

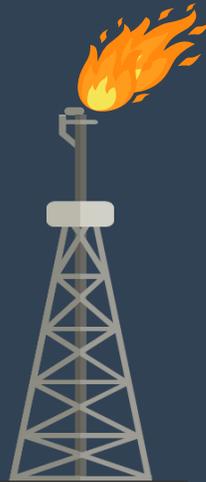


OAPEC



GECF

*Natural Gas Industry in the Arab Countries:
Current Scene and Prospects*

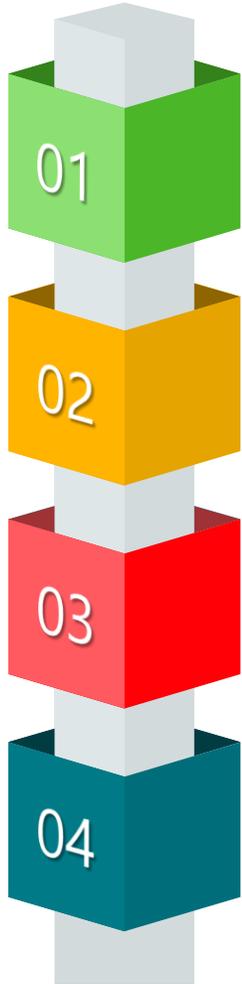


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Secretary General

Organization of Arab Petroleum Exporting Countries

(OAPEC)



01 OAPEC in Brief

02 Natural Gas in the Arab Countries: Key Figures

03 Role of Arab Countries in the Global Gas Markets

04 Implications of Covid-19 pandemic and Future Prospects





Our Members...



1968



11 Arab Member Countries

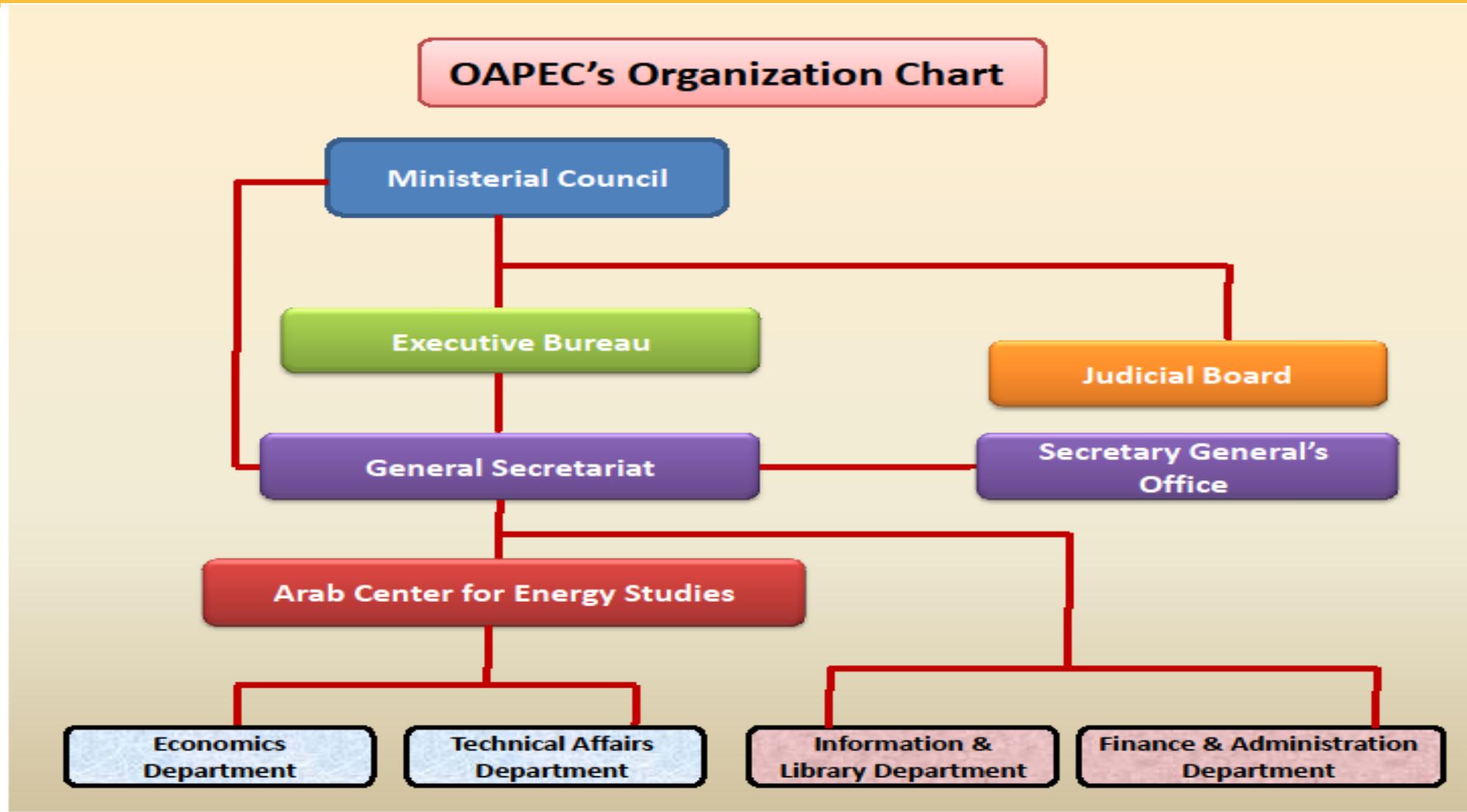
Objectives...

OAPEC is concerned with the development and prosperity of the petroleum industry by fostering close and fruitful cooperation among its members.

- Cooperation among members in the field of petroleum industry
- Determination of means of safeguarding the legitimate interest of the members
- Creation of suitable climate of investment of capital and expertise in the petroleum industry



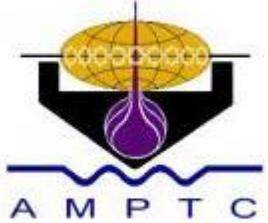
OAPEC's Structure





OAPEC-Sponsored Ventures

OAPEC has sponsored the creation of four companies and a training institute to form a solid foundation for joint Arab action and Arab economic integration in the petroleum industry



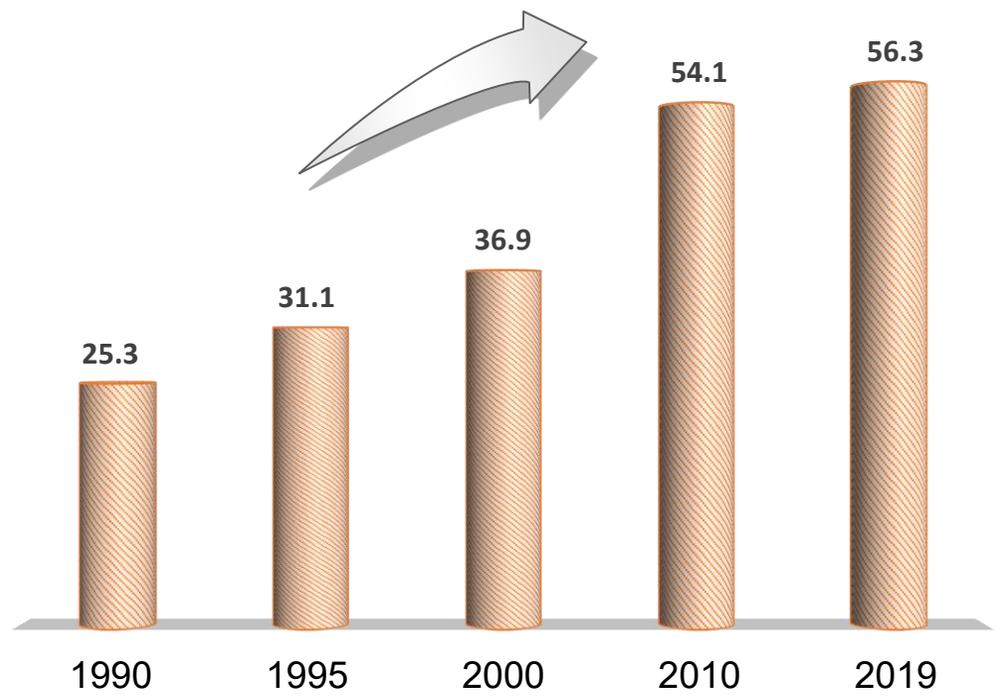
1. Arab Maritime Petroleum Transport Company (AMPTC)
2. Arab Shipbuilding & Repair Yard Company (ASRY)
3. Arab Petroleum Investment Corporation (APICORP)
4. Arab Petroleum Services Company (APSCO)
5. Arab Petroleum Training Institute (APTI)





Proven Gas Reserves in the Arab Countries

Development of Gas Reserves in the Arab Countries (1990-2019), tcm

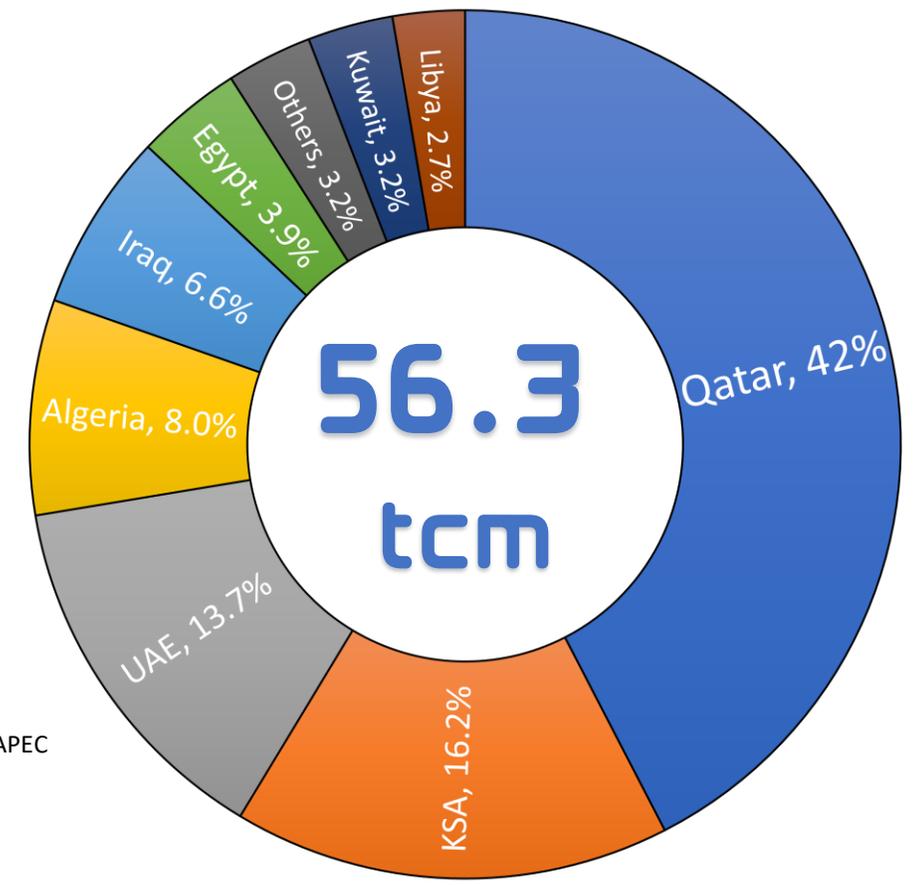


Source: OAPEC
* tcm: trillion cubic meter

122%

Total increase in the remaining gas reserves

Distribution of proven gas reserves in the Arab Countries, end of 2019

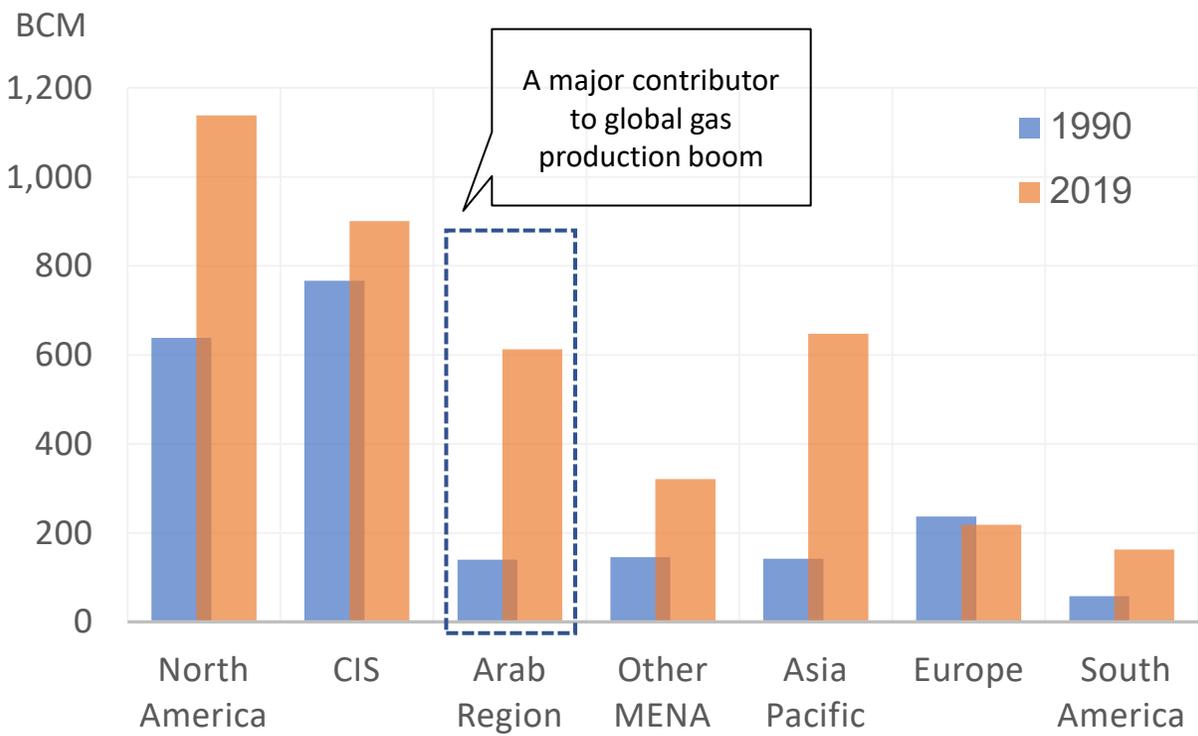


Source: OAPEC



Gas Production Boom.. Who Led the Global Gas Boom?

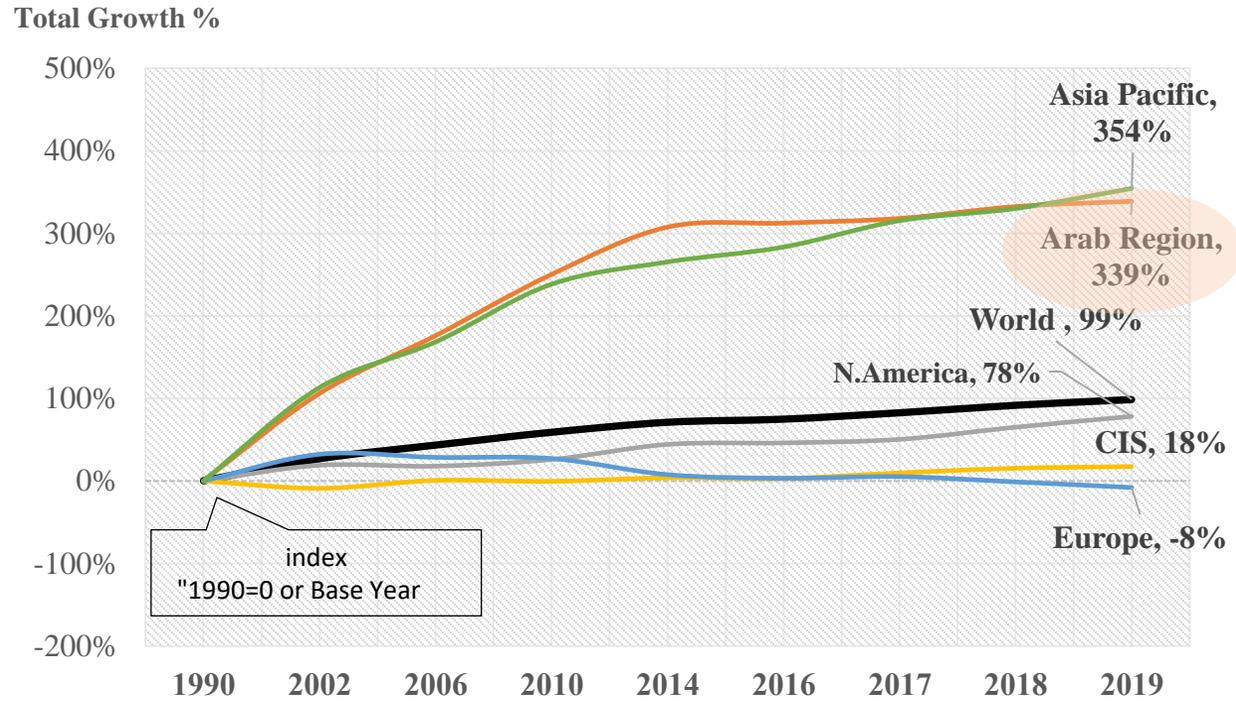
Development of Gas production per region in bcm (1990-2019)



Source: OAPEC

Gas production has grown in most regions, thanks to continuous exploration & development activities in gas producing countries

Total Growth (%) in Gas Production Per Region (1990-2019)



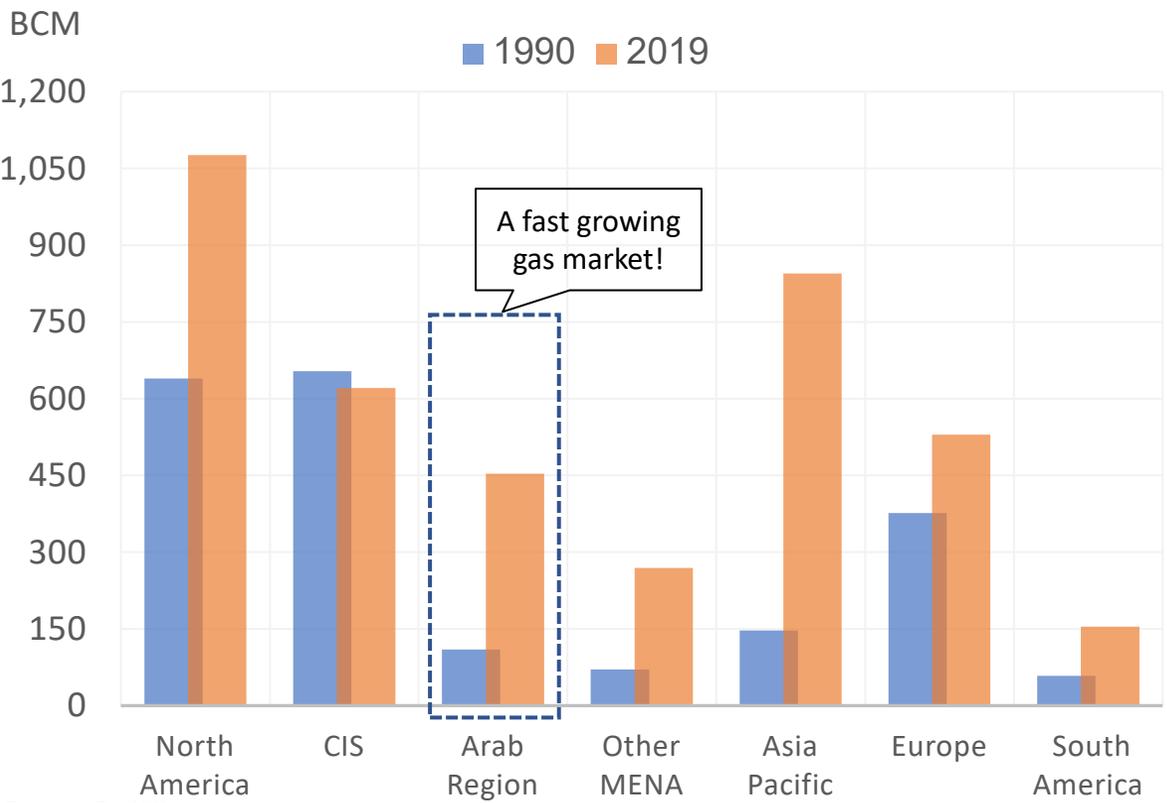
Source: OAPEC

Arab region has recorded the second largest growth rate of gas production over (1990-2019) period



Development of Gas Consumption

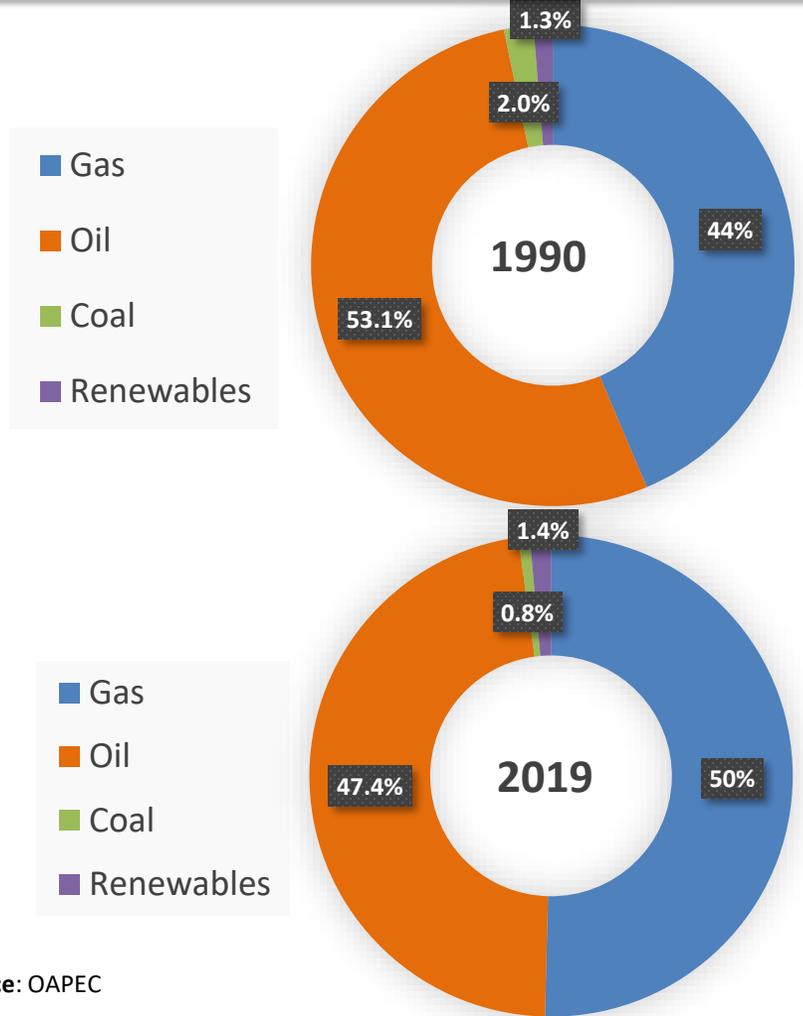
Development of Gas Consumption per region in (1990-2019)



Source: OAPEC

Gas consumption has grown rapidly in the vast majority of regions, thanks to its economic and environmental advantages over other fuels

Gas role in the primary energy mix in the Arab Countries



Source: OAPEC



Role of Arab Countries in the Global Gas Markets: Gas Export Infrastructure



- ▲ Stopped LNG plant
- ▲ LNG plant in full operation
- ▨ LNG plant in partial operation
- Gas Export Pipeline

01 Arab Countries invested billions of dollars in export infrastructure to deliver its gas to consumers in Asia & Europe

02 The total pipelines export capacity is estimated at 115 bcm/y

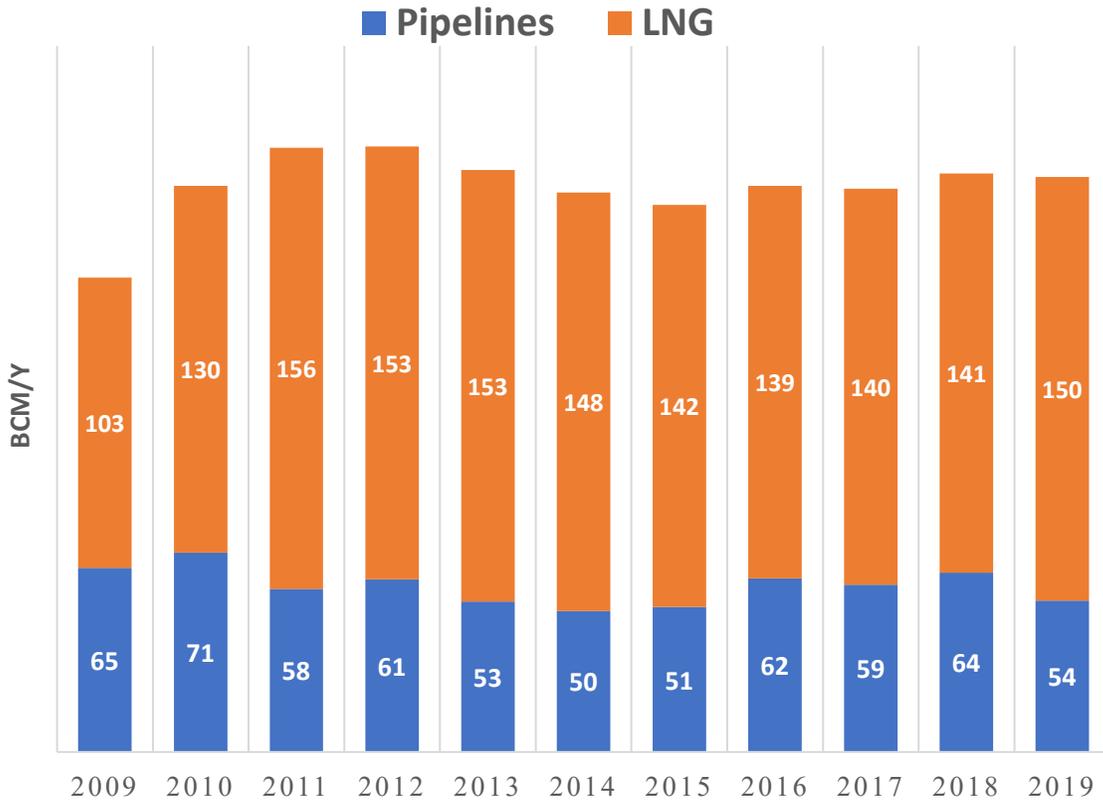
03 The total LNG capacity in the Arab countries is 140 mtpa or 33% of the global LNG capacity in 2019

04 Arab countries play a key global role to provide efficient, cleaner & sustainable energy source to its consumers (16% of the international gas trade)



Role of Arab Countries in the Global Gas Markets: Destination Markets

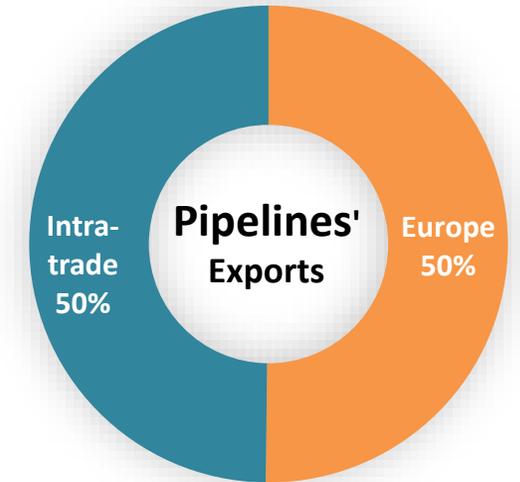
Development of gas exports from Arab countries (2009-2019)



Source: OAEPC

Arab region is a major LNG supplier to Asia, Europe and emerging markets within the MENA region.

01



02

The region is the second largest source of gas exports via pipelines to Europe behind Russia.



1 Spot gas prices reached historic lows in Asia and Europe

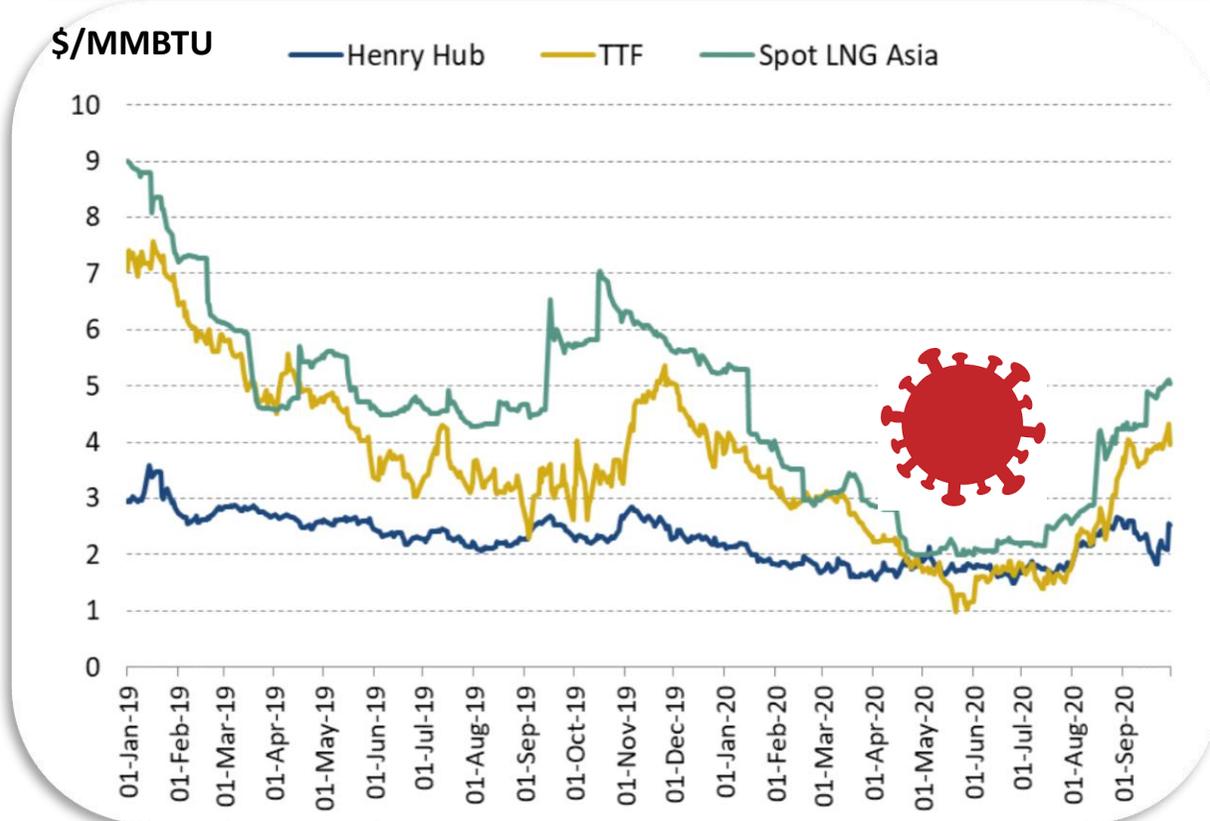
Gas prices fell below \$2/MMBTU in major hubs in Asia and Europe in Q2 but starts to gain strength in Q3

2 FIDs Delay of the vast majority of planned LNG export projects

17 new projects have been delayed to 2021 and beyond

3 Cancellations of LNG export cargoes "specially from the US"

Evolution of international spot gas prices (\$/MMBtu)

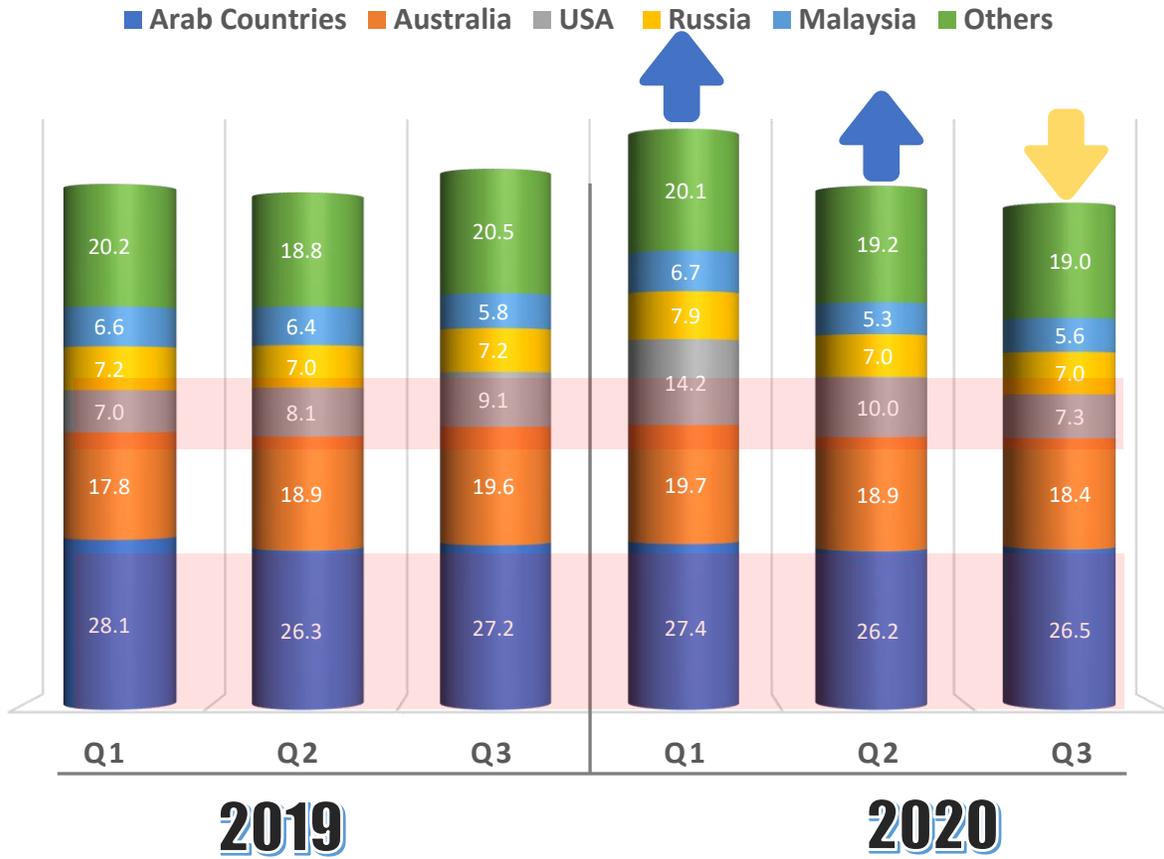


Source: Cedigaz



Implications of Covid-19 Pandemic on the Global Gas Markets: LNG exports

Development of Global LNG Exports in MT*
(2019-2020)



Arab LNG exports are slightly affected by covid-19 pandemic (1% lower Y-O-Y over the 9 months of 2020)

Arab countries are the long term-reliable supplier of LNG to consumers in the global markets



Cancellation of 40 LNG cargoes for June loading, further 40-50 LNG cargoes for July/August loading

Sharp drop of LNG exports from 14.2 MT in Q1 to 7 MT in Q3 2020

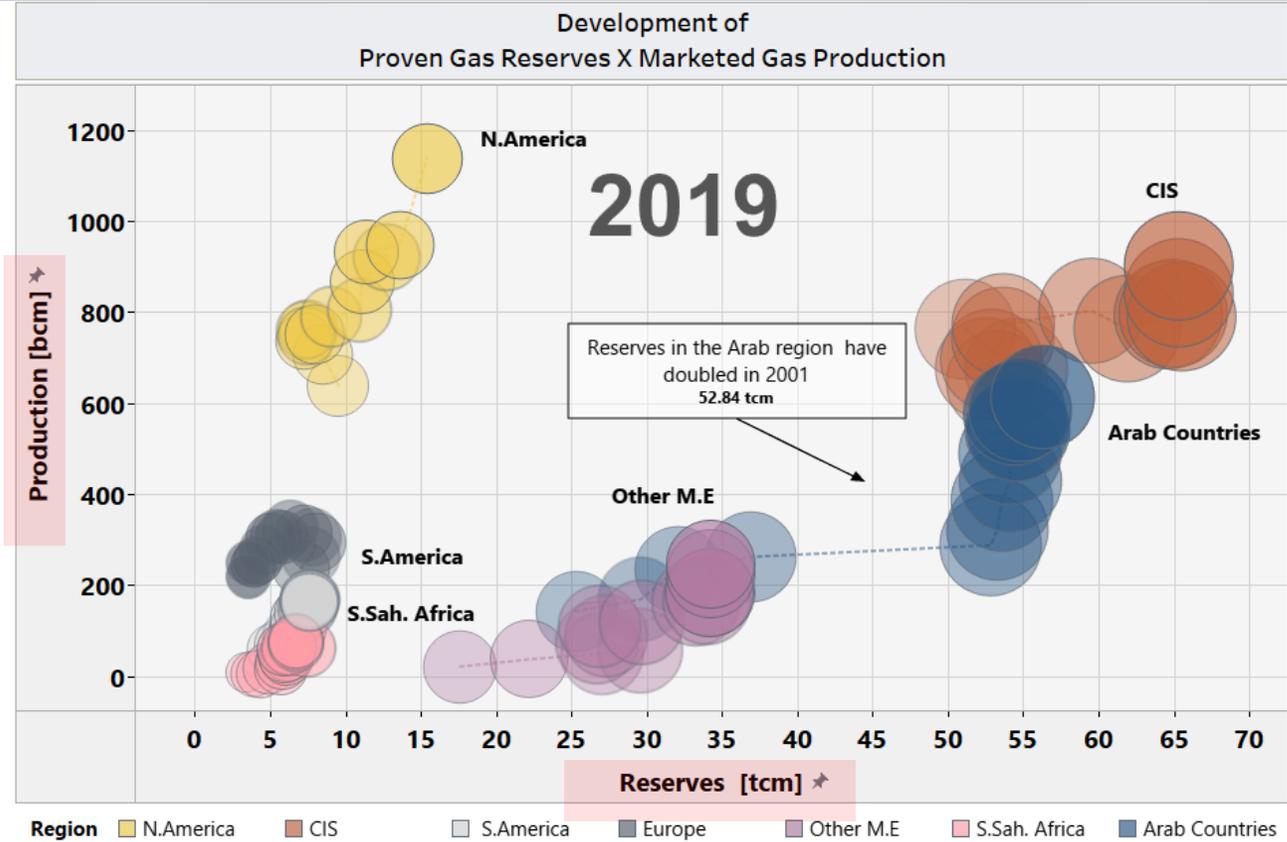
* MT: million tonnes

Source: OAPEC calculations based on ICIS LNG, LNG unlimited data



Future Prospects: Unlocking the Potential of Gas Resources

Development of Proven Gas Reserves and Marketed Production Per Region



The total growth rate of proven gas reserves was the highest in the Arab region (reached around **120%**) over 1990-2019

However, the proportionality of Gas Reserves growth to Gas Production growth is lower compared to other regions over the same period

There is still a room for investments in the gas resources to boost gas production levels

Source: OAPEC



Future Prospects: Key Actions/measures to Unlock the Potential of Gas Resources

Key Action 1: Opening new blocks (offshore & onshore) for exploration activities (Egypt, UAE,..)

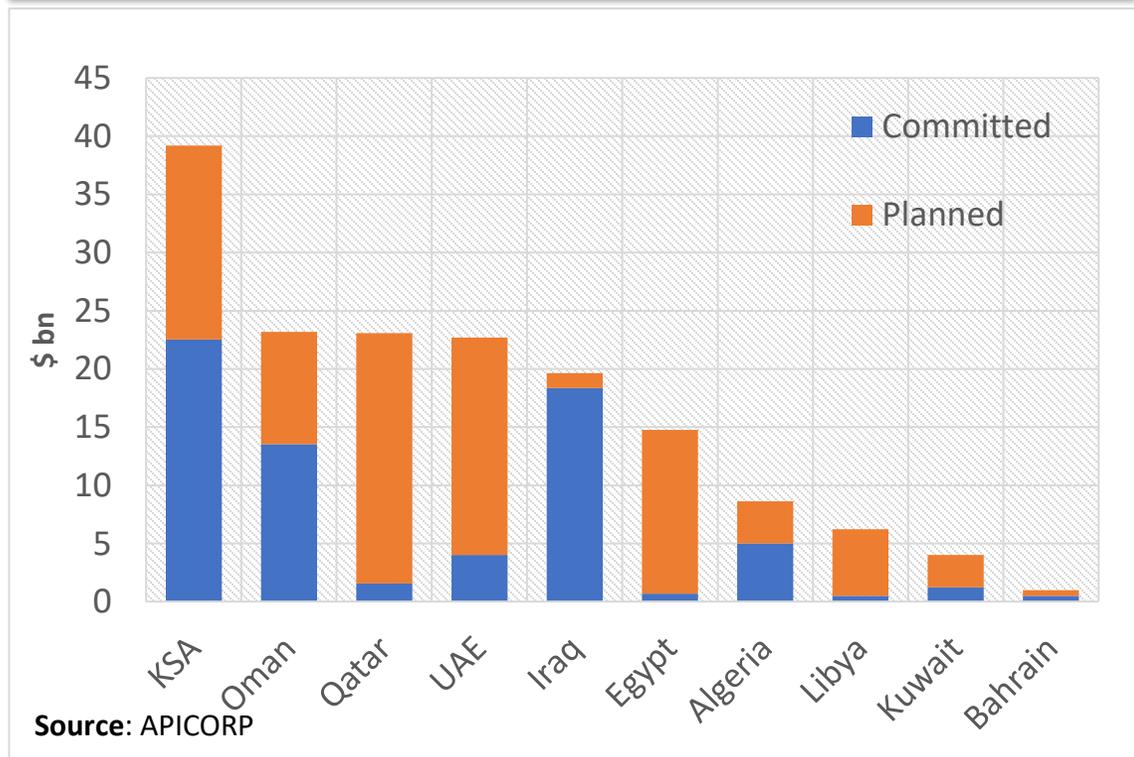
Key Action 2: Tapping into Gas-Cap reservoirs & technically challenging gas fields (UAE, Kuwait) to meet the growing demand

Key Action 3: Tapping into unconventional gas reservoirs (Saudi Arabia, Oman)

Key Action 4: Expediting the development of recent gas finds to boost production levels (Egypt)

Key Action 5: Expansion of LNG export capacity (Qatar’s North gas field expansion) for strategic reasons

Total 2020-2024 Gas Investments in the Arab Countries

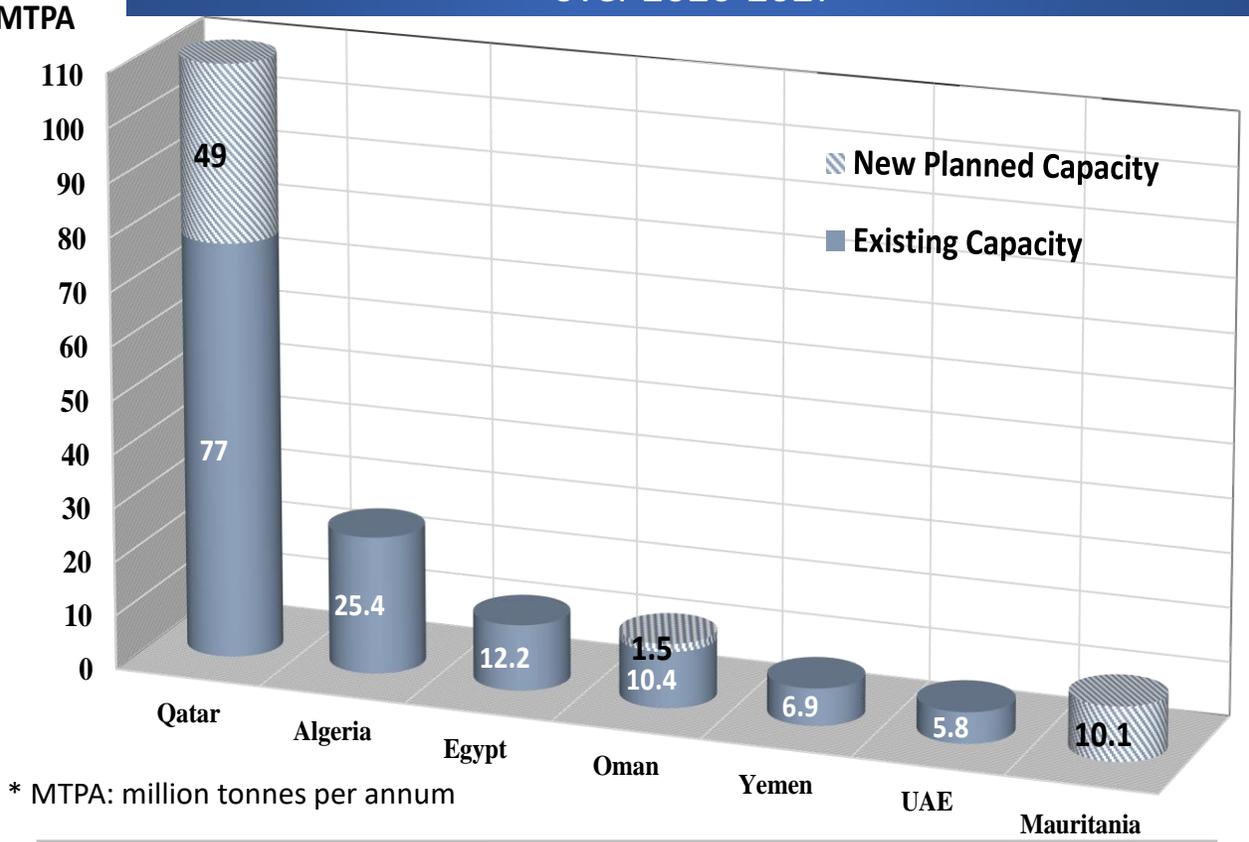


\$162 bn
TOTAL INVESTMENTS OF THE GAS SECTOR 2020-2024

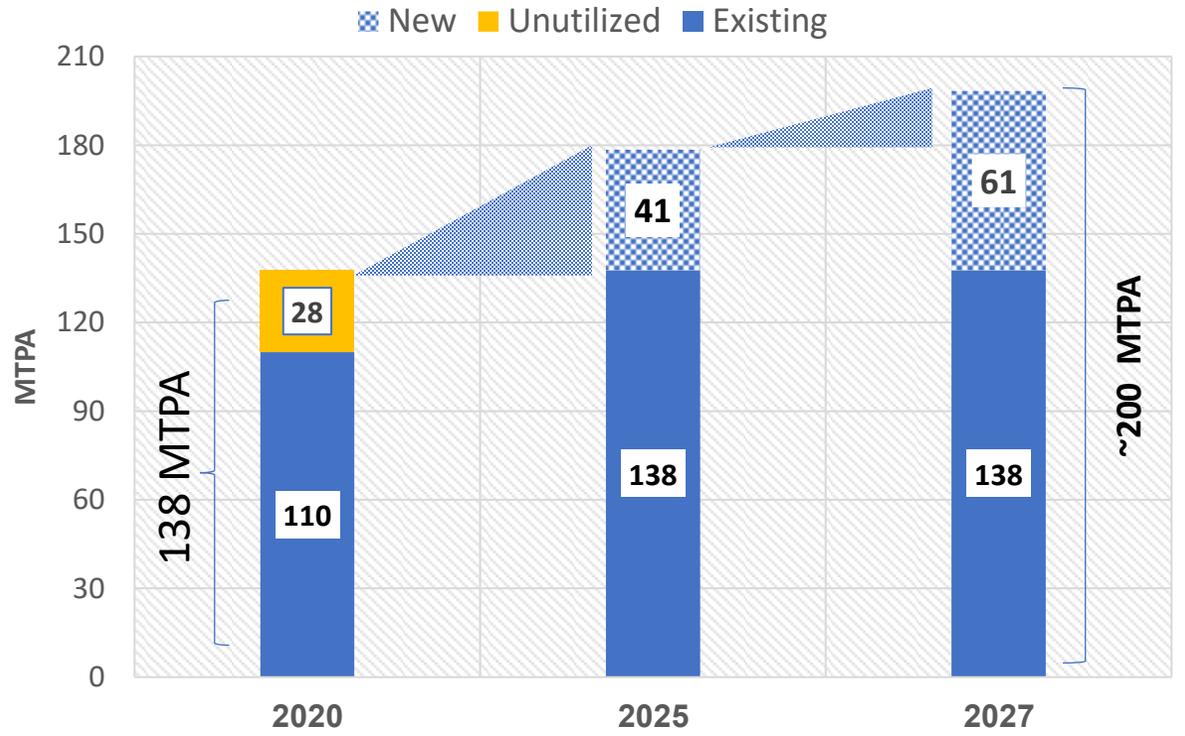


Future Prospects: LNG Capacity Outlook in the Arab Countries

Planned LNG Projects in the Arab Countries over 2020-2027



Outlook of Total LNG Capacity (MTPA) in the Arab Countries



A Number of Arab countries have announced their plans to expand LNG production capacity over the next 5-7 years.

LNG capacity in the Arab region will be boosted by around **45%** in total by 2027



Future Prospects: LNG Bunkering in the Arab Region

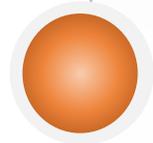


4 planned LNG bunkering projects in the Arab region

The global Sulphur cap of 0.5% could drive the global uptake on LNG as bunker fuel



Promising prospects for demand on LNG as a marine fuel, which could reach 30-40 MT by 2040



Projects in the FEED phase

Development of a bunkering terminal at Sohar port, with 1 MTPA capacity entered the FEED phase, expected to be operational by 2024
(JV between TOTAL and PDO)
FID is expected in late 2020

Projects with signed preliminary agreements between the partners

- In late 2018, Inpex and ADNOC signed MOU to explore for LNG bunkering in the UAE
- In late 2019, QP and Shell signed a shareholder agreement to establish LNG bunkering company

Planned projects still under discussion

Damietta and Pari ports authorities commenced discussions in late 2019, to discuss installing LNG bunkering services at Damietta port located on the Mediterranean coast



Conclusions



Arab region has many factors that contribute to achieve fully integrated gas industry



Arab region was among largest contributors to the global gas production increase over the past decades



Arab countries play a key global role to provide efficient, cleaner & sustainable energy source to its consumers



Arab countries are committed to continue investments in the gas sector for strategic and demand reasons



Key message

Gas has the potential to play a greater role in attaining a sustainable energy future



Thank You for Your Attention

