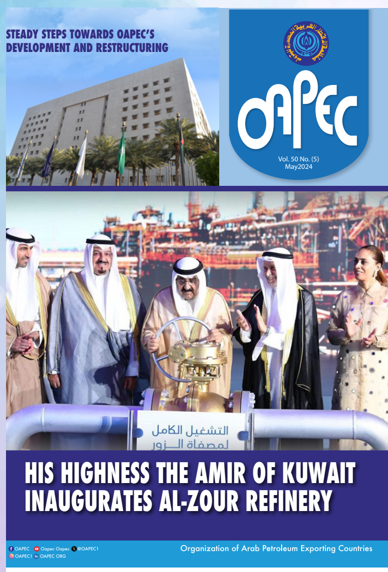
STEADY STEPS TOWARDS OAPEC'S DEVELOPMENT AND RESTRUCTURING

OAPEC

Vol. 50 No. (5)
May2024

HIS HIGHNESS THE AMIR OF KUWAIT INAUGURATES AL-ZOUR REFINERY

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 COUNCIL OF MINISTERS HOLDS ITS 112TH MEETING AT DELEGATES-LEVEL

6

8

OAPEC PARTICIPATES IN “PETRODOLLARS AND THE FUTURE OF GULF ECONOMIES” SYMPOSIUM

HIS HIGHNESS THE AMIR OF KUWAIT INAUGURATES AL-ZOUR REFINERY

14

- **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.

STEADY STEPS TOWARDS OAPEC'S DEVELOPMENT AND RESTRUCTURING

By: Jamal Essa Al Loughani
OAPEC Secretary General

Since its establishment in January 1968, the Organization of Arab Petroleum Exporting Countries (OAPEC) has endeavoured to achieve its goals out of its belief that joint Arab action in the economic field can play a leading role in achieving the aspirations of its member countries. The organization's objectives can be summed up in two main directions: firstly, working on strengthening cooperation and coordination in various aspects of the oil industry; and secondly, the establishment of Arab joint ventures in the oil sector between the member countries with the aim of benefiting from their resources and capabilities.

In its early years, the organization was able to accomplish some of its goals. However, the economic and financial conditions that the member countries experienced in the mideighties due to the sharp decline in prices called for an assessment of the activities of the Secretariat General at that time. Consequently, the tasks that the organization had to undertake back then had been identified within four main axes: developing the databank, promoting joint projects, continuing cooperation with non-OAPEC Arab countries, and paying attention to scientific research. Throughout the past four decades, the Secretariat has continued to work within the framework of the four aforementioned axes.

There is no doubt that the rapid developments taking place in the energy industry; the use of renewables, clean and sustainable energy; energy production technology; climate change issues and strict environmental legislation require reviewing and developing the organization's activities and objectives. This is in addition to the necessity of restructuring it to keep pace with these developments and to be able to play a bigger and more effective role in accordance with a more comprehensive, modern mission and vision capable of handling current and future challenges. Moreover, OAPEC will be creating a media platform to defend the interests of its member countries in international forums, with a mission to highlight the role of oil and gas in the current and future global energy mix, and to emphasize the role of modern technologies in making the oil and gas industry environmentally friendly and part of the strategy for transitioning to clean energy. Not to mention promoting the use of technology in the organization's work, and the transformation of its library into a digital library to be accessible to those interested in our member countries. This is in addition to boosting cooperation with its member countries and joint ventures in organising training programs to keep pace with the latest developments in petroleum industry technologies, renewable energy, hydrogen, and others.

Based on the above, the Organization's Council of Ministers Resolution No. 9/109 dated 12 December 2022, marked the beginning of the process of restructuring the Organization of Arab Petroleum Exporting Countries (OAPEC), while developing its activities and reconsidering the systems and laws that govern its work, in a manner consistent with the new challenges and developments in the field of energy. It is an unprecedented step, in the right direction and timing, and reflects the keenness of the member countries on a serious renaissance of the organization to become an Arab organization for all types of energy without exception, and to follow up on all emerging issues related to the energy industry.

As we take steady steps towards improving the organization, we would like to emphasize a number of issues worthy of attention, namely:

The importance of adopting a vision and setting strategic goals for the organization with a clear roadmap to serve as a guide to achieving the desired development

Achieving synergy between innovation and experience. It is important to bring in new, qualified blood with high efficiency capable of fulfilling tasks in the best way. And with the help of the current staff already working in the organization who enjoy rich expertise, there will be a fusion of ideas, leading to a better level of achievement

Paying more attention to the organization's current and future publications, as there is a need to exert more media effort to achieve widespread dissemination in order to highlight the organization's work and expand the scope of benefits provided to all stakeholders

Searching for creative skills and technical cadres with high professionalism, and the need for member countries to cooperate to provide the Secretariat General with specialized cadres with high qualifications

While being currently engaged in developing its activities and scope of work, OAPEC Secretariat General will spare no effort in achieving this noble goal, which will be a step forward for the organization to enjoy a prestigious position among other international organizations. OAPEC will have an active and important role in all aspects of the energy industry due to its paramount importance to the economies of our member countries. We hope that what we seek will be achieved in the near future with the unlimited support provided by Their Highnesses and Excellencies the Ministers of Energy and Oil, and Their Excellencies members of the organization's Executive Bureau.

OAPEC COUNCIL OF MINISTERS HOLDS ITS 112TH MEETING AT DELEGATES-LEVEL

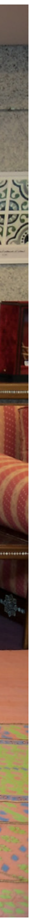
The Council of Ministers of the Organization of Arab Petroleum Exporting Countries (OAPEC) held its 112th meeting at the level of delegates of Their Highnesses and Excellencies the Ministers of Energy and Oil of the member countries in Kuwait City on 5 May 2024, headed by His Excellency Sheikh Mishal bin Jabr Al Thani, the representative of the State of Qatar in the Executive Bureau, whose country has the presidency for the year 2024.

His Excellency Sheikh Meshal bin Jabr Al Thani opened the meeting, welcoming their Excellencies, members of the Executive Bureau, representatives of their Highnesses and Excellencies, Ministers of Energy and Oil of the member countries to this meeting, and His Excellency the Secretary-General of the Organization. He thanked the Secretariat General for the good preparation for this meeting, wishing its proceeding all success. He also expressed his thanks and appreciation to the State of Kuwait for its generous hospitality and warm reception. He emphasized that the organization's ultimate goal is the cooperation of its member countries in various aspects of activities related to the petroleum industry, including their interests and the interests of their peoples.

His Excellency Engineer Jamal Al Loughani, OAPEC Secretary-General, followed by welcoming Their Excellencies members of the Executive Bureau to the meeting of the Council of Ministers at the delegates-level hosted by the State of Kuwait, wishing the meeting every success and achieving its desired goals. His Excellency offered his sincere condolences on the death of the former Secretary-General of the organization, HE Abbas Ali Al Naqi, who served the organization with dedication throughout his presidency, which extended for twelve years.

The Council then discussed the items on the agenda, including approving the final accounts of the organization (the Secretariat and the Judicial Tribunal) for the year 2023. The Council issued its Resolution No. 1/112 regarding the approval of those final accounts.

The meeting was also briefed on the progress made in terms of the project to develop and restructure the organization's work, while developing its activities and reconsidering 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. The Council recommended intensifying efforts and cooperating with the consultant in order to complete the development study, prepare complete visions of the strategic objectives, and finalize them according to the timetable specified for them.

The Council also reviewed the Secretary-General's report on the activities of the Secretariat, which included following up on global oil conditions, environmental and climate change affairs, the progress of work in the Data Bank, and the activities organized by the Secretariat and in which it participated. The Council recommended to continue such activities and seek to intensify them. Regarding the item related to the OAPEC Scientific Award, the topic of "new and renewable energies" was chosen as a research field for the 2024 award.

The Ministerial Council has approved all recommendations by the Executive Bureau regarding the agenda items presented and urged the Secretariat to work on putting them into actual implementation. The Council concluded its meeting by expressing its thanks and appreciation once again to the Secretariat General of the Organization and the State of Kuwait for their efforts to hold and make this meeting a success, wishing everyone success in achieving the goals entrusted to the Organization.

Kuwait: 26 Shawwal 1445 AH, corresponding to 5 May 2024.

OAPEC PARTICIPATES IN "PETRODOLLARS AND THE FUTURE OF GULF ECONOMIES" SYMPOSIUM

His Excellency the Secretary-General, Engineer Jamal Al Loughani, participated in the activities of the first day of the "Petro Dollar and the Future of the Gulf Economies" symposium, which was organized by the Gulf Financial Center at the Gulf University for Science and Technology (GUST) in the State of Kuwait during the period 24-25 Aprils 2024. The Secretary-General presented a key paper entitled the "Current and Future Position of the Gulf Cooperation Council Countries in the Global Oil Market." The paper included three axes: the position of the Gulf Cooperation Council countries in the global oil market, the importance of the oil sector in the economies of the Gulf Cooperation Council countries, and main challenges. He also participated in the energy transitions open dialogue session.

The Secretary-General praised the Gulf Cooperation Council countries accelerated announcements of their commitment to carbon neutrality by the year 2050, setting a role model to the world for the possibility of achieving commitment to environmental protection requirements and the transition to low-carbon energy along with maintaining the stability of energy markets and continuing to supply them with clean and environmentally friendly petroleum products. This is represented in the projects and initiatives developed by the Gulf Cooperation Council countries on the road map, including the United Arab Emirates launch of many programs to improve energy efficiency and lead in the field of green hydrogen and blue ammonia. There are also the two initiatives launched by the Kingdom of Saudi Arabia, which are the Green Saudi Initiative and the Green Middle East Initiative. The State of Kuwait has set up the Al Zour Refinery project to produce high-quality and clean petroleum products. Al Loughani stressed that Arab countries are adopting the concept of a circular carbon economy that allows emissions to be managed while ensuring social and economic development.

The Secretary-General pointed out that there are high capabilities of solar and wind energy resources, which are still promising in the Gulf Cooperation Council countries. He added that the GCC countries have goals for renewable energy, although their ambitions vary. He indicated that the calls to abandon fossil fuels and move to renewable and sustainable energy are one of the main risks that represent a major dilemma not only for the GCC countries that depend on oil and gas as a primary resource for their national income, but they also increase the global energy dilemma of achieving the security and sustainability of energy supplies and affordability.

He pointed out that the idea of switching from fossil fuels is not new, but rather appeared a long time ago, stressing that working to implement it on the ground is not an easy matter, especially in light of the insufficiency of other alternative energy sources to meet the growing global demand, which has become clear in light of the Russian-Ukrainian crisis, as European countries intensively sought alternative sources for Russian oil and gas, however alternative energy sources - including renewable energy - were not sufficient to meet the needs of the European market, and global energy prices rose sharply.

The Secretary-General stressed that strengthening and supporting cooperation mechanisms will contribute greatly to the transfer of technology and financial support for clean energy projects in the Gulf Cooperation Council countries, as the techniques and technology used in the Gulf Cooperation Council countries to mitigate the effects of carbon emissions for oil and gas extraction operations is carbon capture, use and storage technology is essential to effectively reduce emissions throughout the entire oil value chain. The Gulf Cooperation Council countries are already witnessing increasing momentum to use this technology, coinciding with the launch of many operational facilities and the announcement of multiple projects that are expected to become operational during the second half of the current decade. The GCC countries have also expanded the use of digital transformation technologies associated with improving oil and gas extractive processes, including artificial intelligence, which contributes significantly to reducing environmental impact and carbon emissions. Among such projects is the Kuwait Integrated Smart Field Project, the UAE's Thumama Center, and the large-scale implementation of digital oilfields in Saudi Arabia.s

FORMER SECRETARIES- GENERAL

HE ABBAS ALI AL NAQI

OAPEC's Fifth Secretary-General

01/03/2008-29/02/2020

HE Abbas Ali Al Naqi was OAPEC's Secretary General for twelve years between 2008 and 2020. He had an extensive background in the petroleum and energy field. The major positions held by Mr Al Naqi prior to his joining OAPEC included:

- Undersecretary, Ministry of Oil, Kuwait.
- Assistant Undersecretary for Economic Affair.
- OAPEC Executive Bureau, Representing the State of Kuwait.
- Head, Kuwaiti National Committee on Climate Change.
- Vice-President, UNFCCC Climate Change Bureau (COP2) – representing Asia.
- Other positions held by HE Al Naqi:
- Head, the Joint Executive Committee (Al Khafji Joint Operations JEC).
- Member of the Kuwaiti delegation to the Ministerial OPEC, OAPEC and the GCC Conferences.
- Head of the Kuwaiti delegation to several specialized committees related to OPEC, OAPEC, GCC, and the United Nations energy meetings.
- Head of the Kuwaiti delegation to the OPEC long-term strategy committee.
- Member of the Kuwaiti delegation to the UN Committee for Sustainable Development (CSD) and WTO.
- Head of Negotiation Committee with AOC at the termination of their Concession Agreement, 4 January 2003.
- Head of Kuwaiti side in the committee negotiating the Russian Loan.
- Vice Chair, special responsibilities for Gulf States & Middle East, World Energy Council (WEC). He remained an Honorary Officer later.

He was also:

- Member of Board of Governors of Oxford Institute for Energy Studies.
- Member of Board of the Kuwait-Japan businessmen dialogue.
- Member of the Kuwait Accountants and Auditors Association.
- Member of the Oxford Energy Policy Club.
- Member of the Arab Energy Club.
- Mr Al Naqi was on the board of directors of several Kuwaiti and Arab oil companies, namely:
- Kuwait Petroleum Corporation (KPC).
- Kuwait National Petroleum Company (KNPC).
- Kuwait Oil Company (KOC).
- Kuwait Gulf Oil Company (KGOC).
- Board of Trustees-Kuwait Institute for Scientific Research (KISR).
- Arab Petroleum Investments Corporation (APICORP).
- Arab Maritime Petroleum Transport Company (AMPTC)

Death:

- He passed away in 2024.

OAPEC AND KUWAIT'S OIL MINISTRY ORGANISE SEMINAR ON LNG INDUSTRY, ITS DEVELOPMENTS, CHALLENGES AND FUTURE PROSPECTS

The Public Relations and Petroleum Media Department at the Ministry of Oil in the State of Kuwait, in cooperation with the Organization of Arab Petroleum Exporting Countries (OAPEC), organized a seminar on Tuesday, 14 May 2024, in the Oil Sector Theater Complex, entitled "The Liquefied Natural Gas Industry: Developments, Challenges, and Future Prospects."

The event was attended by a number of technical and economic affairs employees at the Ministry of Oil, guests from the Environment Public Authority, the Ministry of Electricity, Water, and Renewable Energy, the Kuwait Institute for Scientific Research, students of the College of Engineering and Petroleum (Kuwait University), and media professionals.

The Director of Public Relations and Petroleum Media at Kuwait's Ministry of Oil, Sheikha Tamader Khaled Al-Ahmad Al-Jaber Al-Sabah, inaugurated the seminar by saying that Kuwait has achieved tremendous economic and environmental benefits since the inauguration of liquefied gas import facilities in the Al-Zour region and their full operation. Sheikha Tamader Khaled Al-Ahmad Al-Jaber Al-Sabah reviewed the economic benefits of operating liquefied gas import facilities in saving huge sums of money from the consumption of liquid fuel in power generation plants and in return expanding natural gas. As for the environmental benefits, they are represented in reducing emissions of polluting gases to the environment and improving air quality through the use of liquefied natural gas is an environmentally friendly energy source. She indicated that the liquefied gas project meets Kuwait's current and future needs for clean energy, by providing optimal fuel for power generation plants, especially in the summer and at peak times, and for the local market as well. She pointed out that the gas import facilities in Al-Zour are considered the largest in the world in terms of storage capacity and were built in one phase, as the project consists of 8 tanks with a capacity of each tank 225 thousand cubic meters.

The discussion went on with Engineer Wael Hamid Abdel Moati, Gas Industries expert from OAPEC. Eng Moati saying that the liquefied natural gas industry includes four stages: extracting, liquefication, and transportation via tankers, and regasification in the importing market. The liquefaction stage is the highest in costs, as it alone represents about 50% of the total investment costs required to implement an integrated project. The cost of establishing a single liquefaction plant may reach $30 billion, so it requires sufficient natural gas reserves enough to operate for at least 20 to 30 years, with long-term contracts concluded with potential buyers to ensure annual cash flows to cover the billion-dollar cost and to continue making a profit while the project is running. The development of the commercial structure has led to greater flexibility in sales contracts. Engineer Wael also touched on the development in the commercial structure of liquefied gas projects, including the toll model followed by American companies, according to which the company that owns the liquefaction project is a "different entity" from the gas producing company, and its role is limited to collecting fees in exchange for providing the liquefaction service, which is considered a shift in the traditional pattern that has dominated the industry for decades. The American model made it possible to separate the cost of liquefaction from the cost of the gas itself, and buyers can now refuse to receive the shipment if necessary, while bearing a fixed fee in the range of $3-3.5/million British thermal units instead of bearing the cost of the entire shipment as is done in traditional sales contracts.

He also clarified that long-term contracts are no longer 20 and 25 years (as was the case previously) but rather have now become around 15 years (with some exceptions), with flexibility in determining the place of delivery.

On the liquefied natural gas transport fleet, he explained that it includes more than 730 ships transporting gas from 21 exporting countries, which has allowed it to attract new markets that can be reached by gas tankers, pointing out that Arab companies own about 12% of the total tonnage of the global fleet, and are eligible to rise with the receipt of new ships under construction contracted by some Arab countries such as the UAE and the State of Qatar. They also account for 28% of the volume of global liquefied gas exports, with a total exceeding 112 million tons in 2023.

On the reasons for the growing global demand for liquefied natural gas, Eng Wael said that there are several factors that contributed to supporting the liquefied gas trade, including the desire of importing countries to diversify their sources of imports and avoid relying on a single source to achieve their energy security, the competitiveness of gas with coal from the environmental as well as economic dimensions at times, and the seasonality of demand in some markets that need to import gas during peak periods such as summer in the Gulf region and winter in the European market, as well as to feed markets with poor gas infrastructure, explaining that the number of imported markets reached 50 markets in 2023. In this context, the gas expert at OAPEC explained that the Arab region was also one of the emerging markets in importing gas to cover demand at peak times, compensate for the decline in local production, or replace liquid fuel, including the State of Kuwait, which began importing gas in 2009 to replace liquid petroleum products in the electricity sector to cut expenses and save fuel consumption due to the increased efficiency of gas-powered plants. He explained that "Al-Zour Port", which began operating in July 2021, is a unique project of its kind in the Middle East and North Africa region, with a gasification capacity equivalent to 3 billion cubic feet per day. This project enabled Kuwait to diversify its sources of gas supplies by importing liquefied natural gas from several destinations under long-term and immediate contracts. During the year 2023, Al-Zour Port received about 6.5 million tons from the State of Qatar, the United States, Nigeria, Mozambique, and the Sultanate of Oman (according to OAPEC estimates, the equivalent of about 850 million cubic feet per day). The presentation concluded that the industry has developed significantly over the course of six decades, allowing producing countries to exploit their gas resources, and importing countries to import gas from any destination, with increased flexibility in contracts in terms of duration, delivery destinations, and delivery conditions.

WILL AFRICA BECOME A VITAL HUB FOR SUPPLYING ENERGY TO EUROPE?

Turki Hassan Hemish

Senior Petroleum Expert, - Technical Affairs Department, OAPEC - Kuwait

Following Namibia, in which major international oil companies announced plans to double their exploration efforts on 24 April 2024, Senegal actually joined the club of oil-producing countries on 11 June 2024, with the Australian company Woodside Energy starting production from its first offshore project in the country. The first phase of Sangomar field development includes drilling 23 wells, 21 of which have been drilled so far. The final investment decision to develop the field was taken in January 2020, with expectations that it will be put on actual production at the end of

2024. This project is an important milestone for Senegal's energy sector, as the oil and gas sector is expected to generate billions of dollars for the country. The project aims to produce 100,000 barrels of oil per day, through a floating facility about 100 kilometres offshore, with a storage capacity of 1.3 million barrels.

The Sangomar field was discovered in 2014. It is estimated to contain 563 million barrels of oil and 63.8 billion cubic metres of technically recoverable associated and non-associated gas resources. It is planned that the field's gas production rate will reach 1.7-2.8 million cubic metres/day. The gas produced will be used in the facilities of the Senegalese Electricity Company.

It is noteworthy that hydrocarbon exploration activities in Senegal began in the 1950s. In the early sixties, a number of small oil and gas discoveries were made in the onshore Diam Niadio area near the capital, Dakar. In 1996, the Gadiaga gas and condensate field was discovered in the same region. Gas production began in 2002 and reached about 3.5 million cubic metres/day in 2013, but production quickly declined to about 1 million cubic metres/day due to the small size of its produceable reserves.

Between 2008 and 2017, exploration and joint production contracts were signed for ten blocks located in three main areas, one of which is Saint Louis Profond, where part of the "Torto Ahmeim" gas field shared with Mauritania is located. Two other natural gas discoveries were also made in Senegal in the Cayar region, within ultra deep waters (2500-2850 m), namely Teranga in 2016, followed by the discovery of Yakaar-1 in 2016, then the discovery of Yakaar-2 in the same field in 2019, which is an appraisal well confirmed the southern extension of the first discovery. The volume of primary geological gas reserves in the region is estimated at about 708 billion cubic metres. Initially, it is planned to allocate the gas that will be produced from the two fields to the domestic Senegalese market. There is a possibility that the two fields would turn into a source of supply/export of liquefied gas if domestic demand was limited.

In light of the growing demand for energy and the impact of geopolitical crises on petroleum markets, the African continent is emerging as a promising supply hub given the large oil and gas discoveries that have been made over the past few years. Since the past decade, Africa has emerged as a world's leading region in oil and gas exploration. Its position as a location for exploration and development operations is constantly growing, and Africa is expected to become a vital hub for supplying energy to Europe.

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

HIS HIGHNESS THE AMIR OF KUWAIT INAUGURATES AL-ZOUR REFINERY

KUWAIT, 29 May 2024 (KUNA) – His Highness the Amir of the State of Kuwait Sheikh Meshal Al-Ahmad Al-Jaber Al-Sabah attended the official inauguration of Al-Zour refinery operations on Wednesday, 29 May 2024, held under his highness' auspices at the Al-Zour petroleum complex. The motorcade of His Highness the Amir arrived at the venue of the ceremony, was welcomed by His Excellency the Deputy Prime Minister and Minister of Oil, and Chairman of the Board of Directors of the Kuwait Petroleum Corporation, Dr. Imad Al-Atiqi. Also, the CEO of the Kuwait Petroleum Corporation, Sheikh Nawaf Saud Al-Nasser Al-Sabah, and the Acting CEO of the Kuwait Integrated Petroleum Industries Company (KIPIC), Engineer Wadha Al-Khateeb welcomed His Highness the Amir as well. The event was attended by His Highness the Prime Minister Sheikh Ahmad Abdullah Al-Ahmad Al-Sabah and seniors officials, as His Highness the Amir unveiled a memorial plaque of the project.

The ceremony began with the national anthem and a recitation from the Holy Quran, followed by a speech by Dr. Imad Al-Atiqi in which he described Al-Zour refinery as one of the key projects in Kuwait's development plans and a cornerstone of the 2040 Kuwait Petroleum Corporation's strategic plan. Dr. Alatiqi confirmed that the refinery has a significant role in supplying local power stations with clean fuel to meet the increasing demand for electricity due to population growth in the country. He also explained that the pioneering project embodied the transformation of the developmental vision of "New Kuwait 2035" The project provided job opportunities for national labor, with approximately 1,400 recent graduates employed to participate in this monumental national industry, he added.

Dr. Alatiqi announced that with Al-Zour inauguration, they successfully achieved an extraordinary refining capacity exceeding two million barrels per day, distributed across six oil refineries, three of which located in Kuwait: Mina Abdullah, Mina Al-Ahmadi, and Al-Zour, collectively producing 1.415 million barrels per day. The other three refineries are located outside Kuwait: Al-Duqm in Oman, Nghi Son in Vietnam, and Milazzo in Italy, with Kuwait's share of their total production reaching approximately 600,000 barrels per day.

Then a documentary about the journey of the Al-Zour Refinery was displayed, followed by a speech By KIPIC Acting CEO Engineer Wadha Al-Khateeb. Al-Khateeb said the inauguration of Al-Zour Refinery was an accomplishment added to the Clean Fuel Project at Al-Ahmadi and Abdullah Ports Refineries, launched in March 2022, which was "a milestone in history of oil and gas industry in our beloved nation, particularly refining industry." Al-Zour Refinery will have a production capacity of 615,000 barrels per day, she said, a strong push for Kuwait oil refining in line with international environmental standards, which would also enable KPC and its affiliate companies to expand the export and marketing of their products. She said Al-Zour Refinery was capable of receiving all kinds of oils and could produce highquality products like fuel oil, deisel, naphtha and low-sulfur fuel oil. These products, added AlKhateeb, could be exported to more than 30 countries in the region and around the world through a pier attached to the refinery. Al-Zour Refinery also includes the largest complex for sulfur cracking units, said Al-Khateeb. She said the new refinery would boost the State of Kuwait's refining capacity from 800,000 bpd to 1.415 million bpd. Al-Zour Refinery, she went on, would also use treated water for industrial and irrigation purposes. It includes stations to monitor air quality and used special boilers to reduce emissions. She said the oil sector was keen on contributing to facing climate change to reach carbon neutrality by 2050. Next, the Youth Advisory Board of the Al-Zour Refinery presented a segment titled "Technology and Innovation" and displayed a documentary about the oil industry in Kuwait. His Highness the Amir then officially initiated the operation of the Al-Zour Refinery, he was presented with a commemorative gift on this occasion.

His Highness the Amir conducted an inspection tour of the refinery, observing its vital facilities and receiving detailed explanations about the project's operations from seniors and experts accompanying him. After finishing the inspection tour His Highness the Amir left the ceremony with the same warmth and appreciation with which he was welcomed.

BAHRAINI OIL MINISTER KEYNOTE SPEAKER AT ANNUAL MENA CONFERENCE

He Dr. Mohamed bin Mubarak Bin Daina, the Minister of Oil and Environment and Special Envoy for Climate Affairs IN THE Kingdom of Bahrain, was a keynote speaker at the 21st Annual Middle East and North Africa Conference, held under the theme “Pathways to Prosperity”, at the London Business School.

In his remarks, the minister affirmed the significance of implementing environmental principles, promoting studies, creativity, and innovation in the green economy, and utilising environmentally friendly technologies to advance Sustainable Development Goals (SDGs).

Minister Bin Daina underscored the need for oil-producing countries to collaborate and coordinate efforts to enhance energy security.

Additionally, he emphasised the importance of focusing on renewable energy sources, investing in research and development, and training to improve energy efficiency practices.

The minister commended the private sector for its role in bolstering national and international efforts to protect the environment while striving to achieve developmental and economic objectives.

The conference featured over 40 speakers, including ministers, CEOs, entrepreneurs, and business leaders. It attracted more than 800 participants from various backgrounds, such as business leaders, diplomats, and academics.

NET-ZERO PRODUCERS FORUM CONCLUDES 2ND MINISTERIAL MEETING IN RIYADH, BRINGS TOGETHER SIX PARTICIPATING COUNTRIES

The Net-Zero Producers Forum has concluded its second Ministerial Meeting in Riyadh recently, bringing together ministers from the six participating countries: Saudi Arabia, Qatar, UAE, the US, Norway, and Canada, representing three continents.

The discussion centered on the crucial topic of net-zero and climate plans, aiming to accelerate just energy transitions and help achieve net-zero emissions while supporting sustainable development and energy security.

Ministers welcomed the outcomes of the 28th UN Climate Change Conference in Dubai, the global efforts of methane emissions abatement, such as the Global Methane Pledge and the Zero Routine Flaring initiative (ZRF), and the work member countries are undertaking in carbon management and methane emissions abatement, emphasizing thier core role in addressing climate change and reducing greenhouse gas emissions.

Ministers commended the Working Group on Deployable Methane Technologies that culminated in the launch of the Upstream Methane Emissions Abatement Toolbox that was launched at COP28, and looking forward to the continued expansion of this toolbox.

In a continuous display of innovation and collaboration, Ministers launched a new Working Group on Carbon Utilization and Storage focusing on advancing and promoting cutting-edge technologies for the utilization and storage of carbon dioxide to support reducing emissions and creating value-added products, thereby contributing to a sustainable and circular carbon economy, as well as recognizing the role of non-combustion uses of hydrocarbons in energy transitions and reaching net zero.

To enhance transparency and stakeholder engagement, the Net-Zero Producers Forum launched its website serving as a digital platform for information, updates and resources related to the Forum’s activities, initiatives and progress towards its objectives.

The Net-Zero Producers Forum remains steadfast in its dedication to advancing just energy transitions through collaboration, sharing of expertise and experience, and leveraging technology and innovation.

QATARENERGY TO BUILD 18 OF THE LARGEST LNG VESSELS EVER BUILT IN CHINA'S CSSC AT A COST OF $6 BILLION

QatarEnergy signed an agreement with China State Shipbuilding Corporation (CSSC) for the construction of 18 ultra-modern QC-Max size LNG vessels, marking a significant addition to its historic LNG fleet expansion program.

The new vessels, with a capacity of 271,000 cubic meters each, will be constructed at China's Hudong-Zhonghua Shipyard, a CSSC wholly-owned subsidiary, and will feature state of the art technological innovation and environmental performance.

The agreement was signed in Beijing by 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, and by Mr. Chen Jianliang, Chairman of Hudong-Zhonghua Shipbuilding (Group) Co. Ltd. and Mr. Li Hongtao, Chairman of China Shipbuilding Trading Co. Ltd. during a special ceremony attended by senior executives from QatarEnergy, QatarEnergy LNG, and China State Shipbuilding Corporation. The signing ceremony was attended by a number of senior Chinese government officials and Mr. Mohamed Abdullah Al-Dehaimi, Qatar's Ambassador in the People's Republic of China.

Speaking at the ceremony, H.E. Mr. Saad Sherida Al-Kaabi, said: "With a total value of almost 6 billion dollars for these ultra-modern, largest ever LNG vessels by size, the agreement we signed today is the industry's largest single shipbuilding contract ever."

H.E. Minister Al-Kaabi added: "It is our honor to continue working with China State Shipbuilding Corporation and Hudong-Zhonghua Shipyard to develop and build some of the top-tier LNG vessels renowned for their exceptional environmental qualities. And as we take this important step together, I would like to affirm QatarEnergy's determination to live up to our commitment to provide a safe and reliable energy source in the form of LNG, while always giving priority to environmental sustainability."

His Excellency Al-Kaabi also highlighted that 12 conventional-size LNG vessels are currently under construction at Hudong-Zhonghua, and that delivery of the first such vessels is expected by the third quarter of this year.

Eight of the 18 QC-Max size LNG vessels will be delivered in 2028 and 2029, while the other ten will be delivered in 2030 and 2031.

Last month, QatarEnergy announced the signing of Time Charter Party agreements for a total of 104 conventional-size vessels (174,000 cubic meters) constituting the largest shipbuilding and leasing program ever in the history of the industry.

This new milestone further highlights the ever-growing cooperation between the People's Republic of China and the State of Qatar, especially in the energy sector. In 2023, Qatari LNG supplies to its main customers in China reached almost 17 million tons. Also in 2023, Qatar was also one of the major suppliers of Crude Oil (equivalent of 8.6 million tons), Naphtha (2.3 million tons), LPG (2.2 million tons), Helium (650 million cubic feet), and fertilizers, polymers and chemicals (1.6 million tons) to the Chinese market.

The year 2023 also witnessed the participation of two of China's national energy companies as partners in Qatar's prized North Field Expansion projects with Sinopec acquiring a 1.25% interest in the North Field East project and a 1.875% interest in the North Field South project, while at the same time signing 27-year LNG sales and purchase agreements for a total of seven million tons per annum. CNPC in turn, has acquired a 1.25% interest in the North Field East project and signed a 27-year LNG sales and purchase agreement for four million tons per annum.

ARAMCO AND RONGSHENG EXPLORE NEW OPPORTUNITIES IN KSA AND CHINA

Aramco, one of the world's leading integrated energy and chemicals companies, is exploring the formation of a joint venture in the Saudi Aramco Jubail Refinery Company ("SASREF") with Chinese partner Rongsheng Petrochemical Co. Ltd. ("Rongsheng") and significant investments in the Saudi and Chinese petrochemical sectors, in partnership with Rongsheng.

The Company recently signed a cooperation framework agreement that envisions Rongsheng's potential acquisition of a 50% stake in SASREF. The agreement also lays the groundwork for the development of a liquids-to-chemicals expansion project at SASREF, in addition to Aramco's potential acquisition of a 50% stake in Rongsheng affiliate Ningbo Zhongjin Petrochemical Co. Ltd. (ZJPC) and participation in ZJPC's expansion project.

COOPERATION FRAMEWORK AGREEMENT PAVES WAY FOR NEW DOWNSTREAM PARTNERSHIPS.

Mohammed Y. Al Qahtani, Aramco Downstream President, said: "These discussions highlight our ambition to advance our liquids-to-chemicals strategy with strategic partner Rongsheng, both in the Kingdom of Saudi Arabia and China. In building on our existing relationship, we aim to advance our expansion in a key geography and attract new investment to the Saudi downstream sector."

In July 2023, Aramco acquired a 10% interest in Rongsheng through its subsidiary Aramco Overseas Company BV, based in the Netherlands. Rongsheng in turn owns a 100% equity interest in ZJPC, which operates an aromatics production complex and has an interest in a joint venture that produces purified terephthalic acid.

ARAMCO AND FIFA ANNOUNCE GLOBAL PARTNERSHIP

ARAMCO BECOMES MAJOR WORLDWIDE PARTNER OF FIFA, WITH RIGHTS ACROSS MULTIPLE EVENTS INCLUDING FIFA WORLD CUP 26™ AND FIFA WOMEN'S WORLD CUP 2027™

AGREEMENT BUILDS ON A SHARED COMMITMENT TO INNOVATION, DEVELOPMENT AND CREATING IMPACTFUL SOCIAL INITIATIVES, IN LINE WITH FIFA'S MISSION TO MAKE FOOTBALL TRULY GLOBAL

MAJOR WORLDWIDE PARTNER

Aramco, one of the world's leading integrated energy and chemicals companies, has signed a four-year global partnership with FIFA.

The Company becomes FIFA's Major Worldwide Partner exclusive in the energy category, with sponsorship rights for multiple events including the highly-anticipated FIFA World Cup 26™ and FIFA Women's World Cup 2027™.

The agreement, which runs until the end of 2027, builds on a shared commitment to innovation and development, and will combine football's unique global reach with Aramco's history of championing innovation and community engagement. Through the partnership Aramco and FIFA intend to leverage the power of football to create impactful social initiatives around the world.

Amin H. Nasser, Aramco President & CEO, said: "Through this partnership with FIFA we aim to contribute to football development and harness the power of sport to make an impact around the globe. It reflects our ambition to enable vibrant communities and extends our backing of sport as a platform for growth. Our existing relationship with the Saudi football team Al-Qadsiah, our support for women's golf through the Aramco Team Series, and our backing of F1 in Schools each demonstrate the possibilities of such partnerships to create pathways for opportunity, positively impact society and promote development at the grassroots level."

Gianni Infantino, FIFA President, said: "We are delighted to welcome Aramco to FIFA's family of global partners. This partnership will assist FIFA to successfully deliver its flagship tournaments over the next four years and, as is the case with all our commercial agreements, enable us to provide enhanced support to our 211 FIFA member associations across the globe. Aramco has a strong track record of supporting world-class events, but also a focus on developing grassroots sport initiatives. We look forward to collaborating with them on a variety of initiatives over the coming years."

Aramco also intends to work with FIFA to drive innovation, identifying opportunities to deploy the Company's expertise and technologies in the delivery of football events globally. This includes initiatives that aim to provide new and innovative ways for football fans to engage with FIFA's events.

ARAMCO AWARDS $7.7 BILLION CONTRACTS TO ADD 1.5 BSCFD OF RAW GAS TO FADHILI GAS PLANT

Aramco, one of the world's leading integrated energy and chemicals companies, recently awarded engineering, procurement and construction (EPC) contracts worth $7.7 billion for a major expansion of its Fadhili Gas Plant in the Eastern Province of Saudi Arabia. The project is expected to increase the plant's processing capacity from 2.5 to up to 4 billion standard cubic feet per day (bscfd).

This additional 1.5 bscfd of processing capacity is expected to contribute to the company's strategy to raise gas production by more than 60% by 2030, compared to 2021 levels. The Fadhili Gas Plant expansion, which is expected to be completed by November 2027, is also expected to add an additional 2,300 metric tons per day to sulphur production.

Wail Al Jaafari, Aramco Executive Vice President of Technical Services, said: "The award of these contracts reflects Aramco's goal to increase supplies of natural gas, help efforts to reduce greenhouse gas emissions, and free up more crude oil for value-added refining and export. Together with leading international companies, we are advancing our goal to increase gas production. The expansion also supports our ambitions to develop a lower-carbon hydrogen business, while associated liquids from gas are an important feedstock for the petrochemical industry."

Aramco awarded EPC contracts for the Fadhili Gas Plant increment project to SAMSUNG Engineering Company, GS Engineering & Construction Corporation, and Nesma & Partners.

COMPANY AWARDS EPC CONTRACTS FOR DEVELOPMENT OF FADHILI GAS PLANT INCREMENT PROJECT TO ADD UP TO 1.5 BILLION STANDARD CUBIC FEET PER DAY TO THE CAPACITY OF THE FADHILI GAS PLANT

ADNOC DELIVERS FIRST EVER BULK SHIPMENT OF CCS-ENABLED CERTIFIED LOW-CARBON AMMONIA TO JAPAN

Abu Dhabi, UAE – 14 May 2024: ADNOC has delivered the world's first certified bulk commercial shipment of low-carbon ammonia enabled by carbon capture and storage (CCS) to Mitsui & Co., Ltd. (Mitsui) for use in clean-power generation in Japan. The low-carbon certification process, from production to delivery, has been conducted by TÜV SÜD, an internationally renowned certification agency.

The landmark shipment produced by Fertiglobe was enabled by ADNOC's $23 billion (AED84 billion) allocation towards decarbonization, low-carbon solutions and climate technologies and underscores its efforts to support its customers to decarbonize their operations, particularly in hard-to-abate sectors. It builds on previous demonstration cargos delivered by ADNOC to customers in Asia and Germany as the company accelerates development of global low-carbon hydrogen and ammonia value chains.

The cargo, sourced from Fertil, Fertiglobe's 100%-owned facility located in the Ruwais Industrial City, Abu Dhabi, will see the carbon dioxide (CO2) captured and permanently stored in the world's first fully sequestered CO2 injection well in a carbonate saline aquifer.

Musabbeh Al Kaabi, ADNOC Executive Director for Low Carbon Solutions and International Growth, said: "The delivery of the world's first certified bulk commercial shipment of CCS-enabled low-carbon ammonia to Mitsui in Japan is testament to ADNOC's commitment to accelerating the development of lower-carbon fuels to support a just, orderly and equitable energy transition. The UAE and Japan enjoy a longstanding strategic energy relationship and we are building on this partnership to enable a lower-carbon future. Hydrogen and its carrier fuels such as ammonia, will play a critical role in decarbonizing hard-to-abate industrial sectors and we will continue to work with our customers to advance these solutions and help them reduce their emissions."

The International Energy Agency (IEA) estimates that hydrogen will account for around 10% of global energy consumption for the world to reach net zero by 2050. ADNOC is an early mover in the production of hydrogen and it aims to capture 5% of the global low-carbon hydrogen market by 2030 in support of the UAE's National Hydrogen Strategy. Low-carbon ammonia is the most promising at-scale hydrogen carrier and potential clean fuel for a wide range of applications, including transportation, power generation and industrial, including steel, cement, and fertilizer production.

Mr. Junji Fukuoka, Managing Officer of Mitsui said: "We have worked together with ADNOC, METI and stakeholders in Japan to deliver this first bulk commercial shipment of CCS-based low-carbon ammonia. Mitsui has continued to enhance our relationship with ADNOC since we first began our participation in ADNOC LNG in 1973, and recently we have joined TA'ZIZ low-carbon ammonia project. Energy solutions remain a strategic focus for Mitsui, thus, we are excited to commence this large-scale clean hydrogen and ammonia value chain with ADNOC in light of global climate action."

SHIPMENT, PRODUCED BY FERTIGLOBE, DELIVERED TO MITSUI FOR USE IN CLEAN-POWER GENERATION, UNDERSCORING ADNOC'S EFFORTS TO SUPPORT ITS CUSTOMERS TO DECARBONIZE

LANDMARK ACHIEVEMENT BUILDS ON PREVIOUS DEMONSTRATION CARGOS DELIVERED BY ADNOC AS IT ACCELERATES DEVELOPMENT OF GLOBAL LOW-CARBON HYDROGEN AND AMMONIA VALUE CHAINS

ADNOC AIMS TO CAPTURE 5% OF THE GLOBAL LOW-CARBON HYDROGEN MARKET BY 2030 IN SUPPORT OF THE UAE'S NATIONAL HYDROGEN STRATEGY

In addition, Ministry of Economy, Trade and Industry (METI) commented on the importance of Japan and UAE bilateral cooperation and congratulated the shipment from ADNOC to Mitsui.

This year, ADNOC has embarked on the design of a facility in Abu Dhabi that will produce up to 360,000 tonnes of low-carbon hydrogen per year by capturing up to 3 million tonnes of CO2, the equivalent of taking over 650,000 internal combustion vehicles off the road. In addition, ADNOC, together with its partners, TA'ZIZ, Fertiglobe, G.S. Energy Corporation and Mitsui are developing a 1 million tonnes per year (mtpa) low-carbon ammonia facility at the TA'ZIZ Industrial Chemicals Zone.

THE ARAB ENERGY FUND ENTERS STRATEGIC PARTNERSHIP WITH DUSSUR

Saudi Arabia, 19 May 2024 – The Arab Energy Fund (TAEF), a multilateral impact financial institution focused on the MENA energy sector and an OAPEC joint venture, signed a Memorandum of Understanding (MoU) with the Saudi Arabian Industrial Investments Company (Dussur) to fast-track and facilitate prospective financing opportunities for TAEF of up to USD 200mn through bridge financing in selected green field projects promoted by Dussur.

The MoU contributes to the efforts exerted by the Kingdom of Saudi Arabia to advance the country's industrialization and the diversification of its economy by defining a broad framework agreement between TAEF and Dussur.

Commenting on the announcement, Nicolas Thévenot, Chief Banking Officer at The Arab Energy Fund, said: "We are thrilled to sign this MoU with Dussur and enter an era of collaboration to support the advancement of the flourishing energy sector in Saudi Arabia. Our strategic partnership with Dussur is also aligned with our planned investment of up to US$1bn to advancing the energy transition with a focus on decarbonization and related technologies over the next five years."

Omar Al-Qarawi, Director – Finance & Accounting at Dussur, said: "Dussur is pleased to have signed this MoU with TAEF, which could unveil multiple collaborative opportunities to maximize Dussur's impact on the Saudi economy. Through this MoU, Dussur and TAEF aim to further their joint efforts to leverage strategic and sustainable industrial investments."

Monthly Report on Petroleum Developments in The World Markets

Monthly Report on Petroleum Developments in the World Markets May 2024

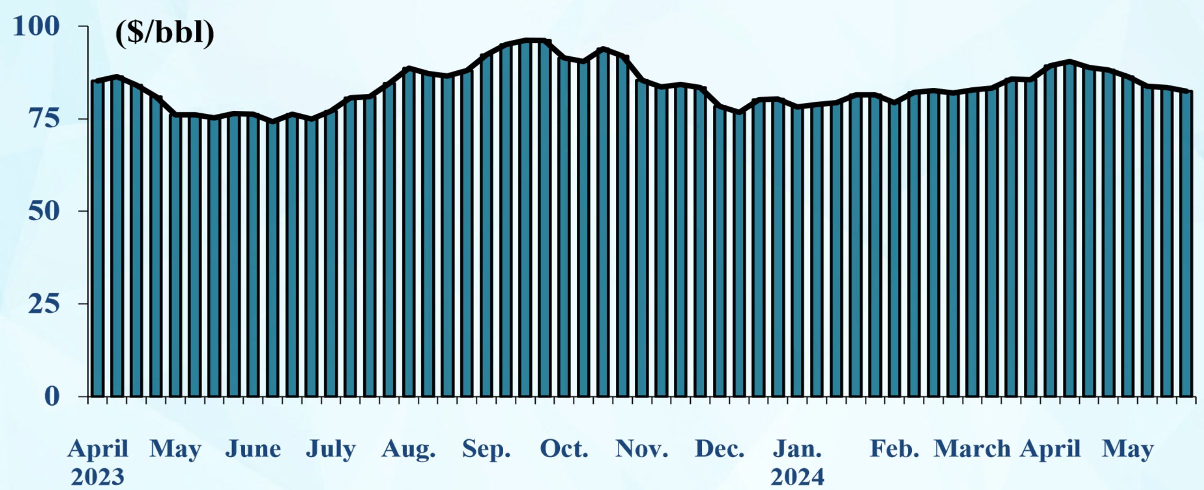
First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price decreased in May 2024 by 6.1% compared to the previous month, to reach $83.65/bbl. And annual price of OPEC Basket is estimated to increase in 2024 by 0.9% compared to 2023, to reach $83.7/bbl.

It's worth mentioning that OPEC Reference Basket increased in April 2024 by 5.8% or $4.9/bbl compared to the previous month of March, to reach $89.1/bbl. This is mainly attributed to the rally of oil futures prices, firm demand for loading barrels, specifically for sour crude as in some regions the refinery maintenance season reached its peak, prompting a steady increase in crude intake, signaling a recovery in refining activity ahead of the summer holiday season. As well as demand from Asia-Pacific refiners remained sustained, helping absorb available supply in the Atlantic basin amid refinery maintenance in Europe. However, gains were capped by the decline in refining margins across major hubs, softened demand from European refiners, and substantial build in US crude stocks.

Weekly Average Spot Prices of OPEC Basket of Crudes, Apr. 2023 - May 2024



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

2. Supply and Demand

- Estimates indicate that world oil demand is expected to increase in Q1 2024 by 0.3% compared with the previous quarter, to reach 103.5 million b/d. As demand in non-OECD countries increased by 1.2% to reach about

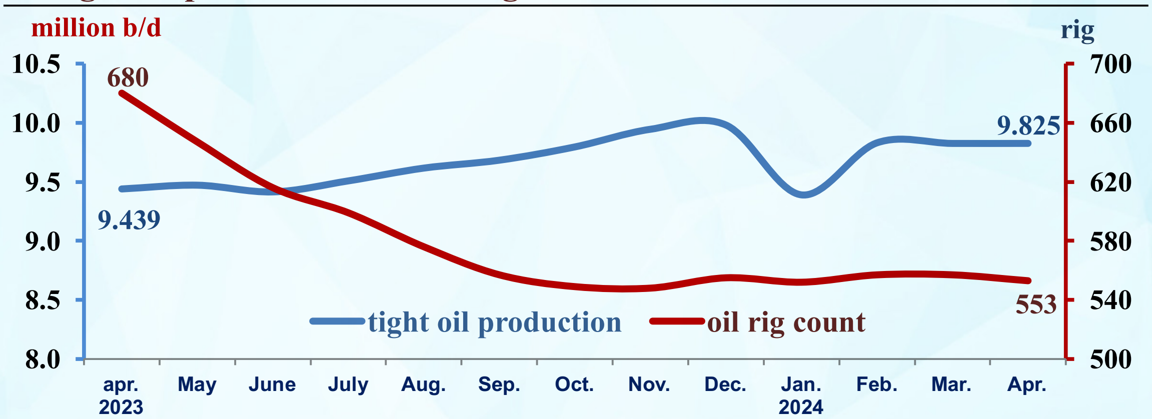
57.9 million b/d, whereas demand in OECD countries decreased by 0.7% to reach 45.7 million b/d.

Projections indicate that world oil demand is expected to increase in Q2 2024 to reach 103.8 million b/d. As demand in OECD countries is expected to increase by 390 thousand b/d to reach 45.9 million b/d, whereas demand in non-OECD countries is expected to decrease by 200 thousand b/d to reach 57.8 million b/d.

- Estimates indicate that **world** crude oil and NGLs/non-conventional supply in April 2024, decreased by 0.1% to reach 102.1 million b/d. OPEC supply decreased by 0.1% to reach about 32 million b/d, and non-OPEC supplies decreased by 0.1% to reach about 70.1 mb/d.

  OPEC+ crude oil supply in April 2024 decreased by 255 thousand b/d, or 0.7% compared with previous month level to reach about 35.8 million b/d. The supplies of OPEC-9[1], which are members in OPEC+, decreased by 0.3% to reach about 21.4 mb/d. And the supplies of nonOPEC, which are members of OPEC+, decreased by 1.3% to reach about 14.4 million b/d.
- US tight oil production in April 2024 remained stable at the same previous month level of 9.825 million b/d. Production is expected to increase in May to reach 9.836 million b/d, and continue to increase in June to reach 9.853 million b/d. On other development, US oil rig count decreased by 3 rigs comparing to previous month to reach 557 rigs.

US tight oil production and oil rig count



Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions May 2024.

3. Oil Inventories

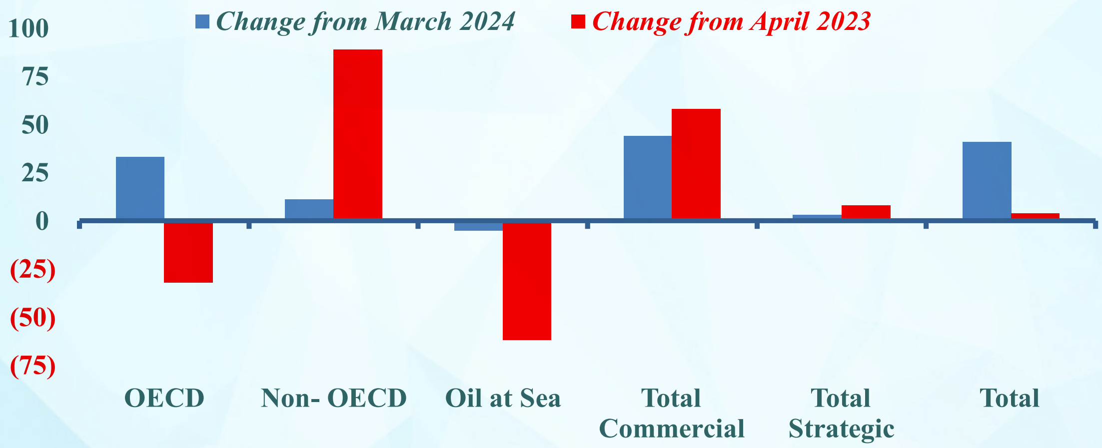
- OECD commercial inventories at the end of April 2024 increased by 33 million barrels from the previous month level to reach 2788 million

---

[1] It does not include Libya, Iran, and Venezuela, whose supplies of crude oil amounted to about 1.2 million b/d, 3.2 million b/d, and 0.8 million b/d, respectively, during April 2024.

barrels, non-OECD commercial inventories increased by 11 million barrels from the previous month level to reach 3288 million barrels, and strategic inventories increased by 3 million barrels to reach about 1512 million barrels.

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



Source: Oil Market intelligence, May 2024 and July 2023.

4. Oil Trade

US Oil Imports and Exports

- US crude oil imports in April 2024 increased by 4.3% from the previous month level to reach about 6.5 million b/d, and US crude oil exports increased by 1.8% to reach about 4.1 million b/d.

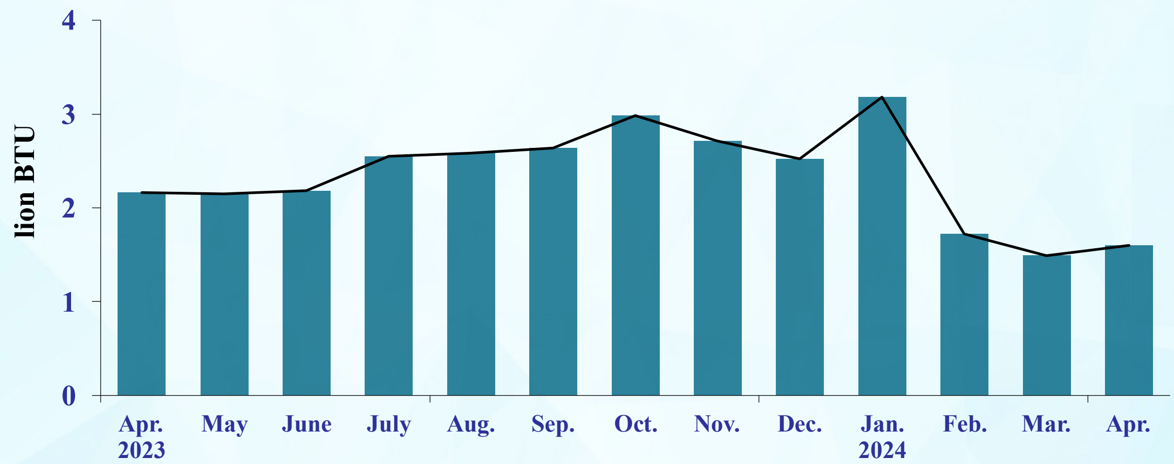
- US petroleum products imports in April 2024 increased by 24% from previous month level to reach about 2.1 million b/d, and US petroleum products exports increased by 3.6% to reach 6.6 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub increased in April 2024 to reach $1.60/million BTU.

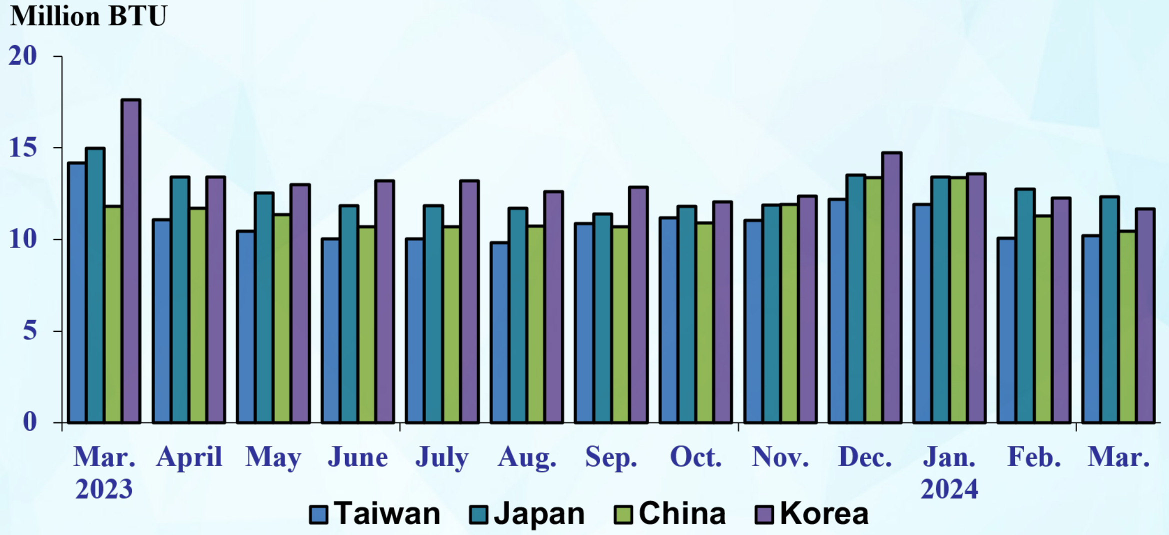
Average spot price of natural gas at the Henry Hub, Apr. 2023 – Apr. 2024



Source: EIA, Henry Hub Natural Gas Spot Price .

- The price of Japanese LNG imports in March 2024 decreased by $0.42/m BTU to reach $12.32/m BTU, the price of Korean LNG imports decreased by $0.60/m BTU to reach $11.67/m BTU, and the price of Chinese LNG imports decreased by $0.82/m BTU to reach $10.47/m BTU. Whereas the price of Taiwan LNG imports increased by $0.15/m BTU to reach $10.21/m BTU,

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



Source: Energy Intelligence - WGI, Various issues.

2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 3.978 million tons in March 2024 (a share of 22.4% of total imports).

Tables Annex