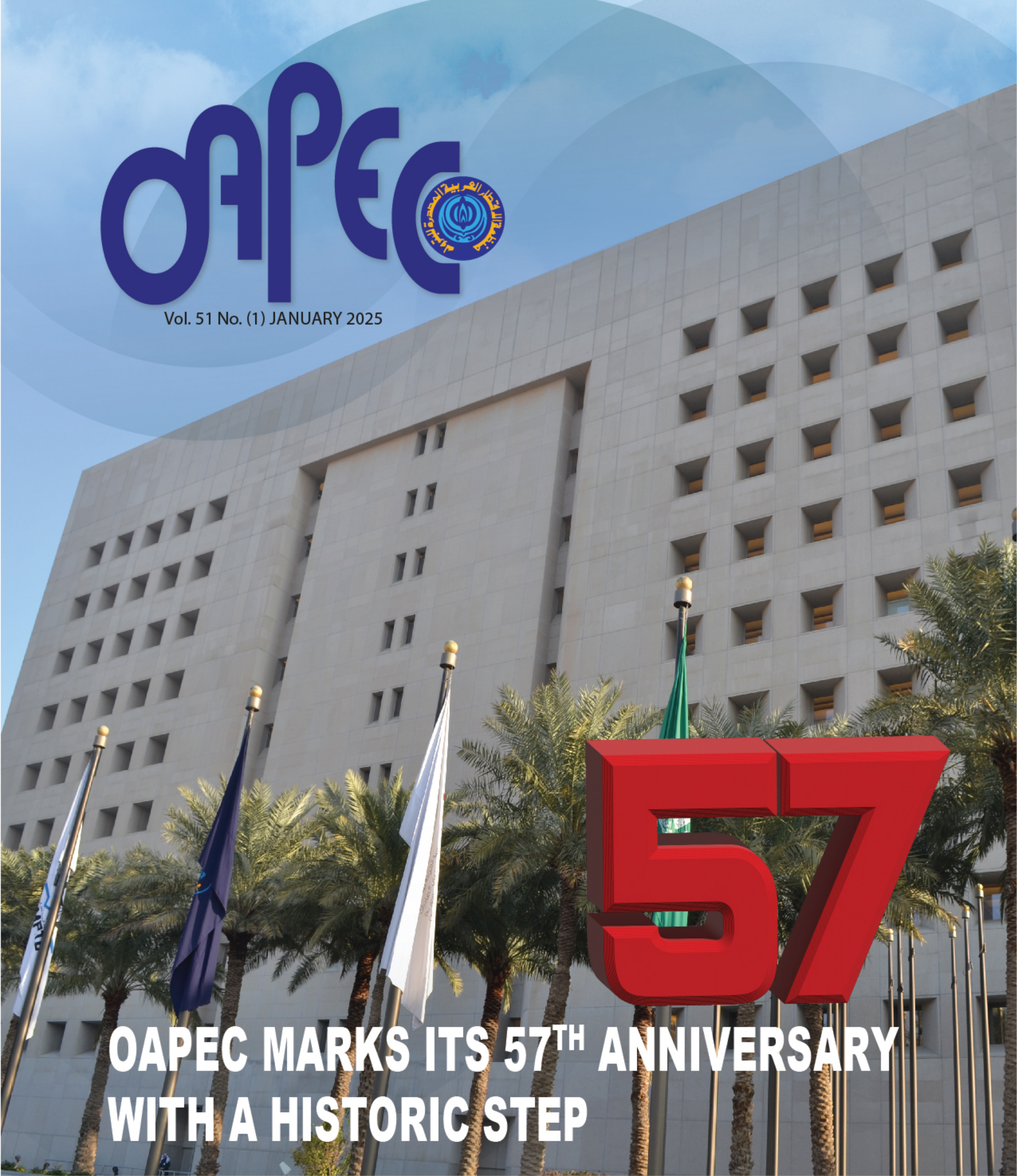

OAPEC

Vol. 51 No. (1) JANUARY 2025

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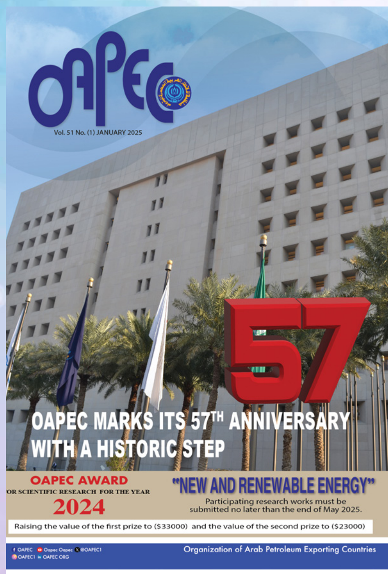
OAPEC MARKS ITS 57TH ANNIVERSARY WITH A HISTORIC STEP

The Cover



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

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

In 1970 the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain and the Republic of Algeria joined the Organization, followed by the Syrian Arab Republic and the Republic of Iraq in 1972, Arab Republic of Egypt in 1973, then the Republic of Tunisia in 1982 (its membership was suspended in 1986). Any Arab country which derives a significant share of its national income from petroleum is eligible for membership in OAPEC upon the approval of three-quarters of the member countries, including all three founding members.

- **OAPEC-Joint Ventures:**

OAPEC has sponsored the creation of four companies: The Arab Maritime Petroleum Transport Company (AMPTC), established in 1972 with headquarters in Kuwait City, the Arab Shipbuilding and Repair Yard Company (ASRY) established in 1973 with headquarters in Bahrain, the Arab Petroleum Investments Corporation (The Arab Energy Fund) established in 1974 with headquarters in Khobar, Saudi Arabia, the Arab Petroleum Services Company (APSC) established in 1975 with headquarters in Tripoli, Libya.

OAPEC’S ORGANS

The Organization carries out its activities through its four organs:

- **Ministerial Council:** The Ministerial Council is the supreme authority of the Organization, responsible for drawing up its general policy.
- **Executive Bureau:** The Executive Bureau is composed of one representative from each of the member countries, drawing recommendations and suggestions to the Council, reviewing the Organization’s draft annual budget and submitting it to the Council, it also adopts the regulations applicable to the staff of the General Secretariat. The resolutions of the Executive Bureau are issued by the majority of two- thirds of all members.
- **General Secretariat:** The General Secretariat of OAPEC plans, administers, and executes the Organization’s activities in accordance with the objectives stated in the agreement and directives of the Ministerial Council. The General Secretariat is headed by the Secretary General. The Secretary General is appointed by resolution of the Ministerial Council for a tenor of three years renewable for similar period(s). The Secretary General is the official spokesman and legal representative of the Organization and is accountable to the Council.
  The Secretary General directs the Secretariat and supervises all aspects of its activities, and is responsible for the tasks and duties as directed by the Ministerial Council. The Secretary General and all personnel of the Secretariat carry out their duties in full independence and in the common interests of the Organization member countries. The Secretary General and the Assistant Secretaries General possess in the territories of the Organization members all diplomatic immunities and privileges.
- **Judicial Tribunal:** The protocol of the Judicial Tribunal was signed in Kuwait on 9 May 1978 and came into effect on 20 April 1980. The Tribunal is competent to consider all disputes related to the interpretation and application of OAPEC’s establishment agreement, as well as disputes arising between two or more member countries concerning petroleum operations.

THE 57TH ANNIVERSARY OF THE FOUNDING OF OAPEC

OAPEC MARKS ITS 57TH ANNIVERSARY WITH A HISTORIC STEP

By: Jamal Essa Al Loughani
OAPEC Secretary General

January 9th marks the fifty-seventh anniversary of the establishment of the Organization of Arab Petroleum Exporting Countries (OAPEC) in 1968, according to an agreement concluded in the city of Beirut between the Kingdom of Saudi Arabia, the State of Kuwait, and the State of Libya (then the Kingdom of Libya), on founding a specialized Arab regional organization of an international nature. The State of Kuwait has been hosting the headquarters of the organization since its founding, that is, for more than half a century.

The organization's membership has expanded since 1970 to include the United Arab Emirates, the State of Qatar, the Kingdom of Bahrain, and the Republic of Algeria. The Syrian Arab Republic and the Republic of Iraq joined in 1972, the Arab Republic of Egypt joined in 1973, and the Republic of Tunisia joined in 1982 but suspended its membership in 1986.

The organization's main goal is the cooperation of member countries in various aspects of economic activity in the petroleum industry and the achievement of the closest ties amongst them in this field. OAPEC focuses on cooperation between the member countries with the aim of achieving common economic interests and benefits. This was done by establishing a group of companies (joint ventures) by the organization's member countries. Over the past decades, OAPEC joint ventures have effectively contributed to strengthening the progress of the Arab petroleum industry.

With the development of the energy industry; growing interest in renewable, clean and sustainable energy; the introduction of many strict environmental legislations and growing attention to environmental issues and climate change, the Organization's Council of Ministers issued Resolution No. 9/109 dated 12 December 2022 on reviewing and developing the organization's activities and objectives. The review included even changing the organisation's name to harmonise with the industry's developments, energy production technology, and environmental legislation, in order to enable it to play a larger and more effective role in accordance with a modern, more comprehensive message and vision capable of facing the challenges of this era.

Following two years of diligent work, during OAPEC's 113th Ministerial Meeting, which was held on 15 December 2024 in the State of Kuwait, the member countries signed an unprecedented historic decision on restructuring OAPEC, reformulating its establishment agreement, developing its activities, and changing its name to become the "Arab Energy Organization (AEO)."

This decision gives the green light to the Secretariat-General of the organization to carry on with its efforts to develop the organization's activities, after approving the first phase of the development project, which included the proposed amendments to the organization's establishment agreement. It is worth noting that the proposed fundamental amendments to the agreement will enter into force immediately upon completion of their approval by the legislative authorities in accordance with the statutory procedures of each member country. The decision to restructure the organization, reformulate its establishment agreement, develop its work, and change its name was based on a proposal submitted by the Kingdom of Saudi Arabia.

Implementing the decision has required conducting a careful study and comprehensive assessment of the developments and challenges witnessed by the energy sector at the national, regional and global levels, especially during the past recent years. Rapid transitions in the energy sector have imposed a review and development of the organization's activities and objectives to include all areas falling under energy. The aim is enhancing the organization's role as a catalyst for cooperation and exchange of expertise among its member countries in terms of energy issues, identifying opportunities, confronting challenges facing this vital sector, and contributing to building national competencies and capabilities of the member countries in a sector that constitutes a basic pillar of the economies of these countries.

We would like to emphasize that the Secretariat of the Organization will work hard and will make every effort to accomplish all elements of the Organization's development plan in the near future, appreciating, in this regard, the support we find from the Member Countries of the Organization, represented in Their Highnesses and Excellencies the Ministers of Energy and Oil, and Their Excellencies Members of the Executive Bureau of the organization.

OAPEC SECRETARY-GENERAL RECEIVES ENGINEER SARAH AKBAR

OAPEC Secretary-General, Engineer Jamal Essa Al Loughani, received in his office on Tuesday, 14 January 2025, Engineer Sarah Akbar, President and CEO of Oilserv Kuwait, and Chairman of the Board of Directors of Oiltech Iraq. During the meeting, the organization's new prospects were discussed, including developing its activities to keep pace with technological developments in all fields. Opinions and ideas were also exchanged on topics of common interest.

OAPEC
ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES

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OAPEC ORGANIZED A COURSE ON "BUILDING NATIONAL CAPACITIES IN MEMBER COUNTRIES IN THE FIELD OF PREPARING AND CALCULATING CARBON DIOXIDE EMISSIONS FROM THE ENERGY BALANCE"

HE Engineer Jamal Al Loughani, Secretary-General of the Organization of Arab Petroleum Exporting Countries (OAPEC), opened on Monday, 2 December 2024, the activities of the training course organized by OAPEC under the title "Building National Capacities in Member Countries in the field of Preparing and Calculating Carbon Dioxide Emissions from the Energy Balance," which lasted for two days with the participation of more than 300 participants from OAPEC member countries. In his opening speech, he indicated that holding this training course comes at a time of increasing global concerns about environmental issues and climate change, and the efforts being made to reduce the volume of environmentally polluting emissions from various energy sources without exception.

The Secretary-General said that OAPEC Secretariat continues to work with its member countries to unify visions and orientation regarding environmental and climate change issues. He stressed that the oil and gas sectors are part of the process of finding practical and realistic solutions for transitions towards clean and sustainable energies. He emphasized that exploiting fossil fuel sources while controlling their emissions through clean technologies (CCUS) will enhance the possibility of the world reaching the desired net-zero in 2050, and thus these sources will be part of the solution towards a balanced, gradual and responsible transition.

The Secretary-General added that this course is considered the third in a series of specialized courses in the field of building national capacities in member countries, which were developed by the Secretariat with the aim of activating training and qualification activity and improving statistical work. He stated that the primary goal of the course is to help specialists in ministries of energy and other specialized statistical

agencies in Arab countries calculate carbon dioxide emissions from energy balances. His Excellency added that the course also aims to improve statistical skills, develop practical procedures to improve the efficiency of the process of collecting carbon dioxide emissions data, and harmonize those procedures with international standards.

The Secretary-General concluded his speech by noting that OAPEC is keen to develop its work and activities. He clarified that the development of the databank comes at the forefront of these activities by enriching it with data, information and latest official statistics on a regular and sustainable basis, which contribute to the preparation of specialized studies and research prepared by the Secretariat, and the abundance of these detailed statistics will undoubtedly help in calculating carbon dioxide emissions from the energy balance.

THE ELEVENTH REGULAR MEETING OF OFFICIALS OF PETROLEUM TRAINING AND RESEARCH INSTITUTES AND CENTRES IN MEMBER COUNTRIES

OAPEC hosted the activities of the "Eleventh Regular Meeting of Officials of Petroleum Training and Research Institutes and Centres in Member Countries," which was organized by the Secretariat General of the Organization of Arab Petroleum Exporting Countries at its headquarters in the State of Kuwait.

During the period 19-20 November 2024, the meeting reviewed the most important training and scientific research activities in specialized institutes in the member countries, through a number of significant papers that were presented.


الاجتماع الدوري الحادي عشر
لمسؤولي معاهد ومراكز التدريب
ومعاهد بحوث البترول في الدول الأعضاء
19-20 نوفمبر 2024
نشاط المنظمة في مجال التدريب وبحوث البترول في 2023 - 2024


جمهورية مصر العربية
دولة ليبيا

US SANCTIONS ON RUSSIA'S ENERGY SECTOR DRIVE OIL PRICES TO 3-MONTH HIGHS

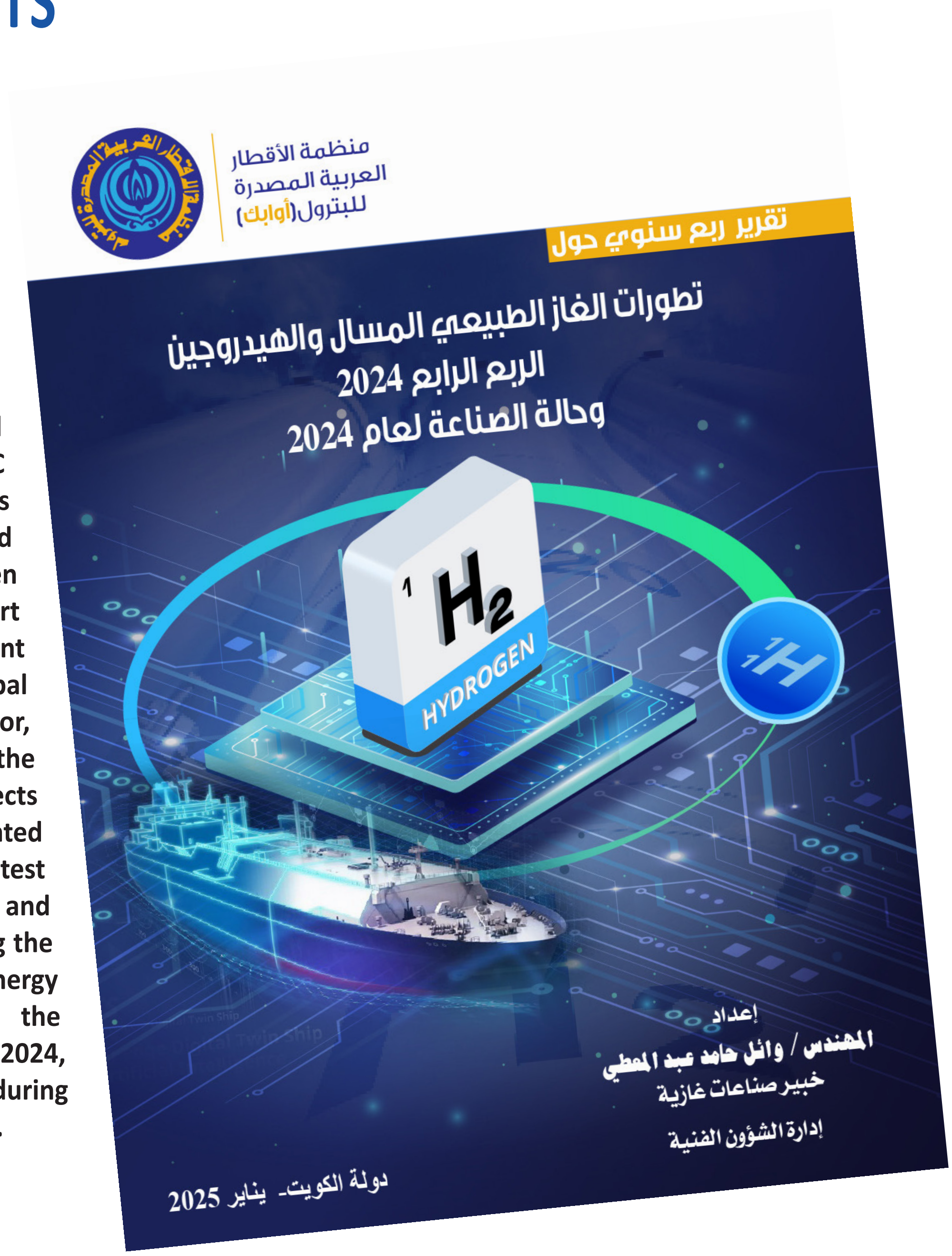
OAPEC SECRETARY GENERAL:
ONGOING GEOPOLITICAL TENSIONS TO IMPACT GLOBAL ENERGY MARKETS

KUWAIT CITY, 15 Jan 2025: Jamal Al-Loughani, OAPEC Secretary General, stated that the decision to tighten U.S. economic sanctions on Russia's energy sector played a significant role in driving oil prices to their highest levels in approximately three months. In an interview with Kuwait News Agency (KUNA), Al-Loughani explained that Brent crude futures prices rose by 4.2% on a weekly basis by the end of the second week of January, reaching $79.76 per barrel. Meanwhile, U.S. West Texas Intermediate (WTI) crude futures prices increased by 3.5%, reaching $76.57 per barrel. These increases were largely driven by concerns over a potential shortage of Russian oil supplies and a decline in Russian oil exports, which are expected to result in higher costs for major buyers, including India and China. Al-Loughani noted that the tightening of sanctions is compelling Chinese and Indian refineries to source more oil from the Middle East, Africa, and the Americas. This shift in demand could

significantly boost oil prices and raise shipping costs, due to the reduced availability of tankers to transport crude oil from Russia in the near term. 1/3 He further pointed out that spot crude oil prices from Middle Eastern, African, and Brazilian countries have already been rising in recent months, coinciding with increased demand from China and India, alongside a decrease in supplies from Russia and Iran. Al-Loughani also highlighted a recent move by the Chinese Shandong Group, which issued a notice barring oil vessels subject to U.S. sanctions from entering its main ports on China's east coast. This restriction could disrupt the arrival of Russian and Iranian oil imports. As a result, China, the primary buyer of Iranian crude, may increasingly turn to heavy crude oil from the Middle East, and its demand for Canadian crude could rise. Regarding India, Al-Loughani noted that Indian imports of Russian crude oil are expected to increase by 4.5% in 2024, reaching 1.8 million barrels per day, accounting for about 36% of India's total crude oil imports. Similarly, China's imports of Russian crude oil, including pipeline supplies, are anticipated to rise by 2%, reaching 2.2 million barrels per day, which will make up approximately 20% of China's total imports during the same period. Al-Loughani emphasized that ongoing global geopolitical tensions could have significant negative effects on global energy markets. An escalation of these tensions may threaten global energy security by disrupting oil and gas supplies, causing sharp price fluctuations, and increasing both production and transportation costs. He warned that these disturbances could also negatively impact the economies of countries heavily reliant on energy imports, further exacerbating global economic and financial crises. Last Friday, the U.S. imposed a new set of economic sanctions on Russia's energy sector. These sanctions targeted Gazprom and Surgutneftegaz, two of Russia's largest oil producers, and affected over 180 tankers carrying Russian oil, oil traders, oilfield service providers, insurance companies, and energy officials in Russia. Additionally, two active liquefied natural gas (LNG) projects and a major Russian oil project were banned, alongside restrictions on companies supporting Russian energy exports. The sanctions allow companies and traders to conduct certain transactions to settle obligations related to the Russian energy sector until March 12, but prohibit U.S. services related to the extraction and production of crude oil and other petroleum products for Russia from February 27, 2025. (KUNA/Arab Times)

OAPEC ISSUES ITS QUARTERLY REPORT ON LIQUEFIED NATURAL GAS AND HYDROGEN DEVELOPMENTS

The Secretary-General of the Organization of Arab Petroleum Exporting Countries (OAPEC), Engineer Jamal Essa Al-Loughani, stated that, as part of the periodic follow-up of developments taking place in the liquefied natural gas and hydrogen industry, OAPEC Secretariat-General issued its quarterly report on liquefied natural gas and hydrogen developments. The report reviews the most prominent developments in the global liquefied natural gas sector, the investment position in the liquefied natural gas projects planned to be implemented according to the latest developments, international and Arab developments regarding the role of hydrogen in the energy transition process, during the second and third quarters of 2024, and the state of the industry during the first nine months of 2024.



Al Loughani explained that global trade in liquefied natural gas achieved modest growth during the first nine months of 2024, amounting to 1.9% on an annual basis, due to the limited growth of supplies in the global market because of the lack of new projects entering the production map (with the exception of the Congo LNG project, which income with limited production capacity). This is in addition to the sharp decline in liquefied natural gas exports from some exporting countries as a result of the growth in domestic demand for gas and the decline in their gas production. This had an impact on spot prices, which took an upward path in European and Asian markets, achieving gains of more than 30% during the third quarter of the current year 2024 compared to its first quarter.

Al Loughani pointed out that the total exports of liquefied natural gas from Arab countries reached about 82.2 million tons, with a market share of 26.9%, which is about 2.4 million tons less than the corresponding period of the previous year, 2023. This drop is due to the decline in exports from the Republic of Algeria, and the cessation of exports from the Arab Republic of Egypt starting from 1 May 2024.

Regarding hydrogen, the Secretary-General said that the international determination to invest in hydrogen and include it in national energy plans has become clear, and this has been embodied by the increase in the number of countries that have prepared national plans and strategies for hydrogen to 58 countries by the end of September 2024. The total target, according to the government goals announced in countries wishing to invest in hydrogen, reached 260 gigawatts of electrolysis devices by 2030. He added that the current progress in the green hydrogen investment projects that have been announced makes it very difficult to achieve these government goals on time according to OAPEC's forecasts, and the difficulty of achieving the net-zero emissions scenario by 2030.

Al Loughani added that the Arab countries were present in the global hydrogen scene, and were able to sign several memorandums of understanding with international partners in the field of hydrogen production and exploitation during the year 2024. This resulted in an increase in the number of projects announced in Arab countries until the end of the third quarter of 2024 to 122 projects. There is no doubt that the success of the Arab countries in implementing these projects will enable them to play an important role in the global market and gain a good share of this promising market. This will add a new role to the Arab countries as a source of hydrogen to their already leading position in the energy markets playing their historical role as a global source of oil and gas supplies for several decades.

The Secretary-General concluded by saying that the release of this report comes within the framework of the efforts made by the OAPEC Secretariat to periodically follow up global natural gas and hydrogen market developments, and to highlight their repercussions on the Arab countries that enjoy a top position on the global energy map.

For more information about the report, please visit the organization's website at the following link: www.oapecorg.org.

THE ROLE OF DIGITAL TRANSFORMATION IN ENHANCING OCCUPATIONAL SAFETY, HEALTH, AND ENVIRONMENTAL PROTECTION IN THE "REFINING AND PETROCHEMICAL INDUSTRIES"

Engineer Jamal Al Loughani, OAPEC Secretary-General, stated that the Organization's Secretariat has issued a new study entitled "The Role of Digital Transformation in Enhancing Occupational Safety and Health and Environmental Protection in the Refining and Petrochemical Industries." Al-Loughani pointed out that health, safety and environment programs are considered among the basic solutions to achieve the goals of handling climate change and cutting emissions in energy sector companies, especially in the refining and petrochemical industries.

Al Loughani explained that digital transformation can contribute significantly to improving environmental performance and sustainability by linking systems to all sites of production companies, making it possible to analyze data and identify areas that contribute to mitigating negative impacts on the environment.

Al Loughani also stressed the importance of using digital technologies to develop accurate programs for measuring emissions and waste management, which is an essential part of environmental management programs. He added that the development of occupational safety and health technologies is closely linked to the continuous improvement of the performance of processes and equipment in the work environment, with the aim of reducing accidents and risks, ensuring the safety of workers and preserving property.

He pointed out that spreading the culture of safety among workers is considered one of the vital factors to motivate everyone to adhere to safety standards, and that it is important that training and awareness programs related to occupational safety and health be activated on an ongoing basis, with the aim of enhancing workers' awareness of potential risks and ways to prevent them, creating an efficient and effective work environment, and achieving sustainable productivity.

Al Loughani concluded by saying that achieving occupational safety and health is not just a legal obligation, but rather a vital investment in human capital, and forms the basis for sustained success and development in the work environment. He also stressed that digital transformation is not just a means to improve environmental performance, but is also an essential tool in enhancing occupational safety and health in hazardous industries such as refining and petrochemicals by integrating digital technologies with the basic principles of occupational safety and health.

KUWAIT'S OIL MINISTRY ORGANIZED A SEMINAR ON "THE HISTORY OF KUWAIT OIL COMPANY AND THE PIVOTAL ROLE IT PLAYS"

The Organization of Arab Petroleum Exporting Countries (OAPEC) participated in the panel discussion held in the State of Kuwait under the title: "The History of Kuwait Oil Company and the Pivotal Role It Plays," on Thursday, 23 January 2025. The organization was represented at the event by Eng Turki Hassan Hemish, Exploration and Production Expert.

The panel discussion was moderated by Mr. Qutaiba Okasha, Head of the Strategic Planning Team at Kuwait Oil Company. He reviewed the company's organizational structure and its development over the years, then showcased the company's history since its founding in 1934. He also referred to the most important milestones in its history, such as the discovery of the Burgan field in 1938, the discovery of non-associated gas in 2005, and the recent discoveries of Noukhaza and Al-Julaiah.

Mr. Okasha also spoke about the total operations of the Kuwait Oil Company, the number of wells it operates, the number of assembly hubs and production units, and other technical points. He indicated that the average number of annual operations is no less than the maintenance of 2,000 development wells and about 45 deep wells. On another vein, he reviewed the export and marine operations that serve the entire oil sector, and Kuwaiti oils allocated for export.

Speaking about the company's current achievements, Mr. Okasha stated that in November 2019, the capacity and capabilities of well maintenance and artificial lifting had been increased and the heavy oil central processing facility (CPF) launched operations. The first heavy oil shipment (KSRC), estimated at 500 thousand barrels, was exported in May 2020. The company's production of heavy oil has reached 90 thousand barrels per day. He also pointed out to the possibility of increasing the company's production capacity by 100,000 barrels per day over the next two years, in addition to making a historic achievement by reducing gas flaring to less than 0.5%, compared to 17% in the fiscal year 2005/2006.

In terms of the Kuwait Oil Company's strategy for the year 2040, Mr. Okasha indicated that a long-term strategy has been developed that aims to increase production capacity to 4 million barrels per day by the year 2035 and sustain it until 2040, so that KOC will produce the equivalent of 3.650 million barrels per day, while the rest is produced by Gulf Oil Company, which operates in the zone divided between Kuwait and Saudi Arabia. The strategy also includes increasing the production capacity of free gas to 2.0 billion cubic feet per day (about 56.6 million m3/d) by 2040, with the Kuwait Oil Company's share equivalent to 1.5 billion cubic feet per day (42.4 million m3/d).

On the other hand, Mr. Qutaiba Okasha stated that the energy transition strategy, under the umbrella of the Kuwait Petroleum Corporation, aims to reach net-zero in 2050. This comes from the scope of direct emissions from the company's own assets, and indirect emissions resulting from energy consumption from private assets. Mr. Okasha then stated that the capital budget of the company's five-year plan is estimated at approximately KD 12.8 billion as many major water treatment and injection projects will be implemented and about 6,000 wells will be drilled. He explained that the main reasons for the increased cost of production per barrel are the increase in the number of employees, the aging of reservoirs (increase in activities related to water production and injection), and the increase in the number of wells (increase in maintenance activities, artificial lift, field services), heavy oil operation and steam injection costs, and increasing the number of early production facilities.

Mr. Qutaiba Okasha also answered many questions about the operations of the Kuwait Oil Company in particular, and the oil industry in general.

OAPEC AT SECOND GCC GREEN BUILDING CONFERENCE

The Secretariat General of the Organization of Arab Petroleum Exporting Countries (OAPEC) participated in the activities of the Second GCC Green Building Conference, which was held in the State of Kuwait on 28-29 January 2025 under the slogan “Innovative Solutions for a Sustainable Environment.”

The conference discussed several technical papers that dealt with the latest solutions and technologies in the field of green buildings, with a focus on using innovative technology to achieve sustainability goals, such as reducing energy consumption and cutting carbon emissions. Building design strategies that rely on renewable energy sources and the use of sustainable materials in construction were also highlighted, in addition to the application of standards such as “Leadership in Energy and Environmental Design” (LEED), which contribute to improving the efficiency of resource consumption. The speakers presented practical experiments of the GCC and countries from around the world that have adopted these solutions, reflecting commitment to enhancing sustainability in their urban environments.

The conference witnessed wide participation from experts and specialists in the fields of environmental engineering and sustainable energy. OAPEC Secretariat was represented in the conference by Dr Yasser Baghdadi.

LNG INDUSTRY 60 YEARS... WHAT'S NEXT?

By Dr. Sofiane OUDJIDA

Over the past year, the liquefied natural gas (LNG) world has celebrated 60 years of LNG business. It started with the discharge of the "first commercial LNG cargo" by the ship "Methane Princess" at the Canvey Island terminal in the United Kingdom, coming from the world's first LNG liquefaction plant, CAMEL, in Arzew, western Algeria, in October 1964. This successful voyage marked the beginning of the global commercial LNG export industry.

Over the past six decades, the global LNG industry has experienced many developments and transformations as it has expanded geographically around the world and markets have grown rapidly. This has profoundly changed the international gas trade in terms of volume, geographies, and business models. This change has been made possible by rapid advances in purification, liquefaction and regasification technologies as well as the changing dynamics of LNG shipping.

LNG exporters and importers... More than half a century of relationship

Since the beginning of the LNG trade in 1964, the relationship between gas importing and exporting countries has been built and shaped thanks to a “shared history” – based primarily on framework contracts between the consuming and producing countries – most LNG supply contracts have traditionally taken the form of Long-Term Sales and Purchase Agreements (LTCs) – often with extension or renewal options. This relationship gave rise to the so-called “culture of relationships”.

Over the past half century, the LNG trade has radically shifted from its early stages: from a niche regional market to a global market. It began as a limited number of exporting and importing countries (less than 10 countries) during the 1970s and expanded many times with the beginning of the current decade until it reached the about of 68 countries in 2023, including 20 exporting countries and 48 importers.

As the number of LNG exporters and importers has risen, so has the volume of this global trade: 100 million tons in 2000 to 356 million tons in 2020 and 401 million tons in 2023.

Technological development in the tanker industry

With 60 years since the entry into service of the first LNG carrier, the “Methane Princess”, with a storage capacity of 27,400 m3, in October 1964 to the present day, the LNG shipping sector has played an increasingly important role. The development of innovative solutions and technologies for the shipping sector as well as the progress made in the construction of specialized ships (tankers) – the cornerstone of the LNG industry – has allowed the global fleet to increase and double to more than 700 active/operating tankers at the beginning of 2024 – 360 tankers at the end of 2010 – sailing across the oceans and seas to connect LNG producers and consumers in different regions of the world.

In the late 1960s, the cargo capacity of LNG carriers was around 70,000 m3. The standard size of LNG carriers increased to 125,000 m3, then to 135,000 m3, and finally to 145,000 m3 as operational experience and the need for economic efficiency were gained. By the current millennium, in 2006, construction of LNG “supercarriers” with a cargo capacity of over 200,000 m3 was initiated for Qatargas projects; these are the “Q-Flex” (210,000 m3) and “Q-Max” (266,000 m3) class carriers. During 2024, construction of a new series of LNG carriers of the “QC-Max” class with a capacity of 271,000 m3 was initiated.

LNG’s contribution to solving Europe’s energy crisis

With the outbreak of the Russian-Ukrainian crisis in February 2022, European countries intensified their interest in LNG after betting on it to reduce their dependence on Russian gas and accelerate the process of eliminating it before 2030 as well as, and shifting significantly towards LNG to secure their needs under the European Commission’s “REPowerEU” plan.

In the context of this crisis, LNG played a key role in avoiding energy shortages. The use of floating storage and regasification units (FSRUs) minimized the impact of the crisis, buying time and getting LNG supplies faster. Without LNG, Europe would have suffered severe energy shortages during the winter months.

LNG and Energy Transition

In terms of environmental concerns, LNG is gaining increasing importance as an environmentally friendly energy source, compared to coal and oil, and able to support economic growth in many parts of the world, particularly in the Asia-Pacific region.

Switching from coal to LNG remains a strategic option for some countries seeking to close the energy supply gap, in order to replace coal (which is available and cheap), and in some cases nuclear power, in the energy mix. Other uses of LNG such as marine fuel, road fuels and bunkering will certainly have a positive environmental impact, especially as methane emissions are addressed to secure its position as a future fuel and the energy that will accompany renewable energies with the energy transition.

LNG... What’s next?

Over the past few years, LNG has become a vital component of the energy sector. Today, as we look to the future, global natural gas/LNG demand forecasts under various scenarios from various organizations, entities and institutions involved in preparing the annual World Energy Outlook report indicate that global gas demand will be part of a sustainable future with demand growth continuing through 2050. The forecasts are in the same direction, with Asia essentially dominating the LNG “demand” market. The United States and Qatar are expected to lead the next wave of additional LNG production capacity through 2030.

Last but not least, after 60 years, the global LNG industry has experienced significant and rapid technological, commercial and environmental transformations that have contributed to the industry’s emergence, allowing the development and continuous expansion of LNG markets, increasing the number of active countries, developing business models, as well as innovations in gas contracts This makes us so optimistic of its future that there will be a need and a place for LNG for years to come and that it will play a key role in the transition to a low-carbon economy and stabilizing suppl.

**Views expressed in the article belong solely to the author, and not necessarily to the organization.*

UAE PRESIDENT CHAIRS ADNOC BOARD OF DIRECTORS MEETING

Abu Dhabi, UAE – 27 November 2024: President of the UAE His Highness Sheikh Mohamed bin Zayed Al Nahyan has presided over the annual meeting of the ADNOC Board of Directors.

During the meeting, which was held at ADNOC Headquarters, His Highness approved the launch of XRG, a lower-carbon energy and chemicals investment company to accelerate ADNOC's international growth and drive greater value. XRG will initally focus on investments that meet the growing global demand for natural gas, chemicals and low carbon energies.

His Highness praised ADNOC for its achievements in delivering on its international growth strategy and noted that XRG will build on these achievements and ADNOC's track record in energy and investments to deliver long-term sustainable value for the UAE.

The board endorsed ADNOC's target to drive AED200 billion ($54.5 billion) into the UAE economy over the next five years through its In-Country Value (ICV) program, building on AED55 billion ($15 billion) delivered this year. The ICV program also created 5,500 jobs for Emiratis in the private sector this year in partnership with the Emirati Talent Competitiveness Council (Nafis). These achievements bring the total value ADNOC has driven back into the UAE economy to AED242 billion ($65.9 billion), with 17,000 Emiratis employed in the private sector since the program was launched in 2018.

His Highness highlighted ADNOC's important role as a primary catalyst for the UAE's growth and diversification and commended the company for continuing to prioritize value creation for the nation and stimulate economic and industrial opportunities for the private sector.

As part of these efforts, ADNOC is enabling local manufacturing of critical industrial products in its supply chain. The company has signed local manufacturing agreements with UAE and international companies worth AED72 billion ($19.6 billion) since 2022, as it delivers on its target to locally manufacture AED90 billion ($24.5 billion) worth of products in its procurement pipeline by 2030 in support of the UAE's 'Make it in the Emirates' initiative.

The board reviewed ADNOC's gas growth strategy and commended the company's progress in harnessing the UAE's gas resources to meet growing global gas demand. Through the lower-carbon Ruwais LNG project, ADNOC is more than doubling its existing UAE liquefied natural gas (LNG) production capacity to around 15 million tonnes per annum (mtpa) while building an integrated global gas business with strategic investments in Egypt, Mozambique, Azerbaijan, and the US.

The board was updated on ADNOC's artificial

HIS HIGHNESS APPROVES THE LAUNCH OF XRG, A LOWER-CARBON ENERGY AND CHEMICALS INVESTMENT COMPANY TO ACCELERATE ADNOC'S INTERNATIONAL GROWTH AND DRIVE GREATER VALUE

BOARD ENDORSES TARGET TO DRIVE AED200 BILLION ($54.5 BILLION) INTO THE UAE ECONOMY OVER THE NEXT 5 YEARS THROUGH ADNOC'S ICV PROGRAM, BUILDING ON AED55 BILLION ($15 BILLION) DELIVERED THIS YEAR

intelligence and digital technology (AIDT) strategy as it aims to become the world's most AI-enabled energy company. The board praised ADNOC for its industry leadership in leveraging digitalization, advanced technologies, and artificial intelligence (AI) to enhance efficiencies and future-proof its business.

Ahead of the meeting, His Highness visited ADNOC's world-class AI center, where he was briefed on how the company is integrating AI from the control room to the board room to enhance safety, maximize value, and reduce emissions as it continues to advance the UAE's thriving AI ecosystem.

During the tour, His Highness was shown some of ADNOC's innovative AI solutions, including the world-first deployment of Robowell, an autonomous well-control solution, as well as the AI Lab, which is set to identify and shape high-value AI use cases across its operations. His Highness was also updated on ENERGYai, a first-of-its-kind agentic AI solution, which ADNOC recently launched in collaboration with AIQ, G42, and Microsoft.

His Highness met with a group of young talented Emirati employees driving pioneering AI initiatives. Building on the success of ADNOC's Trading Academy, His Highness was briefed on how young Emirati commodity traders are being upskilled to create additional revenue streams for the company across its international trading businesses.

His Highness praised ADNOC for empowering young Emirati talent and delivering several strategic initiatives to develop its people. His Highness stressed that people are the nation's greatest asset, and the UAE leadership will continue to prioritize human capital development. His Highness thanked ADNOC employees for their hard work and dedication and emphasized the importance of continuous performance improvement, efficiency, and agility.

Attending the meeting were H.H. Sheikh Mansour bin Zayed Al Nahyan, Vice President, Deputy Prime Minister, and Chairman of the Presidential Court; H.H. Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Chairman of the Abu Dhabi Executive Council; H.H. Sheikh Hazza bin Zayed Al Nahyan, Deputy Ruler of Abu Dhabi; H.E. Suhail Mohamed Al Mazrouei, Minister of Energy and Infrastructure; H.E. Dr. Sultan Ahmed Al Jaber, Minister of Industry and Advanced Technology and ADNOC Managing Director and Group CEO; H.E. Dr. Ahmed Mubarak Al Mazrouie, Member of the Executive Council and Chairman of the Abu Dhabi Executive Office; H.E. Ahmed Al Sayegh, Minister of State; H.E. Jassem Al Zaabi, Member of the Executive Council and Chairman of the Department of Finance; H.E. Awaidha Murshed Al Marar, Member of the Executive Council and Chairman of the Department of Energy; and H.E. Khaldoon Khalifa Al Mubarak, Chairman of the Executive Affairs Authority and Managing Director and Group CEO of Mubadala.

H.E. Dr. Al Jaber said: "Under the guidance of President His Highness Sheikh Mohamed bin Zayed Al Nahyan and the steadfast support of the ADNOC Board of Directors, ADNOC is reinforcing its critical role as a catalyst for the UAE's economic and industrial growth and a reliable global energy provider. This year has been a transformative period for ADNOC where we have taken important steps to future-proof our business, pivot to new growth opportunities across the energy value chain and the world, and accelerate the adoption of AI to drive efficiency and unlock greater value. With the support of all my colleagues across the ADNOC Group, we will build on this momentum to deliver more energy with fewer emissions to empower lives and fuel economies while delivering long-term sustainable value and growth."

ADNOC's strong sustainability performance and its efforts to decarbonize and drive low-carbon growth was also highlighted by the board. The board directed ADNOC to double down on its 2030 sustainability strategy and its industry-leading net zero by 2045 ambition. ADNOC ranks among the least carbon-intensive oil and gas producers in the world and is further reducing its carbon intensity by 25% and targeting near-zero methane emissions by 2030.

HE MINISTER AL-KAABI:

"MY MESSAGE TO EUROPE IS: ARE YOU TELLING US YOU DON'T WANT OUR LNG INTO THE EU? BECAUSE I'M NOT GOING TO SUPPLY THE EU WITH LNG TO SUPPORT YOUR ENERGY REQUIREMENTS AND THEN BE PENALIZED WITH 5% OF OUR TOTAL REVENUE WORLDWIDE" -

DOHA, Qatar • 7 December 2024 – His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs of the State of Qatar, the President and CEO of QatarEnergy, said Qatar stands in total support of the concept of the European Union's (EU) Corporate Sustainability Due Diligence Directive (CS3D), and of the desire to protect and uphold human rights, labor rights, and reducing environmental impact. "However," His Excellency added, "the issue is how you go about it."

In remarks during a "Newsmaker Interview" as part of the Doha Forum 2024, held in Doha, His Excellency Minister Al-Kaabi criticized the directive as "making absolutely no sense."

"This directive affects any company that deals in Europe and makes more than €450 million generated in or from Europe. So, companies like QatarEnergy, Shell, or ExxonMobil and even car companies like Toyota or GM, will have to say they will abide by the Paris Accords. So, the company will have to commit to Net Zero," His Excellency explained. "For us as QatarEnergy, and with all the expansions we are undertaking, I can assure you we cannot meet Net Zero as a company."

His Excellency added: "The second thing is that we need to make sure we put a team of probably a thousand people in QatarEnergy whose dedicated job would be to go and look at all our subsidiaries and suppliers around the world, because if there is a nail or a screw that we buy from a contractor who has a subcontractor, we will be responsible for looking into their practices and would get penalized for that."

Minister Al-Kaabi said: "We are also asked to be responsible for tier emissions 1, 2, and 3 and be liable for a penalty of up to 5% of our total generated revenue worldwide. This makes absolutely no sense. So, my message to Europe and to the EU Commission is: Are you telling us that you don't want our LNG into the EU? Because I sure am not going to supply the EU with LNG to support their energy requirements and then be penalized with our total revenue worldwide."

H.E. Minister Al-Kaabi said investment authorities, like Qatar Investment Authority (QIA), or any sovereign fund or fund manager around the world will worry about the companies they own or plan to own whether they could be liable for such penalties, which would affect their investments and end up pulling out of the EU to protect their funds and look at investing in other countries.

"So, I think what the EU is doing is really surprising,

and I think it will harm them. And for companies that will have to comply, will need to put an army of people to do all this diligence. If there is more cost on the company to do this diligence, who ends up paying for it? The customer. This will harm European companies first.

Speaking on relations with the coming administration of President Trump, Minister Al-Kaabi stressed that US-Qatari friendship and energy relations transcend administrations. “The most important thing is that we have an excellent partnership between companies and between people, and that this is sustainable because it is good for business with mutual respect and mutual gain on both sides. It’s a win-win relationship. We have oil and gas projects that are multi-decade projects and can survive governments and administrations.”

His Excellency also discussed the role gas in the energy transition stressing that “it will play a very big role” citing intermittency issues when the sun is not shining to power solar panels, or the wind is not blowing to drive wind farms, or lower rain levels fails to boost hydro power. “We need to have a sensible approach, particularly that we have one billion people today, as we speak, who do not have the basic electricity that that we all enjoy. And we should make sure that everybody has ample supplies of energy for their growth and for them to live a good life.”

Minister Saad Sherida Al-Kaabi highlighted Qatar’s contributions towards global food security through the production of much needed fertilizers. “Today, we are the second largest fertilizer exporter in the world. We are doubling our production to 12 million tons per annum, which will make us the largest fertilizer producer in the world.”

H.E. Minister Al-Kaabi highlighted QatarEnergy’s LNG expansion projects that will double its production capacity to 142 million tons per annum, add to that 18 million tons from its project in Golden Pass project in Texas, in the USA.

Also, a point to highlight during the interview was the environment, which His Excellency stressed was an utmost importance for QatarEnergy. “we are big believers in making sure that we have clean air and clean water for everybody living in Qatar and around the world. A few years ago, we had zero renewables in Qatar. Today, 10% of the power that we are enjoying comes from solar. Next year, it will go up with another two plants that we are going to inaugurate in Mesaieed and Ras Laffan taking the total solar production to about 15% to 16%. With the addition of a fourth plant in Dukhan, we will increase our solar capacity making it 30% of our total power production.”

The Doha Forum, established in 2000, is a global platform for dialogue on critical challenges facing our world and bringing together leaders in policy to build innovative and action driven networks in major areas like geopolitical developments, international relations, the financial system and economic development, defense, information technology and cybersecurity, food security, sustainability and climate change, trade and investment, and more.

QATARENERGY
AND SHELL ENTER INTO NEW LONG-TERM AGREEMENT FOR SUPPLY OF 3 MTPA OF LNG TO CHINA

DOHA, Qatar • 2 December 2024 – QatarEnergy and Shell have entered into a new long-term sale and purchase agreement (SPA) for the supply of three million tons per annum (MTPA) of liquefied natural gas (LNG) to China.

LNG deliveries under the SPA will commence in January 2025, underscoring the commitment of both entities to meeting the world's growing energy demands. The agreement also highlights the continued growth of China's LNG market, which is projected to be the largest globally.

Commenting on the announcement, His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs of the State of Qatar, the President and CEO of QatarEnergy, said: "We are pleased to enter into this new long-term LNG SPA with our trusted partner, Shell. This agreement helps meet the requirements of Shell's end customers in China and enhances our contributions to meeting the needs of LNG end-users worldwide."

Highlighting the strength of the QatarEnergy-Shell collaboration, H.E. Minister Al-Kaabi noted: "This SPA marks the 11th LNG supply contract between us, serving as a testament to our enduring partnership. It underlines our consistent ability to meet the diverse requirements of our customers and partners globally. I extend my appreciation to Shell's management and working teams for the successful conclusion of this SPA."

FIFTH ARAMCO FACILITY RECEIVES WORLD ECONOMIC FORUM GLOBAL LIGHTHOUSE NETWORK STATUS

DHAHRAN, 14 January 2025- Aramco's North Ghawar Oil Producing Complex has become the company's fifth facility to be added to the World Economic Forum Global Lighthouse Network, having been recognized for its comprehensive adoption of advanced Fourth Industrial Revolution (4IR) technologies that support its operational and environmental performance.

Only industrial sites that successfully deploy 4IR technologies at scale are admitted to the prestigious network. This recognition of the North Ghawar Oil Producing Complex follows four other Aramco facilities being included in the Global Lighthouse Network. They are Uthmaniyah Gas Plant, Khurais oil complex, Abqaiq Plants, and Yanbu Refinery.

The Global Lighthouse Network now includes 189 facilities worldwide. Aramco, one of the world's leading integrated energy and chemicals companies, is currently the only global energy company to be represented by more than three facilities.

Nasir K. Al-Naimi, Aramco Upstream President, said: "This Global Lighthouse Network recognition by the World Economic Forum demonstrates our dedication to innovation and operational excellence. It validates our journey towards a truly digital and lower carbon emissions future, where technology empowers us to optimize our processes, reduce our environmental impact, and deliver exceptional value to our customers and shareholders."

NORTH GHAWAR OIL PRODUCING COMPLEX RECOGNIZED FOR COMPREHENSIVE ADOPTION OF 4IR TECHNOLOGIES

ARAMCO IS CURRENTLY THE ONLY INTERNATIONAL ENERGY COMPANY TO HAVE MORE THAN THREE FACILITIES IN THE GLOBAL LIGHTHOUSE NETWORK

ACHIEVEMENT REFLECTS THE COMPANY'S WIDESPREAD ADOPTION OF ADVANCED DIGITAL SOLUTIONS TO ENHANCE OPERATIONAL AND ENVIRONMENTAL PERFORMANCE

Ahmad O. Al Khowaiter, Aramco Executive Vice President of Technology & Innovation, said: "At Aramco, we have made a strategic investment to digitally transform our facilities. These efforts have delivered remarkable improvements in efficiency, environmental impact reduction, productivity, and safety across our operations. Receiving the prestigious Global Lighthouse Network award is a testament to the extent of Aramco's journey towards global leadership in digitalization and our dedication to innovation."

ARAMCO, LINDE AND SLB SIGN SHAREHOLDERS' AGREEMENT FOR ONE OF THE LARGEST CCS HUBS GLOBALLY

Aramco, one of the world's leading integrated energy and chemicals companies, has recently signed a shareholders' agreement with Linde and SLB, paving the way for development of a Carbon Capture and Storage (CCS) hub that is expected to become one of the largest globally. Under the terms of the shareholders' agreement Aramco will take a 60% equity interest in the CCS hub, with Linde and SLB each owning a 20% stake.

It represents a significant milestone for the project and is a key component in Aramco's emission mitigation strategy. With the support of the Ministry of Energy, phase one of the new CCS hub in Jubail, in the Kingdom of Saudi Arabia's Eastern Province, is expected to capture and store up to nine million metric tons of CO_2 annually, and construction is expected to be completed by the end of 2027. Later phases are expected to further expand its capacity.

The project will support the company's ambition to achieve net-zero Scope 1 and Scope 2 greenhouse gas emissions across its wholly-owned operated assets by 2050.

Ashraf Al Ghazzawi, Aramco EVP of Strategy & Corporate Development, said: "CCS plays a critical role in furthering our sustainability ambitions and our new energies business. This announcement represents a step forward in delivering on our strategy to contribute to global carbon management solutions and achieve our emission mitigation goals. Aramco's collaboration with SLB and Linde demonstrates the importance of global partnerships in driving technological innovation, reducing emissions from conventional energy sources and enabling new, lower-carbon energy solutions. This CCS hub is among several programs that will enable us to meet rising demand for affordable, reliable, and more sustainable energy."

Oliver Pfann, Linde EVP EMEA, said: "Carbon capture and sequestration is essential for achieving the Kingdom's emission reduction targets. Linde is proud to collaborate with Aramco and SLB, contributing Linde's innovative technology and experience in delivering world-scale decarbonization projects. We look forward to jointly realizing this landmark project which supports the development of a lower-carbon economy."

Gavin Rennick, SLB President, New Energy, said: "SLB is proud to be a part of ground-breaking efforts to enable abatement of millions of tons of CO_2 annually through the Jubail CCS hub. Leveraging our proven portfolio of CCS technologies and extensive experience in complex CCS projects around the world, we are confident that SLB will play a critical role in advancing this important initiative. This project aligns perfectly with our commitment to industrial decarbonization, and we

ARAMCO AND ITS PARTNERS REACH MILESTONE IN BUILDING PHASE ONE OF CCS HUB IN JUBAIL, SIGNALING POSITIVE PROGRESS ON THE COMPANY'S 2035 INTERIM CLIMATE AMBITIONS

FIRST PHASE CONSTRUCTION EXPECTED TO BE COMPLETED IN 2027, WITH CAPACITY TO CAPTURE AND STORE UP TO 9 MILLION METRIC TONS OF CO2 PER YEAR

PROJECT SUPPORTS ARAMCO'S AMBITION TO ACHIEVE NET-ZERO SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS ACROSS ITS WHOLLY-OWNED OPERATED ASSETS BY 2050, AND ITS INTERIM TARGET OF REDUCING UPSTREAM CARBON INTENSITY BY 15% BY 2035

CCS HUB ALSO COMPLEMENTS THE COMPANY'S BLUE HYDROGEN AND AMMONIA PROGRAM, AND ALIGNS WITH THE KINGDOM'S NET-ZERO OBJECTIVES

look forward to collaborating closely with Aramco and Linde to make it a success."

Today's announcement, made during the Saudi Green Initiative Forum, in Riyadh, reflects a circular carbon economy approach to reducing emissions that will contribute to the Kingdom's 2060 net-zero target.

Phase one of the CCS hub will have the capacity to capture nine million tonnes of CO2 from three Aramco gas plants and other industrial sources. The captured CO2 will be transported through a pipeline network and stored below ground in a saline aquifer sink, leveraging the Kingdom's significant geological potential for CO2 storage.

الصندوق العربي للطاقة
The Arab Energy Fund
A Multilateral Impact Institution

LED CONSORTIUM COMPLETES THE ACQUISITION OF METITO UTILITIES

Riyadh, Saudi Arabia, 08 January 2025—The Arab Energy Fund (TAEF), formerly known as APICORP, an OAPEC joint venture and a leading multilateral impact financial institution focused on the MENA energy sector, has successfully led a consortium to acquire a 100% stake in, and provide further growth capital to, Metito Utilities, a global investor, developer and operator of sustainable water management solutions and climate-resilient water assets.

This landmark transaction, in partnership with Zamil Group Investment Company and the Ghandour family, aligns with TAEF's strategic vision to advance energy security and sustainability by driving impactful investments that address critical infrastructure needs in water and wastewater management across the Middle East, Africa, and Asia.

Metito has been an industry leader in the water sector since 1958, and Metito Utilities has over 25 years specialized experience in the investment, development, and long-term operation and maintenance of water and wastewater concessions. It has a proven-track record of over 35 successful concessions and has a long-standing legacy of pioneering water and wastewater, delivering first Public-Private Partnerships (PPPs) projects in the sector in countries as such Saudi Arabia, the United Arab Emirates, Uzbekistan, Egypt, Rwanda, Serbia, Qatar and beyond, and setting benchmarks in sustainable water management on a global scale.

Khalid Ali Al-Ruwaigh, CEO of TAEF, said: "The investment in Metito Utilities marks a strategic milestone in TAEF's mission to advance sustainable infrastructure and energy value chains. Water

THE ACQUISITION SUPPORTS TAEF'S LEADERSHIP IN THE FIELDS OF SUSTAINABLE WATER SOLUTIONS AND ENERGY INFRASTRUCTURE.

ACCELERATES INNOVATIVE SOLUTIONS TO ADDRESS WATER INSECURITY AND DRIVE LONG-TERM VALUE IN EMERGING MARKETS.

REAFFIRMS A SHARED COMMITMENT TO CLEAN WATER ACCESSIBILITY, RESOURCE OPTIMIZATION, AND ENVIRONMENTAL STEWARDSHIP.

and energy are deeply interconnected, and this collaboration, alongside our partners Zamil Group Investment Company and the Ghandour family, as well as Metito Utilities' talented team, allows us to strengthen regional leadership in addressing water scarcity challenges while delivering long-term value creation. We aim to accelerate growth and innovation across new and existing markets."

Abdullrahman K Al Zamil, President of Zamil Group Investment Company, said: "We have consistently sought opportunities that combine business excellence with meaningful impact. Water security is fundamental to our region's future, and Metito's expertise in water management aligns perfectly with our commitment to sustainable development. As a family business that has witnessed and participated in the region's transformation, we see this partnership as another milestone in our journey of being partners in building nations, bringing proven water solutions to communities and industries that need them most."

Rami Ghandour, CEO of Metito Utilities, said: "We are proud of our legacy, and the continuous evolution that has brought us to where we are today. While this transformation marks a new era for Metito, our commitment to a cleaner environment remains at the heart of everything we do. With this strengthened partnership, we aim to expand our positive impact by leveraging our experience in PPP projects to enhance water efficiency and deliver tailored, sustainable water management solutions across the pan-emerging markets. Together with our valued partners, we are excited to lead the way forward in shaping the future of water management.'

This acquisition marks a significant milestone for all shareholders, uniting their shared vision to address global water security challenges while developing long-term environmental, social, and economic value.

It aligns with TAEF's broader strategy to drive sustainable infrastructure development, measurable impact and contribute to the region's economic prosperity. This transaction reflects TAEF's focus on energy and energy adjacent sectors, showcasing its role as a preeminent impact investor in the MENA region.

Under its new shareholding, Metito Utilities is poised to build on its legacy of innovation and operational excellence, driving sustainable water solutions that make a lasting impact in emerging markets.

Petroleum Developments in The World Markets

Petroleum Developments in the World Markets
January 2024

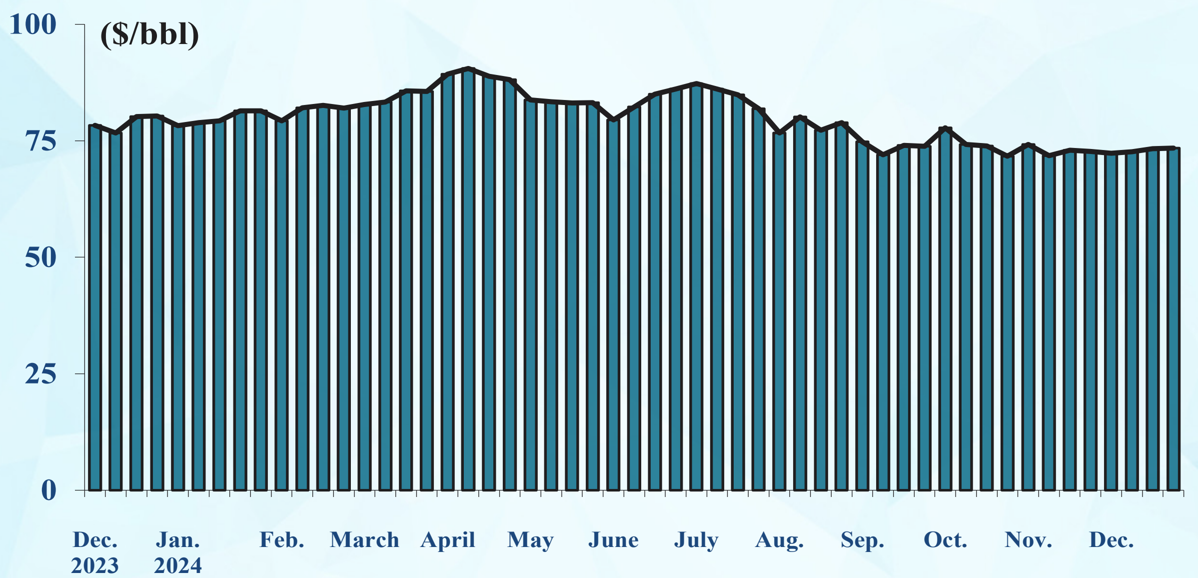
First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price increased in January 2025 by 8.6% compared to the previous month, to reach $79.38/bbl. Whereas annual price of OPEC Basket is estimated to decrease in 2024 by 3.7% compared to 2023, to reach $79.9/bbl.

It's worth mentioning that OPEC Reference Basket increased in December 2024 by 0.1% or $0.1/bbl compared to the previous month of November, to reach $73.1/bbl. This is mainly attributed to demand from European and Asia-Pacific buyers, continued decline in OECD commercial stocks - including in the US, in addition to higher US refinery intake

Weekly Average Spot Prices of OPEC Basket of Crudes, Dec. 2023 – Dec. 2024



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

2. Supply and Demand

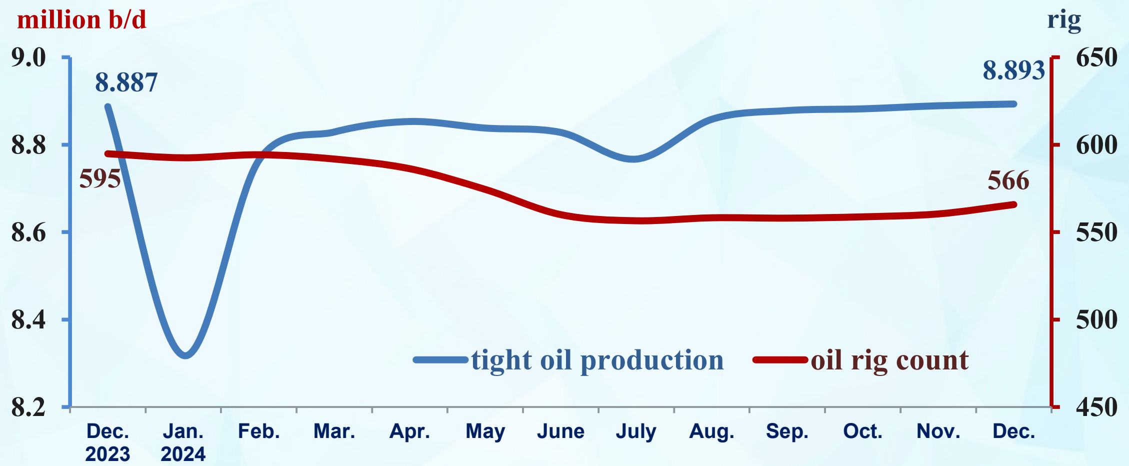
- Estimates indicate that world oil demand increased in Q4 2024 by 1.5% compared with the previous quarter, to reach 105.5 million b/d. As demand in Non- OECD countries increased by 3% to reach about 59.3 million b/d, whereas demand in Non-OECD countries decreased by 0.3% to reach 46.3 million b/d.

  Projections indicate that world oil demand is expected to decrease in Q1 2025 to reach 104.2 million b/d. As demand in Non-OECD countries is expected to increase by 30 thousand b/d to reach about 59.3 million b/d, whereas demand in OECD countries is expected to decrease by 1.4 million b/d to reach 44.9 million b/d.

- Estimates indicate that **world** crude oil and NGLs/non-conventional supply in December 2024 decreased by 0.4% to reach 102.6 mb/d. OPEC supply increased by 0.1% to reach about 32.3 million b/d, whereas Non-OPEC supplies decreased by 0.5% to reach 70.2 mb/d.

  OPEC+'s crude oil supply in December 2024 decreased by 63 thousand b/d, or 0.2% compared with previous month level to reach about 35.2 million b/d. Supplies of OPEC-9[1], which are members in OPEC+, decreased by 0.1% to reach about 21.3 mb/d. And supplies of Non-OPEC, which are members of OPEC+, decreased by 0.3% to reach about 13.8 million b/d,
- US tight oil production in December 2024 decreased by 4 thousand b/d compared to previous month's level to reach about 8.893 million b/d. On other developments, US oil rig count increased by 6 rigs to reach 566 rigs.

US tight oil production and oil rig count



Source: EIA, Short-Term Energy Outlook, Jan 2025.

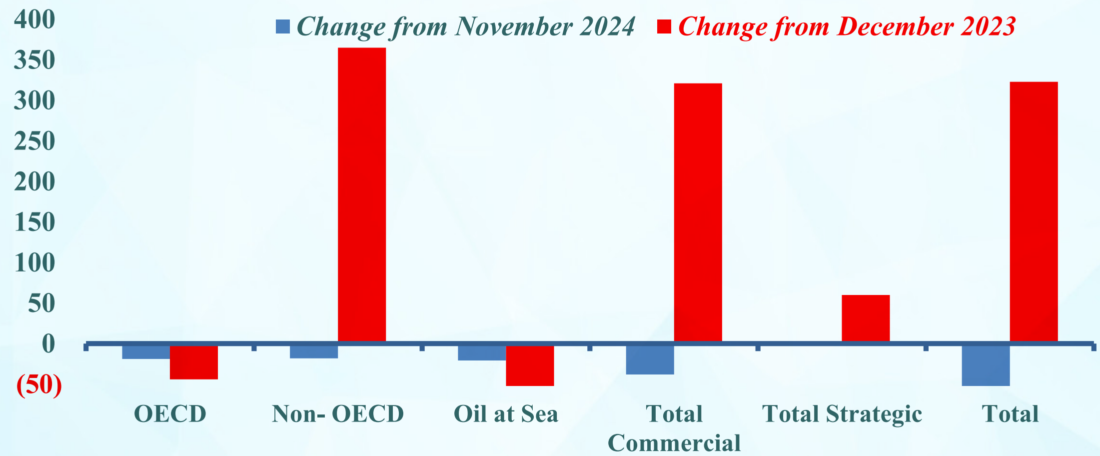
3. Oil Inventories

- OECD commercial inventories at the end of December 2024 decreased by 19 million barrels from the previous month level to reach 2729 million barrels. And Non-OECD commercial inventories decreased by 18 million barrels from the previous month level to reach 3631 million barrels, and strategic inventories increased by 1 million barrels to reach about 1561 million barrels.

[1] It does not include Libya, Iran, and Venezuela, whose supplies of crude oil amounted to about 1.3 million b/d, 3.3 million b/d, and 886 thousand b/d, respectively, during December 2024.

2

Change in Global Inventories at the End of December 2024 (million bbl)



Source: Oil Market intelligence, Mar 2024. and Jan. 2025.

4. Oil Trade

US Oil Imports and Exports

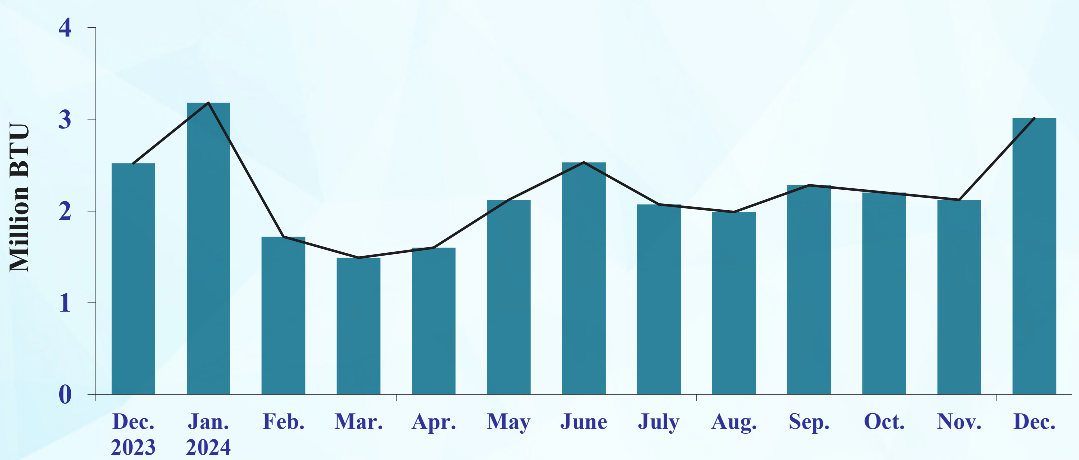
- US crude oil imports in December 2024 decreased by 5.6% from the previous month level to reach about 6.5 million b/d, and US crude oil exports decreased by 6.9% to reach about 3.9 million b/d.
- US petroleum products import in December 2024 increased by 3.3% from previous month level to reach about 1.7 million b/d, and US petroleum products exports increased by 1% to reach 7 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub increased in December 2024 to reach $3.01/million BTU.

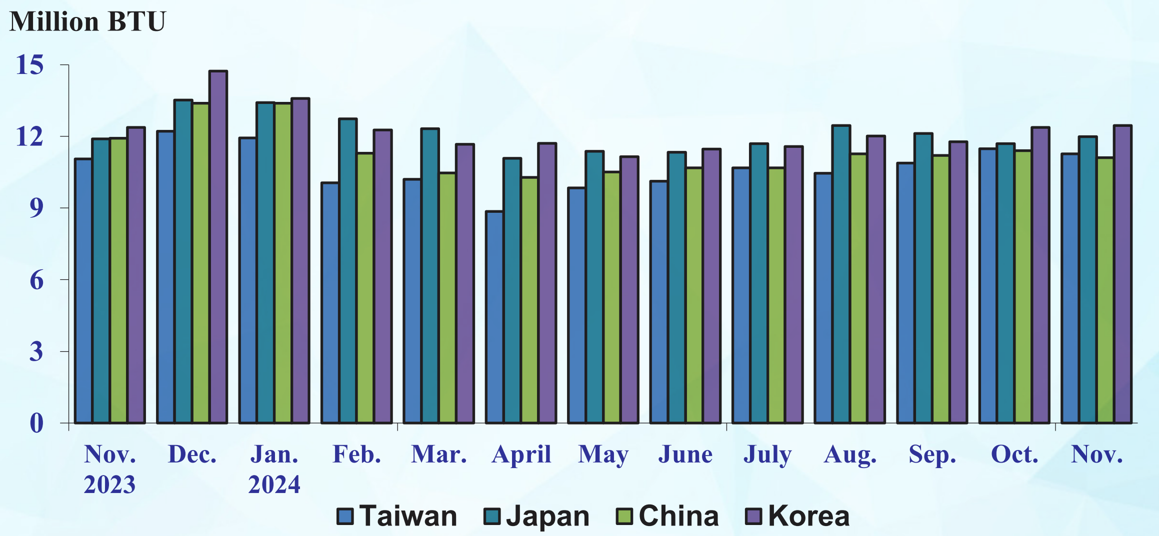
Average spot price of natural gas at the Henry Hub, Dec. 2023 – Dec. 2024



Source: EIA, Henry Hub Natural Gas Spot Price.

- The price of Japanese LNG imports in November 2024 increased by $0.29/m BTU to reach $11.99/m BTU, the price of Korean LNG imports increased by $0.07/m BTU to reach $12.45/m BTU. Whereas the price of Chinese LNG imports decreased by $0.29/m BTU to reach about $11.11/m BTU, and the price of Taiwan LNG imports decreased by $0.21/m BTU to reach about $11.27/m BTU.

The price of Northeast Asia LNG imports, Nov. 2023 – Nov. 2024



Source: Energy Intelligence - WGI, Various issues.

2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 3.920 million tons in November 2024 (a share of 23% of total imports).

Tables Annex

OAPEC AWARD

OAPEC SCIENTIFIC RESEARCH FOR THE YEAR

2024

In line with OAPEC'S policy to encourage scientific research by awarding two prizes on a biennial basis (**First Prize** KD 7000 equivalent to USD $23000, **Second Prize** KD 5000 equivalent to USD $16000), upon the resolution number 1/169 of OAPEC Executive Bureau at its meeting dated **5 May 2024**. **The Organization of Arab Petroleum Exporting Countries (OAPEC)** is pleased to announce that **the research field** selected for the "OAPEC Award for Scientific Research for the Year 2024" is:

NEW AND RENEWABLE ENERGY

Research Field:

New and Renewable energy plays a pivotal role in confronting global challenges such as combating climate change, achieving energy security, and promoting sustainable development, It contributes to reducing greenhouse gas emissions and mitigating the effects of global warming. It can be relied upon as a clean fuel to meet the growing demand for energy. It also contributes to stimulating economic growth, creating diversification opportunities, and encouraging technological innovation.

Enormous resources of renewable energy sources available in the Arab countries on the one hand, and successful experiences of many countries around the world in exploiting such resources on the other hand, underline the possibility of bringing about a tangible change in how to optimally use these resources in the Arab countries.

Based on these inputs, the submitted research papers can address many main topics, including, but not limited to:

1. **Modern technologies for producing renewable energy, including renewable energy storage technologies and smart grid technologies.**
2. **National and international policies that promote the deployment of renewable energy, including goals, incentives, legislations, laws and regulatory frameworks.**
3. **Economic considerations, including cost trends in renewable energy technologies, and mechanisms for funding renewable energy projects (such as subsidies, tax incentives, and green bonds).**
4. **Existing infrastructure and renewable energy projects that are planned to be executed at the Arab and international levels.**
5. **Challenges facing the deployment and use of renewable energy, such as supply chain issues facing some technologies and irregular supplies.**
6. **The future outlook for renewable energy sources, and their integration into non-electricity sectors (such as transportation, cooling, and heating).**

Research Submission Requirements

1. Research may be submitted by one or not more than two researchers. Research submitted by legal entities will not be accepted.
2. The submitted research must be new. It must not have been published or received any award from any Arab or foreign body in the past.
3. The research must provide recommendations that are applicable and contribute to providing benefit to the energy industry in the Member Countries.
4. Research that relies on innovative laboratory work is given preferential marks in the evaluation.
5. The author of the research agrees in advance to grant the organization the copyright of his work in the event that he wins one of the two aforementioned awards, while retaining all his rights to the research. The Secretariat General has the right to print and publish the winning research according to what it deems appropriate.
6. The researcher adheres to the principles of citation in accordance with the standards of scientific and academic research.
7. An electronic version of the research- in both PDF and WORD format- should be submitted to the award's email address: **oapecaward@oapecorg.org**
8. The research can be submitted in either Arabic or English.
9. The participating researcher shall submit a summary of his academic and professional qualifications, in a separate file.
10. Participating research works must be submitted no later than the **end of May 2025**. After that date, no research will be accepted for the purpose of the award.
11. Researchers of all nationalities are welcome to participate in the award.
12. The award will not be granted to the same researcher twice in a row.
13. The research work must not contain any references or phrases indicating the researcher's name, workplace, or domicile.
14. Any research work that does not meet the requirements mentioned in the OAPEC Award Participants Guide attached to the announcement will be ignored.

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 meeting in 2025.

For further information you may contact the OAPEC General Secretariat at:

Organization of Arab Petroleum Exporting Countries (OAPEC)

Secretariat of the Award Organizing Committee

Tel.: (+965) 24959784 - (+965) 24959763

E-mail:oapecaward@oapecorg.org

Organization of Arab Petroleum Exporting Countries (OAPEC)
OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2024

In the Field of

NEW AND RENEWABLE ENERGY

<u>Statement of relinquishment of printing and publication rights for the research</u>

I, the undersigned:

....

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

....

....

....

to the Organization of Arab Petroleum Exporting Countries (OAPEC), in the event of winning one of the two prizes of OAPEC Award for Scientific Research for the year 2024.

Name: ....

Signature: ....

Date: / /