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**HE ALI BENSABT
ASSUMED OFFICE
AS OAPEC
SECRETARY GENERAL**

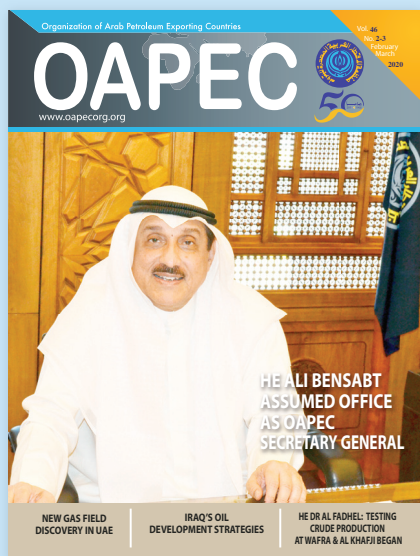
**NEW GAS FIELD
DISCOVERY IN UAE**

**IRAQ'S OIL
DEVELOPMENT STRATEGIES**

**HE DR AL FADHEL: TESTING
CRUDE PRODUCTION
AT WAFRA & AL KHAFJI BEGAN**



The Cover



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

(ISSN: 1018-595X)

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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.



HE ALI BENSABT ASSUMED OFFICE AS OAPEC SECRETARY GENERAL

HE Ali Bensabt assumed Office as OAPEC Secretary General as of 1 March 2020.

HE Bensabt has been elected by OAPEC member countries during the Ministerial Council's meeting in Kuwait on 22 December 2019.

In a press statement, the new Secretary General expressed his sincere thanks and appreciation for the member countries' trust, explaining that the next stage will witness further efforts to develop the Secretariat General's work and enhance its Arab and international roles and presence.

OAPEC is an international Arab organization specialized in the petroleum industry. It aims mainly at promoting cooperation and strengthening ties among its member countries in the various aspects of economic activities of the petroleum industry to serve the legitimate interests of these countries, whether individually or collectively. This is in addition to unifying efforts to ensure access of petroleum to consuming markets in fair and reasonable conditions, as well as, creating appropriate environment for investment capital and expertise in the member countries' petroleum industry.



HE AL FADHEL VISITS OAPEC

OAPEC Secretary General HE Ali Bensabt welcomed Kuwait's Oil Minister and Acting Electricity and Water Minister HE Khaled Al Fadhel, who paid a visit to OAPEC Secretariat General headquarters in Kuwait on Monday, 2 March 2020.

During the visit, HE Al Fadhel has been updated with the latest and most important

projects that are currently carried out by the Secretariat General. HE Bensabt lauded the Minister's visit and hailed Kuwait's huge support and facilitations provided to OAPEC, including hosting OAPEC's Ministerial and Executive Bureau meetings, which enabled the organisation to deliver successfully.

HE SHEIKH DR NIMR AL SABAH VISITS OAPEC

OAPEC Secretary General HE Ali Bensabt welcomed in his office on 8 March 2020 Kuwait's Oil Ministry's Undersecretary and its Representative at OAPEC Executive Bureau HE Sheikh Dr Nimr Al Sabah. HE Al Sabah offered his congratulations to HE Bensabt on his new appointment. He was also updated with the latest and most important projects that are currently carried out by the Secretariat General.





NEW GAS FIELD DISCOVERY IN UAE



The United Arab Emirates announced the discovery of 80 trillion standard cubic feet (TSCF) of shallow gas resources in place within the area between Saih Al Sidirah and Jebel Ali in the Emirates of Abu Dhabi and Dubai respectively.

The announcement was made during the signing of a strategic cooperation agreement between the Abu Dhabi National Oil Company, ADNOC, and Dubai Supply Authority, DUSUP, to continue to explore and develop the shallow gas resources in this area in a joint project named 'Jebel Ali'.

The signing of the agreement was witnessed by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, and His Highness Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces.

The discovery of the 80 TSCF of shallow gas resources was made within an area of 5,000 square kilometres between the two emirates with ADNOC drilling more than ten exploration and appraisal wells, signifying the first time ADNOC has explored for hydrocarbon resources in Dubai.

According to WAM, as part of the agreement,

in collaboration with DUSUP, ADNOC will deploy capital, technology, and expertise to develop and produce shallow gas resources and conduct further exploration to assess further volumes and firm up development costs.

The gas produced will be supplied to DUSUP, to support Dubai's economic growth ambitions and enhance its energy security as it reinforces its position as a pivotal hub of the global economy.

State Minister and ADNOC CEO HE Sultan Al Jaber said that the discovered reservoir is unique and is referred to as 'shallow gas', as it contains high-quality organic gas at relatively shallow depths from the earth's surface. ADNOC is utilising both conventional and unconventional drilling and completion technologies and methods to access this trapped gas, including horizontal drilling and hydraulic fracturing to enable optimal productivity while reducing the number of drilling rigs required. The company also plans to tap gas from its gas caps and substantial unconventional gas reserves, as well as new natural gas accumulations, which will continue to be appraised and developed as the company pursues its exploration activities to add value and serve the UAE's sustainable economic growth. (WAM)

BAHRAIN & ENI SIGN AGREEMENT TO BOOST ENERGY COLLABORATION



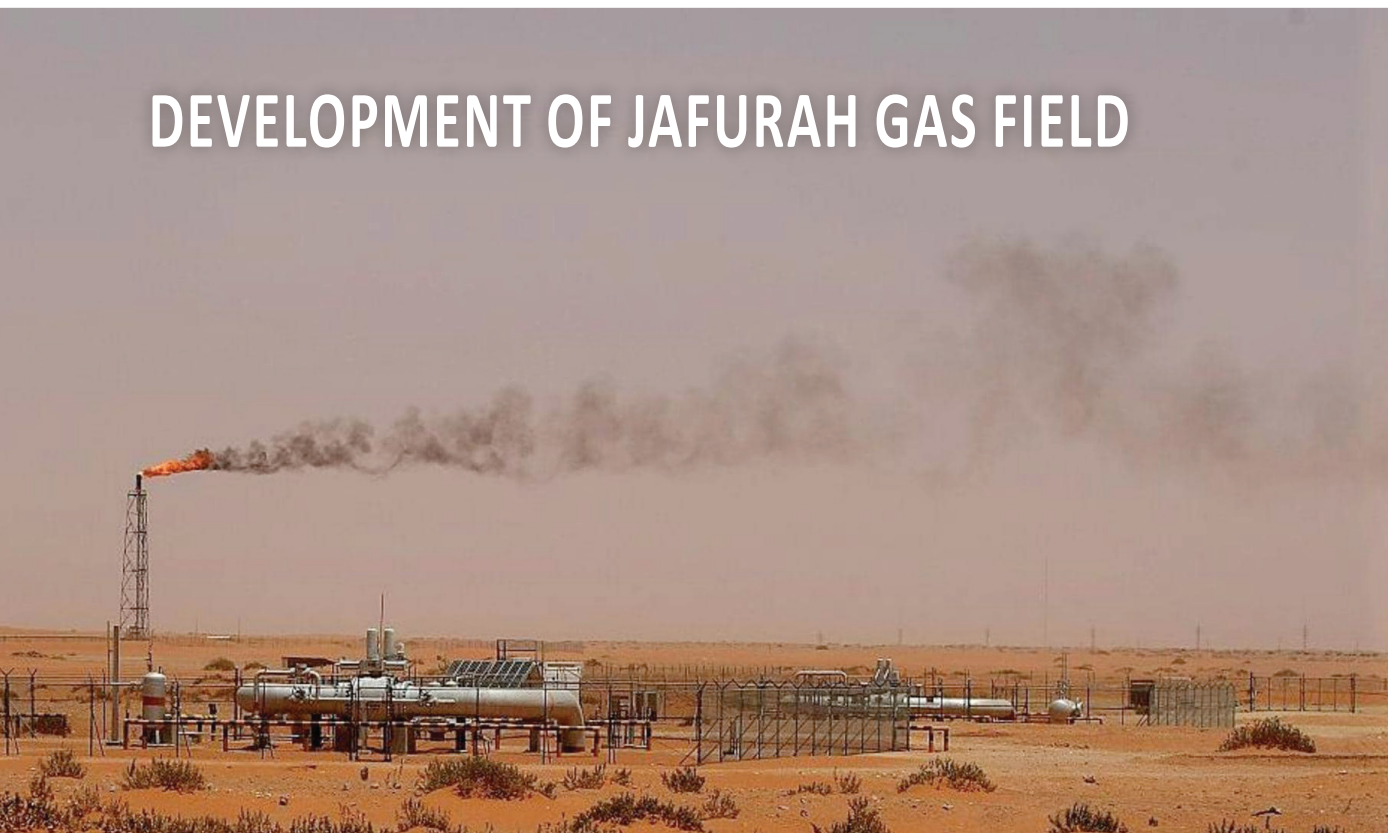
HE Sheikh Mohamed bin Khalifa Al Khalifa, Bahrain's Minister of Oil and Chairman of Tatweer Petroleum, and Claudio Descalzi, Chief Executive Officer of Italian oil and gas company Eni, signed an agreement to explore new areas for collaboration in the presence of HRH Prince Salman bin Hamad Al Khalifa, Bahrain's Crown Prince, Deputy Supreme Commander, and First Deputy Prime Minister. The agreement will facilitate joint assessments as well as the launch of new initiatives in areas of mutual interest, including renewable energy, the supply of Liquefied Natural Gas (LNG) supply, and exploration.

The Minister stressed Bahrain's keenness to further expand investment opportunities in the energy sector, and underlined the benefits of further increasing the exchange of expertise as a means to advance the Kingdom's oil and gas sector. On this note, HE Sheikh Mohamed highlighted the close ties between Eni and the National Oil & Gas Authority, noting their collaborative efforts have helped develop Bahrain's petroleum industry.

HE Sheikh Mohamed noted: "This MoU will allow for further discussion on collaboration between Tatweer Petroleum and Eni, including the sharing of experience, expertise, and support on renewable energy, LNG supply, and exploration activities. The Kingdom of Bahrain is keen to collaborate on joint projects and exchange ideas and experiences in common areas related to development programs in the oil and gas sector as well as the energy sector." (BNA)



DEVELOPMENT OF JAFURAH GAS FIELD



Saudi Aramco announced regulatory approval of the development of the Jafurah unconventional gas field in the Eastern Province, the largest non-associated gas field in the Kingdom of Saudi Arabia to date. The field development plan is subject to the Company's usual governance process.

Jafurah is the largest unconventional non-associated gas field in the Kingdom, with a length of 170 km and a width of 100 km. The volume of gas resources in the field is estimated at 200 trillion cubic feet of rich raw gas, which will provide a valuable feedstock for the petrochemical industries.

The Company expects the field's production, to commence early 2024, to reach approximately 2.2 billion standard cubic feet per day of sales gas by 2036, with an associated approximately 425 million standard cubic feet per day of ethane, representing about 40 percent of current production. The Company also expects the field to produce approximately 550 thousand barrels per day of gas liquids and condensates.

Saudi Aramco plans to develop Jafurah in accordance with the highest environmental standards. The Company expects that the development of Jafurah would have a positive financial impact in the long term, which will start to show on the Company's financial results in phases concurrent to the field's development.





IRAQ'S OIL DEVELOPMENT STRATEGIES

Iraq's Oil Ministry has revealed its oil and gas exploration plans for the coming period. Mr Assem Jihad, the Ministry's Spokesperson, stated to INA that the ministry formed seismic teams that have been trained both locally and abroad. These teams are currently working with the latest technology in the field.

Mr Jihad clarified that the teams carry out seismic surveys on lands with hydrocarbon potentials. He pointed out that the oil exploration companies' mission is identifying exploration areas, which then are handed over to upstream companies to develop them into oil or gas fields.

He added that the Oil Discoveries Company has made significant progress

and obtained the ISO licensing. In 2019, the company executed 10 seismic survey programs.

Jihad also mentioned that a contract between the National Company and Russia's Lukoil has been delivered through executing a 3D seismic survey for block 10 covering an area of 797km. It was completed 6 months earlier than agreed. While another 2D survey covering 3500km has been completed 3 months earlier than agreed.

He clarified there are seismic survey teams carrying out 3D surveys by self-help in Ninawa and Anbar Provinces, as well as, other teams from the Oil Explorations company that exist in the central and southern parts of the country.



GLOBAL GAS OUTLOOK 2050 REPORT LAUNCHING CEREMONY

HE AL KAABI: QATAR PROGRESSING IN LNG PRODUCTION INCREASE

HE Eng. Saad Sherida Al Kaabi, Qatar's Minister of State for Energy Affairs, the President and CEO of Qatar Petroleum, said that natural gas will remain the only fossil fuel to continue growing in the next 30 years. He expected the gas market to grow to about 27% by 2050.

During the Global Gas Outlook 2050 Report launching ceremony, the Minister stressed that Qatar will continue with its LNG production expansion projects to ensure helping plans on shifting towards clean energy and cutting carbon

emissions. He stated that Doha is using highest environmental standards in the gas industry. The Minister clarified that there were various aspects of pressure that influence free trade, economic competition, industrial activities, energy demand, and price levels which affect in turn most world population on a large scale.

In light of the rumours on a global economic slowdown, there was a global impact on the world energy market in terms of supply and consumption. Global endeavours continue to try combating climate change and cutting carbon and other emissions. In this respect, many countries have set environmental goals on cutting carbon emissions and reducing earth temperature by about 2°. These countries also work hard to enhance their competitiveness by shifting to various types of energy that could help achieving these environmental goals without affecting their economies.

He added that this transformation in energy contributes to boosting economic growth and helping people to increase their income. It also helps supporting business and industrial sectors, and searching for clean, economic and sustainable alternative energy. It is clear that LNG will play an important role in this respect because of its diversified nature. He pointed out that there are many countries shifting from using coal and nuclear energy towards building alternative clean energy facilities, including those for natural gas.

The Minister explained that renewable energy does not pose a threat to LNG as they complement each other. He added "being a clean fossil fuel, LNG will always be accessible when the sun or wind are not." He said energy generated from LNG is more efficient and less costly while integration between natural gas and renewables can provide reliable and more flexible type of energy.





HE DR AL FADHEL: TESTING CRUDE PRODUCTION AT WAFRA & AL KHAFJI BEGAN

Minister of Oil, Electricity and Water HE Dr Khaled Al Fadhel announced recently that testing crude oil production started in Wafra and Al Khafji and the volume of pumped crude would be gradually increased to normal levels.

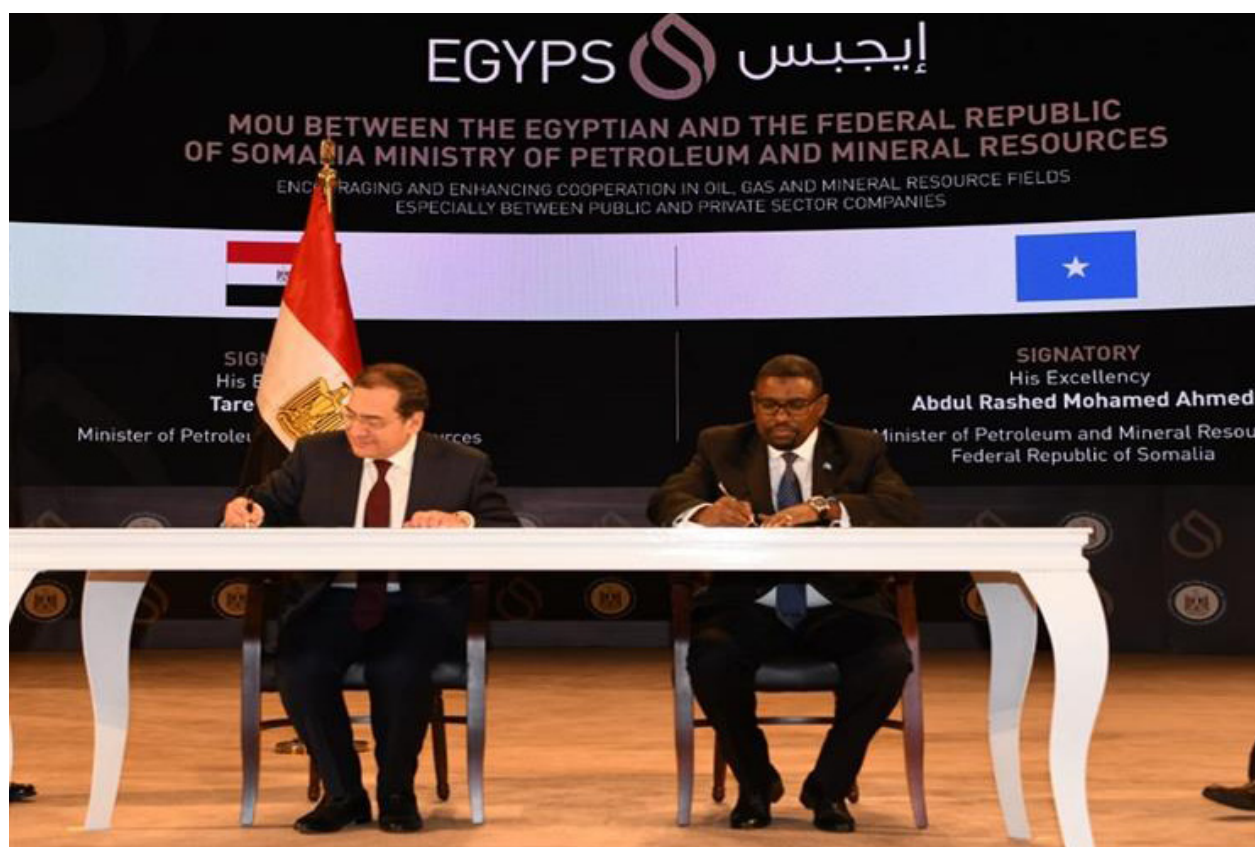
In press statements on the sidelines of the launching ceremony of the “Program of Transformation to Electronic Services” at the Oil Ministry, the Minister expected production at the divided zone with Saudi Arabia to be restored to regular levels by the end of this year.

He pointed out that the volume of the joint output in the divided zone will reach about 550 thousand barrels/day before the end of 2020.

He clarified that production will reach 140 thousand barrels/day at Wafra, and 250 thousand barrels/day at Al Khafji, constituting Kuwait’s share.

The minister referred to an article in the MoU between Kuwait and Saudi Arabia on beginning conducting studies on work at Al Durra field, and that this issue requires studies and discussions at official levels in Kuwait through the channels of the oil sector, the Ministry of Oil, and the Foreign Affairs Ministry. He stressed there are continued studies and plans in this regard that would be announced once ready.





EGYPT SIGNS INTERNATIONAL MOUS ON PETROLEUM COOPERATION

On the sidelines of the Egypt Petroleum Show 2020 (EGYPS 2020), Egypt's Minister of Petroleum and Mineral Resources HE Eng. Tarek El Molla witnessed the signing of various MOUs on petroleum cooperation between Egypt and Somalia, Equatorial Guinea, and Chili respectively.

The first MOU aims to transfer Egyptian oil and gas experiences to Somalia through establishing cooperation between the oil and mining sector companies in both countries.

Two other MOUs were also signed with Equatorial Guinea to launch petroleum projects in that country through Petrojet, the executive branch of the Egyptian petroleum sector.

The other MoU was signed between Egypt's EGPC and Chile's Empresa Nacional Del Petróleo (ENAP) for technical collaboration on hydrocarbons, unconventional reservoirs, and occupational health and safety.

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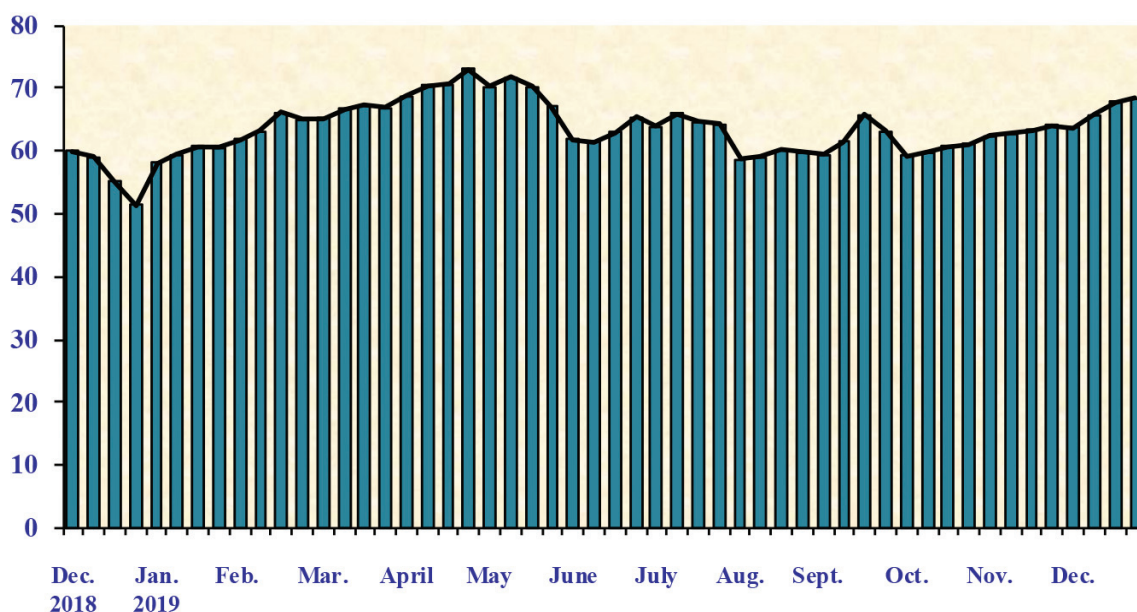
Monthly Report on Petroleum Developments in The World Markets *

First: World Oil Markets

1. Oil Prices

In December 2019, OPEC Reference Basket increased by 5.7% or \$3.6/bbl from the previous month level to stand at \$66.5/bbl. Improved oil fundamental balances and continued market stabilization efforts conducted under OPEC+ Declaration of Cooperation, as well as easing trade tensions between the US and China were major stimulus for the increase in oil prices during the month of December 2019 to reach its highest monthly level since April 2019.

Weekly Average Spot Prices of OPEC Basket of Crudes, 2018-2019 (\$/bbl)



Source: Organization of Petroleum Exporting Countries, (OPEC), Monthly Oil Market Report.

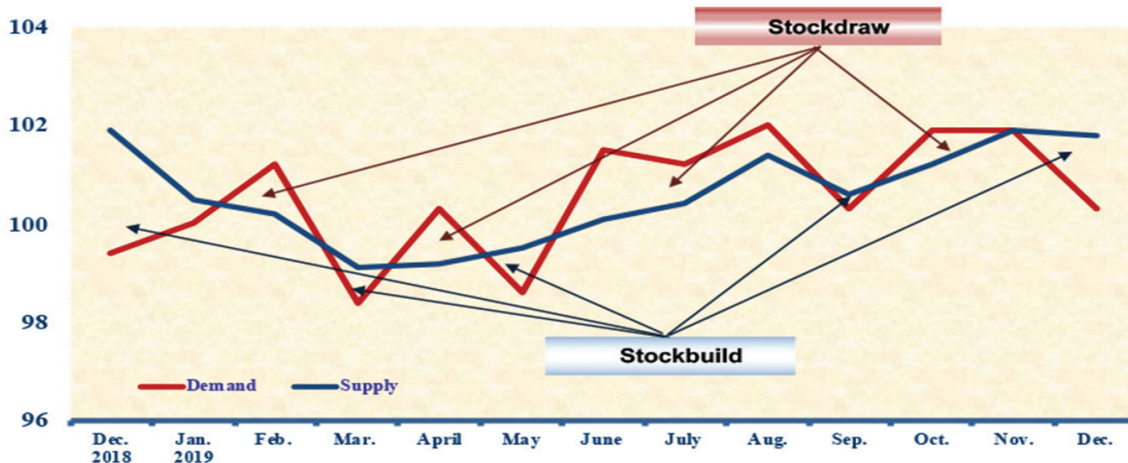
2. Supply and Demand

- **World oil demand** in December 2019, **decreased** by 1.6 million b/d or 1.6% from the previous month level to reach 100.3 million b/d. **Demand in OECD countries decreased** by 2.3% comparing with the previous month to reach 47.3 million b/d. And **demand in Non-OECD countries decreased** by 0.9% comparing with their previous month level to reach 53 million b/d.

* Prepared by the Economics Department.

- **World oil supplies** in December 2019, **decreased** by 100 thousand b/d or 0.1% comparing with the previous month to reach 101.8 million b/d. **Non-OPEC** supplies **remained stable** at the same previous month level of 67.2 million b/d. Whereas preliminary estimates show that **OPEC** crude oil and NGLs/condensates total supplies **decreased** by 0.6% comparing with the previous month to reach 34.5 million b/d.

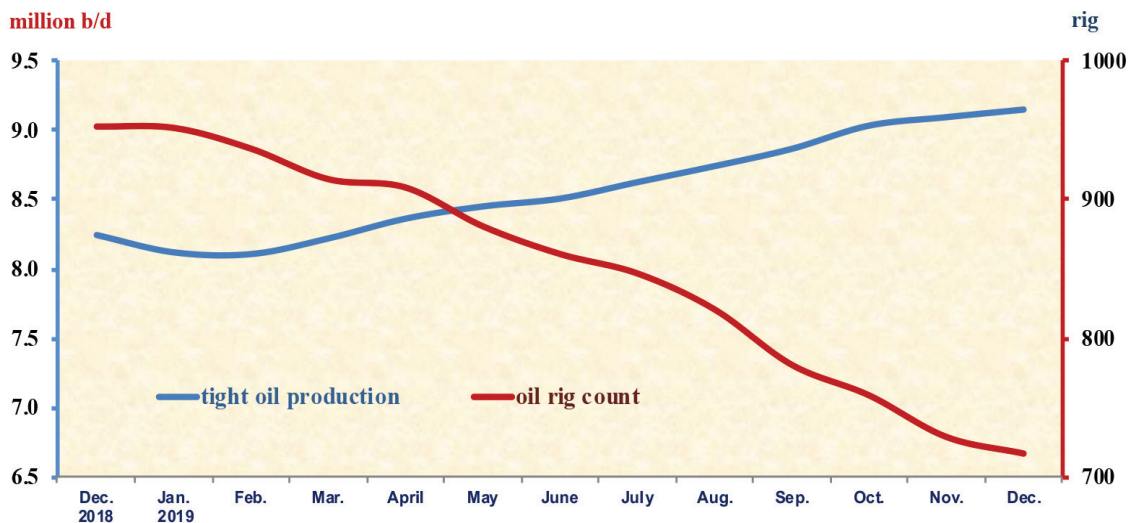
World Oil Supply and Demand (million b/d)



Source: Energy Intelligence Briefing Jan. 23, 2020.

- **US tight oil production** in December 2019, **increased** by only 0.6% to reach about 9.1 million b/d, despite the decrease in **US oil rig count** for the thirteenth month in a row, by 12 rig from the previous month level to stand at 717 rig.

US tight oil production and oil rig count



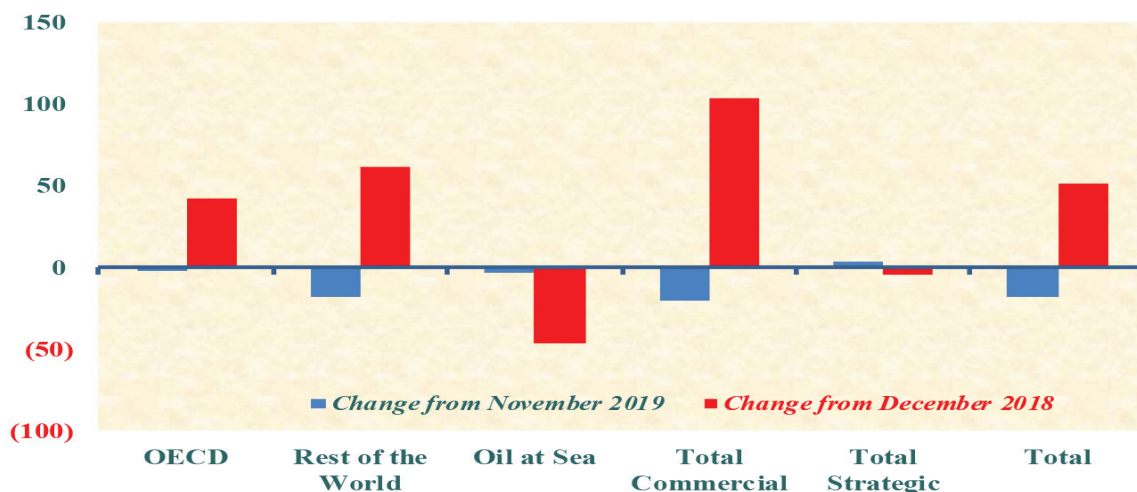
Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Jan. 2020.



3. Oil Inventories

- **OECD commercial inventories** in December 2019 **decreased** by 2 million barrels from the previous month level to reach 2915 million barrels, whereas **Strategic inventories** in OECD-34, South Africa and China **increased** by 4 million barrels from the previous month level to reach 1824 million barrels.

Change in Global Inventories at the End of December 2019 (million bbl)



Source: Oil Market intelligence, Mar. 2019 and Feb. 2020.

4. Oil Trade

US Oil Imports and Exports

- **US crude oil imports** in December 2019, **increased** by 11.4% from the previous month level to reach 6.7 million b/d, whereas **US product imports decreased** by 6% to reach about 2.2 million b/d.
- **US crude oil exports** in December 2019, **increased** by 21.3% from the previous month level to reach 3.7 million b/d, and **US product exports increased** by 4.5% to reach about 5.5 million b/d.

Second: Natural Gas Market

1. Prices

- **The average spot price of natural gas** at the **Henry Hub decreased** in December 2019 to reach \$2.22/million BTU.
- **The Price of Japanese LNG imports** in November 2019 **increased** by \$0.1/m BTU to reach \$9.41/m BTU. Whereas **the Price of Korean LNG imports decreased** by \$0.5/m BTU to reach \$8.7/m BTU, and **the Price of Chinese LNG decreased** by \$0.1/m BTU to reach 8.82/m BTU.

2. Exports

- **Arab LNG exports to Japan, Korea and China** were about 3.717 million tons in November 2019 (a share of 22.4% of total imports).



Tables Annex

