OAPEC

Vol. 50 No. (10)
October 2024

SUSTAINABLE AVIATION FUEL PRODUCTION IN OAPEC MEMBER COUNTRIES

The Cover

OAPEC Monthly Bulletin is published by the General Secretariat of OAPEC- Information and Library Department.

(ISSN: 1018-595X)

Annual Subscription (11 issues)

Arab Countries

Individuals: KD **10** or equivalent in USD $

Institutions: KD **15** or equivalent in USD $

Other Countries

Individuals : USD $ **40**

Institutions : USD $ **60**

Subscription orders should be sent to :

P.O. Box 20501 Safat - Kuwait 13066 - State of Kuwait

Tel : (+965) **24959724**

Fax : (+965) **24959755**

E-mail : oapecmedia@oapecorg.org

Web-site: www.oapecorg.org

@OAPEC1 OAPEC1

OAPEC Oapec Oapec

Contents

IN THIS ISSUE

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.

OAPEC EXECUTIVE BUREAU HOLDS ITS 171ST MEETING

31ST MEETING OF OAPEC ENVIRONMENTAL AND CLIMATE CHANGE EXPERTS

QATARENERGY ENTERS 20-YEAR NAPHTHA SUPPLY AGREEMENT WITH SHELL

- **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.

SUSTAINABLE AVIATION FUEL PRODUCTION IN OAPEC MEMBER COUNTRIES

By: Jamal Essa Al Loughani
OAPEC Secretary General

The past few years have witnessed many countries around the world moving towards accelerating procedures for developing legislation and standards on sustainable aviation fuel, following demands by environmental bodies. The aviation industry has developed several initiatives to combat climate change, in coordination with the International Civil Aviation Organization (ICAO). These initiatives are led by the International Air Transport Association (IATA) and the Air Transport Action Group (ATAG).

Sustainable aviation fuel releases much less greenhouse gases than conventional fuel. CO2 emissions can also be reduced by 80% based on the life cycle of the product, thus improving compliance with the requirements of carbon emissions reduction legislation, and enhancing energy security by securing an additional source of aviation fuel from sustainable sources such as used cooking oils, agricultural waste. This is in addition to supporting the national economy and maximizing the use of the existing infrastructure for the production and storage of conventional petroleum aviation fuel.

Although most Arab countries possess large oil and gas reserves, they have valuable opportunities to be among the leading countries in the production and export of sustainable, low-carbon aviation fuel, with their infrastructure and financing resources for renewable energy projects. This is in addition to having a variety of feedstock suitable for producing sustainable fuel, such as algae that can be grown in salt water, and some drought-resistant plants, such as Jatropha and Salicornia, which tolerate a high percentage of salts in the soil. Some Arab countries have witnessed remarkable developments in encouraging the production and use of sustainable aviation fuel and have concluded partnerships and agreements with some specialized international companies. These developments are concentrated in the United Arab Emirates, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the State of Qatar, the State of Kuwait, the Arab Republic of Egypt, and the Sultanate of Oman.

Based on its role in enhancing cooperation between its member countries and creating opportunities to exchange expertise and views between experts and specialists in this vital field, the Secretariat General of the Organization of Arab Petroleum Exporting Countries (OAPEC) organized several seminars to discuss opportunities for developing the sustainable fuel industry in Arab countries. It also recently issued a technical study on the paths of producing sustainable aviation fuel (SAF), its benefits, the challenges facing its production, possible solutions to confront these challenges, and its implications for the oil refining industry in the member countries.

To maximize the production capacity of sustainable, low-carbon fuel, the Secretariat calls for the concerted efforts of scientific research centres and those in charge of the oil refining industry and the aviation sector in the member countries to work on issuing supportive legislation and policies, and to discuss opportunities to expand the scope of sustainable fuel production in the region.

OAPEC EXECUTIVE BUREAU HOLDS ITS 171ST MEETING

Secretary-General of the Organization of Arab Petroleum Exporting Countries (OAPEC), HE Eng. Jamal Al Loughani, said that the organization's Executive Bureau recommended, in its 171st meeting on Thursday, 10 October 2024, the adoption of the projected budget for the year 2025 and referred it to the organization's Council of Ministers for approval at its scheduled meeting next December. This came in a statement made by Al Loughani

to Kuwait News Agency (KUNA) following the meeting held under the chairmanship of the representative of the State of Qatar in the Executive Bureau, HE Sheikh Meshal bin Jabr Al Thani, whose country is chairing the term for the year 2024.

Al Loughani added that during the meeting, the latest developments on the study of developing the organization's role and its restructuring were reviewed, which comes within the framework of the member countries' keenness to advance the organization and transform it to an Arab organization interested in all energy sources without exception while following up on all emerging issues related to the energy industry. He pointed out that the development process actually began at the end of last March.

He explained that the meeting discussed the final report of the organization's development and restructuring project that seeks to improve its activities and reconsider the systems and laws that govern its work in a way that is compatible with the challenges and new developments in the field of energy.

He stressed that recently there were intensified efforts with the consulting company in charge of the development project in order to complete the study and prepare comprehensive visualizations of the new vision, mission and strategic objectives of the organization. Al Loughani added that the organization's Secretariat will spare no effort in achieving this goal, which will see the organization enjoy a prominent position among other international organizations, pointing to its effective and important role in all aspects of the energy industry. He also pointed out that the Organization's Secretariat General will work hard to put all the recommendations of the Executive Bureau into actual implementation in the near future, thanks to the unlimited support provided by the Ministers of Energy and Oil, expressing thanks to the government of the State of Kuwait for its gracious hosting of the organization's meetings in a way that ensures their success.


الجمهورية الجزائرية
الديمقراطية الشعبية


مملكة البحرين


جمهورية مصر العربية


جمهورية العراق


دولة ليبيا


المملكة العربية السعودية


الجمهورية العربية السورية

31ST MEETING OF OAPEC ENVIRONMENTAL AND CLIMATE CHANGE EXPERTS

OAPEC Secretariat General held the "Thirty-First Coordination Meeting of Environment and Climate Change Experts in Member Countries."

The meeting was inaugurated by OAPEC Secretary General, HE Eng Jamal Al Loughani. It was attended by representatives of the Organization's member countries, the Secretariat General of the League of Arab States (Technical Secretariat of the Council of Arab Ministers Responsible for Environmental Affairs), and a representative of the Secretariat General of the Gulf Cooperation Council. This is in addition to the participation of His Excellency Mr Khalid bin Mohammed Al Muhaid, Undersecretary for Sustainability and Climate Change at the Ministry of Energy in the Kingdom of Saudi Arabia.

The meeting aimed at following up on the latest developments in the negotiations on the United Nations Framework Convention on Climate Change and the Paris Agreement to form a unified Arab position regarding the international negotiations. The meeting also aimed at coordinating the positions of the member countries and other Arab countries in the twenty-ninth session of the Conference of the Parties to

the Convention "COP29", which is scheduled to be held in the Azerbaijani capital - Baku - during the period 11-22 November 2024. During the meeting, many topics were discussed, the most important of which were climate finance, losses and damages, adaptation to climate change, mitigating the effects of climate change, ensuring a just transition, carbon markets (Article VI), global assessment, nationally determined contributions, and ambition.

OAPEC Secretary-General, HE Eng Jamal Al Loughani, stressed in his opening speech the importance of striking a balance between energy security, its provision at affordable costs and reducing the effects of climate change, and the importance of adopting a comprehensive and equitable approach by relying on all energy sources and adopting all available technologies in future energy paths, provided that the outcomes of the twenty-ninth edition of the Conference of the Parties are consistent with the regional and national circumstances and priorities of the States Parties.

For his part, His Excellency Mr Khalid bin Mohammed Al Muhaid, Undersecretary for Sustainability and Climate Change at the Ministry of Energy in the Kingdom of Saudi Arabia, pointed to the success of the Arab countries in hosting the Conference of the Parties for two years in a row, COP-27 and COP-28. He pointed out that oil exporting countries face major challenges related to climate change and emissions, “not only for our economic interests but also being able to provide sustainable energy security for all.” He clarified that developed countries bear the largest share of these emissions because they benefited from the industrial revolutions, while the contribution of our countries in the Middle East and North Africa region does not exceed 3%. He reiterated that “our countries are working effectively to respond to the challenge of climate change.”

He also stressed the importance of financing as an essential element for achieving climate goals, and said that financing is the main focus of climate action this year.

OAPEC SECRETARIAT GENERAL PARTICIPATES IN

GULF DOWNSTREAM ASSOCIATION'S ANNUAL GENERAL ASSEMBLY MEETING AND GULF ENERGY DAY SYMPOSIUM

As part of the cooperation between OAPEC Secretariat General and the Gulf Downstream Association (GDA), the Organization's Secretariat participated as "GDA Knowledge Partner" in the annual meeting of the GDA General Assembly and the activities of the Gulf Energy Day symposium, on 23-24 October 2024, at the headquarters of ADNOC Energy Centre in Abu Dhabi, United Arab Emirates.

The symposium reviewed a number of technical papers presented by participants from GDA oil refineries, in addition to international consultancy service providers. The papers addressed the most important challenges facing achieving operational excellence in the performance of oil refineries, and possible measures to improve operational processes and raise their efficiency in accordance with international standards, as well as procedures for rationalizing energy consumption in refining operations, the role of sustainable aviation fuel production, and measures to reduce carbon emissions through refining biomaterials and using hydrogen in oil refineries.

The General Assembly meeting also included a discussion of the GDA's general budget for the year 2024 and the one planned for 2025. The activities carried out by GDA during the year 2024 and the most prominent features of its strategy for the coming year 2025 were also reviewed.

The Secretariat of the Organization was represented by Engineer Emad Makki, Director of the Technical Affairs Department, in his capacity as a liaison officer between the Organization and GDA, and Dr Yasser Baghdadi, Oil Industries Senior Expert, in his capacity as OAPEC's representative in the Industry Trends and Operational Excellence Committees of the GDA.

WILL NEXT YEAR WITNESS RADICAL SHIFTS IN US ENERGY AND CLIMATE POLICY?

Abdul Fattah Dandi

Director of the Economic Department and Supervisor of Media and Library Department

The United States is the largest producer of crude oil and unconventional natural gas liquids, with about 21.6 million b/d during the third quarter of 2024, of which 13.3 million b/d is crude oil, with shale oil production constituting 65% of crude oil; that is, about 8.6 million b/d. American shale oil is produced from seven major geological formations, the most important of which are (Bakken, Eagle Ford, Permian), in addition to other formations. According to the latest energy survey issued by the Federal Reserve Bank of Dallas County in September 2024, with the participation of energy companies in the most oil-producing regions in the United States of America, the price of West Texas crude that these companies need to cover the operating expenses of the drilled wells ranges between $31/barrel in the Permian Basin and $45/barrel in other major production areas. US energy companies need to drill a new profitable well at a price ranging between $70/barrel in the Permian

Basin and $59/barrel in other production areas.

The United States' demand for oil, amounting to about 20.7 million b/d, represents about a fifth of the global total during the third quarter of 2024. The US strategic reserve, which is located in four main locations along the coasts of Texas and Louisiana that contain deep underground reservoirs, reached about 383 million barrels at the end of the third quarter of 2024.

American oil trade is linked to three main factors, the first of which is location - one of the main reasons why the United States of America continues to import crude oil and petroleum products is that the bulk of the infrastructure for producing crude oil and refining fuel is located in the central regions of the United States of America and along the American Gulf Coast. Many other states with high demand for motor fuel lack such infrastructure, and cover their fuel needs through more expensive sea, rail and truck freight. The second is quality. American refineries use types of crude oil from all over the world that are compatible with their processing capabilities, as it is not economically feasible from both financial and operational standpoints for refineries to rely on local light oil only. Oil of different qualities must be imported to improve production, given refining capacity mix. The third is quantity, as the high refining capacity and operating rates of American refineries led to a surplus in the local petroleum products markets, and then the need for export markets emerged to make them viable.

United States imports of crude oil during the third quarter of 2024 amounted to about 6.6 million b/d. Shipments of heavy sour crude oil to American refineries come from Canada via rail, and via the Trans Mountain pipeline after its expansion in May 2024, which transports crude oil shipments to the West Coast of the United States of America. It is worth noting that US crude oil imports from Venezuela increased after the US Treasury Department granted in 2023 a broad license allowing Venezuela to export its oil, but it was not renewed in April 2024. Individual energy licenses have been issued since then. United States imports of petroleum products during the third quarter of 2024 amounted to about 1.8 million b/d.

On the export side, US crude oil exports during the third quarter of 2024 amounted to about 4 million b/d, and forecasts indicate that US crude oil exports may reach their peak in 2024. They recorded their lowest growth rate since the lifting of the ban on exports in 2015. While US exports of petroleum products during the third quarter of 2024 amounted to about 6.8 million b/d, supported by the recovery of refinery activity during the summer driving and travel season.

The questions raised now, and we expect to receive satisfactory answers during the coming year, are as follows:

- Will restrictions on granting drilling licences on federal lands and waters currently in effect be lifted which could increase the production of crude oil and associated natural gas?
- Will rules encouraging the closure of coal-fired power plants be ended? Arguing that increased demand means the United States needs to build more plants, not close them?
- Will the moratorium on new LNG projects be lifted, and will the issuance of LNG export permits resume again for countries that have no free trade agreements with the USA?
- Will federal climate initiatives be dismantled, including eliminating or reducing tax incentives from the IRA that allocate more than $500 billion to clean technology, green hydrogen, and renewable energy?
- Will the US Department of Energy's Green Technology Loan Program, which currently provides significant financing for new technologies, be targeted and that support redirected to fossil fuel projects?
- Will federal subsidies for electric vehicles be reduced, and EPA emissions regulations that encourage EV adoption be targeted? Will there be a holdback from forcing automakers to produce more electric and hybrid models?
- Will permits for the offshore wind industry be halted, affecting projects along the US East Coast?
- Will fossil fuels be prioritized as climate initiatives challenge? Will the United States' joining of the Framework Convention on Climate Change and the Paris Agreement be reconsidered?

Finally, will economic sanctions be tightened on Iran and Venezuela? Will trade tensions with China return, as happened in 2018, when mutual tariffs were imposed on energy products between the two sides under the "America First" policy?

There is no doubt that any new trends in dealing with all the issues raised above will represent a radical shift in the American energy policy, and will have potential repercussions on energy markets and prices. This will be clear and evident with the onset of the year 2025.

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

BAHRAINI OIL MINISTER PARTICIPATES IN “ROAD TO RIYADH” MEETING

HE Dr Mohammed bin Mubarak Bin Dainah, Minister of Oil and Environment and Special Envoy for Climate Affairs of the Kingdom of Bahrain, participated in the “Road to Riyadh” meeting, a high level event organised by Saudi Arabia in collaboration with the United Nations Convention to Combat Desertification (UNCCD). The meeting was held on the sidelines of the 79th session of the United Nations General Assembly.

In his address, Dr. Bin Dainah highlighted the importance of global cooperation to protect humanity and the environment from desertification. He underscored the importance of climate justice, urging developed nations to support developing countries with financial aid and technology to combat desertification, mitigate climate change, and promote sustainable land management.

Dr Bin Dainah also highlighted the importance of regional cooperation in addressing shared challenges related to land degradation and drought and promoting collective responses through joint initiatives such as the Middle East Green Initiative (MGI).

He further underscored the need to engage and invest in educating and training young people to build the next generation of leaders in sustainable land management, ensuring a more sustainable future for the region and the world.

QATARENERGY
ENTERS 20-YEAR NAPHTHA SUPPLY AGREEMENT WITH SHELL

QatarEnergy has announced entering into a long-term naphtha supply agreement with Singapore-based Shell International Eastern Trading Company (Shell).

The 20-year agreement stipulates the supply of up to 18 million tons of naphtha to be delivered to Shell starting in April 2025.

In remarks on this occasion, 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 delighted to sign QatarEnergy's first 20-year naphtha sales agreement, the largest and longest to date. This is our second such agreement with Shell since 2019 and builds on our strategy of stronger relations with established end-users

and partners."

His Excellency Minister Al-Kaabi added: "Today's signing further strengthens QatarEnergy's relationship with Shell, which is not only a reliable naphtha off-taker but also a major counterpart and strategic partner. We look forward to building on our longstanding relationship with Shell and achieving greater mutual successes along the way."

On his part, Mr. Wael Sawan, the CEO of Shell, said, "We are honored to enter into this long-term agreement with our esteemed partner, QatarEnergy. This deal will support Shell as we deliver more value for our customers worldwide. Today's signing marks another significant milestone in our long-established partnership."

QatarEnergy and Shell have a long-standing strategic partnership through several shared investments in the energy industry in Qatar and globally, including QatarEnergy LNG projects, the Pearl GTL Plant, and several other joint investments.

MPHC, QIMC, TURKIYE'S ATLAS ESTABLISH A JOINT VENTURE TO BUILD A NEW SALT PRODUCTION FACILITY

QatarEnergy has witnessed the signing of a Memorandum of Understanding (MOU) to establish Qatar Salt Products Company (QSalt). This strategic partnership, an initiative by QatarEnergy's TAWTEEN localization program, brought together Mesaieed Petrochemical Holding Company "MPHC" (40% share), Qatar Industrial Manufacturing Co. "QIMC" (30% share), and the Turkiye's Atlas Yatirim Planlama (30% share). The new joint venture will build a salt production plant in the Um Al Houl area in Qatar, to be operated by Qatar Petrochemical Company (QAPCO) and Qatar Vinyl Company (QVC).

The MoU signing was witnessed by His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs in the State of Qatar, the President and CEO of QatarEnergy, during a special ceremony held at QatarEnergy's Headquarters in Doha attended by senior executives from QatarEnergy and the participating companies.

Commenting on this occasion, His Excellency Minister Al-Kaabi said: "We are pleased to witness the establishment of this very important joint venture that will help enhance Qatar's self-sufficiency by producing both industrial and table salts to meet local demand and to support regional and international exports."

His Excellency Minister Al-Kaabi added: "I would like to congratulate all partners and stakeholders in Qatar Salt Products Company on this achievement, which I believe will further support the supply chain and industrial localization in the State of Qatar, as well as promote sustainable environmental practices."

On his part, His Excellency Sheikh Abdulrahman bin Mohammed bin Jabr Al Thani, Chairman of Qatar Industrial Manufacturing Company, expressed delight at being part of this pioneering project, the first of its kind in the region, which employs advanced technology to utilize brine from the desalination process. He praised QatarEnergy's role in boosting private sector contribution to the national economy.

Also, in comments on the signing, Mr. Nusret Argun, the Chairman of the Board of Directors of Atlas Yatirim Planlama, said: "We are proud to have come to the realization phase of this project, which we have taken part in every stage. This facility will be the first facility of the Middle East region and it will serve localization and supply security by meeting both Industrial and Food-grade Salt needs. As a Turkish company in Qatar, we are pleased to be involved in such a project."

The new plant, which will be built at an estimated cost of about one billion Qatari Riyals, will also produce industrial salts essential for the petrochemical industry, along with Bromine, Potassium Chlorides, and demineralized water, which will be produced at a later stage, contributing to product diversification and economic growth.

This innovative facility will utilize reject water recovery from reverse osmosis (RO) desalination units, transforming waste from desalination processes into a valuable resource. With a production capacity of one million tons per annum, the plant will significantly reduce Qatar's reliance on imported raw materials, addressing the current import of approximately 850,000 tons of table and industrial salts annually.

As part of the TAWTEEN program, the project will benefit from initiatives designed to enhance local content and support the growth of domestic industries. This collaboration highlights a strong public-private partnership aimed at achieving key national objectives.

KUWAIT SUPPORTS THE SUSTAINABILITY OF GLOBAL ENERGY SUPPLIES AND ACHIEVING GULF ECONOMIC GROWTH

His Excellency the Undersecretary of the Ministry of Oil in the State of Kuwait, HE Sheikh Dr Nimer Fahad Al-Malik Al-Sabah, confirmed that the eighteenth meeting of the Committee of Undersecretaries of the Ministries of Petroleum in the Gulf Cooperation Council countries, which was held on Monday, 30t September 2024, in the State of Qatar, concluded with several decisions and recommendations that would enhance joint Gulf work in the field of oil and energy.

Among the most prominent of these decisions is the agreement to rename the head of the energy team for the coming period, and the approval to hold coordination meetings with member states before the Gulf-Chinese symposium on climate.

Sheikh Dr Nimer Fahad Al-Malik Al-Sabah's speech came on the occasion of his participation at the head of a delegation from the Ministry of Oil in the eighteenth meeting of the Committee of Undersecretaries of the Ministries of

KUWAITI SUPPORT FOR DEVELOPING THE GULF PETROLEUM MEDIA STRATEGY WITH THE AIM OF UNIFYING THE MEDIA DISCOURSE ON COMMON OIL ISSUES

Petroleum in the Gulf Cooperation Council countries. The accompanying delegation includes the Director of Public Relations and Petroleum Media, Sheikha Tamader Khaled Al-Ahmad Al-Jaber Al-Sabah, the Director of the Planning and International Relations Department, Ms. Manahil Al-Rashidi, and the Director of the Office of the Undersecretary of the Ministry of Oil, Mr. Mudhi Al-Shammari. His Excellency the Undersecretary explained in a press statement issued by the Ministry of Oil that the meeting discussed a number of key topics related to the circular carbon economy and the transition to renewable energy, in addition to reviewing the carbon neutrality strategies that the GCC countries seek to achieve in line with international commitments to reduce carbon emissions.

Sheikh Dr Nimer Fahad Al-Malik Al-Sabah stressed that the State of Kuwait played a pivotal role in these meetings by submitting a number of important proposals, as Kuwait was among the countries supporting the development of the GCC Petroleum Media Strategy, which aims to unify the Gulf media discourse on oil issues and enhance public awareness of the importance of the transition to clean energy and the circular carbon economy. He added, “Kuwait actively participated in updating the joint petroleum strategy, which is an important step towards unifying Gulf efforts in this vital sector.” Sheikh Dr Nimer Fahad Al-Malik Al-Sabah concluded his speech by saying: “The meeting witnessed extensive discussions on oil emergency strategies, as the GCC countries reviewed multiple scenarios for dealing with oil crises, and it was agreed on the need to update these scenarios regularly to ensure the GCC countries’ readiness for any emergency that may affect oil supplies.”

“IRAQ AND THE BALANCE OF INTERESTS... WATER, ENERGY, AND THE PATH TO DEVELOPMENT” FORUM

Under the patronage of the Prime Minister of the Republic of Iraq, HE Muhammad Shiaa Al-Sudani, the activities of the “Iraq and the Balance of Interests... Water, Energy, and the Path to Development” Forum was recently held for two days. The Undersecretary of the Ministry of Oil for Refining Affairs, HE Hamid Younis, delivered a speech at the opening of the forum organized by the House of Wisdom Foundation.

The Undersecretary stressed the Ministry’s keenness to support the strategic projects adopted by the government as part of its plans to develop the Iraqi economy, including the Development Road Project, which represents a major breakthrough towards economic integration and achieving sustainable development. It is worth noting that the Ministry also discussed, within the framework of the forum, its vision regarding optimal investment for oil sector projects, and its relationship to the path of development.

FOLLOW-UP MEETING ON MAINTENANCE WORK AT KARBALA REFINERY

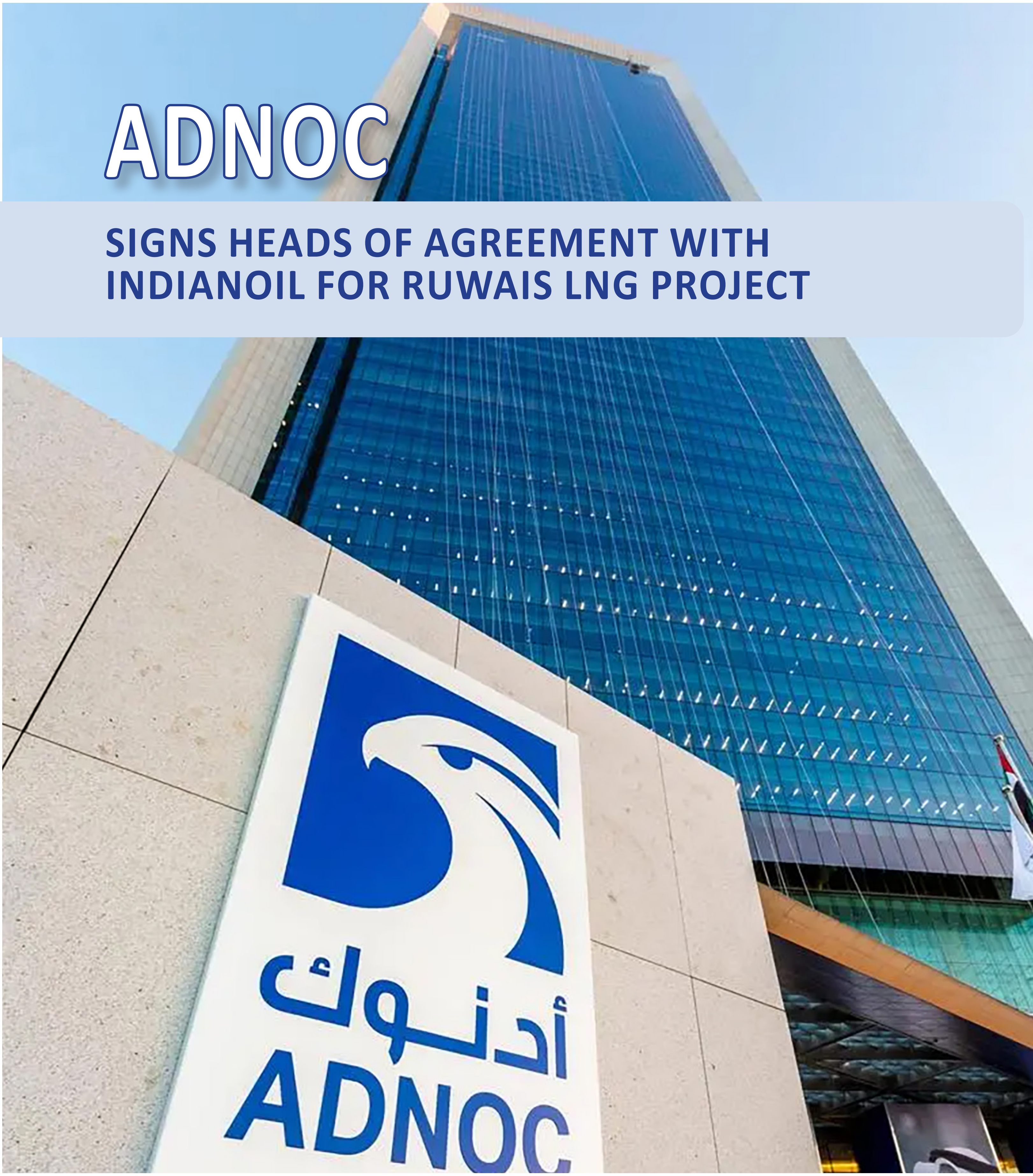
The Undersecretary of the Ministry of Oil for Distribution Affairs in the Republic of Iraq, Mr. Ali Maarej, chaired an extensive meeting to follow up on maintenance work at the Karbala refinery. Technical challenges facing the production process and the maintenance work carried out by the operating entity affiliated with the coalition of Korean companies, as well as a review of the evaluation of the production units work, and national efforts on managing the production, technical and administrative process were all discussed during the meeting.

Mr. Maarej stressed the need for all parties to adhere to their pledges in accordance with the terms of the refinery's operational contract, and at the specified times, in order to reach the refinery's refining capacity of 140 thousand barrels per day, in preparation for the final project delivery phase after completing all requirements for operating the refinery in full and under the supervision of the consulting party.

The meeting was attended by the General Managers of the Oil Projects Company, the Central Refineries Company, the Department of Studies, Planning and Follow-up, representatives of the consulting company, and a representative of the coalition of Korean companies.

ADNOC

SIGNS HEADS OF AGREEMENT WITH INDIANOIL FOR RUWAIS LNG PROJECT



15-YEAR LNG AGREEMENT FOR 1 MMTPA REINFORCES ADNOC'S POSITION AS A RELIABLE GLOBAL NATURAL GAS PROVIDER

INDIANOIL IS SET TO BECOME ADNOC'S BIGGEST LNG CUSTOMER FROM 2029, WITH A TOTAL OFFTAKE OF 2.2 MMTPA

ADNOC announced recently the signing of a long-term Heads of Agreement (LNG agreement) with Indian Oil Corporation Ltd (IndianOil), India's largest integrated and diversified energy company, for the delivery of 1 million metric tonnes per annum (mmtpa) of liquefied natural gas (LNG).

The LNG will primarily be sourced from ADNOC's lower-carbon Ruwais LNG project, which is currently under development in Al Ruwais Industrial City, Abu Dhabi, and is expected to start commercial operations in 2028. Under the 15-year agreement, LNG cargoes will be shipped to IndianOil's destination ports in India.

Rashid Khalfan Al Mazrouei, ADNOC Senior Vice President, Marketing, said: "India is an important, strategic partner of the UAE and this agreement underscores ADNOC's commitment to delivering secure, lower-carbon energy to support the country's energy security. The agreement also highlights confidence in the Ruwais LNG project, which is an integral part of ADNOC's strategy to expand our global LNG footprint to meet growing demand today while helping the world transition to a cleaner energy future."

The agreement further strengthens ADNOC's position in India's fast-growing energy market. By 2029, IndianOil is expected to become ADNOC's biggest LNG customer, with a total offtake of 2.2 mmtpa, comprising 1.2 mmtpa from Das Island and 1 mmtpa from Ruwais LNG.

This LNG supply agreement highlights the success of the Comprehensive Economic Partnership Agreement (CEPA), signed by the UAE and India in 2022, in strengthening bilateral trade cooperation between the two nations.

The agreement with IndianOil is one of several long-term LNG sales commitments ADNOC has signed with international partners for Ruwais LNG for over 70% of the project's total production capacity.

ARAMCO FOSTERS CLOSER COLLABORATION WITH KEY CHINESE PARTNERS

Aramco, one of the world's leading integrated energy and chemicals companies, has announced agreements with key Chinese partners during a visit to the Kingdom of Saudi Arabia by a senior delegation led by Chinese Premier Li Qiang.

The agreements reinforce Aramco's ongoing contribution to China's long-term energy security and development, support China's participation in Saudi Arabia's economic growth, and foster collaboration in new technology development.

They include preliminary documentation relating to a Development Framework Agreement with Rongsheng Petrochemical Co. Ltd. (Rongsheng) and a Strategic Cooperation Agreement with Hengli Group Co., Ltd.

Mohammed Y. Al Qahtani, Aramco Downstream President, said: "The signing of these agreements reaffirms our belief in the long-term, mutual benefits that can arise from Aramco's close collaboration with our Chinese partners. China is an important country in our global downstream growth strategy, and we look forward to building on a relationship that spans more than three decades to unlock new opportunities in this crucial market. These agreements reflect our collective intention to elevate our relationships in vital sectors to advance our downstream objectives, contribute to both China's and Saudi Arabia's vibrant energy and petrochemicals sectors, and help develop future technology solutions."

ARAMCO ANNOUNCES NEW AGREEMENTS WITH RONGSHENG AND HENGLI

COLLABORATIONS REINFORCE ARAMCO'S ONGOING CONTRIBUTION TO CHINA'S LONG-TERM ENERGY SECURITY AND DEVELOPMENT

Development Framework Agreement with Rongsheng

The preliminary documentation relating to a Development Framework Agreement with Rongsheng is connected to the potential joint development of an expansion of Saudi Aramco Jubail Refinery Company (SASREF) facilities. It follows an announcement in April that Aramco and Rongsheng had signed a Cooperation Framework Agreement relating to the planned formation of a joint venture in SASREF, as well as significant investments in the Saudi and Chinese petrochemical sectors. This includes Rongsheng's potential acquisition of a 50% stake in SASREF, the development of a liquids-to-chemicals expansion project at SASREF, Aramco's potential acquisition of a 50% stake in Rongsheng affiliate Ningbo Zhongjin Petrochemical Co. Ltd. (ZJPC), and participation in ZJPC's expansion project.

Strategic Cooperation Agreement with Hengli Group

The agreement with Hengli Group Co., Ltd. advances talks relating to Aramco's potential acquisition of a 10% stake in Hengli Petrochemical Co., Ltd., subject to due diligence and required regulatory clearances. It follows the signing of a Memorandum of Understanding (MoU) in April 2024 regarding the proposed transaction.

ARAMCO ANNOUNCES COMPLETION OF A $3 BILLION INTERNATIONAL SUKUK ISSUANCE

Aramco, one of the world's leading integrated energy and chemicals companies, announced the completion of a $3 billion international sukuk issuance, comprised of two US dollar-denominated tranches.

The tranches are split as follows:

- $1.5 billion maturing in 2029, carrying a profit rate of 4.25% per annum; and
- $1.5 billion maturing in 2034, carrying a profit rate of 4.75% per annum.

The issuance was priced on September 25, 2024, and the securities were listed on the London Stock Exchange.

- The offering received strong demand and was six times oversubscribed.
- Both tranches were priced with a negative new issue premium, reflecting Aramco's strong credit profile.

The successful issuance builds on Aramco's efforts to diversify and broaden its investor base, further enhance liquidity, and re-establish its sukuk yield curve.

Ziad T. Al-Murshed, Aramco Executive Vice President & CFO, said: "Building on the strong investor reception from our July 2024 bond issuance, this sukuk offering represented an opportunity to engage with a broader investor base. The impressive demand, as demonstrated by the oversubscribed sukuk order book, reflects Aramco's unique credit proposition, underpinned by its competitive advantage and a proven track record of financial resilience through cycles."

أوابك
منظمة الأقطار العربية المصدرة للبترول
OAPEC
ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES
منظمة أوابك تطلق جائزتها العلمية لعام 2022
تقنيات نزع الكربون في الصناعة البترولية والاقتصاد الدائري للكربون.
OAPEC1
OAPEC1
OAPEC1
OAPEC ORG
Oapec Oapec
www.oapecorg.org

TAEF CONTINUES STRONG GROWTH IN 2024 H1, NET INCOME SURGES 37%

The Arab Energy Fund (TAEF), formerly known as APICORP, an OAPEC joint venture and leading multilateral energy-focused financial institution, announced its financial results for the first half of 2024, delivering continued growth, demonstrating resilience and impact of strategic focus.

TAEF reported a 37% year-over-year (YoY) increase in net income, which reached USD 121mn for the period ending June 30, 2024, compared to USD 88mn in the same period last year. This performance underscores TAEF's ability to navigate the evolving energy landscape and its ability to deliver value to its stakeholders.

Commenting on the results, Khalid Ali Al-Ruwaigh, CEO of TAEF, said: "TAEF's half-year performance is a testament to our commitment to growth, business excellence, and advancing the region's energy sector while leveraging a favorable interest rate environment and capital markets. By maintaining our strategic focus, operational enhancements, and investing in our human capital, we continue to deliver loan and equity solutions to our clients and partners to strengthen our position as the leading energy impact fund in the MENA region."

The strong financial results were driven by a 6% growth in total assets, which reached USD 10.48bn as of June 2024, up from USD 9.88bn in December 2023. This growth was primarily fueled by a long-term external bond issuance of USD 750m secured in the first half of 2024 to partly replace maturing borrowings and fund future growth.

Vicky Bhatia, CFO of TAEF, said: "These results reflect our ability to capitalize on prevailing market

conditions and our strategic focus on investing in innovative technologies and sustainable solutions. We remain dedicated to delivering exceptional value to our stakeholders and contributing to the region's energy transformation."

Key Highlights:

Investments & Partnerships: The investment portfolio increased to USD 1.44bn during the period, driven by strategic acquisitions and value accretion.

Corporate Banking:

The Corporate Banking portfolio grew to USD 5.29bn recording a growth of 10.2% over Dec 2023. This growth has been achieved across all of our key energy related sectors'

Treasury:

The Treasury funding portfolio increased marginally over Dec 2023 with overall funding increasing to USD 7.1Bn, witnessing a growth of 8% on the back of a successful green bond issuance earlier this year.

As part of TAEF's commitment to enhancing the regional energy landscape and promoting new energy solutions, the institution is undertaking a comprehensive review of its ESG and sustainability practices. TAEF aims to release its first sustainability report, which will include Scope 1, 2,

NET INCOME FOR PERIOD ENDING JUNE 30, 2024, REACHED USD 121MN, COMPARED TO USD 88MN FOR THE SAME PERIOD LAST YEAR.

TOTAL ASSETS GREW 6% FROM DECEMBER 2023 TO JUNE 2024.

TAEF IS DEDICATED TO ADVANCING THE REGION'S ENERGY SECTOR AND ITS VISION TO BE THE LEADING ENERGY IMPACT FUND IN THE MENA REGION.

and 3 GHG emissions, by the end of 2024. TAEF's sustainability journey has been highlighted by the establishment of the initial ESG policy framework, two successful green bond issuances, and the growth of its environmentally and socially-linked projects. These projects now represent 20% of its USD 5.3 billion loan portfolio, an increase from 18% last year.

As TAEF continues to strengthen its position as the leading energy impact fund in the MENA region, the organization remains dedicated to investing in innovative technologies and sustainable solutions and developing future industry leaders through initiatives like the "50+" graduate training program.

Petroleum Developments in The World Markets

Petroleum Developments in the World Markets
October 2024

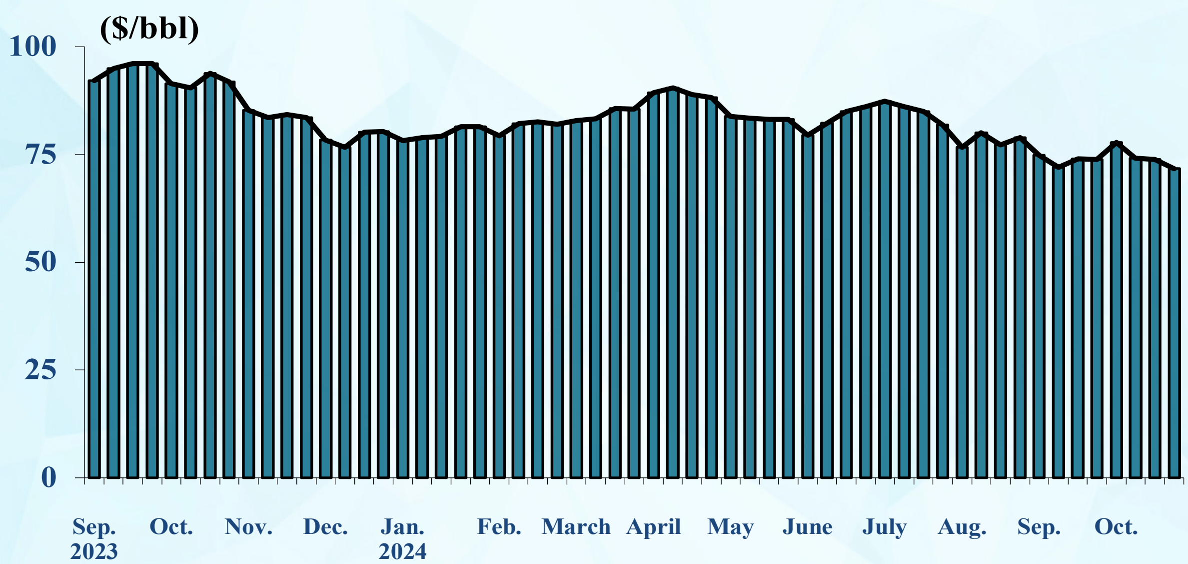
First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price increased in October 2024 by 1.2% compared to the previous month, to reach $74.45/bbl. Whereas annual price of OPEC Basket is estimated to decrease in 2024 by 2.3% compared to 2023, to reach $81.1/bbl.

It’s worth mentioning that OPEC Reference Basket decreased in September 2024 by 6.1% or $4.8/bbl compared to the previous month of August, to reach $73.6/bbl. This is mainly attributed to selling pressure in the oil futures market and weaker refining margins in all major hubs, as well as the refinery maintenance season.

Weekly Average Spot Prices of OPEC Basket of Crudes, September 2023 - October 2024



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

2. Supply and Demand

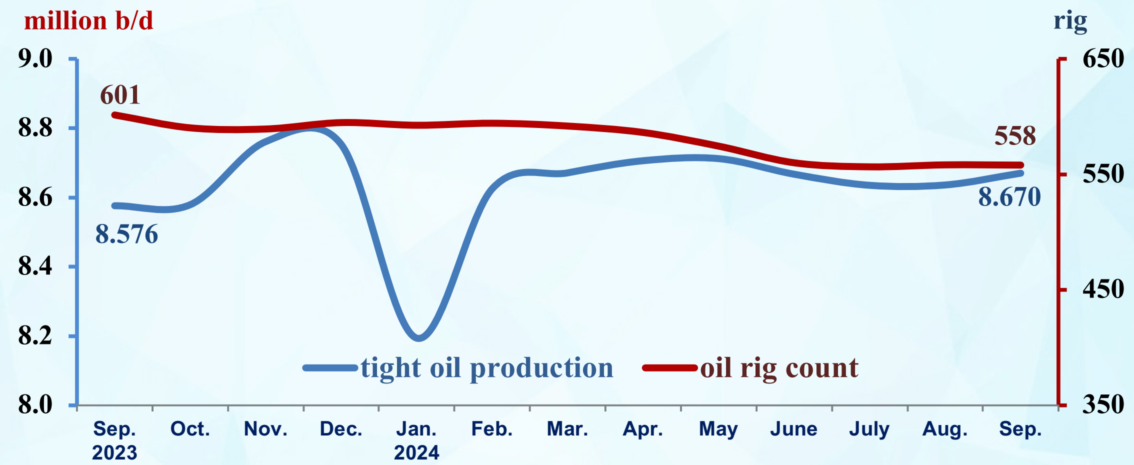
- Estimates indicate that world oil demand increased in Q3 2024 by 1.3% compared with the previous quarter, to reach 104.7 million b/d. As demand in OECD countries increased by 1.3% to reach about 46.3 million b/d, and demand in Non-OECD countries increased by 1.3% to reach 58.4 million b/d.

  Projections indicate that world oil demand is expected to increase in Q4 2024 to reach 105.6 million b/d. As demand in Non-OECD countries is expected to increase by 1 million b/d to reach about 59.4 million b/d, whereas demand in OECD countries is expected to decrease by 130 thousand b/d to reach 46.2 million b/d.

- Estimates indicate that **world** crude oil and NGLs/non-conventional supply in September 2024 decreased by 0.7% to reach 101.7 mb/d. Non-OPEC supplies decreased by 0.1% to reach 70.1 mb/d, and OPEC supply decreased by 1.9% to reach about 31.6 million b/d.

  OPEC+'s crude oil supply in September 2024 decreased by 170 thousand b/d, or 0.5% compared with previous month level to reach about 35.4 million b/d. Supplies of OPEC-9[1], which are members in OPEC+, decreased by 1% to reach about 21.3 mb/d. Whereas supplies of Non-OPEC, which are members of OPEC+, increased by 0.3% to reach about 14.1 million b/d,
- US tight oil production in September 2024 increased by 34 thousand b/d compared to previous month's level to reach about 8.670 million b/d. On other developments, US oil rig count remained stable at the same previous month level of 558 rigs.

US tight oil production and oil rig count



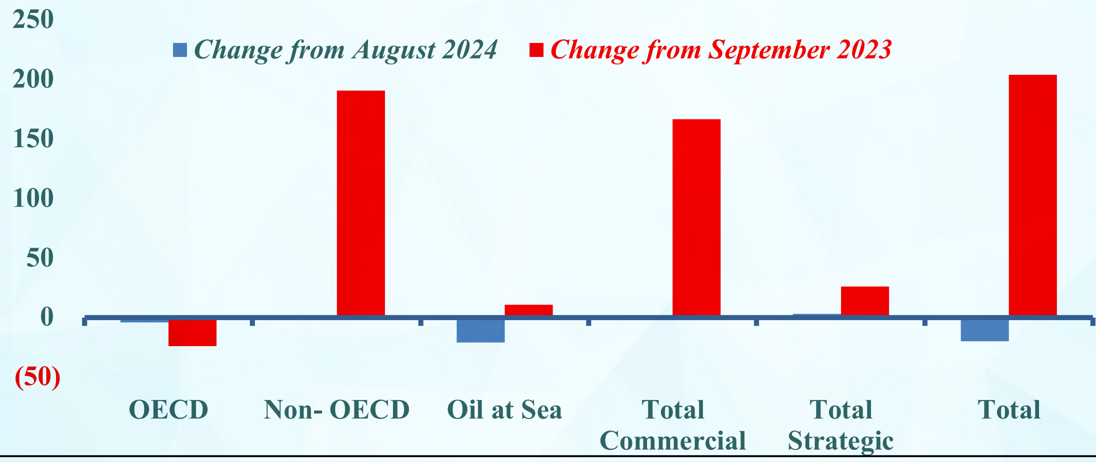
Source: EIA, Short-Term Energy Outlook, October 2024.

3. Oil Inventories

- OECD commercial inventories at the end of September 2024 decreased by 4 million barrels from the previous month level to reach 2807 million barrels. Whereas Non-OECD commercial inventories increased by 2 million barrels from the previous month level to reach 3442 million barrels, and strategic inventories increased by 3 million barrels to reach about 1529 million barrels.

[1] It does not include Libya, Iran, and Venezuela, whose supplies of crude oil amounted to about 540 thousand b/d, 3.3 million b/d, and 877 thousand b/d, respectively, during September 2024.

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



Source: Oil Market intelligence, Oct. 2024 and Dec. 2023.

4. Oil Trade

US Oil Imports and Exports

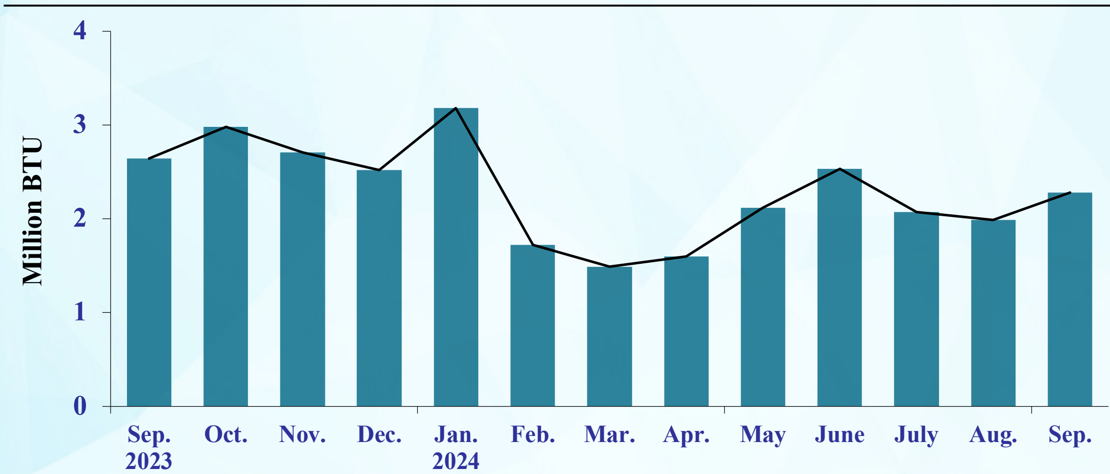
- US crude oil imports in September 2024 increased by 3.9% from the previous month level to reach about 6.6 million b/d, and US crude oil exports increased by 2.9% to reach about 3.9 million b/d.
- US petroleum products imports in September 2024 decreased by 5.3% from previous month level to reach about 1.7 million b/d, and US petroleum products exports increased by 0.6% 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 September 2024 to reach $2.28/million BTU.

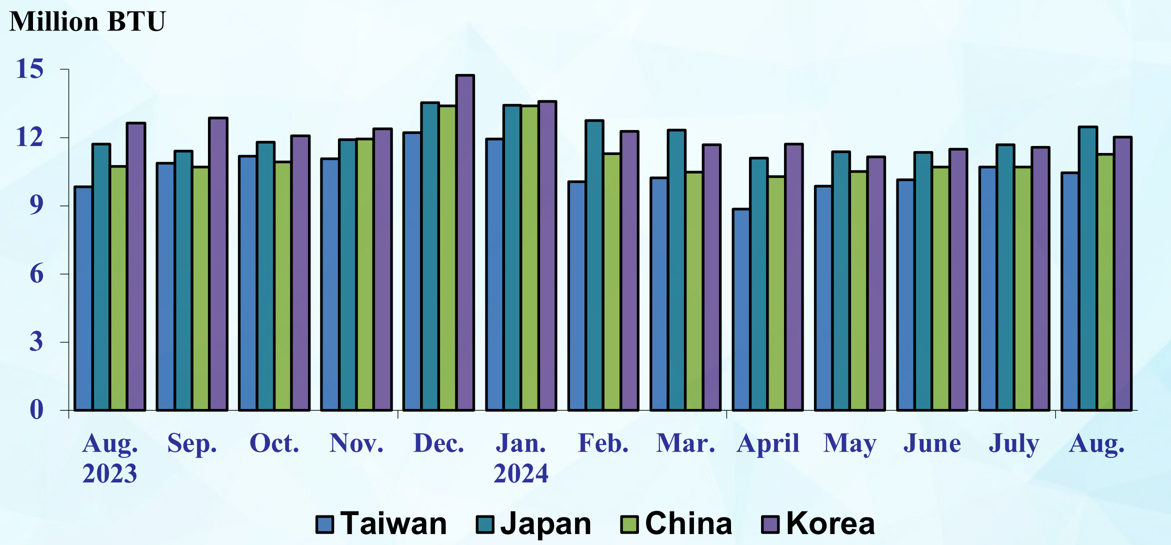
Average spot price of natural gas at the Henry Hub, Sep. 2023 – Sep. 2024



Source: EIA, Henry Hub Natural Gas Spot Price.

➢ The price of Japanese LNG imports in August 2024 increased by $0.77/m BTU to reach $12.46/m BTU, the price of Korean LNG imports increased by $0.44/m BTU to reach $12.02/m BTU, and the price of Chinese LNG imports increased by $0.58/m BTU to reach about $11.27/m BTU. Whereas the price of Taiwan LNG imports decreased by $0.23/m BTU to reach about $10.46/m BTU.

The price of Northeast Asia LNG imports, August 2023 - August 2024



Source: Energy Intelligence - WGI, Various issues.

2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 4.294 million tons in July 2024 (a share of 23.6% 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

Statement of relinquishment of printing and publication rights for the research

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: / /