



O A P E C

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Organization of Arab Petroleum Exporting Countries

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The 6th Asian Ministerial Energy Roundtable Boosting Asian Joint Action on Energy

AMER6

The 6th Asian Ministerial
Energy Roundtable

ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)



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

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

In 1970 the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain and the Republic of Algeria joined the Organization, followed by the Syrian Arab Republic and the Republic of Iraq in 1972, Arab Republic of Egypt in 1973, then the Republic of Tunisia in 1982 (its activities stopped since 1987). Any Arab country which derives a significant share of its national income from petroleum is eligible for membership in OAPEC upon the approval of three-quarters of the member countries, including all three founding members.

OAPEC'S ORGANS

The Organization carries out its activities through its four organs:

- **Ministerial Council:** The Ministerial Council is the supreme authority of the Organization, responsible for drawing up its general policy.
- **Executive Bureau:** The Executive Bureau is composed of one representative from each of the member countries, drawing recommendations and suggestions to the Council, reviewing the Organization's draft annual budget and submitting it to the Council, it also adopts the regulations applicable to the staff of the General Secretariat. The resolutions of the Executive Bureau are issued by the majority of two-thirds of all members.
- **General Secretariat:** The General Secretariat of OAPEC plans, administers, and executes the Organization's activities in accordance with the objectives stated in the agreement and directives of the Ministerial Council. The General Secretariat is headed by the Secretary General. The Secretary General is appointed by resolution of the Ministerial Council for a tenor of three years renewable for similar period(s). The Secretary General is the official spokesman and legal representative of the Organization and is accountable to the Council. The Secretary General directs the Secretariat and supervises all aspects of its activities, and is responsible for the tasks and duties as directed by the Ministerial Council. The Secretary General and all personnel of the Secretariat carry out their duties in full independence and in the common interests of the Organization member countries. The Secretary General and the Assistant Secretaries General possess in the territories of the Organization members all diplomatic immunities and privileges.
- **Judicial Tribunal:** The protocol of the Judicial Tribunal was signed in Kuwait on 9 May 1978 and came into effect on 20 April 1980. The Tribunal is competent to consider all disputes related to the interpretation and application of OAPEC's establishment agreement, as well as disputes arising between two or more member countries concerning petroleum operations.
- **OAPEC-Sponsored Ventures:** OAPEC has sponsored the creation of four companies: The Arab Maritime Petroleum Transport Company (AMPTC), established in 1972 with headquarters in Kuwait City, the Arab Shipbuilding and Repair Yard Company (ASRY) established in 1973 with headquarters in Bahrain, the Arab Petroleum Investments Corporation (APICORP) established in 1974 with headquarters in Khobar, Saudi Arabia, the Arab Petroleum Services Company (APSC) established in 1975 with headquarters in Tripoli, Libya.

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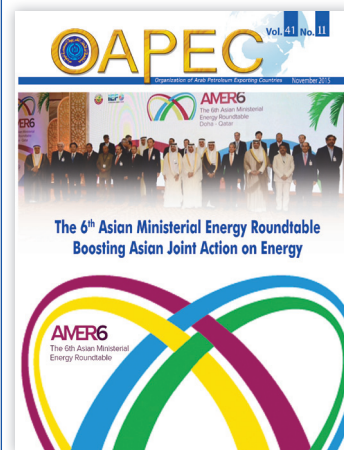
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The Cover

The meetings of the 6th Asian Ministerial Energy Roundtable (AMER6) hosted by Doha, Qatar from 8-10 November 2015, in association with the International Energy Forum (IEF) and co-hosted by Thailand, enjoyed special significance due to the important status of the Asian countries in the world's energy market as they come on the top of the world with about 60% of the total oil reserves. While OAPEC member countries account for the biggest share of these reserves, Asian countries also have an important position with regards to oil consumption with about 40% of the world's total demand for oil.

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The 6th Asian Ministerial Energy Roundtable (AMER6) Boosting Asian Joint Action on Energy

The meetings of the 6th Asian Ministerial Energy Roundtable (AMER6) hosted by Doha, Qatar from 8-10 November 2015, in association with the International Energy Forum (IEF) and co-hosted by Thailand, enjoyed special significance due to the important status of the Asian countries in the world's energy market as they come on the top of the world with about 60% of the total oil reserves. While OAPEC member countries account for the biggest share of these reserves, Asian countries also have an important position with regards to oil consumption with about 40% of the world's total demand for oil.

During recent years, China's share reached about 40% of the world's total demand for oil, in light of its strong economy and large market that is based on a huge population of about 1.39 billion (by the end of 2015). India is also considered one of the major energy consumers in the world; it comes fourth on the list following China, the USA, and Russia. India has replaced Japan which also enjoys a main position with regards to the Asian and global energy industry.

Most oil exports are going from the Middle East to Eastern Asia in an embodiment of the integrated situation between the oil producing and exporting countries in Western Asia and the oil consuming countries in Eastern Asia. They represent about 70% of East Asian total oil imports.

In the same vein, AMER6 meetings come at a time when oil prices have dropped sharply since mid 2014. This situation has imposed huge challenges on the oil exporting countries, including the Arab oil exporting countries in Western Asia. These developments have dominated a large part of the discussions among the conveners in an attempt to know the viewpoint of the two sides on these developments.

It is worth mentioning that one of the most distinguished features of these meetings was the presence of their Excellencies the Petroleum and Energy Ministers and senior officials of OAPEC member countries in an atmosphere of transparency and sharing a common platform between the Western Asian oil exporters and the Eastern Asian oil and gas importers. This is due to the importance of the continuation of such international dialogues that contribute to clarifying all stances as well as current and future trends in the energy, oil, and gas industry.

The AMER6 concluding statement represented the will of all convening countries to

boost cooperation and coordination amongst them whether bilaterally, or regionally, or internationally. This feeds into the international efforts aiming at broadening the horizons of dialogue between oil and gas exporters and consumers worldwide. The concluding statement also pointed out to the importance of cutting greenhouse gas rates and the importance of natural gas in the transition to a decarbonised world. Also, delegates endorsed the proposal of the Kingdom of Saudi Arabia to establish an Asian Energy Efficiency Knowledge Sharing Framework under the IEF.

AMER6 meetings and their outcome and recommendations represent a call upon OAPEC member countries to pay more attention to East Asian markets in light of their future long term plans. It is an important and promising strategic market for the consumption of oil and natural gas due to the increasing importance of the East Asian market and its future potentials. This market has become a centre of attraction for the world oil and natural gas market, in addition to the good economic relations that link Asian countries for long decades.

It is worth mentioning that the moderate stances shown by the participating West Asian countries, led by OAPEC member countries, clarified their understanding of the oil and gas importing countries in Asia and their plans to invest in new and renewable energy as a measure to ensure their energy supplies. These energies will be complementary to the conventional energy as there are expectations that energy demand will rise in the future and that all types of energy will be needed. West Asian countries stressed that they will continue to invest in the oil in the East Asian region, which shows a genuine desire for cooperation with the East Asian countries.

Following its participation in AMER6 meetings, OAPEC Secretariat General would like to express its sincere thanks to the State of Qatar for its kind invitation and hosting of this important Asian event. The Secretariat General has noticed the constructive dialogues and thorough discussions during the sessions, the active participation of their Excellencies the petroleum and energy ministers in the member countries as well as the Asian countries, and the heads of the participating specialised energy organizations. The Secretary General would like to reiterate that dialogue between producers and consumers on all levels is the most ideal means for oil and natural market stability worldwide, and a drive for creating a positive atmosphere and a common platform between the two sides.



KSA

Saudi Arabia to keep up petroleum investments



Saudi Arabia Petroleum and Mineral Resources Minister HE Ali Al Naimi stressed that Saudi Arabia is continuing with its investments in the oil and gas industry despite the current drop in oil prices.

The minister was speaking at the G20 Energy Ministers' meeting in Istanbul, Turkey, on 1 and 2 October 2015. HE Al Naimi said the world needs clean, continuous and available energy now and for future generations, he said. The minister added that most important factors to achieve this goals is the price movements that affect petroleum investments clearly

now and in the future.

“Since the 1970s this industry has been experiencing sharp fluctuations in prices - up and down - which have impacted investments in the field of oil and energy, and its continuity,” Naimi said.

“This volatile situation is not in the interest of the producing and consuming countries,” he added.

HE Al Naimi said investments should continue in exploration, production, refining as well as human resources, technology, scientific research, environment, and other alternative sources such as solar energy.



Saudi Aramco Pledges Support to Climate Change Initiative by Oil and Gas Companies in Paris

Aramco, represented by its Chairperson and CEO, Engineer Amin bin Hassan Al Nasser, took part in a meeting of the Oil and Gas Climate Initiative (OGCI) in Paris, France, on October 16, 2015. In addition to Aramco, the meeting was attended by the CEOs of 9 giant petroleum companies worldwide, as well as HE Laurent Fabius, France's Minister of Foreign Affairs, senior UN officials, and senior figures from research and development institutions with strong connections to the energy industry. The meeting aimed at signing a joint declaration, and releasing a report on the big collaborative efforts to face climate change as part of the international action before the COP21 in Paris. The 10 companies together account for about one fifth of the world's oil and gas output, which is more than 10% of the energy supplies worldwide.

The "Oil and Gas Climate Initiative" (OGCI) comes as an embodiment of an earlier environment initiative released by HE Engineer Khaled Al Falih, Aramco's Chairperson, back in September 2014, during the UN Summit in New York, when he was heading the oil and gas companies



group under the World Economic Forum.

The CEO of the 10 global oil and gas companies agreed on cooperating in various fields, and strengthening actions and investments to contribute to reducing the GHG intensity of the global energy mix.

The 10 member companies are: Saudi Aramco, BG Group, BP, Eni S.p.A, Petróleos Mexicanos, Reliance Industries Limited, Repsol S.A., Royal Dutch Shell, Statoil ASA, and Total S.A.

The group also released their joint report "More energy, less CO2", which highlights the practical measures taken by member companies, including Saudi Aramco, in order to cut GHG resulting from the oil and gas industry. These measures include huge investments in natural gas, CCS, and renewable energy, in addition to various research and development activities on reducing GHG.



BAHRAIN



APICORP Energy Forum 2015 Calls for More Arab Cooperation in Petroleum Industry

Under the patronage of HRH Prince Khalifa bin Salman Al Khalifa, Prime Minister of Bahrain, who was represented by HE Sheikh Khaled bin Abdullah Al Khalifa, Deputy PM, Arab Petroleum Investments Corporation (APICORP), an

OAPEC joint venture, in collaboration with NOGA, organized APICORP Energy Forum 2015, in Manama on 19 November 2015. The event was attended by HE Dr Abdul Hussain bin Ali Mirza, Minister of Energy, Kingdom of Bahrain; HE Eng Ali

bin Ibrahim Al Naimi, Minister of Petroleum and Mineral Resources for the Kingdom of Saudi Arabia; HE Eng Tarek El Molla, Minister of Petroleum & Mineral Resources, Arab Republic of Egypt; HE Dr Matar Al Neyadi, UAE's Energy Ministry's





Undersecretary, UAE's representative at OAPEC Executive Bureau, HE Sheikh Talal Nasser Al Athbi Al Sabah, Acting Undersecretary at Kuwait Oil Ministry, Kuwait representative at OAPEC Executive Bureau, and HE Ali Al Sawad, Strategies and Planning Director General at NOGA, Bahrain's representative at OAPEC Executive Bureau. A number of CEOs, senior officials, and experts at petroleum companies, energy institutes, and Arab and international consultancies also took part in the event. The event has been held on the occasion of APICORP's 40th anniversary.

HE Al Naimi delivered a keynote speech at the Forum. He called for more Arab joint economic action, especially in oil and gas, due to the Arab countries' leading position in the petroleum industry. He stressed the region's need for more investments in the various stages of the petroleum industry in order to secure the continuation of the economic growth and the realisation of basic life needs.

He mentioned that the global economy has been unstable since 2014; however, demand for petroleum is growing. He anticipated the annual global crude demand average during this decade to grow by more than 1 million barrels per day. He drew the attention to the drop in the production of some petroleum wells around the world by about 4 million b/d, which means that the oil industry needs to add an extra production of about 5 million b/d every year to compensate for this shortage.



The Minister explained the Saudi pioneering role in maintaining international petroleum market stability, its high credibility worldwide, and its continuous efforts to cooperate with all petroleum producing and exporting countries inside and outside OPEC.

- The Forum tackled a number of main points including:
- Future policies and visions for energy sector management
- Finding creative solutions for funding private and public projects
- Identifying petroleum industry's expenditure priorities in light of current petroleum market

The Forum included a dialogue session for the participating petroleum and energy ministers, administered by CNN's Emerging Markets Editor John Defterios. Current affairs in the petroleum industry have been tackled during the session including the priorities of policies and strategies in light of the falling oil prices and unstable market, the role of financial markets speculations, oil markets, energy efficiency, diversifying resources, and energy price reforms.

The Forum included other sessions on the future vision for the energy sector in the Arab region, funding sector, and Arab energy projects.



BAHRAIN

New Petroleum Projects in Bahrain



Bahrain's Energy Minister Dr Abdulhussain Mirza said that according to international oil and natural gas market experts, the current low prices are going to stay on for several years, longer than during the previous downturn, which came about due to a drop in temporary demand. He mentioned that the current period is difficult for the region but he believed that the oil and gas industry in the Middle East, in spite of this extremely challenging period, will continue to grow profitably, once companies improve in areas such as operating and functional excellence, at the same time building up administrative and procedural capabilities across workforces in this importantly vital sector.

During his opening speech at the 23rd Annual Technical Conference of the Society of Gas Manufacturers on 3 November 2015, the minister added that with the rising global energy demand, the oil and gas industry has a wide range of challenges and opportunities across the upstream, midstream, downstream and oilfield services sectors. He stressed that there were opportunities to exploit the falling oil prices to make operational improvements

in the overall gas industry in the region.

Dr Mirza said that the Middle East petrochemical industry has grown really fast over the past 30 or so years. He said the Gulf Cooperation Council (GCC) countries contributed 11 per cent of global petrochemical-capacity growth over the past 10 years and are now a leading global producer and supplier to world markets of ethylene and its derivatives, and methanol.

He then reviewed a number of new petroleum projects in Bahrain including the signing of a contract with the British company Petrofac to build a gas dehydration facility at Tatweer Petroleum, with a capacity of 500 million standard cubic feet gas per day, the first among many projects planned to meet rising domestic demand. Also, he said Bahrain and Saudi Arabia signed contracts worth \$300 million to lay the 42 km land and 73 km offshore infrastructure for the new Bahraini-Saudi oil pipeline. The link is due to be operational in 2018 and will replace the older line, which has a lesser capacity and will enable Bahrain Petroleum Company (Bapco) to expand the processing capacity of its refinery.

Under the patronage of NOGA Middle East PR and Media Strategies Conference Inaugurated

HE Ali Abdul Jabbar Al Sawad, Director General, Strategies and Planning, the National Oil and Gas Authority (NOGA), Bahrain's Representative at OAPEC Executive Bureau, said that public relations play a significant role in implementing the strategic plans for all governmental and private sectors as well as civil society institutions through a number of activities that contribute to clarifying the positive image of their institutional work.

In a speech while opening The Middle East PR and Media Strategies Conference, on Wednesday 4 November 2015 in Bahrain, under the patronage of NOGA with the slogan “Media Messaging Strategies for Public Relations”, he added that the oil and gas sector in Bahrain is bestowed by a generous attention from the Bahraini leadership, and the Energy Minister Dr Abdulhussain Mirza, stressing their keenness on communicating continuously with all local, regional, and international strategic partners, as they constitute a main pillar of the production process for all the nine oil companies under NOGA. These companies managed to make a strong presence at local, regional, and international fora, which contributed to outlining Bahrain's features on the world map.

HE Al Sawad lauded Bahrain for hosting the conference, identifying it as a good opportunity to know the latest in public relations and media. It will also make Bahrain an international destination for organizing specialized conferences and exhibitions.





UAE

Abu Dhabi Wins Bid to Host the 2019 World Energy Congress

The UAE has signed a contract to host the World Energy Congress to be held in September 2019 in Abu Dhabi. The signing ceremony took place on the sidelines of the Executive Meeting of the World Energy Council in Addis Ababa, Ethiopia, in the presence of the Council's officials.



During the signing ceremony, HE Dr Matar Al Neyadi, Undersecretary, UAE Energy Ministry, UAE's representative at OAPEC Executive Bureau, stressed the importance of his country's hosting of the World Energy Congress, since it is the first member country that wins such a bid.

He added that hosting the World Energy Congress represents a landmark event that will highlight the UAE as an international hub for energy future. 'We are aware of the size of our responsibility for hosting such an important event. We have actually started to plan and prepare for this event. We expect that the World Energy Congress 2019 in Abu Dhabi will be one of the most important and influential in the World

Energy Congress 90-year history,' he explained.

The World Energy Congress was launched in 1924, as one of the largest energy forums in the world, which is held once every three years. It is a unique event where ministers, CEOs, and energy experts meet to analyse the world's energy status and affairs.

The UAE has won the 2019 bid following a strong campaign for 4 months to win the support of 93 World Energy Council member countries. The UAE winning the bid was announced in October 2015 in Colombia. Two other cities were also competing to host the event: Rio de Janeiro, Brazil and St. Petersburg, Russia.

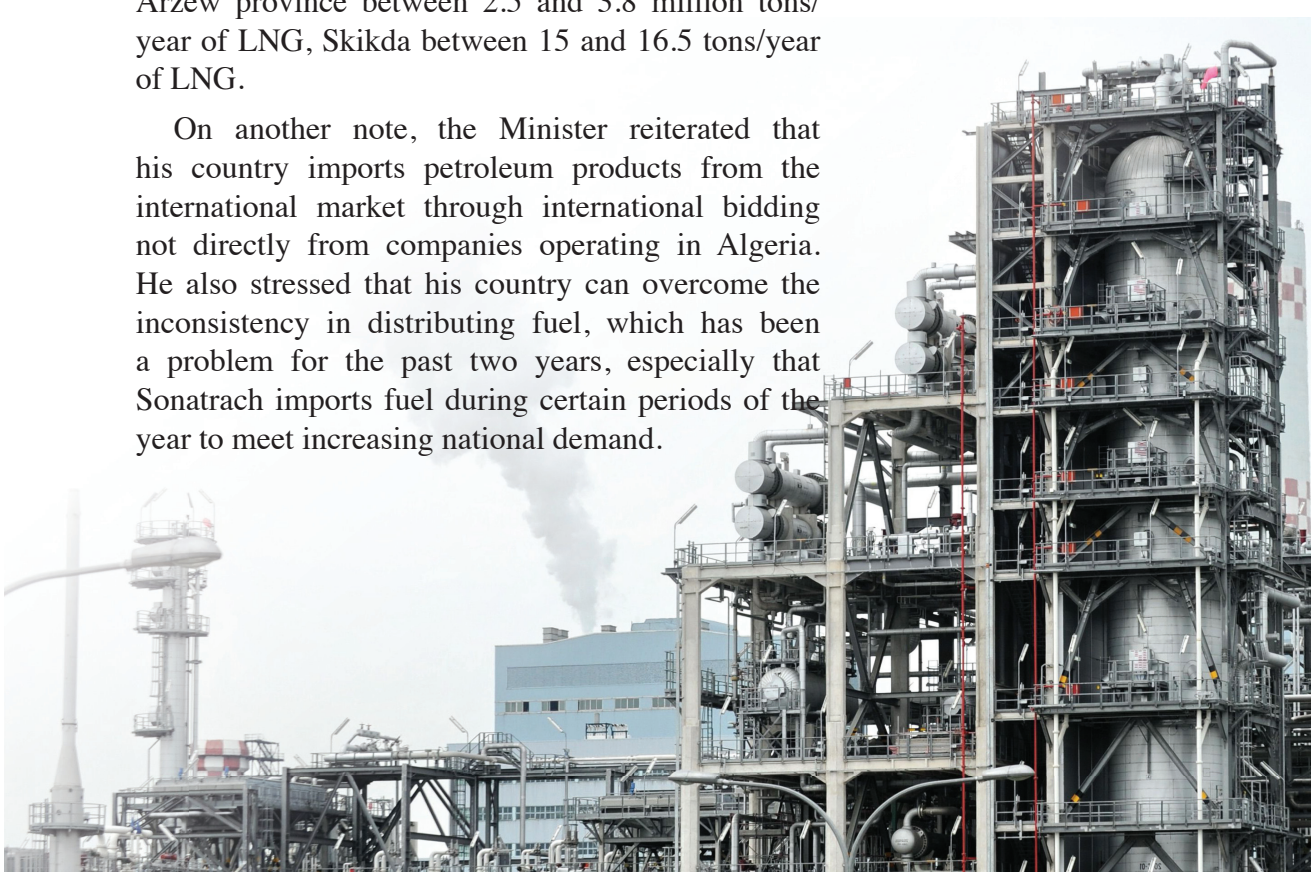


Algeria Approved Plan to Establish 3 New Refineries

Algeria's Energy Minister HE Dr Saleh Khebri announced the endorsement of a plan to establish 3 new LNG refineries to increase their output to 45 million tons by 2019. The new refineries will be established in Tiaret (west Algeria), Hassi Messaoud (south Algeria), and Biskrah (eastern the Algerian capital) before the end of 2019. He also expected that his country will raise its production capacity up to more than 2 million cubic meters by 2020.

The Minister said that fuel production has increased by 30% after the rehabilitation of a number of refineries, which contributed to the drop in Algeria's fuel imports. The capital's refinery production is between 2.7 and 3.45 million tons/year of LNG, Arzew province between 2.5 and 3.8 million tons/year of LNG, Skikda between 15 and 16.5 tons/year of LNG.

On another note, the Minister reiterated that his country imports petroleum products from the international market through international bidding not directly from companies operating in Algeria. He also stressed that his country can overcome the inconsistency in distributing fuel, which has been a problem for the past two years, especially that Sonatrach imports fuel during certain periods of the year to meet increasing national demand.





KUWAIT

KOC's Annual Report

Kuwait Oil Production Capacity Rates Drop

Kuwait's crude oil production hit 2.81 million barrels per day (bpd) by the end of the fiscal year 2014-2015, less than the targeted 2.95 million bpd, the Kuwait Oil Company (KOC) said in a press release.

In its recently-issued 2014-2015 annual report, the company noted that the 140,000bpd shortage in output, was mainly due to the decline of production capacity south, east and north of Kuwait. The report attributed the decrease to the delay of contracts for derricks and maintenance of new wells, the latter for reasons related to deep drilling and repeatedly irregular electricity from the Ministry of Electricity and Water power distribution points.

The company noted that they had dug 376 new wells for crude oil and non-associated gas, 33 wells more than the targeted 343 ones for the past fiscal year, thanks to the enhanced performance of derricks.

As for the production of associated and non-associated gas, the company said that it hit 1.596 billion cubic feet daily,



marking a rise of 187 million, or 13%, more than the targeted 1.409 billion cubic feet.

14 wells have been drilled to reach the targeted non-associated gas and to deliver the company's exploration programme including 8 actual deep development wells (Jurassic) instead of the targeted 10 wells.

Also, 6 deep exploration wells (Jurassic) have been drilled instead of the planned 5 wells.

The KOC annual report reviewed the appraisal reservoir studies. For the first time in its history, the company was able in December 2014 to carry out a comprehensive appraisal survey on the unconventional resources west and north Kuwait. The appraisal showed that there were huge quantities of unconventional inventories in Kuwait, which helped maintaining the production capacity for long years. The report also showed the completion of the highly accurate 3D seismic survey in Kuwait's northern wells and their surroundings during that fiscal year.



QATAR

Oil Price Recovery Expected in 2016

HE Mohammed Bin Saleh Al Sada, Minister of Energy and Industry of Qatar/Acting President of OPEC, said that he saw signs of an oil price rise in 2016 after the oil price has “bottomed out”.

This came in a statement by Qatar’s Energy and Industry Ministry on 11 October 2015. The Energy Minister’s optimism can be attributed to the most recent projections on the major market basics for 2015 and 2016. He said world GDP growth in 2016 is slated to be 3.4 percent as against an expected 3.1 percent in 2015, and that this would result in an increase in global oil demand by 1.3 to 1.5 million barrels per day (bpd).

Growth in supplies from non-OPEC



producers over the past five years has substantially reduced in 2015 and is likely to show zero to negative growth in 2016, the statement said.

“On the other hand, call on OPEC oil is expected to become healthier from 29.3 million bpd in 2015 to 30.5 million bpd in 2016 as indicated by increasing demand from both developed and emerging markets,” it said.

HE Al Sada added that current low market prices have spurred oil firms to reduce their capital expenditure by almost 20 percent this year from \$650 billion in 2014.

“This trend of reducing investment in the oil industry could result in production shortfalls down the line,” the statement said.

IRAQ

New Egyptian- Iraqi- Kuwaiti Petroleum Partnership

On 30 September 2015, a signing ceremony has been held in Iraq on the occasion of concluding a partnership agreement between the Egyptian General Petroleum Corporation and Kuwait Energy Company. According to the agreement, the Egyptian General Petroleum Corporation will acquire 10% of Kuwait Energy’s share of its license in Block 9 in Basra Province, southern Iraq. The region is promising with regards to its crude oil wealth. This step is an activation of the agreement that has been already signed during the conference on the “Support and Development of the Egyptian Economy”, held in Sharm El Sheikh in March 2015.

On his part, Egyptian Minister of Petroleum

and Mineral Resources, HE Engineer Tarek El Molla stressed the importance of the partnership agreement which allows for the Egyptian petroleum sector to search for new oil and gas resources outside Egyptian borders for the first time in the Egyptian petroleum industry’s history to follow suit many other countries’ approach.

The minister pointed out that the agreement represents a significant boost of the Egyptian-Kuwaiti- Iraqi relations within the framework of the Arab joint action in the field of oil and gas. He added that in the coming period there will be technical committees from Egypt and Kuwait to follow up on the development plan and future actions.



OAPEC Secretary General Attends 6th Asian Ministerial Energy Roundtable in Qatar



Under the patronage of the Emir of Qatar HH Sheikh Tamim bin Hamad bin Khalifa Al Thani, and the presence of HE Sheikh Abdullah Bin Nasser Bin Khalifa Al Thani, the Prime Minister, Minister of Interior of the State of Qatar, the 6th Asian Ministerial Energy Roundtable (AMER6) took place in Doha, Qatar from 8-10 November 2015, under the slogan “Asia’s Role in the New Energy Scene”. Official delegations headed by their Excellencies energy and petroleum ministers in the Asian countries, and their Excellencies chiefs of international and Arab energy and petroleum organizations took part in the event. OAPEC Secretary General HE Abbas Ali Al Naqi participated in the meeting upon a kind invitation by HE Mohammad bin Saleh Al Sada, Minister of Energy & Industry, State of Qatar.



The Prime Minister, Minister of Interior of the State of Qatar gave a speech at the opening session in which he reviewed the current status and future trends of the global economy, and the implications of the economic developments on the world's energy, oil and gas industry. He drew the attention to the negative impacts of speculations on the stability of the world oil and gas market.

Saudi Arabia Deputy Petroleum and Mineral Resources Minister HRH Prince Abdulaziz bin Salman Al Saud also delivered a speech at the opening session in which he stressed the importance of constructive dialogue between energy producing and consuming countries to boost trust, cooperation, knowledge sharing, and to better understand each other. Thus, the Asian Ministerial Energy Roundtable meetings have become one of

the main features of this global dialogue on energy.

His Royal Highness also reviewed the current status and future trends in the global energy industry in light of the petroleum market developments that led to the sharp fall of oil prices. He meanwhile stressed the commitment of Saudi Arabia, being one of the world's biggest oil producers and exporters, to continue investing in the petroleum and gas sector regardless of the fall of the prices. This is happening in line with the kingdom's long-term policies and vision. Currently, KSA is also working on taking all measures to reduce energy consumption in the various economic activities through executing energy conservation and efficiency programmes, as well as other steps to diversify energy resources.



The 6th Asian Ministerial Energy Roundtable included a number of main sessions discussing relevant issues on the current developments in the oil and natural gas markets and their future prospects.

At the end of the conference, HE Mohammad bin Saleh Al Sada Minister of Energy & Industry, State of Qatar, delivered a speech in which he mentioned that participants in the meetings have come to an agreement on a number of points including:

- The countries' right to develop in line with their people's aspirations for a better life.
- The importance of energy security as a basic cornerstone for any dialogue on economic development.



The 6th Asian Ministerial Energy Roundtable
Doha - Qatar



- The importance of cutting emissions and the important role of natural gas as a source of clean energy in the transition stage towards a decarbonised world.

The Minister also referred to the Saudi proposal to establish an Asian Energy Efficiency Knowledge Sharing Framework, and welcomed the UAE's



hosting of the next Asian Ministerial Energy Roundtable meetings.

On his part, OAPEC Secretary General HE Abbas Ali Al Naqi said in a press statement on the sidelines of the meetings that he hoped that the 6th Asian Ministerial Energy Roundtable meetings would come out with recommendations that contribute to boosting oil prices and energy security. He reiterated the importance of the topics to be discussed during the meetings, especially in connection to oil and gas market developments in



light of the current drop of oil prices and their implications for the exporting countries, as well as environmental and climate change issues with the advent of the COP21 in Paris, France. HE Al Naqi stressed OAPEC's keenness on attending and taking part actively in the dialogue sessions between consuming and exporting countries.



Following is the concluding statement of the 6th Asian Ministerial Energy Roundtable:

Concluding Statement by Host Country the State of Qatar and Co-host Country the Kingdom of Thailand 6th Asian Ministerial Energy Roundtable, Doha, 8-10 November 2015

On the 9th November, 2015 the Ministry of Energy & Industry of Qatar in association with the International Energy Forum (IEF) and co-hosted by Thailand, successfully concluded the 6th Asian Ministerial Energy Roundtable. This roundtable was hosted by Qatar under the patronage of His Highness Sheikh Tamim Bin Hamad Al Thani, the Emir of the State of Qatar. It was inaugurated by His Excellency Sheikh Abdullah Bin Nasser Bin Khalifa Al Thani, the Prime Minister of the State of Qatar with the objective of enhancing cooperation in the field of energy between Asian countries. The roundtable focused on important energy issues and challenges which were discussed in form of plenary sessions under the following themes:

- “Oil markets: a new normal or just another cycle, and what it meant for Asia”;
- “Gas and coal in Asia’s energy mix: interactions and uncertainties” and
- “Delivering on the clean energy agenda: prospects and the role for policy”

The Roundtable was attended by Energy Ministers and high-level delegations from twenty Asian countries, as well as the chief representatives of six international organizations.

This roundtable was a good opportunity to review and reflect on the consequences and prospects of the energy market in the aftermath of the last one and a half years of extreme challenges and turbulence in the energy sector.

The participants of the roundtable came to agreement on many key issues, such as:

- The importance of continuous international dialogue between consumers and producers, as the only way to reach development goals by all nations, as part of our right as sovereign nations.



- Current market instability will not last forever, and all parties have to take the required actions to sustain investments in the energy sector to meet future energy demand and strike a market balance.
- Asia remains a vital engine of growth for the world's economy, and it will remain so in the foreseeable future. The demographic changes will have increasing influence on the energy demand in the future.
- All resources available are needed to answer future growth in energy demand. It is becoming more evident that world economic stability is dependent on stable and transparent Asian Energy policies.
- It was acknowledged that every nation has the right to development and growth in-line with their national visions, to meet the aspiration of its people and to contribute to the betterment of their communities.
- It was reaffirmed that energy security is an essential component to any economic development dialogue. Therefore the role of international organizations and agencies need to be made more active.
- There was agreement emphasizing the importance of reducing the carbon footprint and the important role natural gas plays in the transition to a decarbonised world. In this context the use of natural gas as a clean and affordable source of energy was stressed. Natural gas will play a critical role in climate change negotiations in COP21 in Paris.
- It was highlighted that coal continues to be less expensive than gas, even amid the low oil price environment, making it difficult to reduce rate of emissions coming from coal.
- Delegates endorsed the proposal of the Kingdom of Saudi Arabia delivered by HRH Prince Abdulaziz bin Salman Al Saud, to establish an Asian Energy Efficiency Knowledge Sharing Framework under the IEF.

At the end of the roundtable, participants agreed that active dialogue is of paramount importance to achieve our own development goals. Participants from various nations presented their own energy scenarios and viewpoints which were well appreciated.



22nd Meeting of OAPEC Environment and Climate Change Experts

In line with the action plan of the Organization of the Arab Petroleum Exporting Countries (OAPEC), the 22nd Meeting of the Environment and Climate Change Experts of OAPEC took place in Cairo, Egypt, from 27 to 28 October 2015 with the participation of experts from Bahrain, KSA, Kuwait, and Egypt, in addition to a representative from the Arab League and a delegation from OAPEC Secretariat General. OAPEC Secretary General HE Abbas Ali Al Naqi chaired the meeting.



The meeting aimed at enhancing the Arab joint action towards all climate change negotiations progress issues, and preparing for the UNFCCC COP in Paris, France, from 30 November to 11 December 2015 in light of a new climate change agreement.

OAPEC Secretary General HE Abbas Ali Al Naqi opened the meeting welcoming the participants and pointing out that the meeting was a good opportunity for discussing issues which require advance coordination to unify stances among member countries and the UNFCCC parties in order to safeguard the member countries' interests and the interests of their peoples' future generations. HE Al

Naqi stressed that this meeting comes at a time when the petroleum industry is going through important developments represented in international energy challenges, climate change, and economic development.

He pointed out to the importance of INDCs and the fact that the Arab countries should submit their contributions within the framework of sustainable development in line with their national plans on economic and social growth, and based on individual potentials and capabilities and special national circumstances, as well as, their development projects and economic activities evaluated according to their contributions to achieving





adaptation and mitigation.

The meeting included presenting two papers as follows:

OAPEC Secretariat General's Paper:

Mr Abdul Karim Ayed, Media and Library Department Director, presented a paper on the “UNFCCC Negotiations Developments”, where he discussed the outcomes of the COP in Lima, Peru, 2014 (Lima Call for Climate Action). Also, the paper summed up the UNFCCC discussions in Bonn 2015, the features of the new Paris 2015 agreement, and agreements relevant to energy and their possible impacts, as well as, the stances of negotiating countries and blocs, and the Arab negotiating stance in the upcoming negotiations in Paris 2015.

Arab League Secretariat General's Paper:

Mr Ashraf Noor Eddin Shalabi, Meteorological and Climate Change Expert, Arab Environment Ministers Council, Arab League, presented a paper on the Arab League Secretariat General's efforts on following up the UNFCCC developments in 2015, the recommendations on coordinating Arab countries' stances, and the outcome of the Arab Negotiating Group meeting on climate change held at the Arab League headquarters on 11 and 12 October 2015.

After that, a discussion took place on

coordinating stances at the COP21 to be held in Paris, France in December 2015. The participants agreed on a number of recommendations underscoring the Arab countries' rights to sustainable development as a basic principle for dealing with climate change issues, and the importance of having a clear mechanism for the Green Climate Fund on financing adaptation programmes in the Arab countries. The meeting also called for intensifying Arab Negotiating Group efforts in observing and following up the activities of the World Trade Organisation and its decisions in connection to climate change.

The participants highlighted elements of the Arab stance defined by the Arab Negotiating Group, which stress that any new climate change agreement should conform to the UNFCCC principles, bear the historic responsibility and acknowledge the right of Arab countries in achieving sustainable development.

Stress was also laid on the importance and necessity of actively participating in COP21 in Paris with a high level representation including concerned experts to ensure strong presence. Moreover, the participants underscored the importance of taking part in the event titled “The Role of Oil and Gas Technology in Facing Climate Change”, organized by OAPEC and the State of Qatar on the sidelines of Paris COP.



OAPEC Secretary General's 41st Annual Report 2014

OAPEC has released the Secretary General's 41st Annual Report for the year 2014 recently. The report presents a comprehensive overview of the various Arab and international developments in the oil, natural gas, and energy industry during 2014. It analyses in depth current status and future prospects of the petroleum industry in OAPEC member countries in light of the current developments in the global economy and the international energy and petroleum industry.

HE Abbas Ali Al Naqi, OAPEC Secretary General, said in the report's preface that international oil markets have witnessed important developments in 2014, most significant of which was the severe drop of oil prices with the beginning of the second half of 2014 as a result of the continuation of the slowdown of the global economic growth rates, especially in the Euro-zone and emerging countries. This has led to a fall in the global demand for oil, while oil supplies from non-OPEC members and unconventional resources witnessed a noticeable growth. This situation created abundant oil supplies which in turn led oil prices to fall to unusual rates since many years.

HE Al Naqi pointed out that oil producing and exporting countries, led by OAPEC member countries, have spared no effort in working to bring stability back to the oil market in order to secure safe and stable oil supplies to consuming countries around the world, and to protect their national economies as they mainly depend on the oil industry. We would like to mention here that the importance of the petroleum industry in the



Arab region does not relate to petroleum producing countries alone. The industry benefits all Arab countries as they indirectly benefit from the money transfers of the workers, commercial exchange, and joint projects between Arab countries. The Secretary General also indicated to the negative impact of the security tension in some OAPEC member countries on their petroleum industry. He wished that the security situation would improve in these countries to continue their development.

HE Al Naqi concluded the introduction by stressing that OAPEC member countries spare no effort to achieve

the most ideal use of their petroleum wealth as it is an exhaustible energy resource. This fact has created responsibilities on the part of these countries for investing petroleum in production projects that contribute to the economic and social development in the member countries and good and growth to the rest of the world.

The report consists of two main sections; the first includes 3 chapters as follows:

Chapter 1: Developments in World Markets and their Implications for OAPEC Member countries: this chapter reviews the world oil market and the main factors influencing it throughout the whole year, especially in connection to the drop of oil prices since mid 2014, and its implication for OAPEC member countries. the chapter also presents an overview on the world's oil supplies (crude oil and LNG), OPEC and non-OPEC supplies, and world demand for oil in relation to international blocs (OECD, developing countries, countries in transition).



It also introduces the development in Arab and OAPEC member countries' oil and energy consumption. The chapter indicates that energy consumption in Arab countries has been affected by two main factors; they are GDP and population; in addition to a third factor of limited impact that is energy prices. No tangible changes in energy prices in domestic Arab markets have been registered in 2014.

The report explained that policies adopted by many Arab countries on increasing the level of using their available resources of natural gas to replace oil in some fields, especially electrical power generation, have contributed noticeably in the hike of natural gas consumption in these countries. This has led natural gas to top all other resources in meeting these countries' energy needs.

Chapter 2: Arab and World Developments in the Exploration, Reserves, and Production of Energy Resources:

This chapter reviews the world and Arab developments in the exploration, reserves, and production of energy resources. The chapter indicated that 2014 has been distinguished by focusing on shale oil around the world. US Energy Information Administration (EIA) estimated the size of recoverable shale oil resources around the world in 2013 at about 345 billion barrels, while other sources estimated them at about 335 billion barrels. The report explained that in spite of the increasing importance of unconventional resources like shale gas and inert oil, they would not be able to meet more than 13% of the world demand for oil in 2035 according to International Energy Agency (IEA).

On the oil and natural gas reserves front, primary estimations indicate that the world oil reserves have increased from 1281.85 billion barrels at the end of 2013 to 1292.9 billion barrels at the end of 2014, which represents an increase of 0.86%. These estimations do not include unconventional oils in Canada, biomethane, and heavy and very heavy oils in Venezuela. With regards to Arab countries, estimations indicate that reserves remained at their 2013 levels of about 713 billion barrels. The world natural gas

reserves reached 197.3 trillion cubic meters in the end of 2014; of which 52950 billion cubic meters were attributed to member countries.

Chapter 3: Arab and World Developments in Petroleum Downstream Industries:

This chapter offers an overview on the Arab and world developments in petroleum downstream industries (refining and petrochemicals). It pointed out that the world's total primary distillation of crude oil reached about 90.73 million b/d by the end of 2014; which is 120,000 barrels less than 2013. As for Arab countries, the total remained at its 2013 levels of 8.322 million b/d. The world total ethylene production capacities reached about 146 million tons/y in the beginning of 2014, with an increase of 2.6 million tons/y compared to the beginning of 2013. Arab countries' share of production reached 13.9%.

The Second Section of the report includes a summary of the conferences, seminars, and meetings organised or attended by the Secretariat General during 2014; most important of which were the Ministerial Council and Executive Bureau meetings, and the 10th Arab Energy Conference, held in Abu Dhabi, UAE, from 21 to 23 December 2014; as well as, the coordination meetings organized by the Secretariat General on the level of gas, environment, climate change, databank and other experts. It also covers the technical, economic, and environmental studies prepared or co-authored by the Secretariat General including "The Joint Arab Economic Report". The report also presents in detail the fiscal and administrative outcome of OAPEC joint ventures; which are Arab Maritime Petroleum Transport Company (AMPTC), Arab Shipbuilding and Repair Yard Company (ASRY), Arab Petroleum Investments Corporation (APICORP), Arab Petroleum Services Company (APSCO).

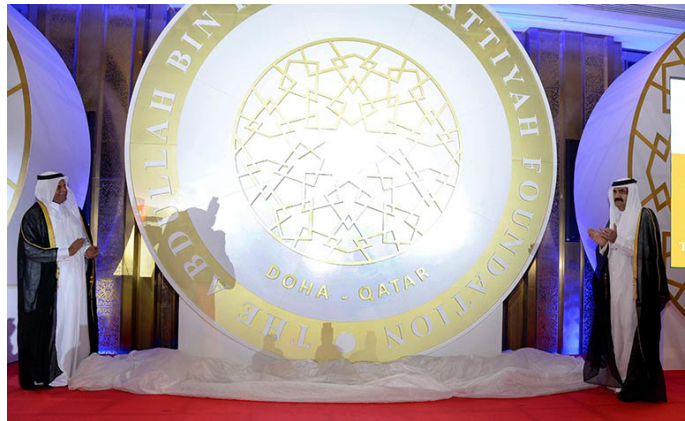
The Secretariat General hopes that the new edition of the Secretary General's Annual Report would be a distinct addition to the Arab library, and to provide researchers and those interested in the oil industry with a scientific reference containing a comprehensive overview of the petroleum developments during 2014.

Qatar Launches Al Attiyah Foundation for Energy and Sustainable Development

Upon a kind invitation from HE Abdullah bin Hamad Al Attiyah, Head of Abdullah Bin Hamad Al Attiyah Foundation for Energy and Sustainable Development/ Qatar's former Deputy Prime Minister and Minister of Energy and Industry, HE Abbas Ali Al Naqi, OAPEC Secretary General, took part in the launch of The Abdullah Bin Hamad Al Attiyah Foundation for Energy and Sustainable Development on 1 November 2015 in Doha, Qatar. The event was held under the patronage and presence of Father Emir HH Sheikh Hamad bin Khalifa Al Thani. Other dignitaries also attended the event including HE Sheikh Abdullah bin Nasser Al Thani, Prime Minister and Minister of Interior, and a number of the ruling family members, ministers, and senior officials, in addition to more than 400 invitees from Arab and foreign countries with high ranking officials from international organizations specialized in energy and petroleum.

HE Al Attiyah said in his speech at the opening ceremony that The Abdullah bin Hamad Al Attiyah Foundation for Energy and Sustainable Development was established in 2015 as a non-profit organization aiming at the creation of knowledge, activities, research, and analysis critical to the future of the regional and international energy system, sustainable development and regional and international challenges. Educational programmes will also be offered in collaboration with Qatari educational institutions.

He added that the first think-tank of its kind in the Middle East will help urging the governments of the region to tackle soaring domestic energy consumption trends,



advising governments on resolving critical challenges including energy efficiency, as well as exchanging knowledge through research, analysis and making data available on energy and sustainable development issues mainly related to the GCC region. "I would like to see the foundation become the leading think-tank in the region and one of the leading institutions in the world in the areas of energy and sustainable development," he said.

The foundation will:

- Provide information, research, and analysis on energy and sustainable development mainly on the GCC region
- Provide educational programmes in collaboration with existing educational institutions in Qatar
- Provide publications, research bulletins, and specialized reports to the foundation members
- Organize conferences and seminars on energy and sustainable development

On his part, HE Al Naqi hailed the establishment of this specialized energy and petroleum research foundation. He also lauded the good efforts of HE Al Attiya wishing him and the staff all success.



1. Oil Market

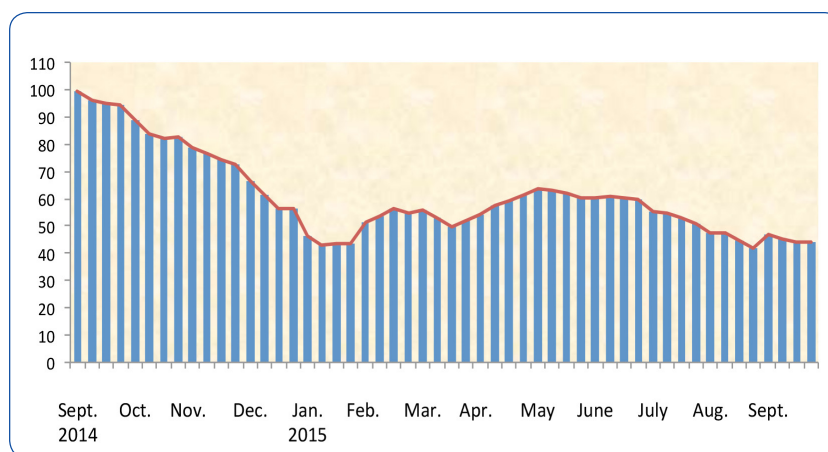
1. Prices

1-1 Crude Oil Prices

Weekly average price of OPEC basket increased during the first week of September 2015, recording \$46.9/bbl, and decline thereafter, to reach its lowest level of \$44.1/bbl during the fourth week, as shown in figure 1:

On monthly basis, OPEC Reference Basket in September 2015, averaged \$44.8/bbl, representing a decrease of \$0.6/bbl or 1.4% comparing with previous month, and a decrease of \$51.2/bbl or 53.2% from the same month of previous year. Enduring oversupply and the slowdown in the Chinese economy, were major stimulus for the decrease in oil prices during the month of September 2015, to reach near-January lows.

Figure - 1 Weekly Average Spot Price of the OPEC Basket of Crudes 2014 - 2015 (\$/bbl)



Key Indicators

- 📌 In September 2015, **OPEC Reference Basket** decreased by 1.4% or \$0.6/bbl from the previous month level to stand at \$44.8/bbl.
- 📌 **World Oil Demand** in September 2015, decreased by 0.6% or 0.6 million b/d from the previous month level to reach 94.9 million b/d.
- 📌 **World oil supplies** in September 2015, increased by 0.5% or 0.5 million b/d from the previous month level to reach 98.5 million b/d.
- 📌 **US tight oil production** in September 2015, decreased by 1.5% to reach 5.3 million b/d, and **US oil rig count** decreased by 24 rig from the previous month level to stand at 564 rig.
- 📌 **US crude oil imports** in August 2015, increased by 2.1% from the previous month level to reach 7.7 million b/d, and **US product imports** increased by 2.2% to reach about 2.3 million b/d.
- 📌 **OECD commercial inventories** in August 2015 increased by 28 million barrels from the previous month level to reach 2942 million barrels, and **Strategic inventories** in OECD-34, South Africa and China increased by 1 million barrels from the previous month level to reach 1856 million barrels.
- 📌 **The average spot price of natural gas** at the Henry Hub in September 2015 decreased by \$0.07/million BTU from previous month level to reach \$2.56/million BTU.
- 📌 **The Price of Japanese LNG imports** increased in August 2015 by \$0.3/m BTU to reach \$9.2/m BTU, and **the Price of Korean LNG imports** increased by \$0.4/m BTU to reach \$9.2/m BTU, whereas **the Price of Chinese LNG imports** decreased by \$0.4/m BTU to reach \$7.1/m BTU.
- 📌 **Arab LNG exports to Japan, Korea and China** were about 3.129 million tons in August 2015 (a share of 30.1% of total imports).

* Prepared by the Economics Department.



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

Table 1 Change in Price of the OPEC Basket of Crudes, 2014-2015 (\$/bbl)

	Sept. 2014	Oct.	Nov.	Dec.	Jan. 2015	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
OPEC Basket Price	96.0	85.1	75.6	59.5	44.4	54.1	52.5	57.3	62.2	60.2	54.2	45.5	44.8
Change From previous Month	-4.8	-10.9	-9.5	-16.1	-15.1	9.7	-1.6	4.8	4.9	-2.0	-6.0	-8.7	-0.6
Change from same month of previous Year	-12.7	-21.6	-29.4	-48.2	-60.3	-51.3	-51.7	-47.0	-43.3	-47.7	-51.4	-55.3	-5.12

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

Figure - 2 Change in the Price of the OPEC Basket of Crudes, 2014-2015 (\$/bbl)

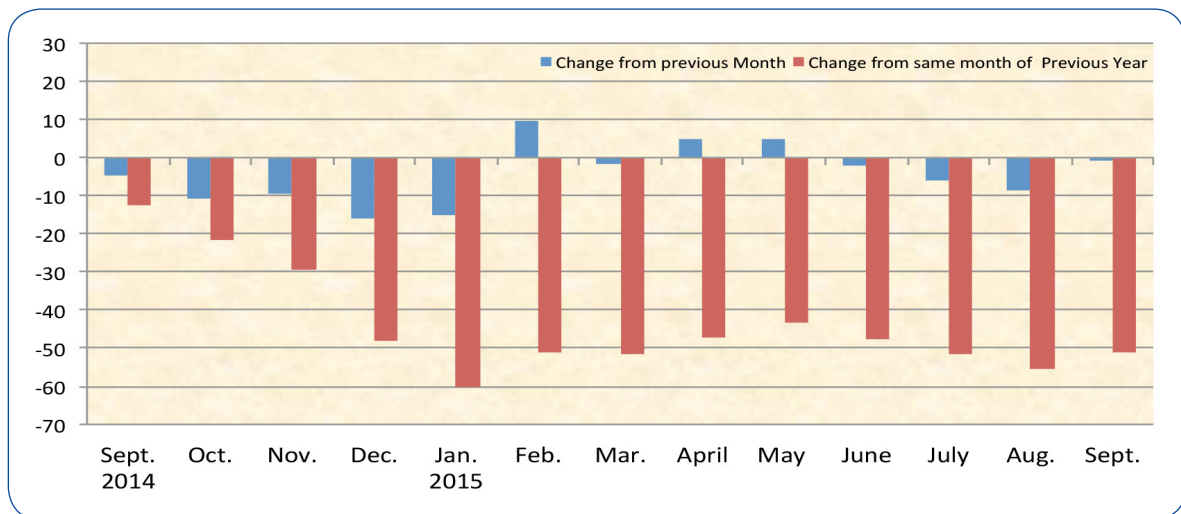


Table (3) in the annex show spot prices for OPEC basket and other crudes for the period 2013-2015.

1-2 Spot Prices of Petroleum Products

- US Gulf

In August 2015, the spot prices of premium gasoline decreased by 18.6% or \$18.4/bbl comparing with their previous month levels to reach \$80.7/bbl, spot prices of gas oil decreased by 10.5% or \$6.8/bbl to reach \$58/bbl, and spot prices of fuel oil decreased by 20.7% or \$9.3/bbl to reach \$35.7/bbl.



- Rotterdam

The spot prices of premium gasoline decreased in August 2015, by 14.4% or \$13/bbl comparing with previous month levels to reach \$77.5/bbl, spot prices of gas oil decreased by 11.5% or \$7.9/bbl to reach \$60.7/bbl, and spot prices of fuel oil decreased by 21.1% or \$9.4/bbl to reach \$35.2/bbl.

- Mediterranean

The spot prices of premium gasoline decreased in August 2015, by 16.2% or \$13.6/bbl comparing with previous month levels to reach \$70.3/bbl, spot prices of gas oil decreased by 11.5% or \$8.1/bbl to reach \$62.2/bbl, and spot prices of fuel oil decreased by 20.4% or \$9.3/bbl to reach \$36.3 bbl.

- Singapore

The spot prices of premium gasoline decreased in August 2015, by 13.2% or \$10/bbl comparing with previous month levels to reach \$66/bbl, spot prices of gas oil decreased by 11.4% or \$7.7/bbl to reach \$60/bbl, and spot prices of fuel oil decreased by 19.9% or \$9.7/bbl to reach \$39/bbl.

Figure (3) shows the price of Premium gasoline in all four markets from August 2014 to August 2015.

Figure - 3 Monthly Average Spot Prices of Premium Gasoline, 2014-2015 (\$/bbl)

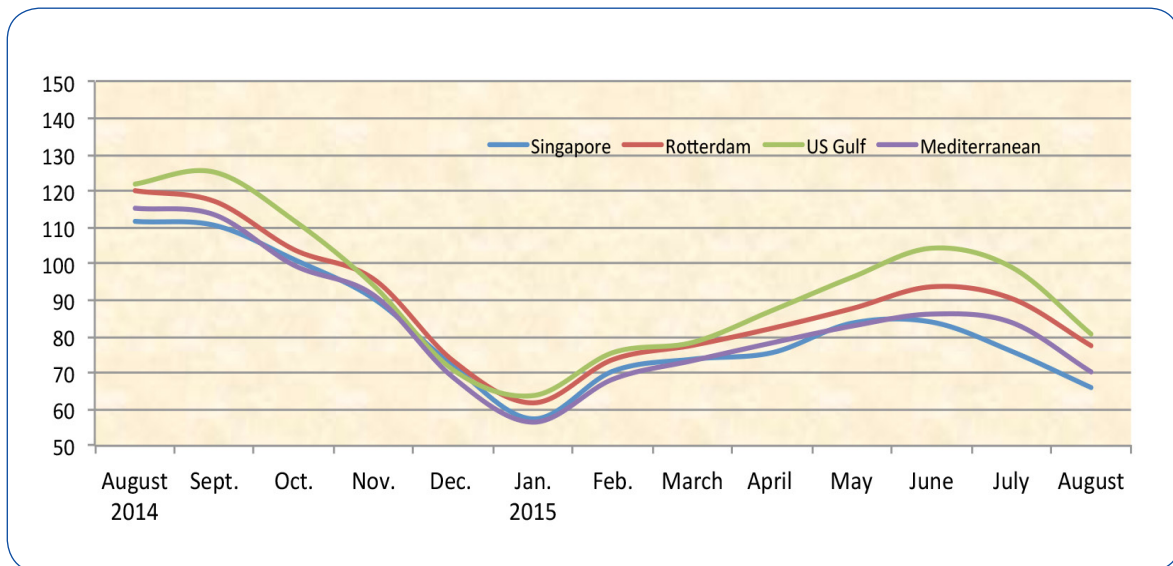


Table (4) in the annex shows the average monthly spot prices of petroleum products, 2013-2015.

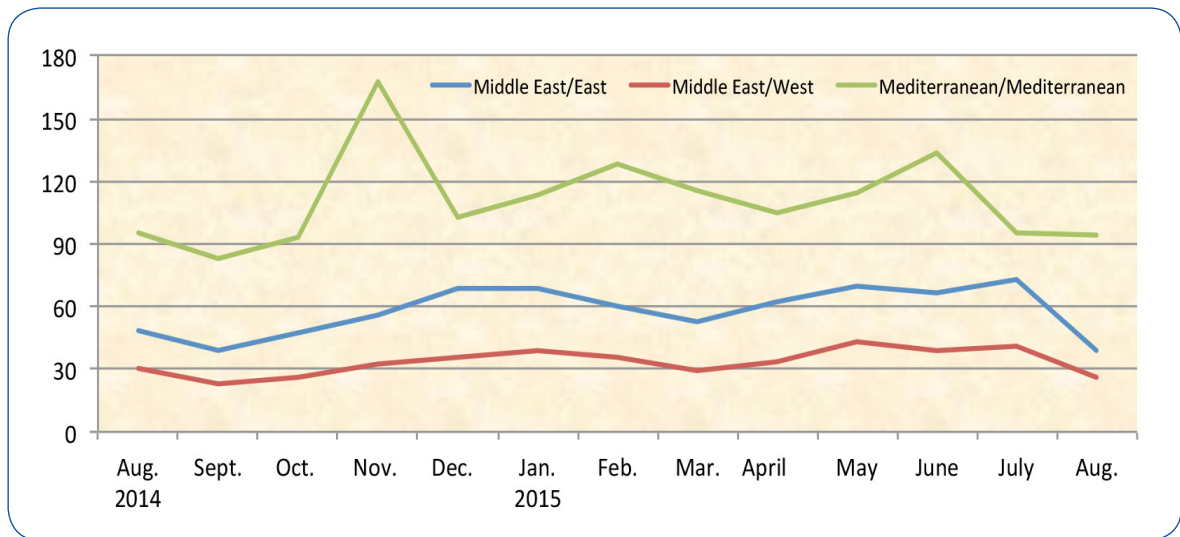


1-3 Spot Tanker Crude Freight Rates

In August 2015, Freight rates for crude oil for tanker size (230-280 thousand deadweight tons (dwt)), leaving Middle Eastern ports to the East, decreased by 34 points or 46.6% comparing with previous month to reach 39 points on the World Scale (WS*), freight rates for crude oil for tanker size (270-285 thousand deadweight tons (dwt)), leaving Middle Eastern ports to the West, decreased by 15 points or 36.6% comparing with previous month to reach 26 points on the World Scale (WS), and freight rates for inter - Mediterranean for small to medium sized tankers (80-85 thousand deadweight tons (dwt)), decreased by one point or 1.1% comparing with previous month to reach 94 points on the World Scale (WS).

Figure (4) shows the freight rates for crude oil to all three destinations from August 2014 to August 2015.

Figure - 4 Monthly Spot Crude Oil Tanker Freight Rates, 2014 -2015 (World Scale)*



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

1-4 Spot Tanker Product Freight Rates

In August 2015, monthly spot Tanker freight rates for petroleum products [for tanker size 30-35 thousand deadweight tons (dwt)], leaving Middle Eastern ports to the East, decreased by 15 points, or 9.1% comparing with



previous month to reach 150 points on WS, freight rates for Petroleum Products across Mediterranean [for tanker size 30-35 thousand deadweight tons (dwt)], decreased by 79 points, or 38.9% to reach 124 points on WS, and freight rates for petroleum products [for tanker size 30-35 thousand deadweight tons (dwt)], leaving Mediterranean to North-West Europe also decreased by 79 points, or 37.1% to reach 134 points on WS.

Figure (5) shows the freight rates for oil products to all three destinations from August 2014 to August 2015.

Figure - 5 Monthly Spot Product Tanker Freight Rates, 2014 -2015 (World Scale)

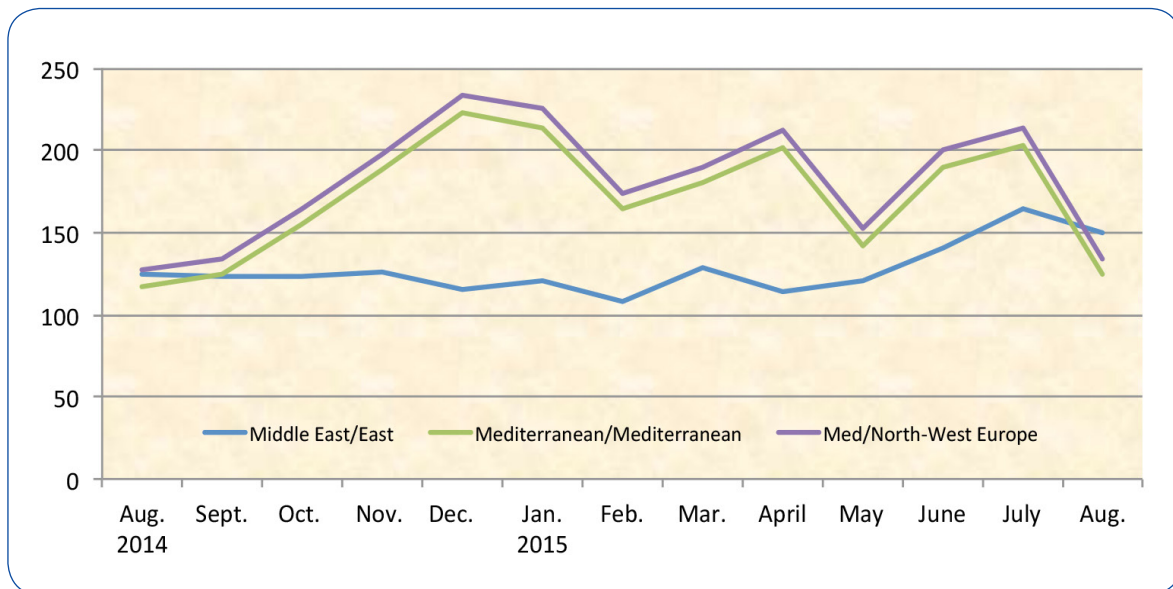


Table (5) and (6) in the annex show crude and products Tankers Freight Rates, 2013-2015.

2. Supply and Demand

Preliminary estimates in September 2015 show a decrease in world oil demand by 0.6% or 0.6 million b/d, comparing with the previous month to reach 94.9 million b/d, representing an increase of 1 million b/d from their last year level.

Demand in OECD countries decreased by 0.9% or 0.4 million b/d comparing with their previous month level to reach 45.9 million b/d, representing an increase of 0.1 million b/d from their last year level. Demand in Non-OECD countries decreased by 0.4% or 0.2 million b/d comparing with their previous month level to reach 49 million b/d, representing an increase of 0.9 million b/d from their last year level.



On the supply side, preliminary estimates show that world oil supplies for September 2015 increased by 0.5% or 0.5 million b/d comparing with the previous month level to reach 98.5 million b/d, a level that is 3.9 million b/d higher than last year.

In September 2015, OPEC crude oil and NGLs/condensates total supplies increased by 0.8% or 0.3 million b/d comparing with the previous month level to reach 39 million b/d, a level that is 1.8 million b/d higher than last year. Similarly, Preliminary estimates show that Non-OPEC supplies increased by 0.3% or 0.2 million b/d comparing with the previous month level to reach 59.5 million b/d, a level that is 2.1 million b/d higher than last year.

Preliminary estimates of the supply and demand for September 2015 reveal a surplus of 3.6 million b/d, compared to a surplus of 2.5 million b/d in August 2015 and a surplus of 0.6 million b/d in September 2014, as shown in table (2) and figure (6):

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

	September 2015	August 2015	Change from August 2015	September 2014	Change from September 2014
<i>OECD Demand</i>	45.9	46.3	-0.4	45.8	0.1
<i>Rest of the World</i>	49.0	49.2	-0.2	48.1	0.9
<i>World Demand</i>	94.9	95.5	-0.6	94.0	0.9
<i>OPEC Supply:</i>	<u>39.0</u>	<u>38.7</u>	<u>0.3</u>	<u>37.2</u>	<u>1.8</u>
<i>Crude Oil</i>	32.1	31.9	0.2	30.5	1.6
<i>NGL's & Cond.</i>	6.9	6.8	0.1	6.7	0.2
<i>Non-Opec Supply</i>	57.3	57.0	0.3	55.1	2.2
<i>Processing Gain</i>	2.2	2.3	-0.1	2.3	-0.1
<i>World Supply</i>	98.5	98.0	0.5	94.6	3.9
<i>Balance</i>	3.6	2.5		0.6	

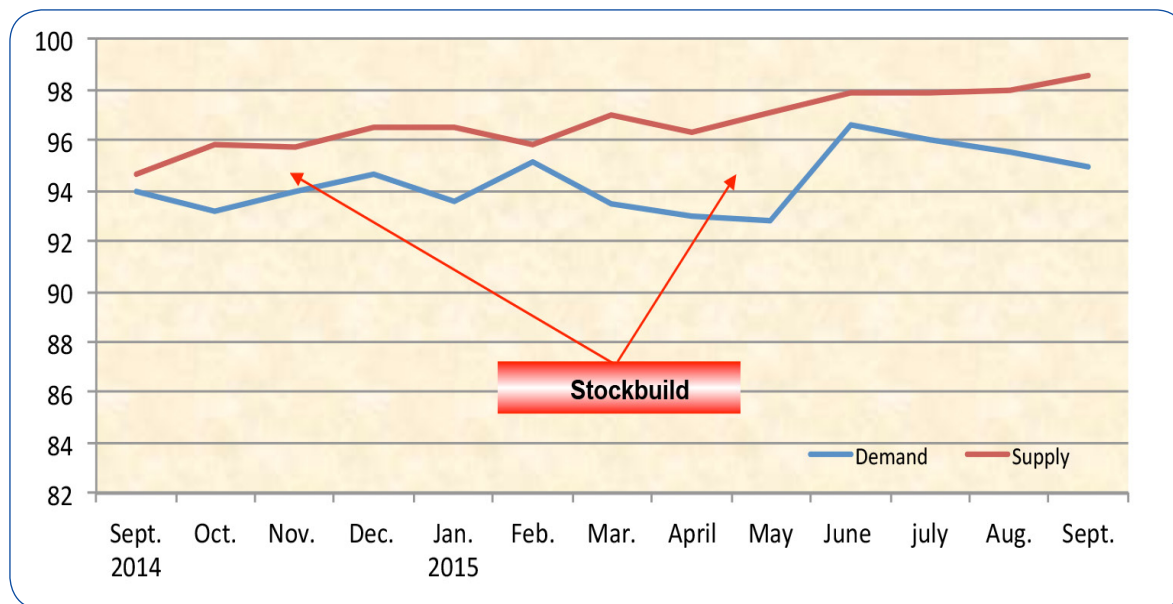
Source: Energy Intelligence Briefing October 8, 2015.

Tables (7) and (8) in the annex show world oil demand and supply for the period 2013-2015.



Figure - 6 World Supply and Demand

(Million b/d)



US tight oil production

In September 2015, US tight oil production decreased by 79 thousand b/d or 1.5% comparing with the previous month level to reach 5.289 million b/d, representing an increase of 355 thousand b/d from their last year level. The US oil rig count decreased by 24 rig comparing with the previous month level to reach 564 rig, a level that is 732 rig lower than last year, as shown in table (3) and figure (7):

Table 3 US* tight oil production

(Million b/d)

	September 2015	August 2015	Change from August 2015	September 2014	Change from September 2014
tight oil production	5.289	5.368	-0.079	4.934	0.355
Oil rig count (rig)	564	588	-24	1296	-732

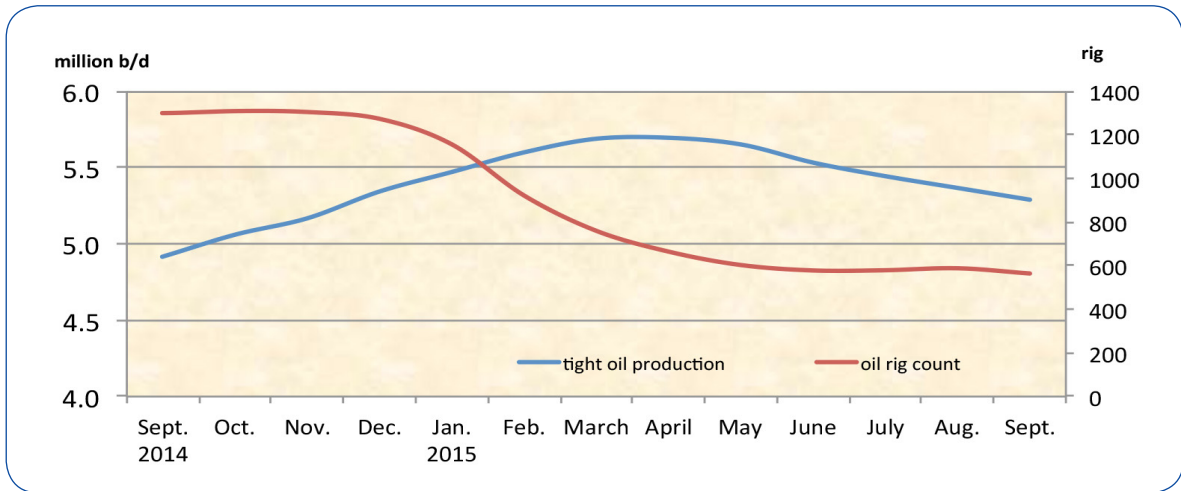
Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions, October 2015.

* focusing on the seven most prolific areas, which are located in the Lower 48 states. These seven regions accounted for 95% of domestic oil production growth during 2011-13 (Bakken, Eagle Ford, Haynesville, Marcellus, Niobrara, Permian, Utica)



Figure - 7 US tight oil production and oil rig comt

(Million b/d)



3.Oil Trade

USA

In August 2015, US crude oil imports increased by 161 thousand b/d or 2.1% comparing with the previous month level to reach 7.7 million b/d, and US oil products imports increased by 168 thousand b/d or 2.2% to reach about 2.3 million b/d.

On the export side, US crude oil exports decreased by 46 thousand b/d or 8% comparing with the previous month level to reach about 527 thousand b/d, and US products exports decreased by 13 thousand b/d or 0.3% to reach 3.8 million b/d. As a result, US net oil imports in August 2015 were 362 thousand b/d or nearly 6.9% higher than the previous month, averaging 5.6 million b/d.

Canada remained the main supplier of crude oil to the US with 41% of total US crude oil imports during the month, followed by Saudi Arabia with 13% ,then Mexico with 11%. OPEC Member Countries supplied 37% of total US crude oil imports.

Japan

In August 2015, Japan’s crude oil imports increased by 60 thousand b/d or 2% comparing with the previous month to reach 3.5 million b/d, the highest level seen in several months. Whereas Japan oil product imports decreased by 13 thousand b/d or 2% comparing with the previous month to reach 588 thousand b/d.

On the export side, Japan’s oil products exports increased in August 2015, by 129 thousand b/d or 25% comparing with the previous month, averaging 644 thousand b/d, the highest since May 2013. As a result, Japan’s net oil imports in August 2015 decreased by 83 thousand b/d or 2.4% to reach 3.4 million b/d.

Saudi Arabia was the big supplier of crude oil to Japan with 34% of total Japan crude oil imports, followed by UAE with 25% and Qatar with 10% of total Japan crude oil imports.



China

In August 2015, China's crude oil imports decreased by 972 thousand b/d or 13% to reach 6.3 million b/d, and China's oil products imports decreased by 120 thousand b/d or 9% to reach 1.2 million b/d.

On the export side, China's oil products exports decreased in August 2015 to reach 51 thousand b/d. Whereas China's oil products exports increased by 45 thousand b/d or 5.7% to reach 836 thousand b/d. As a result, China's net oil imports reached 6.5 million b/d, representing a decrease of 14.5% comparing with the previous month.

Saudi Arabia remained the main supplier of crude oil to China with 15% of total China's crude oil imports during the month, followed by Angola with 13% and Iraq with 13% of total China's crude oil imports.

Table (4) shows changes in crude and oil products net imports/(exports) in August 2015 versus the previous month:

Table 4 USA, Japan and China Crude and Product Net Imports / Exports (Million bbl/d)

	Crude Oil			oil Products		
	August 2015	July 2015	Change from July 2015	August 2015	July 2015	Change from July 2015
USA	7.140	6.933	0.207	-1.509	-1.664	0.155
Japan	3.494	3.434	0.060	-0.056	0.086	-0.142
China	6.228	7.173	-0.945	0.317	0.483	-0.166

Source: OPEC Monthly Oil Market Report, various issues 2015.

4. Oil Inventories

In August 2015, OECD commercial oil inventories increased by 28 million barrels to reach 2942 million barrels – a level that is 203 million barrels higher than a year ago. It is worth mentioning that during the month, commercial crude inventories in OECD decreased by 2 million barrels to reach 1158 million barrels, whereas commercial oil products inventories increased by 30 million barrels to reach 1784 million barrels.

Commercial oil inventories in Americas increased by 13 million barrels to reach 1556 million barrels, of which 617 million barrels of crude and 939 million barrels of oil products. Commercial oil Inventories



in Europe increased by 6 million barrels to reach 939 million barrels, of which 338 million barrels of crude and 601 million barrels of oil products. Commercial oil inventories in Pacific increased by 9 million barrels, to reach 447 million barrels, of which 203 million barrels of crude and 244 million barrels of oil products.

In the rest of the world, commercial oil inventories increased by 31 million barrels to reach 2690 million barrels, whereas the Inventories at sea decreased by 10 million barrels to reach 1089 million barrels.

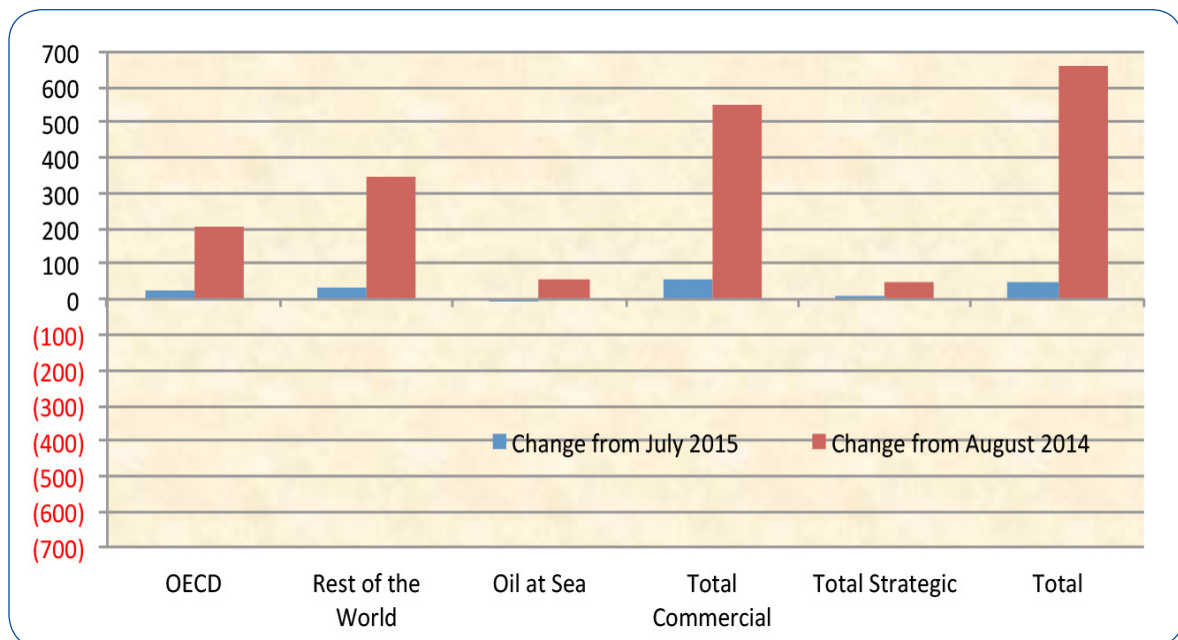
As a result, Total Commercial oil inventories in August 2015 increased by 59 million barrels comparing with the previous month to reach 5632 million barrels – a level that is 552 million barrels higher than a year ago.

Strategic inventories in OECD-34, South Africa and China increased by 1 million barrels comparing with the previous month to reach 1856 million barrels – a level that is 52 million barrels higher than a year ago.

Total world inventories, at the end of August 2015 were at 8577 million barrels, representing an increase of 50 million barrels comparing with the previous month, and an increase of 661 million barrels comparing with the same month a year ago.

Table (9) in the annex and figure (8) show the changes in global inventories prevailing at the end of August 2015.

Figure - 8 Changes in Global Inventories at the End of August 2015 (Million bbl)





II. The Natural Gas Market

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

The monthly average of spot natural gas price at the Henry Hub in September 2015 decreased by \$0.07/million BTU comparing with the previous month to reach \$2.56/ million BTU.

The comparison, shown in table (5), between natural gas prices and the WTI crude reveal differential of \$5.3/ million BTU in favor of WTI crude.

Table 5 Henry Hub Natural Gas, WTI Crude Average, and Low Sulfur Fuel Oil Spot Prices, 2014-2015 (Million BTU¹)

	Sept. 2014	Oct.	Nov.	Dec.	Jan. 2015	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Natural Gas ⁽²⁾	3.9	3.9	4.1	3.2	3.0	2.8	2.8	2.6	2.8	2.8	2.9	2.6	2.6
WTI Crude ⁽³⁾	16.1	14.6	13.1	10.3	8.2	8.8	8.2	9.4	10.2	10.3	8.8	7.4	7.8

1. British Thermal Unit.

2. Henry Hub spot price.

3. WTI – West Texas Intermediate Crude oil price, in dollars per barrel, is converted to dollar per million BTU using a conversion factor of 5.80 million BTU/bbl.

Source: World Gas Intelligence October 7, 2015.

2- LNG Markets in North East Asia

The following paragraphs review the developments in LNG Markets in North East Asia, concerning prices and Japanese, Chinese and South Korean imports of LNG and their sources, and LNG Exporters Netbacks.

2.1. LNG Prices

In August 2015, the price of Japanese LNG imports increased by \$0.3/ million BTU comparing with the previous month to reach \$9.2/ million BTU, and the price of Korean LNG imports increased by \$0.4/million BTU comparing with the previous month to reach \$9.2/ million BTU, whereas the price of Chinese LNG imports decreased by \$0.4/million BTU comparing with the previous month to reach \$7.1/ million BTU.

2.2. LNG Imports

Total Japanese, Korean and Chinese LNG imports from various sources, decreased by 6.6% or 738 thousand tons from the previous month level to reach 10.408 million tons.

Table (6) shows the prices and quantities of LNG imported by Japan, South Korea, and China for the period 2013-2015.



Table6 LNG Prices and Imports: Korea, Japan, and China 2013-2015

	Imports				10.Average Import Price		
	(thousand tons)				(\$/million BTU)		
	Japan	Korea	China	Total	Japan	Korea	China
2013	87490	40175	17997	145662	16.0	14.7	11.1
2014	104669	44622	23673	172964	18.5	18.6	13.5
January 2014	8179	4451	2652	15282	16.7	15.5	13.3
February	7511	4194	1498	13203	16.8	16.5	11.7
March	8044	4115	1479	13638	16.6	16.5	12.0
April	7212	3220	1375	11807	16.8	16.4	10.8
May	6495	2212	1579	10286	16.3	16.3	11.4
June	6821	2207	1343	10371	16.1	16.6	11.2
July	7838	2182	1835	11855	16.1	16.3	10.3
August	7050	2543	1582	11175	15.7	16.2	11.7
September	7276	2302	1394	10972	15.2	16.5	12.2
October	6944	2755	1381	11080	15.9	16.2	12.3
November	6877	2932	1757	11566	15.6	15.9	11.6
December	8258	4289	2016	14563	15.6	16.1	12.1
January 2015	8434	4122	2121	14677	15.1	14.3	11.1
February	7730	3098	1661	12489	13.3	13.4	10.3
March	8137	3048	1346	12531	12.2	13.1	10.1
April	6598	2839	1545	10982	10.2	11.7	8.1
May	5755	2364	1123	9242	8.7	9.5	8.8
June	6633	1777	1724	10134	8.6	9.1	9.5
July	6953	2271	1922	11146	8.9	8.8	7.5
August	7062	1998	1348	10408	9.2	9.2	7.1

Source: World Gas Intelligence various issues.



2.3. Sources of LNG imports

Australia was the big supplier of LNG to Japan, Korea and China with 2.291 million tons or 22% of total Japan, Korea and China LNG imports in August 2015, followed by Qatar with 20.8% and Malaysia with 16.6%. Whereas Algeria exported about 61 thousand tons to Japan.

The Arab countries LNG exports to Japan, Korea and China totaled 3.129 million tons - a share 30.1% of total Japanese, Korean and Chinese LNG imports during the same month.

2.4. LNG Exporter Netbacks

With respect to the Netbacks, Russia ranked first with \$6.41 /million BTU at the end of August 2015, followed by Indonesia with \$6.31 /million BTU and Malaysia with \$6.26 /million BTU. And LNG Qatar's netback reached \$6.08/million BTU, and LNG Algeria's netback reached \$5.74/million BTU.

Table (7) shows LNG exporter main countries to Japan, South Korea, and China and their netbacks at the end of August 2015.

Table 7 LNG Exporter Main Countries To Japan, Korea and China, And Their Netbacks At The End Of August 2015

	Imports (thousand tons)				Netbacks (\$/million BTU)
	Japan	Korea	China	Total	
Total Imports, of which:	7062	1998	1348	10408	
Qatar	1900	71	320	2291	6.25
Australia	1050	769	348	2167	6.08
Malaysia	1228	174	323	1725	6.26
Indonesia	443	368	208	1019	6.31
Russia	764	130	-	894	6.41
Nigeria	313	59	-	372	5.72
Algeria	61	-	-	61	5.74

* Total Revenues minus all costs associated, such as importing ,transportation costs, and royalty fees
Source: World Gas Intelligence various issues.



Tables Annex



OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2016

Pursuant to its policy of encouraging scientific research by awarding two prizes on a biennial basis (First Prize KD 7000, Second Prize KD 5000, equivalent to USD \$24000 and USD \$17000), upon the resolution number 1/139 of OAPEC Executive Bureau at its meeting dated 12/10/2014. The Organization of Arab Petroleum Exporting Countries (OAPEC) is pleased to announce that the research topic selected for the “OAPEC Award for Scientific Research for the Year 2016” is:

“Re-Refining of Used Lubricating Oils and its Economic & Environmental Implications”

Research Theme

OAPEC members’ increasing interest in re-refining of used lubricating oils comes in line with their efforts to improving the performance of oil industry, seizing the added value opportunities, and maximizing the utilization of their natural resources, in addition to enhance their compliance with the requirements of the legislation related to environment protection.

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

- 1- **Historical overview of used lube oils re-refining processes.**
- 2- **Sources and evaluation of used lube oils.**
- 3- **Types of used lube oils re-refining processes.**
- 4- **Environmental implications of re-refining of used lube oils.**
- 5- **Economic viability of the re-refining process and its role in improving the added value of oil industry and natural resources conservation.**
- 6- **Examples and case studies of used oils re-refining projects worldwide and in Arab countries.**
- 7- **Conclusions and recommendations.**

Conditions for Submitting the Research

- 1- **The research may be submitted by one or more author(s). Institutions and organizations are excluded.**
- 2- **The research submitted must be new and original, and has not been granted an award previously.**
- 3- **The author(s) shall agree in advance to give OAPEC the right to print and publish the research in case his/her/their win one of the prizes. A signed statement to this effect must be submitted with the research (sample provided below). The author(s) will maintain all other rights, including patent rights (if applicable). OAPEC shall not exercise its right to publish the winning research for a period of six months commencing with the date of advising the winning author (s) with the decision of the Award Committee.**

- 4- A statement by the author(s), attesting that the research is original. Segments fully or partially adopted from other sources should be properly cited. A detailed list of all references used must also be attached.
- 5- Four hard copies and a digital copy of the research (either in Arabic or English) should be submitted, along with the Curriculum Vitae of each researcher, to the Organization of Arab Petroleum Exporting Countries.
- 6- The deadline for submitting the research is 31st May, 2016. No submission will be accepted after that date.
- 7- Prizes are awarded to individuals of all nationalities advised of the Award Committee's decision.
- 8- **The award will not be presented twice consecutively to the same recipient.**
- 9- Any research that does not fulfill the above conditions shall be disregarded.

Researchers will be notified by OAPEC Secretariat of the Award Committee's decision. The winners will be officially announced at the end of the OAPEC's Ministerial Council in 2016.

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Organization of Arab Petroleum Exporting Countries (OAPEC)
OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2016

TOPIC

“Re-Refining of Used Lubricating Oils and its Economic and Environmental Implications”

Statement of relinquishment of printing and publication right for the research

I, undersigned:

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

to the Organization of the Arab Petroleum Exporting Countries (OAPEC), in the event of winning one of the two prizes of OAPEC Award for Scientific Research for the year 2016.

Name:

Signature:

Date: / /