



OAPEC

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EXCLUSIVE INTERVIEW:

HE MOHAMED ARKAB:

**WE SEEK TO ENHANCE COOPERATION
WITH OAPEC & ITS JOINT VENTURES**



The Cover



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ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)



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

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

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



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• OAPEC-Joint Ventures:

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

OAPEC'S ORGANS

The Organization carries out its activities through its four organs:

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



THE ARAB WORLD... A SAFETY VALVE FOR THE WORLD'S ENERGY SYSTEM



By: Ali Sabt Ben Sabt
OAPEC Secretary General

Nearly a year has passed since the release of a “Roadmap for Zero Emissions in 2050”, which was published by the International Energy Agency (IEA) in May 2021. Since that date, the Organization of Arab Petroleum Exporting Countries (OAPEC) has released a series of articles clarifying the role advocated by the Agency, and warned of the danger of a decline in investments in exploration and production. OAPEC also stressed the importance of injecting investments into the petroleum industry in general, and in the field of exploration and production in particular, to maintain the balance of energy markets worldwide, as well as, to maintain stable production that meets global demand and faces fluctuations in supply sources in emergencies, especially geopolitical changes.

In the context of the declared confrontation following the outbreak of the Russian-Ukrainian crisis, most of the European Union (EU) countries, in cooperation with the United States of America, recently hurried up to stop using Russian oil and search for alternative countries to compensate for their imports. Within the

frantic European-American endeavors in this field, the petroleum markets responded with a noticeable rise in the prices of oil, gas and petroleum products.

Looking back to the near past, it clearly shows that the high oil prices in the past contributed to encouraging investment in alternative sources of energy, but the current perspective confirms beyond any doubt that these alternatives are still far from dethroning fossil energy. Despite rumors that wind and solar energy are the solution to the crisis that could result from the exit of Russian oil from the market, the reality is that the share of renewable energy sources, after more than 20 years of expansion and research, made up less than 6% of the global energy mix in 2020.

Also, the installed capacity of these types of energy is not distributed to ensure that it constitutes an effective contribution to the energy mix in emergency situations, such as extreme weather, or unexpected geopolitical changes - as in the Russian-Ukrainian crisis - as Europe's consumption of renewable energy represented about 28% of the total world

consumption in 2020, but more than half of that energy is concentrated in only five countries (Germany, Britain, Spain, France, Italy), and it is no secret that the rare metal and metallic elements form the backbone of the renewable energy industry.

In the same vein, no side has hidden that the calls for cutting carbon emissions have become less intense, as priorities have been modified, with securing alternative sources of Russian oil and gas becoming more important than the issue of environment, not only at the present time, but in the long term. Europe began efforts to build terminals to receive liquefied natural gas as a possible alternative to Russian gas, and some coal- powered plants have returned to work after being stopped for purely environmental reasons.

Despite the recent discoveries made in some parts of the world, and the recent development of some fields (which always attract attention), mature fields are considered the backbone of meeting energy demand. They contribute to more than 66% of the world's oil production, and their role in the Arab region cannot be denied. These fields bear the burden of meeting the growing domestic demand in addition to meeting a significant part of the global demand.

Since the main objective of exploration operations is to access the best available resources, it goes without saying that the petroleum industry, in order to obtain the highest return on its investments, always relies on modern technologies to overcome the obstacles of: the "volatile oil price environment" and "the lengthy time required to execute petroleum projects." However, modern technologies in themselves represent a significant challenge, as technological changes are growing rapidly, largely linked to the incentives that support the development of this technology. The decline in investments in exploration and production clearly means the possibility of a decline in petroleum supplies, and a decline in production capacities, which will be reflected on prices and the global economy. The world witnessed

a decline in discoveries in 2021 and how this affected the decline in oil and gas reserves in the world by 1% between 2020 and 2021.

The decline in investments also leads to a decline in the development of reserves of known fields, which means the inability to compensate for what is produced from them, and here the importance of the cost factor must be emphasized, as the total amount of oil in the ground does not matter in itself as much as the economically productive quantities. When oil prices reach an acceptable level for producers and consumers alike, this contributes to an increase in investments in exploration, drilling and infrastructure construction, while recoverable reserves decrease with lower prices or with an increase in the cost of a barrel, as some of them would become economically unfeasible.

In general, despite the rise of many voices in recent years in support of the energy transition and its subsequent stages, this transition- if successful - needs not a short period, which means that oil and gas will remain among the most important sources of energy in the world in the foreseeable future. We can even emphasize that the "post-oil" era is just a loose expression because the world is heading today to use a mixture of energy sources in which the share of one source may rise at the expense of another, but it will certainly not give up oil and gas.

In conclusion, it is expected that oil prices will remain at reasonable levels that are accepted by producers, consumers and investors alike. The current conditions that the world is going through emphasize the strategic importance of OPEC member countries role as a safety valve for the world's energy system in terms of its geographical position to global markets on the one hand, and the fact that they have 54.5% of the world's total oil reserves, and produce more than 27.5% of the world's total production of hydrocarbon liquids. They also have 26% of the world's natural gas reserves, and market more than 15% of the world's total marketed gas.



ALGERIAN MINISTER OF ENERGY & MINING

HE ARKAB: WE SEEK TO ENHANCE COOPERATION WITH OAPEC & ITS JOINT VENTURES

By: Alaa Al Omran

Revision: Dr Sofiane Oudjida

OAPEC Monthly Bulletin resumes this month its exclusive interviews with OAPEC member countries' ministers and senior officials with a lengthy and informative interview with the Minister of Energy and Mining in the People's Democratic Republic of Algeria, HE Mohamed Arkab.

The Minister started the interview by commending OAPEC's confidence in Sonatrach Algerian Petroleum Institute for choosing them to organize a training course on "a new model for experimental analysis of one-dimensional and two-dimensional seismic features with practical application on data from Algeria". He said that Algeria seeks - through Sonatrach - to enhance this cooperation and to discuss other opportunities for exchanging experiences with OAPEC joint ventures as well.

HE Arkab said he wanted to point out to the level of good cooperation between Algeria and OAPEC represented in Algeria's

participation in all seminars and economic and scientific activities carried out by the organization, which gave a real dynamism to this cooperation. He added that for the future, and in light of developments in the global energy arena, the organization will inevitably double its role in terms of cooperation between OAPEC members and non-OAPEC petroleum producing countries, as well as other organizations.

Shifting to talk about the current energy scene in Algeria, HE Arkab said that the energy sector plays a pivotal role in the economic development of the country. "Since the independence, it [the energy and mining sector] has been the locomotive of the national industry; it works as a driving tool for the rest of the branches of the national economy, of which fuels represent about 18% of the gross domestic product, 91% of export revenues, and about 50% of state budget revenues. Hydrocarbons also contribute to meeting the entire national energy needs, as consumption for the year 2021 reached the equivalent of 68 million tons", the Minister elaborated.

He said that the sector has witnessed many structural changes since independence, characterized above all by the development of the legal and institutional framework in order







“Energy transition does not mean a complete abandonment of hydrocarbons or a preference for one type of energy over another, but a gradual transition towards an energy mix that takes into account all of the available energy resources at reasonable prices and costs”

to value its resources and promote research, exploration and production activities, in addition to boosting the attractiveness of mining by adapting a legislative framework to intensify research and exploration efforts. Recently, the Hydrocarbons Law was amended with the aim of attracting foreign investors.

He then added that there has been over 600 oil and gas discoveries since 1971, and that Sonatrach made three new discoveries during the first quarter of this year, as the first company in the Arab world. He said that the primary commercial production of hydrocarbons reached about 164 million tons of oil equivalent by the end of 2021, i.e., an important increase (+14%) compared to 2020 and more than three times the level of 1971.

The Minister continued to explain that regarding the valorisation of hydrocarbons, many major projects have been completed, such as the condensate refinery in Skikda, with a production capacity of 5.5 million tons/year, which is added to the five existing refineries. He said that currently, the total Algerian refining capacity reaches 30 million tons per year, which allowed the country to meet the

increasing demand for petroleum products at a domestic level on the one hand, and reduce Algeria's imports of these products, as well as, export the surplus on the other hand.

HE Arkab stated that several projects were also launched to revive the petrochemical sector through the establishment of two plants for polyethylene and helium, in addition to two compounds for ammonia and urea, which were developed in partnership with two Arab countries (Egypt and Oman) to contribute to industrialization efforts, diversify the national economy, and lay the foundations for activities to process imported second and third generation products.

“These achievements allowed us to raise the value of our non-hydrocarbon exports to about \$2 billion for the year 2021, which is approximately 40% of the value of total non-hydrocarbon exports, which amounted to \$5 billion,” said the Minister.

On the development of international transport via pipelines, HE Arkab said that Algeria plays an active role as a reliable supplier by launching major structural projects of regional importance, such as

the two gas pipelines (Enrico Mattei and MEDGAZ), which connect Algeria with Europe, at an export capacity of more than 40 billion cubic meters annually. This is in addition to 4 liquefied natural gas (LNG) complexes with a total capacity of approximately 56 million cubic meters per year, two complexes for the separation of liquefied petroleum gas (LPG), and a significant fleet of tankers of liquefied gas, crude oil and petroleum products.

The Minister explained that Algeria's hydrocarbon exports amounted to nearly 97 million tons of oil equivalent by the end of 2021, with a value of \$35.4 billion. The annual average of exports of hydrocarbon products has been estimated at 91 million tons of oil equivalent since 1971, and considerable revenues, which contributed to the financing of economic and social development programs in the country.

Talking about natural gas, the Minister said that Algeria has important reserves of natural gas, so the energy and mining sector seeks to develop upstream activity to expand the country's hydrocarbon reserves base,

especially natural gas, in order to increase primary production by intensifying research and exploration efforts in partnership with foreign partners, which is relied upon following the amendments made to the Hydrocarbons Law. He added that this goes hand in hand with improving the performance of exploration and exploitation of hydrocarbons reservoirs using modern technologies Enhanced Oil Recovery (EOR) in order to increase the recovery rate. "We expect that our natural gas production will increase by 4% in early 2026," the Minister noted.

He stated that Algeria's natural gas exports, compared to 2020, their value increased by more than 71% to \$12 billion by the end of 2021. "Achieving these goals is considered a challenge for the Algerian energy sector in light of the continuous increase in domestic demand for energy. Accordingly, in addition to the development of new energies, the sector included, among its priorities, the rationalization and efficiency of energy use issues in cooperation with other sectors," the Minister explained.





HE Arkab said that Algeria has been one of the main gas suppliers to the European market (11% of Europe's gas imports) for several decades, during which Sonatrach was keen to respect its contractual obligations, which enabled it to gain the confidence of its European partners. "Accordingly, in parallel with the increase in global demand for natural gas, our exports in 2021 witnessed a significant increase of 40% (54% for natural gas and 13% for liquefied natural gas) to reach nearly 56 billion cubic meters" explained the Minister.

He said that Algeria is also working on finding other markets to increase their liquefied natural gas exports in view of the country's capabilities, which is a great challenge given

the aggressive competition in these markets dominated by major international companies that have great export capabilities. "Despite that, in the past months, Sonatrach was able to export liquefied natural gas to the spot market, taking advantage of the high prices whose levels were three or even five times higher than the contractual prices. For 2022, it is expected to export approximately 22 million cubic metres of LNG," said HE Arkab.

The Minister elaborated that as part of its economic recovery plan, the Algerian government has included energy transition to new and renewable energies as a priority, with the aim of "green" growth through the use of innovative and digital energy technologies.



“Algeria has made amendments to the Hydrocarbons Law to attract foreign oil companies to invest, as well as to establish a stable legal, institutional and tax system that stimulates investment in hydrocarbons in the long term without compromising national interests, as the 51/49 rule has been maintained with regard to foreign investments in this field”



He added that hydrogen development has been included among the very important goals of the Algerian government, and for this purpose, a national strategy as well as a road map are being prepared for the development of this type of energy, especially since Algeria has significant capabilities in this field that would allow it to be among the countries that will play a great role in hydrogen production and marketing worldwide. HE Arkab said hydrogen would allow Algeria to enter a new and promising export market.

Talking about the current situation in terms of petrochemicals, the Minister stated that Algeria currently owns seven plants for the production of petrochemicals (polypropylene,

nitrogen, helium, urea and ammonia) operated by Sonatrach, both individually and in partnership. This activity has generated exports estimated at about \$2 billion in 2021, creating 3000 direct job opportunities and valuing about 5 billion cubic metres of natural gas.

Moving on to tackle the refining industry in Algeria, HE Arkab stated that the Algerian refining industry has witnessed remarkable developments in recent years, after the completion of a condensates refinery with a capacity of 5.5 million tons / year, in addition to upgrading other refineries and improving their profitability, which “allowed us to raise our production capacities of petroleum products



to more than 30 million tons annually.” The Minister noted that this came in addition to the conformity of the petroleum products to international standards, which also “allowed us to meet the growing national demand for fuel.”

On climate change, HE Arkab explained that all countries around the world, including Algeria, are now involved in varying degrees in environmental transformation in order to contain the damage caused by climate change which should pave the way for building a circular economy.

“Therefore, Algeria has adopted a national strategy for the environment and sustainable development that is officially based on ecological transformation and on transformations in the field of energy. Moreover, environmental and climate change issues have been included in all laws as a priority in all industrial and manufacturing activities (emissions, waste, recycling, pollution, etc...),” stated the Minister.

He also went on to say that Algeria has placed environmental protection at the heart of its social and economic development strategy and has dedicated an article to it in its constitution (Article 64). The Minister stated that Algeria pursues a voluntary policy in combating climate change and is making great efforts to reduce the harmful effects of climate change through effective measures in various sectors.

He underscored that Algeria participates in the conferences of the parties (COPs). He said it will do so in the upcoming 27th Conference of Parties (COP27) scheduled in Egypt, as a party to the United Nations Framework Convention and the Paris Agreement (both ratified by Algeria), and as a member of groups of countries that defend the interests of developing countries such as the Group of 77 and China, the African Group, and the Group of Arab countries that are active in climate change negotiations.

On renewables, the Minister was clear that Algeria has enormous energy potential, and

therefore it has worked, since the early years of independence, on the optimal exploitation of this wealth to benefit its citizens and enable the national economy to develop continuously. He added “as Algeria is a producer and exporter of oil and natural gas, the contribution of renewable energies to meeting the national market of energy needs remains very low compared to fossil fuels, which still dominate the energy mix, especially in the production of electric power.”

The Minister explained that for Algeria, energy transition does not mean a complete abandonment of hydrocarbons or a preference for one type of energy over another, but a gradual transition towards an energy mix that takes into account all of the available energy resources at reasonable prices and costs.

He clarified that the renewable energy program adopted by the government revolves around the production of 15 gigawatts by 2035, accompanied by the hybrid production of electricity from renewable sources in the south of the country and the promotion of electricity production from renewable sources, including hydrogen.

On COVID-19 pandemic, the Minister said that the pandemic was a strong shock to the global markets for goods and services, which negatively affected the global economy, especially on oil prices, which led to the application of corrective and structural financial policies to mitigate the volatility of demand in most countries.

HE Arkab noted that the recovery of global energy markets during 2021 and 2022 is evident, which contributed to a gradual recovery in the economies of countries, especially those that depend heavily on hydrocarbons. He went on saying “as for crude oil prices, despite their decline after the threshold of \$120 per barrel recorded during the month of March 2022, they are still at levels that encourage investment in the oil industry.”

The Minister said the escalation of the gas price trend is noticeable during this period,

which indicates the critical importance that is expected to continue to increase, especially during the Russian-Ukrainian crisis, as well as in light of the energy transition, especially in the Mediterranean basin, which is expected to witness strong competition for gas in the coming periods. He added “this suggests a stronger recovery in exploration activities for natural gas.”

And in light of the Russian-Ukrainian crisis, the Minister drew the attention that Russia may resort to changing the direction of exporting its gas towards China instead of the European Union, and “we do not know the negative effects that may result from this crisis on economic and security aspects.”

HE Arkab noted that it is very difficult to predict the prices of energy products, especially oil and gas, in the long term, but he said that there will be a qualitative leap in the prices of natural gas, due to growing demand with stability in the average prices of the oil market.

The Minister concluded the interview by talking about the future of petroleum investments in light of the recent developments in energy markets in general. He said that Algeria has made amendments to the Hydrocarbons Law to attract foreign oil companies to invest, as well as to establish a stable legal, institutional and tax system that stimulates investment in hydrocarbons in the long term without compromising national interests, as the 51/49 rule has been maintained with regard to foreign investments in this field.

He explained that the Hydrocarbons law also aims primarily to attract new foreign investments, by enacting incentive tax measures, as well as simplifying the administrative and practical procedures for carrying out petroleum activities, which will allow for the intensification of exploration efforts through partnership, and will also support the sustainable and optimal exploitation of hydrocarbon resources.

Algerian Energy Sector in Figures

	UNIT	2020	2021
New Discoveries	Number	18	13
Total Daily Production Rate	Million b/d	2.8	3.2
Crude Oil	Thousand b/d	839	842
Condensates	Thousand b/d	185	191
Natural Gas Liquids	Thousand b/d	234	249
Marketed Natural Gas	Billion Cubic Meters	85	105
Marketed Natural Gas	Million b/d	1.5	1.9
Total Exports	Million b/d	1.6	1.9
Crude Oil	Thousand b/d	642	632
Condensates	Thousand b/d	79	77
Natural Gas Liquids	Thousand b/d	177	188
Natural Gas	Thousand b/d	711	1007
Total Production Capacity (Petrochemicals & Fertilizers)	Million Tons	6.7	7.2



OAPEC Secretary General,

HE Ali Sabt Ben Sabt,

offered his heartfelt condolences on the death of the President of the
United Arab Emirates

HH Sheikh Khalifa bin Zayed Al Nahyyan,

praying for his soul to rest in peace.

He offered his sincere condolences and extended
sympathy to the government and people
of the United Arab Emirates.



BOOSTING COOPERATION BETWEEN OAPEC & ARAB PLANNING INSTITUTE

In the context of strengthening cooperation between the Organization of Arab Petroleum Exporting Countries (OAPEC) and Arab and regional institutions in areas of common interest, a delegation from OAPEC Secretariat General headed by the Secretary General, HE Ali Sabt Ben Sabt, visited the Arab Planning Institute on 11 May 2022.

The delegation was received by Dr Badr Othman Malallah, Director General of the Institute, who welcomed OAPEC delegation, and made it clear that the Institute was fully prepared to consolidate cooperation with the organization in many activities of common interest, especially in the field of training and organizing seminars and conferences that tackle topics of common interest between the two institutions.

For his part, HE Ben Sabt highly valued the great role played by the Institute in the field



of training and providing technical advice to many Arab countries and institutions. He stressed the organization's keenness to take actual steps that would maximize the benefit from the Institute's activities, such as holding training courses on the various economic fields for the member countries.

At the end of the meeting, it was agreed to form a joint committee entrusted with the tasks of considering ways to boost future cooperation between the two institutions for the benefit of all.



SAUDI ENERGY MINISTER: ENERGY SECURITY IS THE MOST IMPORTANT PILLAR FOR ACHIEVING ECONOMIC GROWTH AND DEALING WITH CLIMATE CHANGE



His Royal Highness Prince Abdulaziz bin Salman bin Abdulaziz, Minister of Energy in the Kingdom of Saudi Arabia, stressed that energy security is the most important pillar, without which it is impossible to achieve economic growth or sustainability goals, including dealing with climate change. “We are not in a position to choose among the sustainable solutions, but we should take advantage of all available options, to achieve our goals realistically,” he said.

This came during His Highness’ participation in a dialogue session at the Future of Aviation conference, which was recently organized by the Civil Aviation Authority in Riyadh, Saudi Arabia, entitled “Energy Transition: How can we overcome the challenge of sustainability”.

He added, “To face energy challenges in the aviation sector, we are working on two fronts. First, we work with the aviation industry to

develop innovative engines and materials, and secondly, on low-carbon aviation fuels, which we believe will be the transitional fuel in the future,” noting that reaching this will be within the framework of the circular carbon economy, through the capture of carbon at the source, in addition to the use of captured gas in the production of industrial fuels.

His Highness the Minister of Energy explained that the aviation sector emissions do not exceed 2% of the total emissions currently, indicating that whether this percentage is large or small, the world agrees on the importance of finding solutions to reduce emissions of all sectors, and these solutions “we believe are appropriate” because they fit our approach that includes all sectors and emissions, and therefore use all tools, and strive with others to provide other tools necessary to achieve aspirations in the future.

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UAE & NETHERLANDS

SIGN MOU ON HYDROGEN ENERGY



The UAE Ministry of Energy and Infrastructure and the Dutch Ministry for Foreign Trade and Development Cooperation have signed a Memorandum of Understanding (MoU) on hydrogen energy.

The MoU was signed recently by Suhail bin Mohammed Al Mazrouei, Minister of Energy and Infrastructure, and the Dutch Minister for Foreign Trade and Development Cooperation, Liesje Schreinemacher, at the Netherlands Pavilion at Expo 2020 Dubai.

As part of their Joint Economic Committee, the UAE and the Netherlands have been in structured dialogue to identify common interests and create a partnership for decarbonisation of the energy sector and increasing the use of clean hydrogen.

The ministers noted the importance of clean hydrogen, in particular green hydrogen from renewable sources to contribute to the countries' emission reduction policy. They recognised the benefits of working together in setting up export-import corridors for clean hydrogen between the UAE and the Netherlands as a gateway to Europe.

Al Mazrouei praised UAE-Netherlands bilateral relations, which have witnessed great progress over the past few years, thanks to the support of the wise leadership of the two countries, mutual



trust, respect and common interests. He stressed that this MoU is an extension of the historical partnership between the UAE and the Netherlands, and that their close partnership in the energy sector represents a major pillar of their national economies.

Al Mazrouei said, “Such partnerships contribute to catalysing the transition towards hydrogen energy, and support the two countries’ orientation in formulating projects and initiatives to support the Paris Agreement on Climate Change, and contribute to opening opportunities for

growth and development, diversifying the energy mix, relying on clean energy, building concrete partnerships and enhancing cooperation between the two friendly countries.”

The UAE has committed to net-zero emissions by 2050. The production of hydrogen supports the UAE’s diversification plans and enables the production of more low-carbon export products to maintain its economic position. This shift to green energy could significantly help in achieving the climate goals as stipulated in the Paris Climate Agreement.



UAE YOUTHS SET TO PLAY KEY ROLES AS ADNOC FUTURE-PROOFS ITS BUSINESS

UAE CONTINUES TO INVEST IN DEVELOPING ITS YOUTH AND ENABLING THEM BUILD SUCCESSFUL CAREERS

UAE youths are set to play key roles as Abu Dhabi National Oil Company (ADNOC) future-proofs its business to build long-term resilience and remain a catalyst for the nation's growth and diversification.

Speaking at ADNOC's Youth Ramadan Forum held recently, His Excellency Dr. Sultan Ahmed Al Jaber, the UAE's Minister of Industry and Advanced Technology and ADNOC Managing Director and Group CEO, conveyed the Leadership's commitment to investing in and developing in UAE youths. His Excellency said that the youth are the bedrock of the UAE's future and he encouraged them to multiply their efforts from 10X to 100X, think differently and embrace disruption to unlock their full potential.

H.E. Dr. Al Jaber said: "Our youth are the bedrock of ADNOC's future and we are committed to developing and providing practical opportunities for them to build successful careers and contribute to the continued progress of the UAE, in line with the Leadership's wise directives. We are proud that many of our youths are leading key projects

and strategic initiatives across our business, and actively contributing to ensuring ADNOC remains a reliable supplier of energy to the world. We will continue to empower the youth to play an even more crucial role as we embrace the energy transition and drive long-term and sustainable value for the UAE."

H.E. Dr. Al Jaber explained that growth, disruption and future-proofing are three key imperatives that will guide the company's strategy as it navigates the energy transition and continuous market volatility. He called on the youths to adopt a mindset geared towards these areas of focus and raise the ceiling of the company's performance.

H.E. Dr. Al Jaber added that the youth will play a crucial role in delivering ADNOC's strategic priorities to expand its crude oil production capacity, grow its liquefied natural gas (LNG), double down on decarbonization, take a leading

role in the energy transition and drive local manufacturing and industrial growth.

The ADNOC Youth Ramadan Forum was held at ADNOC Business Center with Her Excellency Shamma bint Suhail Faris Al Mazrui, the UAE's Minister of State for Youth Affairs, in attendance.

H.E. Al Mazrui praised ADNOC's youth empowerment efforts, building future leadership, and enhancing youth participation in line with the UAE leadership's vision. Her Excellency highlighted that ADNOC acknowledges the true meaning of sustainability in the way they empower youth, being not only about energy, but most importantly human capital investment, specifically youth who play a crucial role in driving long-term growth and prosperity for the UAE. "ADNOC's youth-empowerment model carries so many core values. I love the self-efficacy it instills in each and every employee," she said.

H.E. Al Mazrui added: "I was very pleased to participate in the ADNOC Ramadan Youth Forum. ADNOC continuously provides platforms and programs for youth to learn and develop successful careers through several initiatives such as the ADNOC Future Leaders Program. This program is a prime example of how the UAE is working to empower youth and nurture future leaders across all sectors and fields.

"Today, ADNOC Youth, with their outstanding devotion to their work, are a living proof that Emirati success has little to do with oil, or any other substance for a fact, it is mind over matter, and it's about the visionary leadership investing in its Human Capital. It is all about a leadership that is proactive and doesn't wait to change only in response to challenges, but rather foresees challenges and creates opportunities within it."

Through the ADNOC Future Leaders



(AFL) program, ADNOC is nurturing talented individuals that can lead with agility and resilience, adapt quickly in a world of constant change, and inspire others to go above and beyond. Over 60% of graduates from the program have gone on to hold senior leadership positions in the company since the program was established in 2017.

The ADNOC Youth Ramadan Forum featured a panel session where youths from across ADNOC Group discussed the need to adopt an entrepreneurial mindset and how youths can accelerate positive disruption across the company. Another youth panel session at the forum explored the crucial role the ADNOC youths will play in future-proofing the company in the fast-evolving energy landscape.

Over the course of the year, ADNOC hosts several youth events to provide a platform for its youth to exchange ideas and shape innovative and sustainable solutions to drive value for the company.



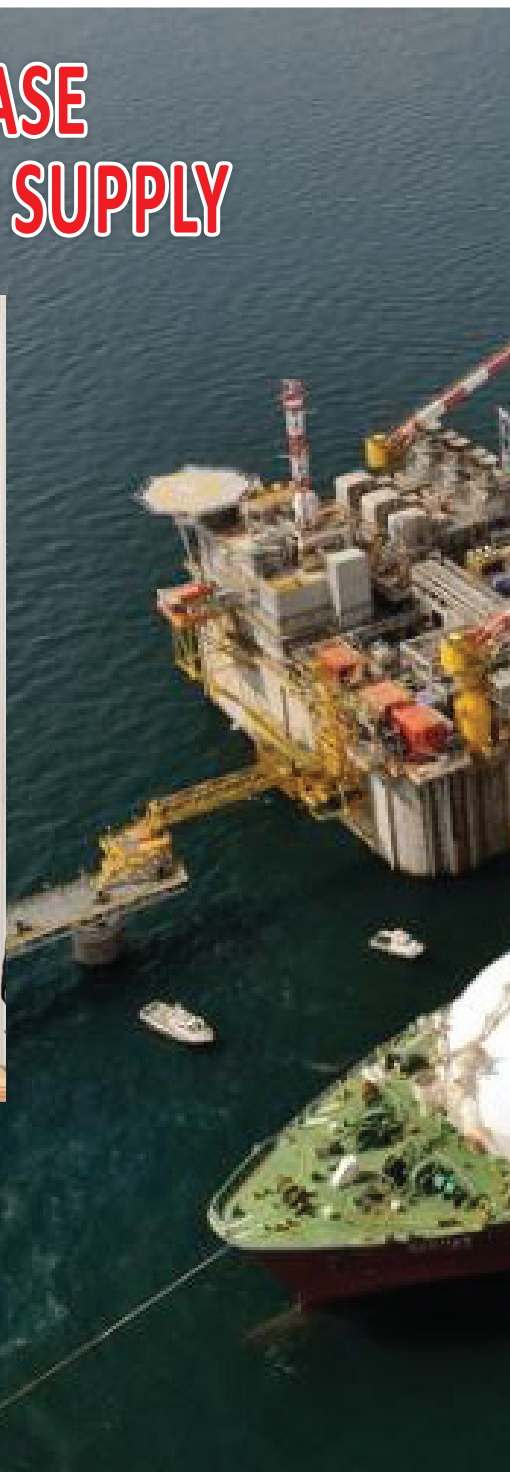
ENI AND EGAS AGREE TO INCREASE EGYPT'S GAS PRODUCTION AND SUPPLY



THE AGREEMENT AIMS TO PROMOTE EGYPTIAN GAS EXPORT TO EUROPE, AND SPECIFICALLY TO ITALY, IN THE CONTEXT OF THE TRANSITION TO A LOW CARBON ECONOMY.

Cairo (Egypt), 13 April 2022 – The Chairman of EGAS, Magdy Galal, and the COO Natural Resources of Eni, Guido Brusco, signed in Cairo a framework agreement that will allow to maximize gas production and LNG exports. The agreement aims to promote Egyptian gas export to Europe, and specifically to Italy, in the context of the transition to a low carbon economy.

The parties agreed to valorize Egyptian gas reserves by increasing jointly operated gas activities and identifying opportunities to maximize short-term gas production. Eni will also optimize the exploration campaigns in existing blocks and in the newly acquired acreage in the Nile Delta, Eastern Mediterranean and Western Desert regions. This agreement, together with





the one signed for the restart of Damietta liquefaction plant last year, will provide LNG cargoes for overall volumes of up to 3 BCM in 2022 for Eni LNG portfolio bound to Europe and Italy.

Eni has been present in Egypt since 1954, where it operates through the subsidiary IEOC. The company is currently the country's leading producer with an equity hydrocarbon

production of approximately 360,000 barrels of oil equivalent per day. In line with its strategy to reach net-zero by 2050, Eni is engaged in a set of initiatives aimed at decarbonizing Egypt's energy sector, including the development CCS plants, renewable energy facilities, agrofeedstock for biorefining, and others.



28TH OPEC+ MINISTERIAL MEETING

Following the conclusion of the 28th OPEC and non-OPEC Ministerial Meeting, held via videoconference on 5 May 2022, it was noted that continuing oil market fundamentals and the consensus on the outlook pointed to a balanced market. It further noted the continuing effects of geopolitical factors and issues related to the ongoing pandemic.

The OPEC and participating non-OPEC oil producing countries therefore decided to:

Reaffirm the decision of the 10th OPEC and non-OPEC Ministerial Meeting on 12 April 2020 and further endorsed in subsequent meetings, including the 19th OPEC and non-OPEC Ministerial Meeting on the 18 July 2021.

Reconfirm the production adjustment plan and the monthly production adjustment mechanism approved at the 19th OPEC and non-OPEC Ministerial Meeting and the decision to adjust upward the monthly overall production by 0.432 mb/d for the month of June 2022, as per the schedule.

Reiterate the critical importance of adhering to full conformity and to the compensation mechanism, taking advantage of the extension of the compensation period until the end of June 2022. Compensation plans should be submitted in accordance with the statement of the 15th OPEC and non-OPEC Ministerial Meeting.

Hold the 29th OPEC and non-OPEC Ministerial Meeting on 2 June 2022.

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Monthly Report on Petroleum Developments in The World Markets

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May 2022

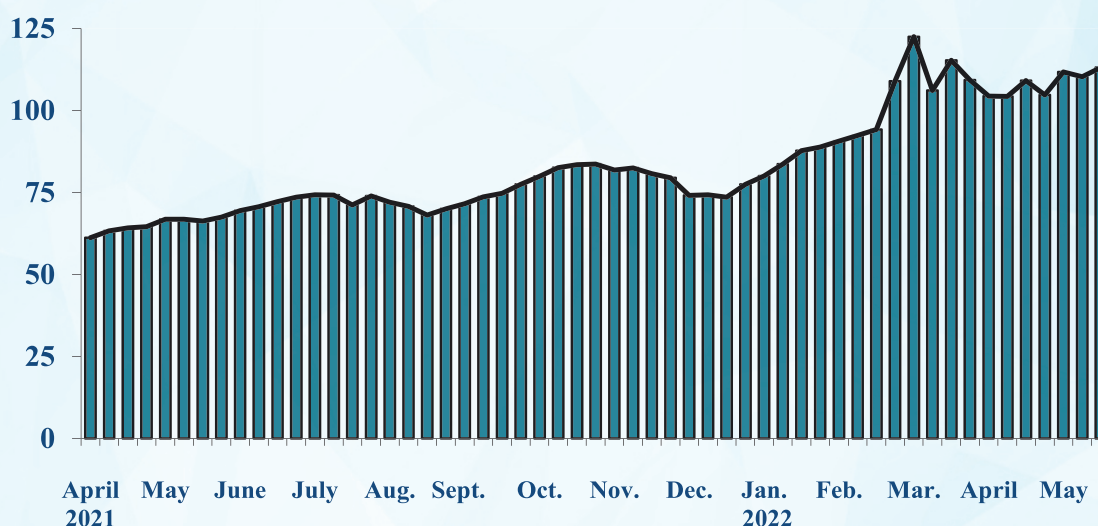
First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price increased in May 2022 by 5.7% compared to the previous month, to reach \$111.65/bbl. While annual price of OPEC Basket is estimated to increase in 2022 by 45% compared to 2021, to reach \$101.37/bbl.

It's worth mentioning that, OPEC Reference Basket decreased in April 2022 by 6.9% or \$7.8/bbl compared to the previous month, to reach \$105.6/bbl. This is mainly attributed to easing concerns about oil supply crunch amid the availability of unsold cargoes and refinery maintenances in several regions, along with slowing crude buying from china in light of the reinstatement of mobility restrictions and the extension of lockdown measures in several major Chinese cities related to Covid-19 which raised worries about falling demand for transportation fuels, and announcement of an additional large volume withdraw of USA strategic reserves.

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



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

2. Supply and Demand

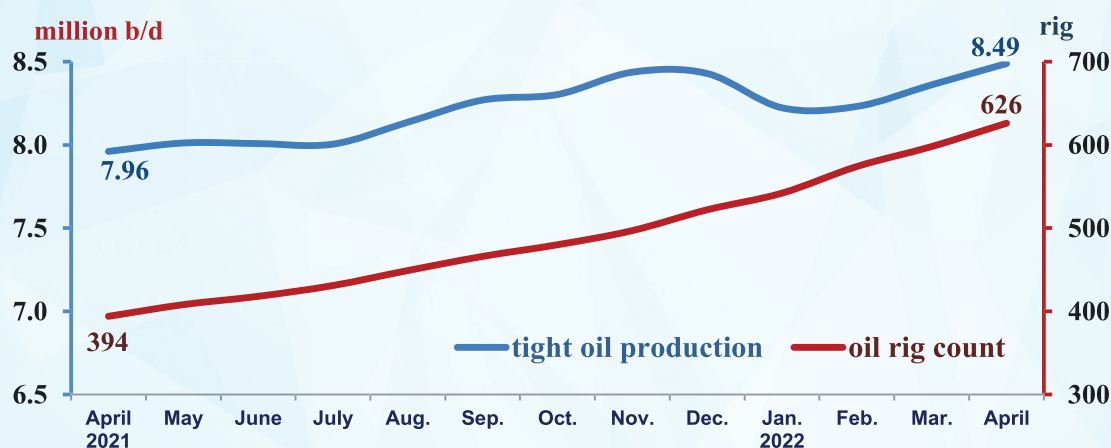
- Primary estimates indicate that world oil demand is decreased in Q1 2022 by 1% compared with previous quarter, to reach 99.3 million b/d. As demand in OECD countries decreased by 2.2% to reach 45.7 million b/d. Whereas demand in Non-OECD countries increased by 0.06% to reach 53.6 million b/d.



Projections indicate that world oil demand is expected to decrease in Q2 2022 to reach 98.4 million b/d. As Demand in OECD countries is expected to decrease to reach 45.4 million b/d. And demand in Non-OECD countries is expected to decrease to reach 53.1 million b/d.

- Primary estimates indicate that **world** crude oil and NGLs/condensates total supplies in April 2022, decreased by 623 thousand b/d or 0.6% comparing with previous month level to reach 98.8 million b/d. Non-OPEC supplies decreased by 1.2% to reach 64.9 million b/d. Whereas OPEC supplies increased by 0.5% to reach 33.9 million b/d.
- **OPEC+** crude oil total supplies in April 2022, is decreased by 733 thousand b/d, or 1.8% comparing with previous month level to reach 39.2 million b/d. Non-OPEC supplies, which are members in OPEC+, decreased by 6.5% to reach 14.7 million b/d. Whereas OPEC-10 supplies, which are members in OPEC+, increased by 1.2% to reach 24.5 mb/d.
- US tight oil production increased in April 2022 by 128 thousand b/d compared to previous month level to reach 8.489 million b/d. Production is expected to continue rising in May and June 2022 to reach 8.762 million b/d. On other development, US oil rig count increased in April 2022 by 28 rigs, to stand at 626 rigs.

US tight oil production and oil rig count

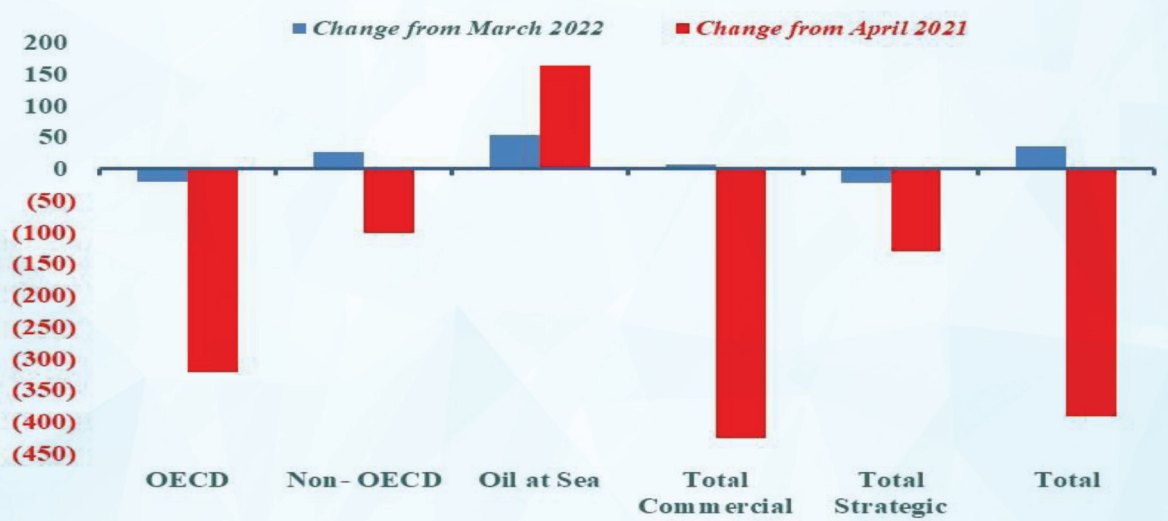


Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions May 2022.

3. Oil Inventories

- OECD commercial inventories in April 2022 decreased by 21 million barrels from the previous month level to reach 2605 million barrels, and strategic inventories decreased by 23 million barrels from the previous month level to reach 1712 million barrels.

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



Source: Oil Market intelligence, July 2021 and May 2022.

4. Oil Trade

US Oil Imports and Exports

- US crude oil imports in April 2022, decreased by 5.3% from the previous month level to reach about 6 million b/d, whereas US crude oil exports increased by 2.1% to reach about 3.4 million b/d.
- US petroleum products imports in April 2022 increased by 1.7% from the previous month level to reach about 2.1 million b/d, and US petroleum products exports increased by 6.3% to reach 6.3 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub increased in April 2022 to reach \$6.6/million BTU.
- The price of Japanese LNG imports in March 2022 decreased by \$1.76/m BTU to reach \$14.12/m BTU, and the price of Chinese LNG imports decreased by \$0.31/m BTU to reach \$12.66/m BTU. Whereas the price of Korean LNG imports increased by \$3.27/m BTU to reach \$19.49/m BTU, and the price of Taiwan LNG imports increased by \$1.42/m BTU to reach \$16.07/m BTU.

2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 4.150 million tons in March 2022 (a share of 22.8% of total imports).

Tables Annex