



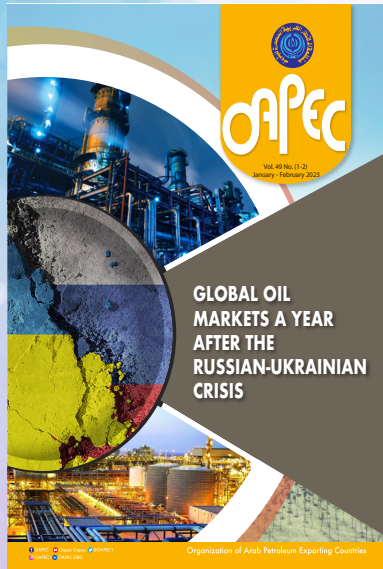
# OAPEC

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## GLOBAL OIL MARKETS A YEAR AFTER THE RUSSIAN-UKRAINIAN CRISIS



## The Cover



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### ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)



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

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

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





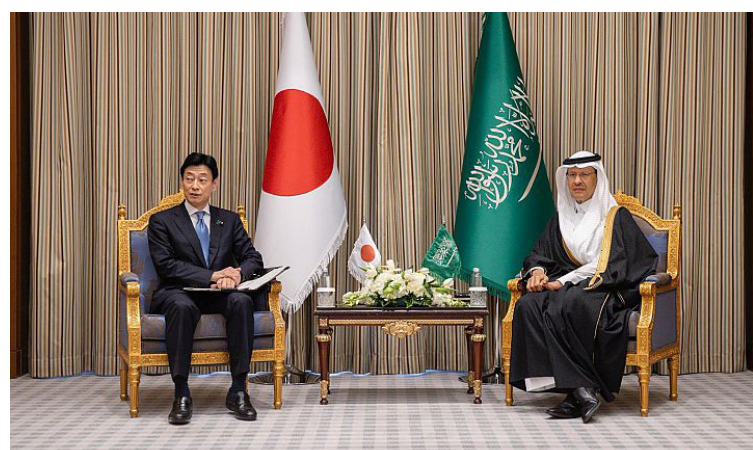
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### • OAPEC-Joint Ventures:

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

### OAPEC'S ORGANS

The Organization carries out its activities through its four organs:

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



## GLOBAL OIL MARKETS A YEAR AFTER THE RUSSIAN-UKRAINIAN CRISIS



By: Jamal Essa Al Loughani  
OAPEC Secretary General



A year after the Russian-Ukrainian crisis, global oil markets are experiencing a state of uncertainty, which has reflected in turn on their future prospects. He said that the sanctions imposed on Russia made Europe more dependent on the Middle East countries, especially OAPEC members and the United States of America to meet their energy needs.

The Russian-Ukrainian crisis has relatively contributed to the decline in the growth rate of global oil demand during 2022 compared to the previous year, to remain below its levels recorded before the COVID19 pandemic. Demand has been negatively affected by a number of factors, including high oil prices, slowdown in the performance of global economy, and restrictions associated with China's Zero - Covid policy.

The impact of the Russian-Ukrainian crisis on supplies in 2022 was much less than what was expected at the beginning of the crisis, as Russian oil production proved resilient and recovered quickly, thanks to the success of Russian oil companies in finding new buyers for their oil exports. Although the majority of forecasts indicate a decline in Russian oil production in 2023, this decrease may be less than expected, in light of the continued flow of Russian oil exports to their Asian destination.

The Russian-Ukrainian crisis led to an increase in the stock of oil transiting the ports in light of the change in the course of commercial flows. The USA resorted to using its strategic oil stocks as a tool to manage the oil market, through withdrawals from those stocks in collaboration with the rest of the OECD countries.

Crude oil prices were not immune from the repercussions of the Russian crisis, as they witnessed sharp fluctuations in their levels. During March 2022, Brent crude oil prices approached the \$140/barrel benchmark, and West Texas crude oil prices crossed the \$130/barrel threshold. These are the highest levels recorded since July 2008. Coinciding with expectations related to a slowdown in global economic growth, tightening monetary policy

by raising interest rates by central banks around the world, and restrictions to contain the Corona virus in China, oil prices witnessed a decline in the second half of the year to settle at \$79.7 per barrel.

Among the other repercussions of the Russian-Ukrainian crisis that Al Loughani touched upon is forcing crude oil tankers to travel longer distances to reach buyers of Russian crude oil, which limited the availability of tankers and caused an increase in freight prices. The crisis also led to a massive shift in global oil trade flows and international oil trade relations within a very short period of time, with the emergence of a parallel market for tankers.

In light of the above, concerns related to energy security for European countries in particular and the ability to bear its high costs have become the main drivers of energy policy in these countries and at the world as well. He added that OPEC + countries, led by the Arab members of OAPEC, in the context of their endeavor to achieve stability and balance in the global oil market in light of the Russian-Ukrainian crisis, did not stand idly in the face of these developments, as they made relentless efforts in this regard.

OAPEC Secretariat General is monitoring global oil market developments closely due to their impacts on the revenues of its member countries, which are the main engine of economic and social development, and the main supporter of their central banks' foreign currency reserves. The Secretariat underscores the importance and effectiveness of the approach adopted by the OPEC + group, represented in taking proactive measures in anticipation of any emergency developments that the oil market may witness, which is a clear sign of reassurance from the group's countries to the oil market. The Secretariat General also confirms that the decisions taken by the countries of the group, on top of which the decision to cut production by 2 million b/d, had a clear impact on the stability and balance of the oil market, which is the goal that the countries of the group seek to achieve.



## PARTICIPATION OF OAPEC GENERAL SECRETARIAT IN MEOS GEO- THE MIDDLE EAST OIL, GAS AND GEOSCIENCES SHOW IN BAHRAIN



OAPEC General Secretariat participated in MEOS GEO- The Middle East Oil, Gas and Geosciences Show, which was held under the high patronage of His Royal Highness, the Crown Prince and Prime Minister of the Kingdom of Bahrain, and was inaugurated by His Excellency Sheikh Khalid bin Abdullah Al Khalifa, Deputy Prime Minister.

The conference has been held in the Kingdom of Bahrain every two years since 1979, and this year it is held under the slogan “Today’s Realities... Tomorrow’s Energy”. More than 15,000 participants including senior officials, engineers, specialists and academics participated in the conference to discuss the current challenges facing the oil and gas industry, and to find appropriate solutions to achieve sustainable energy development.

His Excellency Sheikh Khalid bin Abdullah Al

Khalifa, Deputy Prime Minister, indicated that this conference represents a significant opportunity that underscores the attention that the oil and gas sector receives, as one of the promising economic sectors within the framework of achieving the goals of the comprehensive development process. The conference is also an opportunity to exchange information and expertise, learn about the latest studies and successful experiences in oil and gas exploration programs, find appropriate solutions aimed at achieving commercial advantages,





and review the latest means and equipment of developing the industry with the aim of improving efficiency and productivity.

For his part, His Excellency Dr. Muhammad bin Mubarak bin Dayna, Minister of Oil and Environment and Special Envoy for Climate Affairs in the Kingdom of Bahrain, stressed that the participation of many oil and gas specialists in this global event will contribute to studying the challenges facing the oil industry during the coming period, pointing out to the importance of the topics that will be presented at the conference

to enhance knowledge and development, exchange information, experiences and expertise, participate in capacity building, and refine the skills of the human factor. His Excellency pointed out that countries around the world today are facing climate challenges that require serious cooperation to achieve environmental initiatives aimed at reducing carbon emissions, adopting carbon capture technology to reuse and recycle it. He also stressed the keenness of the Kingdom of Bahrain to implement these initiatives through continuous follow-up with various regional and international bodies to ensure implementation in accordance with agreed specifications and laws.

More than 200 exhibitors from various international oil companies, such as Saudi Aramco, Kuwait Petroleum Corporation, ADNOC, Chevron, Shell, Halliburton, ExxonMobil, Italian Eni, and other companies, participated in the exhibition accompanying the conference. The exhibition showcased latest technologies in the oil and gas industry, in addition to experiences and expertise that contributed to the development of oil projects with high efficiency and low cost.



## OAPEC PARTICIPATES IN UNEP'S INTERGOVERNMENTAL NEGOTIATING COMMITTEE DISCUSSING PLASTIC WASTE TREATY

OAPEC presented its vision on reducing plastic waste, to the Intergovernmental Negotiating Committee (INC), which was formed based on a decision of the United Nations Environment Program in February 2022. The committee invited all governmental and non-governmental agencies and organizations, observers, and members of the Committee to prepare for the second round of negotiations scheduled for 22 May 2023, in Paris, by submitting reports on a number of proposals and actions to be published on the Committee's website, and to discuss their inclusion in the binding international treaty to end plastic waste pollution, which is scheduled to be completed by Year 2024.

It is noteworthy that the Intergovernmental Negotiating Committee concluded the first round of negotiations on the treaty, on 2 December 2022, in the city of "Punta del Este", in Uruguay, in order to discuss issues related to the goals and efforts made by the participating countries in the committee.

The committee seeks to include a number of mandatory measures in the treaty, including imposing restrictions on plastic production, in order to address the problems facing the world as a result

of plastic waste pollution, with the possibility of adding other petrochemical products in the long term.

In view of the importance of the plastic waste problem in OAPEC member countries, the Secretariat General, in its report uploaded to the website of the International Negotiating Committee on 11 January 2023, stressed the need to pass legislation and laws, and set goals for dealing with plastic waste and its safe disposal, within the concept of circular economy and sustainability according to the circumstances of each country. This should be done while preserving the interests of plastic-producing countries, and the need to encourage investment and expand the development of projects for recycling plastic waste and using it as fuel in power plants and energy-intensive industries, taking into account binding environmental requirements in this regard, and searching for innovative solutions to benefit from plastic waste in refineries, refining and petrochemical complexes, and the need to develop strategies and action plans that contribute to the design of various alternative plastic products that are compatible with future directions in terms of reuse or recycling.





## OAPEC GENERAL SECRETARIAT PARTICIPATES IN THE MIDDLE EAST AND NORTH AFRICA FORUM ON ENERGY AND SUSTAINABILITY IN BAHRAIN

OAPEC participated in the activities of the Middle East and North Africa Forum on Energy and Sustainability, which was held from January 22-24, 2023 in Manama, Kingdom of Bahrain, under the auspices of His Excellency Dr Mohammed Mubarak Bin Daina, under the slogan “Decarbonization in the Refining and Petrochemical Industry”, in the presence of more than 400 participants from different countries of the world, and many Arab and international oil companies.



The forum dealt with many topics, the most important of which are: developments in energy markets and their relationship to the need to innovate new technologies for a carbon-free future, the role of applying energy rationalization measures in the roadmap for decarbonization of industrial facilities, the future of oil refineries in light of the transition to renewable energies, and the role of green hydrogen and biofuels in the future energy mix.



## OAPEC TOOK PART IN 9TH ASIAN MINISTERIAL ENERGY ROUNDTABLE (AMER) IN INDIA

OAPEC participated in the Ninth Asian Ministerial Energy Roundtable (AMER), which was held on Tuesday, 7 February 2023, as part of the activities of the India Energy Week in Bengaluru, India, under the title "Towards Stable and Safe Energy Paths: Energy Security and Justice, Growth and Innovation." During the meeting, various issues were discussed, including energy security and fair transition to clean energy.

The opening session was attended by His Excellency Dr Sultan Al Jaber, Minister of Industry and Advanced Technology, Special Envoy for Climate Change and President of the COP28 Climate Summit in the United Arab Emirates, who stressed the importance of striking a balance between supporting economic growth and providing sustainable energy supplies to the world on the one hand, and climate action and reducing emissions on the other hand. He pointed out that the world still needs hydrocarbons,

and will still have to rely on them during the transition from the current to the new energy system.

The opening session was also attended by His Excellency the Minister of Petroleum and Natural Gas of India, who emphasized that economic growth coupled with urbanization, industrialization, and improved access to energy and living standards will lead to an increase in energy demand for the majority of emerging Asian economies by more than 3 percent between 2021 and 2030. For his part, His Excellency the Secretary-General of the International Energy Forum pointed out to the importance of energy security and the just transition to clean energy.

Mr Abdel Fattah Dandi, Director of the Economic Department and Supervisor of the Information and Library Department represented OAPEC at this event.



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# HE AL KAABI: WE MUST BE REALISTIC AND FAIR IN OUR QUEST FOR ENERGY TRANSITION

His Excellency Mr. Saad Sherida Al Kaabi, the Minister of State for Energy Affairs in the State of Qatar, the President and CEO of QatarEnergy, said the world can't solve its environmental and climate change problems without being realistic about the solution.

His Excellency's remarks came during an opening panel discussion of the Global Energy Forum,



which was held in Abu Dhabi recently with the participation of HE Suhail Al Mazrouei, the Minister of Energy and Infrastructure of the United Arab Emirates.

Minister Al Kaabi also highlighted some of the challenges that face stable energy markets and prices, including geopolitical tensions and turmoil, lack of investment in new energy sources, and meeting the financial requirements for investments that will help achieve the environmental ambitions, adding that making unachievable plans and promises will take us across the finish line. His Excellency also stressed that, so far, global "net zero" ambitions have not been supported with an actual plan beyond setting expectations by a certain date.

Urging the need for fairness with regards to investments in oil and gas, His Excellency said it is very unfair for some in the West to say African countries should not invest in oil and gas and to be green when it was important for their economies, national growth, and prosperity, as well as for the oil-based solutions and everyday products they need, and which renewables cannot produce or manufacture.

His Excellency Minister Al Kaabi stressed during his remarks that natural gas is not a transition fuel but rather a destination fuel. He also highlighted the need for immediate and effective action against burning coal, which is the most serious pollutant. "30% of the world's electricity is generated by burning coal, which is being used in record levels today by the same countries which have called to stop coal burning. Still, we hear the calls demonizing oil and gas but not coal – the biggest polluter on the planet."

Speaking on the future of oil & gas and the impact

of the fluctuating market, His Excellency Minister Al Kaabi said: "Prices are a factor of supply and demand. Last year, we have seen spikes in energy prices that began well ahead of the Ukraine crisis. This was clearly due to lack of supply driven by lack of investments, which shied away as a result of a bigger push for green that did not have a realistic plan for an effective transition. As for 2023, it started with lower prices helped by warmer weather in Europe, but the challenge is when the time comes to replenish their storage capacities. There won't be any new gas volumes coming into the markets for another 2-4 years, which can be a cause for future volatility."

His Excellency the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, also gave an overview of Qatar's efforts to help meet global demand saying: "Today, we are producing 77 million tons per annum of LNG to which we will add another 65 million in new gas production projects. Our efforts continue to bring more gas to the market to help humanity with its energy needs especially when we know that there are one billion people who are deprived of the basic electricity we all enjoy today."

HE Minister Al Kaabi concluded his remarks by urging governments and legislators to promote additional gas investments in order to encourage and promote the development of future supplies.

The Atlantic Council Global Energy Forum convenes the world's top energy and foreign policy decision makers annually to set the global energy agenda for the year ahead and examine the longer-term geopolitical and geo-economic implications of the changing energy system.





## QATARENERGY ACQUIRES A 30% INTEREST IN TWO OFFSHORE EXPLORATION BLOCKS IN LEBANON

QatarEnergy entered into agreements with the Government of Lebanon, TotalEnergies and Eni to become a partner in two exploration blocks offshore the Republic of Lebanon.

Pursuant to the terms of the agreements signed in Beirut today, QatarEnergy will hold a 30% working interest in the Exploration and Production Agreements pertaining to Blocks 4 and 9, marking QatarEnergy's first exploration endeavor in Lebanon. TotalEnergies (the operator) and Eni will each hold a 35% interest.

The agreements were signed 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, His Excellency Dr Walid Fayad, the Minister of Energy and Water of the Lebanon, Mr Patrick Pouyanné, Chairman and CEO of TotalEnergies, and Mr Claudio Descalzi, the CEO of Eni.

Commenting on the signing of these agreements, His Excellency Mr Al Kaabi said: "This very important commitment gives us the opportunity to support Lebanon's economic development, at this critical juncture. And I want to assure our brothers in Lebanon that with the guidance of His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, the State of Qatar will always be there in support of a better future for Lebanon and its people."

His Excellency Minister Al Kaabi thanked the government of Lebanon and the Ministry of Energy and Water for their support saying: "I want to take this opportunity to express my sincere thanks to the Government of Lebanon represented by His



Excellency Dr Walid Fayad, the Minister of Energy and Water and the teams at the ministry and the Lebanese Petroleum Administration for the valuable support and cooperation that led to this milestone."

"I want to thank our partners Mr. Patrick Pouyanné and Mr. Claudio Descalzi as well as the working teams of TotalEnergies, Eni, and QatarEnergy. We are pleased to work with TotalEnergies and Eni, with whom we share a long history of cooperation, and who have a deep understanding of the region and a proven exploration track record. We look forward to beginning work on this promising endeavor, and hope that these efforts are successful for the benefit of Lebanon and its people," Minister Al Kaabi concluded.

Block 9 has a total area of 1,749 square kilometers and lies about 80 kilometers off the coast of southern Lebanon in water depths of approximately 1,700 meters, while block 4 has a total area of 1,911 square kilometers and is located in water depths of about 1,500 meters.



# ATLANTIC COUNCIL GLOBAL ENERGY FORUM KICKS OFF IN ABU DHABI



The seventh annual Global Energy Forum, organised by the Atlantic Council, kicked off on 14 January 2023 in Abu Dhabi as part of the activities of Abu Dhabi Sustainability Week (ADSW), with the participation of the world's most influential energy leaders to set the global energy agenda for the year ahead and drive the global energy transition.

This year's Forum is of particular importance as critical climate and energy strategy issues take centre stage in the run-up to the United Nations Climate Change Conference of the Parties (COP28), which the UAE will also host before the year's end.

The 2023 forum focuses on the challenge of managing energy security priorities and decarbonisation efforts in tandem.

Headliners include John Kerry, US Special Presidential Envoy for Climate and former US Secretary of State; Amos Hochstein, Special Presidential Coordinator for Global Infrastructure and Energy Security, US

Department of State; Grant Shapps MP, Secretary of State for Business, Energy and Industrial Strategy, United Kingdom; Ditte Juul Jørgensen, Director General for Energy, European Commission; Francesco La Camera, Director-General, IRENA; Dr. Yasmine Fouad, Minister of Environment and Ministerial Coordinator and Climate Envoy for COP27, Arab Republic of Egypt; Alparslan Bayraktar, Deputy Minister of Energy and Natural Resources, Republic of Türkiye; Amadou Hott, Special Envoy and Global Champion, Alliance for Green Infrastructure in Africa; Former Minister Economy, Planning and International cooperation, Republic of Senegal; as well as top executives from the global energy sector.

The Forum is convened in partnership with the UAE Ministry of Energy & Infrastructure, Abu Dhabi National Oil Company (ADNOC), Mubadala Investment Company, TAQA, and Emirates Nuclear Energy Company (ENEC), with CNBC as an international media partner.



# FUTURE MINERALS FORUM 2023



The second edition of the Future Minerals Forum kicked off in Riyadh on Tuesday, January 10, 2023, and lasted for three days at the King Abdulaziz International Conference Center in Riyadh in the Kingdom of Saudi Arabia.

The forum was attended by about 13 thousand participants from more than 100 countries. Ministers, government representatives, investment leaders, heads of major mining companies, experts and technical specialists in this field took part in the event.

## Day 2: Session on Mining, Its Partnership in Catalyzing, Accelerating Prosperity for Communities

Riyadh, January 12, 2023, SPA -- The second day of the Future Minerals Forum, organized under the patronage of the Custodian of the Two Holy Mosques HM King Salman bin Abdulaziz Al Saud, started amidst a big international presence. The first panel of the second day discussed the mining topic as a partner in development to catalyze and accelerate prosperity for communities, and saw the participation of Hamid Rashid, Chief of Global Economic Monitoring at the Department of Economic and Social Affairs of the United Nations; Ronan Le Roy, Head of Mining Division, BYTP, DTP Mining and Director of BTGC, BTGC; Mayer Ngomesia, Senior Expert, Sustainable Resources Program, RESOLVE; Andrew Southam, Chief Executive Officer, Kaz Minerals; and Wendy Tyrrell, Executive Director, Development Partner Institute (DPI). Participants in the panel, dubbed "How does mining become a development partner to catalyze and

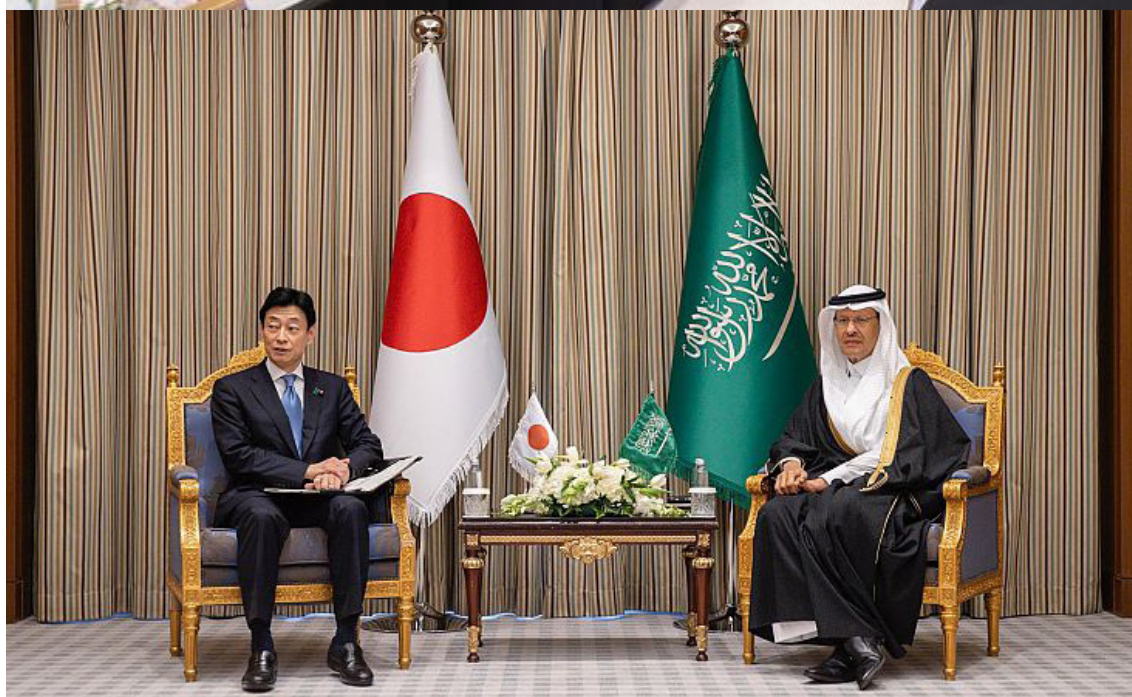


accelerate prosperity for communities beyond the mine?" discussed means to develop a roadmap for the mineral supply chains of the Arab region and provide materials necessary for green energy projects, reviewing the concept of welfare for mining companies and their investments in the region, challenges they face while trying to achieve welfare in their fields of work, and strategic priorities to realize and sustain the concept. Participants shed light on the future of mining companies and how to provide their resources, as well as discussed a mechanism to involve mining in development to catalyze and accelerate prosperity for communities, support the local supply chain by companies and investors, and increase operational efficiency and safety to serve the economy. They also referred to countries' mining and infrastructure needs, and the balance of providing required needs for all target areas, stressing the importance of community partnership between governments and companies to provide societal welfare for peoples and countries, provide supply chains and adopt new approaches to creating a diversified economy to know the sites of mines and mining.





## HRH MINISTER OF ENERGY AND JAPANESE MINISTER OF ECONOMY, TRADE AND INDUSTRY HOLD FIRST MEETING OF SAUDI - JAPANESE MINISTERIAL ENERGY DIALOGUE



The First Ministerial Meeting for “Japan Saudi Energy Ministerial Dialogue” was held in Riyadh on the 25th December 2022 between HRH Prince Abdulaziz bin Salman bin Abdulaziz, Minister of Energy of the Kingdom of Saudi Arabia, and HE NISHIMURA Yasutoshi, Minister of Economy, Trade and Industry of Japan, during which they emphasized the importance of supporting the stability of global oil markets by encouraging dialogue and collaboration between producing and consuming countries.





Furthermore, they highlighted the need to ensure secure supplies of all energy sources in global markets, noting that the kingdom continues to be Japan's largest source of reliable crude oil supplies and its reliable and trusted partner. H.E Mr. Nishimura welcomed Saudi Arabia's continuing efforts in enhancing the stability of global oil markets. The two ministers welcomed the new three-year extension of strategic stockpiling cooperation between the Ministry of Economy, Trade and Industry and Saudi Aramco. Both ministers also welcomed the signing of two memorandums of cooperation in the areas of Circular Carbon Economy (CCE) and Carbon Recycling as well as clean hydrogen, Fuel ammonia and derivatives. It was also highlighted that in order to realize a carbon-neutral society, it is necessary to focus on emissions rather than energy source through effective deployment of CCE and Carbon Recycling technologies.

Both sides welcomed Japanese companies' investment and participation in the Kingdom's Energy market to diversify global supply chains through localization strategies that draw on respective comparative strengths. Both sides also discussed the potential collaboration in the fields of Petrochemicals where the Kingdom recently announced its ambitious plans to expand the Kingdom's Petrochemical industry through liquid to chemical conversion and maximize integration across the full value chain. Moreover, both sides express their desire to carry on cooperation in electricity, renewable energy, energy efficiency and innovation.





## SABIC INTRODUCES NEW HIGH-DENSITY POLYETHYLENE IN SAUDI ARABIA

Saudi Basic Industries Corporation (SABIC) has introduced a new high-density polyethylene with mechanically recycled content (HDPE T3K01B) within the TRUCIRCLE™ product package, as part of SABIC's commitment to contribute to enhancing the plastic circular economy. The new material was developed specifically for engine oil and lubricant packaging manufactured through inflatable molding technology and contains approximately 30% of mechanically recycled plastic after consumption.

The initiative contributes to boosting the transition towards the completion of the plastic packaging waste handling cycle in the Kingdom of Saudi Arabia's automotive services market. General Manager of Engineering Thermoplastics and Market Solutions at SABIC Abdullah Al-Otaibi stressed the company's commitment to accelerating the transition towards solutions that enhance the circular economy of after-sales services

in the automotive sector, noting that this transition not only promotes innovation, but also requires cross-value chain collaboration to implement worthy initiatives to complete the cycle of handling plastic waste, such as TRUCIRCLE™ initiative. Al-Otaibi noted that this project is the first of its kind for mechanical recycling aimed at creating a strong and sustainable new business model in the Kingdom of Saudi Arabia and demonstrates the feasibility of expanding circular solutions and shared expertise to prolong plastic life and restore value from oil packaging waste after consumption. SABIC's launch of HDPE T3K01B promotes its TRUCIRCLE™ initiative solutions and services, comprising mechanically recycled materials, plastic waste cycle completion initiatives, recycling design services, certified circular products manufactured from advanced recycling of used plastics and bio-feedstock certified renewable polymers.



# ARAMCO, SINOPEC & SABIC EXPAND REFINING AND PETROCHEMICAL COOPERATION



Heads of agreement signed with Sinopec for Gulei II integrated complex

DHAHRAN, KSA, December 18, 2022- The Saudi Arabian Oil Company (Aramco), one of the world's leading integrated energy and chemicals companies, China Petroleum and Chemical Corporation ("Sinopec") and SABIC, are exploring collaboration across refining and petrochemical projects in China and Saudi Arabia.

Aramco and Sinopec, among the world's largest energy and petrochemical corporations, have signed heads of agreement for a greenfield project in Gulei, Fujian Province, which plans to include a 320,000 barrels-per-day refinery and 1.5 million tons-per-year petrochemical cracker complex. It is expected to commence operations by the end of 2025.

Additionally, Aramco, SABIC and Sinopec signed a Memorandum of Understanding (MoU) on December 15, to study the economic and technical

feasibility of developing a new petrochemical complex to be integrated with an existing refinery in Yanbu, Saudi Arabia.

Mohammed Y. Al Qahtani, Aramco Senior Vice President of Downstream, said: "These projects represent an opportunity to contribute to a modern, efficient and integrated downstream sector in both China and Saudi Arabia. They also underpin our long-term commitment to remain a reliable supplier of energy and chemicals to Asia's largest economy."

The announcements support Aramco's role as a reliable energy supplier to China as the company seeks to expand its liquids to chemicals capacity to up to 4 million barrels per day by 2030. The collaboration also aligns with Sinopec's vision to become a world-leading energy and petrochemical corporation, providing quality products and reliable energy to benefit the lives of people worldwide.

**320,000  
BARRELS-PER-  
DAY REFINERY  
AND 1.5 MILLION  
TONS-PER-YEAR  
PETROCHEMICAL  
CRACKER**

**ARAMCO,  
SINOPEC AND  
SABIC AGREE  
MOU FOR  
PETROCHEMICAL  
PROJECT IN  
YANBU**



## ADNOC'S NEW WORLD-SCALE GAS PROCESSING, OPERATIONS & MARKETING COMPANY ESTABLISHED



**Abu Dhabi, UAE – January 10, 2023: ADNOC, a reliable and responsible provider of lower-carbon intensity energy, has announced the formation of ADNOC Gas, effective 1 January 2023, its new world-scale gas processing, operations and marketing company.**

The flagship company combines the operations, maintenance and marketing of the ADNOC Gas Processing and ADNOC LNG businesses into one global and market-leading consolidated business.

As ADNOC grows its gas production and processing capacity, the combined scale and capabilities of ADNOC Gas will maximize value

**NATURAL GAS WILL PLAY A CRITICAL ROLE AS LOWER CARBON-INTENSITY FUEL FOR THE ENERGY TRANSITION, WITH GLOBAL GAS DEMAND EXPECTED TO INCREASE OVER THE COMING DECADES**

and create new opportunities for ADNOC, its partners and the UAE. As a leading global player with capacity of ~10 billion standard cubic feet of gas per day (scfd), ADNOC Gas will serve a wider range of domestic and international customers with an expanding portfolio of gas products.

Natural gas is a lower-carbon fuel and will play a vital role in a responsible energy transition. Demand for natural gas is expected to increase steadily over the coming decades with global gas demand driven by industrial and manufacturing growth and the replacement of more carbon intensive fuels, such as coal, in international markets. The UAE and ADNOC are well-placed to take advantage of this opportunity, given its significant gas reserves, a strong heritage of successfully developing gas projects and a proven track-record as a reliable energy supplier.

His Excellency Dr Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology





**ADNOC GAS, WHICH CONSOLIDATES ADNOC'S GAS PROCESSING AND LNG OPERATIONS, IS ONE OF THE WORLD'S LARGEST GAS PROCESSING ENTITIES, WITH CAPACITY OF ~10 BILLION STANDARD CUBIC FEET OF GAS PER DAY**

and ADNOC Managing Director and Group CEO, said: "The formation of ADNOC Gas represents another major milestone in unlocking the full value of the UAE's vast natural gas resources and builds on ADNOC's more than 40 years' experience as a leading gas producer. Natural gas will be a critical fuel in the energy transition and ADNOC Gas, through its world-scale operations and significant growth and expansion plans, will be well-positioned to meet both local and international gas demand. In addition to enabling the growth of local industry and manufacturing, ADNOC Gas will play a critical role in delivering ADNOC's broader LNG expansion plans, including in international markets.

"For our customers, ADNOC Gas will continue to be a reliable provider of LNG, LPG and associated products. Led by a seasoned and highly-qualified senior management team, with unrivalled experience in the sector, this new flagship and world-scale company will strengthen our position as a responsible and sustainable energy leader in an evolving global energy landscape."

Mr Ahmed Mohamed Alebri has been appointed as Chief Executive Officer (Acting) of ADNOC Gas, Mr. Peter Van Driel as Chief Financial Officer, and Mr. Mohamed Al Hashemi as Chief Operating Officer. Ahmed Mohamed Alebri is the former CEO (Acting) of ADNOC Gas Processing and General Manager (Acting) of ADNOC Industrial Gases. With an ADNOC career spanning more than 18 years, he has held various senior management positions and has led the delivery of multi-billion dollar gas expansion programs.

Peter Van Driel is a 28-year veteran of Shell, where he served in various key roles in Accounting, Investor Relations, M&A and Finance and Mohamed Al Hashemi is the former SVP of Production Planning & Transmission at ADNOC Gas Processing, where he previously held several leadership posts covering the full spectrum of Site Operations, Maintenance and Supply with an emphasis on HSE & Asset Integrity.

The consolidated ADNOC Gas business is expected to unlock significant financial and operational opportunities. The new company will be more agile, better able to respond to changing market demands, and well-positioned to take advantage of strategic opportunities for future growth. This includes the delivery of critical capital growth projects that will increase the company's gas processing capabilities and its intended growth in LNG.

As one of the world's leading gas companies ADNOC Gas will operate eight processing sites both onshore and offshore with a pipeline network of over 3,250km.

As announced in November 2022, ADNOC intends to proceed with an initial public offering (IPO) of a minority stake in ADNOC Gas on the Abu Dhabi Securities Exchange (ADX) during the course of 2023, subject to applicable regulatory approvals. The company will make further announcement in relation to the intended IPO in due course.

Existing Joint Venture (JV) partners to ADNOC LNG (Mitsui & Co, bp and TotalEnergies) and ADNOC Gas Processing (Shell, TotalEnergies and PTTEP) will continue in their respective JV partnerships with ADNOC Gas.



## ADNOC ALLOCATES 15 BILLION TO LOW-CARBON SOLUTIONS

**ADNOC, a reliable and responsible provider of lower-carbon intensity energy, announced a bold new strategy to progress the world-scale decarbonization of its operations.**

The announcement follows the guidance by ADNOC's Board of Directors in November 2022 to accelerate delivery of its low-carbon growth strategy and the approval of its Net Zero by 2050 ambition. This builds on ADNOC's strong track record as a leading lower-carbon intensity energy producer, which includes its use of zero carbon grid power, a commitment to zero flaring as part of routine operations and deployment of the region's first carbon capture project at-scale.

**ADNOC INVITES GLOBAL TECHNOLOGY AND INDUSTRY LEADERS TO WORK IN PARTNERSHIP AND DRIVE REAL ACTION TO EMBRACE THE ENERGY TRANSITION AS IT CONTINUES TO FUTURE PROOF ITS BUSINESS**

Acting on the Board's guidance, ADNOC has allocated \$15 billion (AED55 billion) to advance an array of projects across its diversified value chain by 2030. These projects will include investments in clean power, carbon capture and storage (CCS), further electrification of its operations, energy efficiency and new measures to build on ADNOC's long-standing policy of zero routine gas flaring. ADNOC will apply a rigorous commercial and sustainability assessment to ensure that each project delivers lasting tangible impact.

Throughout 2023, a suite of new projects and initiatives will be announced, including a first-of-its-kind CCS project, innovative carbon removal technologies, investment in new, cleaner energy solutions and strengthening of international partnerships. Together with the recent formation of the ADNOC's new Low



Carbon Solutions and International Growth Directorate, these represent tangible and concrete action as the company reduces its carbon intensity by 25% by 2030 and moves towards its Net Zero by 2050 ambition.

His Excellency Dr Sultan Ahmed Al Jaber, UAE Minister of Industry and Advanced Technology and ADNOC Managing Director and Group CEO, said: “Under the directives of the UAE’s wise leadership and the ADNOC Board of Directors, ADNOC continues to take significant steps to make today’s energy cleaner while investing in the clean energies and new technologies of tomorrow. Now, more than ever, the world needs a practical and responsible approach to the energy transition that is both pro-growth and pro-climate, and ADNOC is delivering tangible actions in support of both these goals.

“Cementing our strong track record of responsible and reliable energy production, ADNOC will fast-track significant investments into landmark clean energy, low-carbon and decarbonization technology projects. As we continue to future-proof our business, we invite technology and industry leaders to partner with us, to collectively drive real and meaningful action that embraces the energy transition. This strategic, multi-billion-dollar initiative underscores ADNOC’s industry leadership as a leading global provider of lower-carbon energy.”

Building on ADNOC’s Al Reyadah facility, which has the capacity to capture up to 800,000 tons of CO<sub>2</sub> per year, the company will announce plans to deploy technologies to capture, store and absorb CO<sub>2</sub> by leveraging the UAE’s geological properties while preparing for its next major investment to capture emissions from its Habshan gas processing facility. Combined with ADNOC’s planned expansion of its carbon capture capacity to 5 million tons per annum (mtpa) by 2030, the UAE will be firmly established as a worldwide hub for carbon capture expertise and innovation.

ADNOC’s expansion of CCS is planned to support the significant scale-up of hydrogen and lower-carbon ammonia production capabilities in Abu Dhabi as ADNOC advances a world-scale 1 million tons per annum (mtpa) blue ammonia production facility at TA’ZIZ, the industrial services and logistics ecosystem that is enabling

## **\$15 BILLION EARMARKED FOR LANDMARK DECARBONIZATION PROJECTS BY 2030 INCLUDING CARBON CAPTURE, ELECTRIFICATION, NEW CO<sub>2</sub> ABSORPTION TECHNOLOGY AND ENHANCED INVESTMENTS IN HYDROGEN AND RENEWABLES**

## **MULTI-YEAR ACTION PLAN FOLLOWS BOARD APPROVAL OF ADNOC’S NET ZERO BY 2050 AMBITION, AND BUILDS ON ITS STRONG TRACK RECORD IN RESPONSIBLE ENERGY PRODUCTION**

the expansion of the Al Ruways Industrial City, as well as Abu Dhabi’s wider chemicals, manufacturing and industrial sectors. To-date, ADNOC has already delivered test cargoes of low-carbon ammonia to Europe and Asia.

ADNOC’s expansion of its new energy portfolio will largely be delivered through its stake in Masdar, the UAE’s clean energy powerhouse with over 20 gigawatts (GW) of clean energy today and plans to increase its capacity to 100 GW by 2030. Masdar is also spearheading the UAE’s drive to develop a leading position in green hydrogen.

Since January 2022, ADNOC has received 100% of its grid power supply from Emirates Water and Electricity Company’s (EWEC) nuclear and solar energy sources, making it the first major company in the industry to decarbonize its power at scale through a clean power agreement of this kind. ADNOC also concluded a \$3.8 billion deal to build a first-of-its-kind, sub-sea transmission network in the MENA region, connecting ADNOC’s offshore operations to the onshore power network, with the potential to reduce ADNOC’s offshore carbon footprint by up to 50%.

Building on the multi-billion capital investment in decarbonization projects, ADNOC is working closely with its international partners and stakeholders across the energy value chain to collaborate on technology, best practices and policy to support and drive global decarbonization efforts.



## APICORP ADOPTS BLOOMBERG SOLUTIONS FOR ENTERPRISE-WIDE DIGITAL TRANSFORMATION



Bloomberg announced recently that Arab Petroleum Investments Corporation (APICORP), an OAPEC joint venture, has adopted a suite of integrated solutions from Bloomberg to enable company-wide digital transformation.

APICORP is using several Bloomberg solutions across its Treasury and Capital Markets, Investments, Operations, and Risk and Compliance departments, including Bloomberg AIM, a leading buy-side order management system, Bloomberg Vault and Bloomberg Multi-Asset Risk System (MARS). It also expanded its subscriptions to the Bloomberg Terminal for real-time financial data, news and information.

APICORP's adoption of Bloomberg's solutions supports its digital transformation project to optimize operations and increase efficiencies through a single seamless, integrated suite of solutions that covers the full trade lifecycle. The solutions enable the corporation to manage the order and execution workflow, meet regulatory requirements, enhance business controls, manage risk, and make more informed trading, hedging and investment decisions.

Mohammad Khatib, Director of Information Technology at APICORP, said, "We are pleased to partner with Bloomberg AIM solutions to support

our digital transformation journey to further enhance APICORP's range of financial services and solutions offerings to accelerate the sustainable transition of the MENA energy sector."

Giuseppe Netti, Regional Manager, Financial Products – Middle East & Africa, Bloomberg L.P., said, "We are delighted to support APICORP on its digital transformation journey. We are constantly striving to provide clients with technology to help expand capabilities, give them the tools to streamline operations, improve investment and regulatory compliance workflows and aid efficiencies across the board."

Bloomberg's Buy-Side solutions deliver front-to-back technology for the investment lifecycle, from decision support and order management, to portfolio management and post-trade services, for some of the largest asset managers, asset owners, and hedge funds. Bloomberg AIM, a leading order management system (OMS), is used by nearly 15,000 professionals at over 900 client firms globally to manage more than \$17 trillion in assets. Bloomberg's post-trade offering streamlines post-trade workflows and reduce operational risk through reconciliation, straight-through processing (STP), settlement exceptions and collateral management solutions.



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# Monthly Report on Petroleum Developments in The World Markets



## Monthly Report on Petroleum Developments in the World Markets

**February 2023**

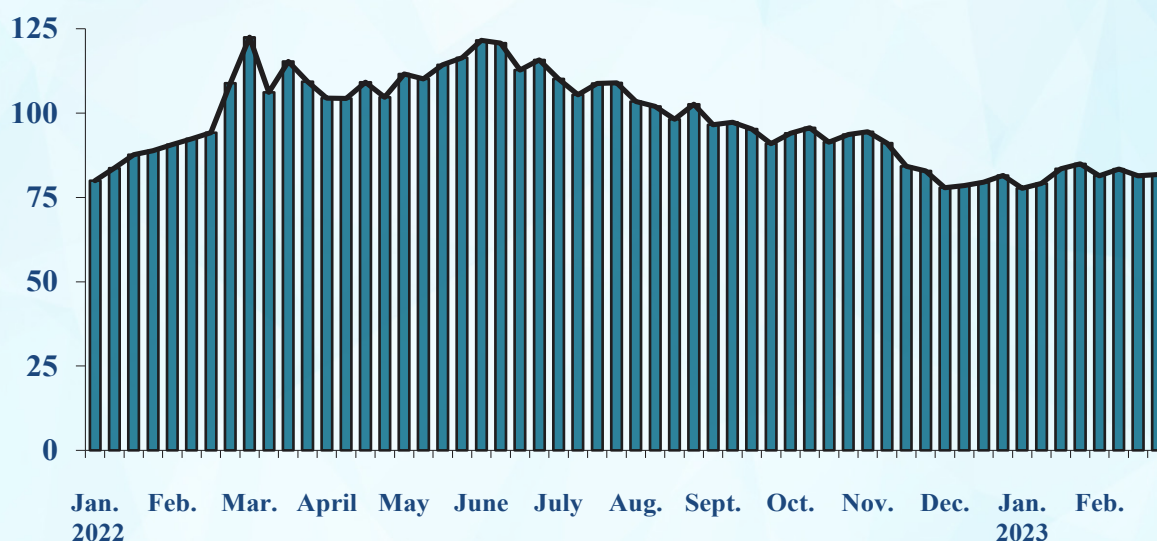
### **First: World Oil Markets**

#### **1. Oil Prices**

OPEC primary estimates indicate that OPEC Reference Basket price increased in February 2023 by 0.3% compared to the previous month, to reach \$81.9/bbl. While annual price of OPEC Basket is estimated to decrease in 2023 by 18.3% compared to 2022, to reach \$81.8/bbl.

It's worth mentioning that, OPEC Reference Basket increased in January 2023 by 2.4% or \$1.9/bbl compared to the previous month, to reach \$81.6/bbl. This is mainly attributed to improved China oil demand outlook after lifted most COVID-19-related mobility restrictions and China's Ministry of Commerce release a second batch of crude oil import quotas in 2023, besides higher refining margins in all major trading hubs (specifically Europe and the US Gulf Coast).

#### **Weekly Average Spot Prices of OPEC Basket of Crudes, 2022-2023 (\$/bbl)**



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

#### **2. Supply and Demand**

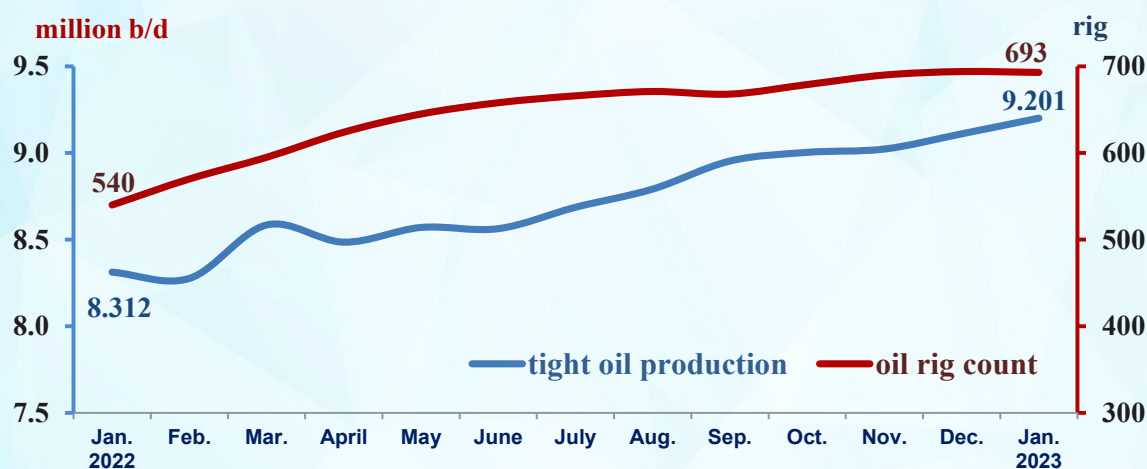
- Primary estimates indicate that world oil demand is increased in Q4 2022 by 1.8% compared with previous quarter, to reach 101.2 million b/d. As demand in OECD countries increased by 0.6% to reach 46.9 million b/d. And demand in Non-OECD countries increased by 2.8% to reach 54.3 million b/d.



Projections indicate that world oil demand is expected to decrease in Q1 2023 to reach 101.3 million b/d. As demand in Non-OECD countries is expected to increase to reach 55.2 million b/d. Whereas demand in OECD countries is expected to decrease to reach about 46.1 million b/d.

- Primary estimates indicate that **world** crude oil and NGLs/non-conventional supply in January 2023, increased by 0.4% to reach 101.4 million b/d. OPEC supply remained stable at the same previous month level of 34.3 million b/d, whereas Non-OPEC supplies increased by 0.6% to reach 67.1 million b/d.
- **OPEC+** crude oil supply in January 2023, decreased by about 171 thousand b/d, or 0.4% comparing with previous month level to reach 39.8 million b/d. The supplies of Non-OPEC supplies, which are members in OPEC+, decreased by 0.9% to reach 15.3 million b/d, and the supplies of OPEC-10 supplies, which are members in OPEC+, decreased by 0.2% to reach 24.5 mb/d.
- US tight oil production increased in January 2023 by 91 thousand b/d compared to previous month level to reach 9.201 million b/d. Production is expected to continue rising in February and March 2023 to reach 9.356 million b/d. On other development, US oil rig count decreased in January 2023 by 1 rig, to stand at 693 rigs.

### US tight oil production and oil rig count



Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Jan. 2023.

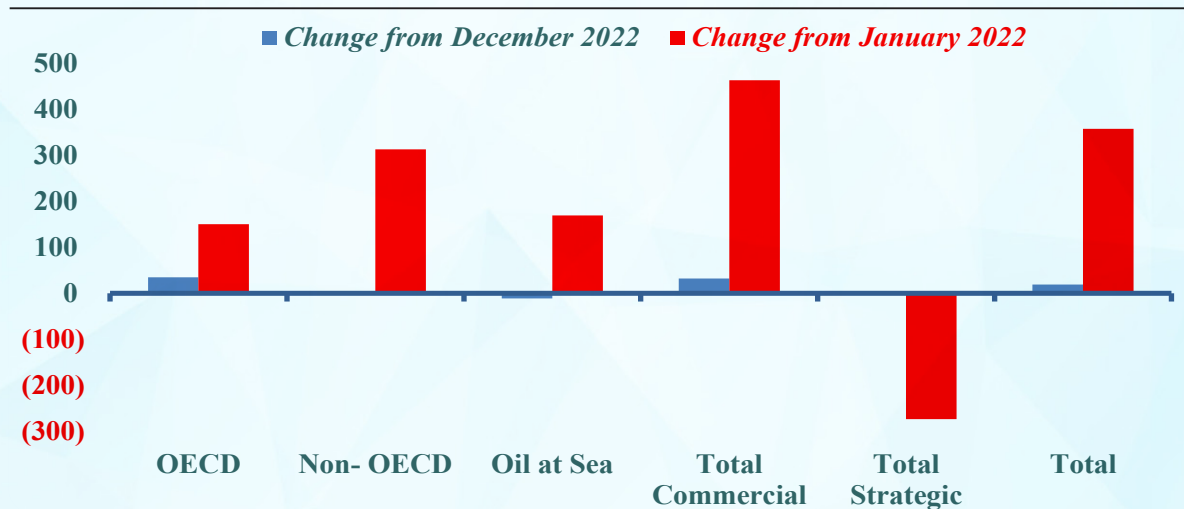
### 3. Oil Inventories

- OECD commercial inventories in January 2023 increased by 35 million barrels from the previous month level to reach 2803 million barrels,



whereas strategic inventories decreased by 1 million barrels from the previous month level to reach 1503 million barrels.

### Change in Global Inventories at the End of January 2023 (million bbl)



Source: Oil Market intelligence, February 2023 and April 2022.

## 4. Oil Trade

### US Oil Imports and Exports

- US crude oil imports in January 2023 increased by 7.1% from the previous month level to reach about 6.6 million b/d, whereas US crude oil exports decreased by 13.1% to reach about 3.6 million b/d.
- US petroleum products imports in January 2023 increased by 3% from previous month level to reach about 2.1 million b/d, whereas US petroleum products exports decreased by 1.9% to reach 6.1 million b/d.

## Second: Natural Gas Market

### 1. Prices

- The average spot price of natural gas at the Henry Hub decreased in January 2023 to reach \$3.27/million BTU.
- The price of Japanese LNG imports in December 2022 remained stable at the same previous month level of \$18.34/m BTU, the price of Chinese LNG imports also remained stable at \$16.55/m BTU, the price of Taiwan LNG imports remained stable at \$17.85/m BTU, and the price of Korean LNG imports remained stable at \$24.20/m BTU.

### 2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 3.960 million tons in December 2022 (a share of 22.8% of total imports).

## Tables Annex





## ANNOUNCEMENT

# OAPEC AWARD

## FOR SCIENTIFIC RESEARCH FOR THE YEAR **2022**

In line with OAPEC'S policy to encourage scientific research by awarding two prizes on a biennial basis (**First Prize** KD 7000-10000 equivalent to USD \$23000-\$32500, **Second Prize** KD 5000 equivalent to USD \$16000), upon the resolution number 1/162 of OAPEC Executive Bureau at its meeting dated **18 May 2022**. **The Organization of Arab Petroleum Exporting Countries (OAPEC)** is pleased to announce that **the research field** selected for the "OAPEC Award for Scientific Research for the Year 2022" is:

### Decarbonization Techniques in the Petroleum Industry and the Circular Carbon Economy "CCE"





**Organization of Arab Petroleum Exporting Countries (OAPEC)  
OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2022**

**In the Field of  
Decarbonization Techniques in the Petroleum Industry and the  
Circular Carbon Economy "CCE"**

Statement of relinquishment of printing and publication rights for the research

I, the undersigned:

Hereby undertake to relinquish all printing and publication rights of the research submitted  
by me entitled:

to the Organization of Arab Petroleum Exporting Countries (OAPEC), in the event of  
winning one of the two prizes of OAPEC Award for Scientific Research for the year 2022.

Name: .....

Signature: .....

Date:    /    /