37 : Physical progress of 2.5% a month is needed for the remaining phases of South Pars, says Oil Minister 39 : Tullow Oil shortly to embark on the development of the Banda gas field and the Tevet and Tiof oil fields. 40 : Two exploration contracts signed with foreign companies for offshore blocks. 42 : DNO International assigned a prospecting permit for the Fkirine tract in central Tunisia 42 : World Energy Outlook 2011, by the International Energy Agency 43
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INTERVIEW

- The rise in prices due to deferred oil investments in MENA countries could stifle the economic recovery, argues Fatih Birol, Chief Economist of the IEA 7

IRAQ

- KRG confirms that ExxonMobil has signed an exploration contract covering six zones in the Kurdistan region. Basrah region associated gas recovery and utilization project given the green light. 3

- Prices	:	Political tensions in the Middle East and North Africa drive oil prices up.	10
- Qatar	:	Second phase of Pearl GTL plant will enter commercial production in mid-2012 . .	16
- Saudi Arabia	:	Kingdom's dominant role on the oil market diminished by the unconventional reserves discovered in North America. Government approves SRAK's plans for appraising the zone of the Kidan discovery	18
- Syria	:	Government has reportedly agreed to reimburse part of Gulfsands Petroleum's operating costs. Oil production declined by 2.3% to 378,000 b/d in the first nine months.	21
- Algeria	:	After a year and a half at the head of Sonatrach, Mr. Nordine Cherouati is replaced by Mr. Abdelhamid Zerguine	24
- Iran	:	Sanctions: London and Paris increase the pressure on Tehran.	27
- Israel	:	DSME to carry out a feasibility study for an FPSO at the Tamar field	28
- Morocco	:	World Bank advances loans of \$297 million to part-finance the Ouarzazate solar power plant.	29
- Yemen	:	Masila concession will be operated by a new state-owned oil company from 18 December onwards	30
- Egypt/Yemen	:	TransGlobe Energy's hydrocarbon production rose by 13% to 13,406 b/d in the third quarter	31
- Egypt	:	After being relinquished by Shell and its partners, the Nemed tract will be included in the bid round planned by EGAS. Mopco and EMethanex plants in Damietta have been shut due to environmental protests.	32
- UAE	:	Aggreko to test the Abu Dhabi Crude Oil Pipeline, which is due to start operating shortly. Taqa Bratani adds to its North Sea portfolio by purchasing Premier Oil's interest in Cladhan	35
- Caspian Sea	:	Dragon Oil expects its oil production to reach 70,000 b/d at the end of 2011 and rise to 100,000 b/d by 2015	37
- Egypt/UAE/Iraq	:	Dana Gas's net earnings more than quadrupled in the third quarter	38
- UAE/Oman	:	RAK Petroleum suspends the Saleh-5 well	40
AFRICAN OIL			
- Angola	:	Pazflor development will make Total the leading operator in the deep African offshore.	43
- Nigeria	:	Total's latest discovery on Block OML 102 enhances the viability of another development hub on the tract	46