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GLOBAL OIL MARKETS BETWEEN TWO YEARS



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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 (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.



GLOBAL OIL MARKETS BETWEEN TWO YEARS



By: Jamal Essa Al Loughani
OAPEC Secretary General

The global oil market went through significant volatility in 2024, driven by a combination of geopolitical factors, economic developments, changes in demand patterns, and climate impacts. Escalating tensions in the Middle East have impacted oil trade in the Red Sea, raising temporary concerns about supply disruptions. At the same time, sanctions imposed on Russia continued to reshape global trade flows, as it successfully redirected its oil exports to Asian markets, amid increasing targeting of its energy infrastructure as a result of the Russia-Ukraine crisis.

The decline in economic activity played a major role in slowing global oil consumption growth, particularly in China—the world’s largest oil importer—where fuel demand declined due to rising electric vehicle sales, as well as weak manufacturing performance in Europe. Weather disruptions also disrupted energy infrastructure, particularly in the United States, which experienced an active hurricane season.

Despite these challenges, several positive factors prevailed that contributed to achieving a degree of balance and stability in the global oil market. Declining inflation rates in major global economies led central banks to ease monetary policy, which partially contributed to supporting economic activity. OPEC+ decisions also played a crucial role in stabilizing the global oil market through the agreement to extend production cuts, continuing the proactive and precautionary approach in dealing with oil market volatility.

Against the backdrop of these data, total global oil supplies in 2024 registered an increase of 0.2% compared to the previous year, reaching approximately 102.3 million b/d. This reflects a rise in supplies from non-OPEC producing countries by approximately 600,000 b/d to approximately 70.2 million b/d, while supplies from OPEC countries declined by approximately 400,000 b/d to about 32.1 million b/d. Global oil demand rose by 1.5 million b/d, a 1.5% decline compared to the 2.6% growth rate in 2023, to reach approximately 103.8 million b/d,

driven primarily by increased demand from non-OECD countries, particularly developing Asian countries. Global oil stocks have risen by 3.6% in 2024, reaching approximately 9.3 billion barrels by the end of the year, due to increased supplies from countries outside OPEC+, slowing global oil demand growth—particularly in China and Europe—and the United States replenishment of its strategic reserves.

On the price front, crude oil prices experienced significant fluctuations in their trends during 2024, influenced by factors such as geopolitical risk premiums and concerns about slowing global demand. The average price of the OPEC crude basket fell by 3.7% compared to the previous year, reaching \$79.9 per barrel.

With ongoing economic and geopolitical changes, global oil market forecasts for 2025 remain subject to uncertainty, driven by numerous doubts and concerns, the most important of which are: the possibility of slowing economic growth in China, continuing geopolitical tensions in the Middle East and Eastern Europe, tightening protectionist trade policies in the form of new tariffs—particularly by the United States—imposed on a number of countries, which could negatively impact global economic growth.

Global oil supply is expected to continue growing in 2025, driven by a 1.9% increase in production from non-OPEC+ countries compared to 2024, reaching 54.2 million b/d. The United States, Canada, and Norway will be the primary sources of this increase.

On the demand side, global oil demand is expected to continue growing in 2025, albeit at a slower pace than the previous year, reaching approximately 105.2 million b/d. This growth is primarily attributed to rising demand in non-OECD countries, particularly in developing Asian countries led by China and India. Gasoline, diesel, and jet fuel consumption will remain the main drivers of growth, supported by increased mobility and improved industrial activity.



STRENGTHENING COOPERATION BETWEEN THE ARAB PLANNING INSTITUTE AND THE ORGANIZATION OF ARAB PETROLEUM EXPORTING COUNTRIES (OAPEC)

The Organization seeks to develop the various aspects of its work and activities and enhance cooperation between the Organization and many Arab and regional institutions in areas of common interest. In this context, the Secretary-General of the Organization of Arab Petroleum Exporting Countries (OAPEC), Engineer Jamal Al Loughani, received in his office on Monday, 3 February 2025, His Excellency Dr Abdullah Al Shami, Director General of the Arab Planning Institute.

During the meeting, consultations were held on possible ways to enhance the existing cooperation between the two institutions. OAPEC Secretary-General stressed keenness to take the necessary steps to maximize the benefit from the Institute’s various activities, including benefiting from the modelling system available at the Institute to make future forecasts related to various energy sources. For his part, Dr Al Shami, Director General of the Institute, said that the experts at the Institute will work to make all efforts to consolidate cooperation with specialists in the organization in many activities and areas of common interest.



RUSSIAN FOREIGN MINISTRY AND KUWAIT'S SAUD AL NASSER DIPLOMATIC INSTITUTE DELEGATIONS VISIT OAPEC



A high-level diplomatic delegation from the Russian Federation, accompanied by representatives of Kuwait's Saud Al-Nasser Diplomatic Institute, visited the headquarters of the Organization of Arab Petroleum Exporting Countries (OAPEC) on Tuesday, 11 February 2025, on the occasion of the Russian delegation's visit to the State of Kuwait. The guest delegation was headed by His Excellency Denis Piliavskii, while the Diplomatic Institute delegation was headed by Mr Yussif Zaman.



The meeting discussed several files, including introducing the new phase of the organization's progress, as it seeks to develop its activities to include all types of energy and its sectors, in addition to expanding its circle of relations both regionally and internationally. The discussions also touched on the organization's new directions aimed at keeping pace with technological developments in all fields and encouraging scientific research in this regard. Views and ideas were exchanged on topics of common interest. Concluding their visit, the delegations visited OAPEC Library.





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LIBYA
ENERGY
& ECONOMIC
SUMMIT



OAPEC PARTICIPATES IN THE THIRD LIBYA ENERGY AND ECONOMY SUMMIT

Upon the kind invitation of His Excellency the Minister of Oil and Gas of the State of Libya, Dr. Khalifa Rajab Abdul Sadiq, Eng. Jamal Al-Loughani, Secretary General of OAPEC, headed a delegation that included Mr. Abdul Fattah Al-Arifi Dandi, Director of the Economic Department and Supervisor of the Media Department, and Mr. Fahad Al-Sabah from the Media Department, in the activities of the third edition the Libya Energy and Economy Summit, which was held during the period from 18 to 19 January 2025. It was held under the generous patronage of the Prime Minister, His Excellency Abdul Hamid Idebaba, and was attended by a group of experts, leaders, and specialists in the energy sector in Libya and worldwide.

At the outset of his speech, the Secretary-General pointed out that Libya is one of the three founding members of the Organization of Arab Petroleum Exporting Countries (OAPEC), and that it plays an active role in all of the organization's activities. Libya owns significant shares in the four companies that emerged from OAPEC. He said that OAPEC countries

possess 717.4 billion barrels of proven crude oil reserves, representing approximately 54% of the global total, with Libya accounting for approximately 6.7% of OAPEC total. OAPEC countries account for approximately 22.9 million barrels per day of global crude oil production, representing 26% of the global total, with Libya's share representing approximately

5.2% of OAPEC total.

The Secretary-General added that the most important feature of the Libyan oil sector is the quality of the crude oil produced, as it is light and has a low sulphur content. This is suitable for many refineries, particularly in the European market. This comes in addition to Libya's comparative advantage in terms of its geographical location, close to major consumer markets that are expected to witness increased energy demand in the future. This will provide an opportunity to develop the Libyan energy sector to provide the necessary petroleum supplies to these markets.

Regarding Libya's energy sector, the Secretary-General noted that it enjoys promising future prospects, supported by the drive to leverage its vast hydrocarbon wealth to achieve economic stability. This can be achieved by attracting international partnerships, injecting capital, improving efficiency, and increasing production rates within the framework of a strategy to modernize the energy infrastructure. This will help Libya regain its position as a major player in the global energy sector. There is no doubt that the ambitious strategic plan, "Highway Plan," which aims to increase production to 2 million barrels per day





of oil and 4 billion cubic feet of natural gas, reflects a trend toward reconsidering previous methods of boosting production and bringing it to the targeted levels.

In his speech, he said that Libya seeks to exploit its vast renewable energy resources (solar and wind energy) to generate clean energy, which is a strategic option for achieving sustainable development. The National Strategy for Renewable Energy and Energy Efficiency (2023-2035), launched by the State of Libya at the end of 2023, represents an important step towards a more sustainable future. It contributes to diversifying and maximizing sources of income, supporting public revenues with additional returns by exporting electricity generated from renewable energy at a later stage to neighbouring markets, in addition to creating job opportunities and rationalizing energy consumption in all sectors.

The Secretary-General addressed a number of future challenges facing oil and gas producing and exporting countries, noting that the first and most important of these challenges is the lack of investment in the oil sector, which is slowing the growth of global reserves and, consequently, may affect the availability of sufficient supplies to meet

growing demand in a timely manner. Facing this challenge requires boosting investment in the oil industry, as resolving the energy trilemma of energy security, sustainability, and affordability requires injecting investment into all different energy sources. The second challenge is the call to accelerate energy transitions in light of the growing global interest in climate change issues, coinciding with the insistence on linking a carbon-free environment to abandoning oil and gas and transitioning to renewable and sustainable energy, without taking into account the growing momentum in investment, innovation, and continuous development in clean technologies such as carbon capture, utilization, and storage, as well as the growing interest in improving energy efficiency and promoting the use of digital transformation technologies associated with improving oil and gas extraction operations, as we mentioned. He added that oil and gas producing and exporting countries are facing a new challenge that has emerged recently: “Corporate Sustainability Due Diligence Directive (CSDDD),” which is expected to have significant negative impacts, not only on the energy sector, but on all other economic sectors. The European Union announced that it will impose a fine of 5% of the value of global sales on companies



operating in Europe (whether European or from outside Europe) and making profits in Europe worth more than 450 million euros, in the event that they do not comply with three main issues within the framework of (CSDDD): first, commitment to the Paris Agreement on achieving net-zero emissions. Second, take responsibility for Tier 1, Tier 2 and Tier 3 emissions. Third, being responsible for the rights of employees of the main company and all its branches, or any other company with which it deals (including companies outside the European Union).

The Secretary-General emphasized the important role assigned to petroleum and energy ministers in informing relevant stakeholders in their governments of all aspects of this issue, so that it can be raised at every meeting with the European countries and stressing that it will harm the businesses of OIAPEC countries. He also emphasized the need to reach an understanding with other countries and companies to ensure a unified approach and voice.

HE Al-Loughani concluded his speech by saying “We firmly believe that the future prospects for developing the energy sector in Libya are promising, and the potential is available. This requires



concerted efforts to implement some reforms by focusing more on the economic issue.” He added that this will create an attractive investment environment for major oil companies eager to develop this important sector. This is evident today in the presence of these major companies, as well as in their ability to deal with the challenges facing the global energy industry in general with wisdom and foresight.



AL LOUGHANI: LEGAL EXPERTS PLAY KEY ROLE IN OIL INDUSTRY FUTURE



كلمة سعادة المهندس جمال عيسى اللوغاني
 الأمين العام لمنظمة أوابك
 (المنظمة العربية للطاقة - مستقبلاً)
 في افتتاح الدورة المتخصصة في الأطر القانونية وال
 لنظام البترول العالمي وتطورات الصناعة النفط
 للطلبة القانونيين في كلية القانون الكويتية العالم
 دولة الكويت 2022

OAPEC Secretary-General, Jamal Al-Loughani emphasized that specialized legal professionals in the oil and gas sector were fundamental to the industry’s future. He told KUNA following the inauguration of a specialized training course on the legal and historical frameworks of the global petroleum system and industry developments,

Al-Loughani highlighted the significant role legal experts play in drafting contracts, managing legal disputes, and navigating environmental and regulatory legislation, as well as international environmental framework agreements. He stressed the importance of

developing legal expertise to address future legislative and legal challenges facing the oil and gas industry, particularly in light of the rapid developments on both regional and global levels. He pointed out that oil and gas were not just



energy sources but also essential drivers of national economies and key elements in international relations and geopolitics. With advancements in technology and growing sustainability challenges, understanding the legal and regulatory frameworks governing the sector has become crucial to balancing economic benefits with environmental protection. He added that the OAPEC aims to develop policies that support diversified investments across all energy sectors, striving for an optimal

clean energy mix and sustainable development, and that OAPEC seeks to enhance innovation and strengthen Arab cooperation to tackle the challenges posed by the global energy transition.

The three-day training course provides participants with an in-depth understanding of the legal framework governing the oil and gas industry, its challenges, and the analytical and practical skills needed to handle legal issues within the sector. Al-Loughani further emphasized that the energy sector was facing

unprecedented challenges, ranging from shifts in global markets to evolving environmental regulations and the transition toward a green economy, and preparing specialized legal professionals was essential to navigating these changes. This course is not merely an educational opportunity but a gateway to forecasting the future and contributing to the formulation of legal policies that will shape the Arab and international energy sector, he added.



THE ROLE OF CARBON NEUTRALITY IN ENHANCING ECONOMIC VALUE IN OAPEC MEMBER COUNTRIES



By Dr Yasser Mohammed Boghdadi

*Senior Petroleum Industries Expert
Technical Affairs Department*

Achieving carbon neutrality (or net-zero) is not just an environmental challenge, but also an important strategic opportunity to enhance the economic growth of countries. By adopting low-carbon technologies and stimulating energy innovation, OAPEC member countries can enhance the competitiveness of their petroleum industries in line with global shifts towards a low-carbon economy. With growing climate and economic challenges, the shift to this economic model has become a strategic priority for OAPEC countries to ensure the sustainability of their resources and enhance their role in the global energy landscape.

In this context, OAPEC member countries are seeking to implement policies that align with the United Nations' goals to combat climate change, investing significant resources in sustainable technologies to develop the refining and petrochemicals sectors. These investments focus on cutting carbon emissions across several aspects, including:

Decarbonization Strategy

Renewable energy is a key driver that OAPEC countries seek to leverage in the refining sector, which is considered one of the most energy-intensive sectors. In this context, these countries are using renewable energy technologies in various industrial sectors, including refining and petrochemicals, with the aim of reducing dependence on fossil fuels and achieving carbon neutrality.

Saudi Arabia aims to generate 50% of its electricity from renewable sources by 2030. While the UAE is focusing on massive investments in solar and wind energy technologies, most notably the Shams 1 solar energy project. Kuwait aims to generate 50% of its electricity from renewable sources by 2050, while Oman launched the Duqm Solar Power Plant project to generate electricity for industrial projects, including the petrochemicals sector. Qatar has launched its first solar power plant in Al Kharsaah, which contributes to meeting 10% of peak electricity demand, along with other projects in Ras Laffan Industrial City. In Libya, investments focus on exploiting associated gas and reducing the carbon footprint. As part of Egypt Vision 2030, Egypt seeks to increase the share of renewable energy in the energy mix to 42% by 2035, with a focus on solar and wind energy.

Improving Operational Efficiency

OAPEC countries continue to adopt strategies to improve the efficiency of the petrochemicals sector, one of the most energy-intensive sectors. By the end of 2024, total petrochemicals production in Arab countries reached 167.4 million tons annually, representing 12.1% of global production, with Saudi Arabia leading with approximately 90.6 million tons annually. To reduce energy consumption and emissions, advanced technologies were implemented, such as waste heat recovery in the Jubail project in Saudi Arabia, which contributed to a 15% reduction in energy consumption. Libya is also working to exploit associated gas from the Zawiyah refinery. In Egypt, effective measures such as flare gas recovery, furnace and boiler modernization, and renewable energy integration have contributed to reducing emissions by approximately 900,000 tons of carbon dioxide annually.

Application of Modern Technologies

OAPEC member countries are working to implement innovative technologies to improve the efficiency of production operations, such as automation and artificial intelligence, to improve operational management and reduce waste. Saudi Arabia is home to several advanced industrial complexes in the petrochemical sector, for example, the Yanbu Petrochemicals Complex is considered one of the most prominent complexes that applies advanced automation and control technologies to reduce energy and water loss, while the Rabigh Petrochemicals Complex focuses on reducing emissions and enhancing production efficiency. The Aramco petrochemicals complex also implements technological solutions to improve the management of energy and water resources, while minimizing the environmental impact of production operations. Likewise, in the UAE, ADNOC is applying AI technologies to refinery operations management and data analysis to improve equipment performance and predict maintenance needs, helping to reduce downtime and increase production efficiency. In the State of Kuwait, the Mina Abdullah Refinery project relies on AI-powered data analytics to optimize energy consumption and reduce waste from industrial processes.

Carbon Capture, Storage and Utilization (CCSU)

OAPEC countries continue to adopt carbon capture,

storage, and utilization (CCSU) technologies as part of their strategies to combat climate change. Saudi Arabia is a pioneer in this field, executing a project in the Jafurah field to capture 10 million tons of carbon annually. The UAE is applying similar technologies in the ADNOC and Habshan projects, which will be able to capture 1.5 million tons annually. Algeria and Qatar are also executing major projects, such as the Ain Salah project in Algeria and Ras Laffan in Qatar. Kuwait is considering using carbon in urea production to reduce emissions. In terms of research and development, Saudi Aramco continues its efforts to develop recovery and storage technologies, while ADNOC projects contribute to enhancing capture technologies in the UAE, and Kuwaiti initiatives focus on innovation in environmental and industrial solutions.

Green Hydrogen

In terms of green hydrogen production, which is an effective solution to reduce carbon emissions, several innovative projects have been launched in OAPEC countries. In Saudi Arabia, the NEOM Green Hydrogen Project was launched, aiming to produce 1.2 million tons annually using renewable energy, and reducing emissions by 6 million tons annually. In the UAE, the "Green Hydrogen Project at Khalifa Port was launched to produce 200,000 tons annually. Qatar continues to develop green hydrogen technologies as part of its future environmental plans, while in Egypt, the green hydrogen project was launched in Ain Sokhna, aiming to produce 100,000 tons annually in its initial stages, with plans to expand to one million tons by 2030.

Government Policies

Government policies play a vital role in achieving carbon neutrality goals, supporting green technologies and encouraging innovation in renewable energy. In Saudi Arabia, Saudi Vision 2030 is contributing to the transition to a low-carbon economy, while the UAE is supporting projects such as the Dubai Clean Energy Initiative 2050. In Kuwait, the Renewable Energy Strategy aims to generate 15% of electricity from renewable sources by 2030. In Qatar, the government supports clean technologies through funding and research programs and promotes public-private sector collaboration to achieve carbon neutrality goals.

In conclusion, carbon neutrality is a vital strategic tool for supporting sustainable economic growth for OAPEC member countries, through the adoption of renewable energy technologies and innovation in vital industries such as refining and petrochemicals. By accelerating investments in renewable energy projects, promoting the use of green hydrogen, and encouraging strategic partnerships between governments and private companies, these countries can reduce carbon emissions and increase their competitiveness in global markets. Adopting policies that support the transition to a low-carbon economy also contributes to enhancing operational efficiency and achieving long-term environmental and economic goals.

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



KOC ANNOUNCES THE DISCOVERY OF LARGE COMMERCIAL QUANTITIES OF HYDROCARBON RESOURCES IN THE JALAYA OFFSHORE FIELD

Kuwait Oil Company (KOC) announced recently the discovery of large commercial quantities of (hydrocarbon resources) in the Al-Julaia marine field located in Kuwaiti territorial waters. The company stated in a statement to the Kuwait News Agency (KUNA) that these discoveries come within the framework of the company’s continuous exploration efforts to enhance the position of the State of Kuwait as a major producer of oil and gas in the region and to achieve the exploration strategy in the Kuwaiti maritime area.

It explained that the tests of the Zubair geological reservoir (from the Cretaceous period) in the exploratory well (Julaia 2) showed promising production results as the field covers an area of 74 square kilometres and its reserves are estimated at about 800 million barrels of medium-density oil free of hydrogen sulphide gas and with a low percentage of carbon dioxide gas in addition to 600 billion standard cubic feet of associated gas equivalent to 950 million barrels of oil equivalent. KOC stated that this discovery represents an important addition to the hydrocarbon resources in the State of Kuwait and enhances the potential for the existence of additional reservoirs



إحدى شركات مؤسسة البترول الكويتية
A Subsidiary of Kuwait Petroleum Corporation

in the Upper Cretaceous period in the marine area and neighbouring areas, which confirms the success of the Kuwait Oil Company’s plan for marine exploration, noting that the (Julaia) field is the second marine field discovered in the current exploration plan after the discovery of the (Al-Nukhadha Marine) field in July 2024.

Kuwait Oil confirmed its commitment to sustainable exploration in the marine area, as preparations are currently underway to start the second phase of the

exploration, drilling and production plan from the Kuwaiti marine area, adding that work is underway to implement a three-dimensional exploratory survey project covering the entire marine area, which exceeds 6,000 square kilometres. It stated that this provides high-precision data that helps in decision-making to move forward with exploration and identification of reservoirs until reaching the production stage in the Kuwaiti marine area, stressing that the discovery constitutes an important strategic step and another building block to support the company’s strategic goals and increase production capacity to achieve the goals of the 2040 strategy.



SONATRACH SIGNS MOU WITH RENEWABLE ENERGY DEVELOPMENT CENTRE

Sonatrach recently announced the signing of a memorandum of understanding with the Centre for Renewable Energy Development. This protocol falls within the framework of efforts made to encourage and develop national expertise, support local content in the field of renewable energies, as well as consolidate future cooperation between the two parties in the field of energy transition and renewable energies.

This protocol aims to establish a joint framework for identifying, developing and implementing renewable energies projects, especially in terms of generating and storing electricity from renewable sources, as well as managing its integration into electrical power networks. The memorandum also includes exploring cooperation opportunities in the field of new energy carriers, including green hydrogen and its products.

By concluding this memorandum, Sonatrach affirmed its commitment to developing sustainable solutions that support the energy transition path and enhance Algeria's independence in the field of clean energies, thus contributing to building a more sustainable energy future.





MINISTER OF PETROLEUM AND MINERAL RESOURCES, VISITED EXXON MOBIL EGYPT CHARTERED DRILLING VESSEL VALARISDS_9

HE Eng. Karim Badawi, Minister of Petroleum and Mineral Resources of the Arab Republic of Egypt, visited Exxon Mobil Egypt chartered Drilling Vessel Valaris Ds - 9 exploring for natural gas in North Marakia concession area, west Mediterranean.





During the visit, the Minister was briefed on the progress of drilling work in the (Nefertari-1) well in deep waters, which started in the second half of December 2024 using the latest technologies. He also followed up on the execution rates as well as the HSSE performance.

Eng. Karim Badawi stressed that the launch of drilling and exploration activities for natural gas in more than one area in the western Mediterranean region, during the last quarter of 2024 represents a significant step in advancing the Ministry of Petroleum and Mineral Resources - Egypt Exploration and Production Pillar, adding new reserves of oil and gas to Egypt's resources. Moreover, it reflects the increasing interests of major IOCs operating in the Mediterranean region, noting that the studies and seismic survey conducted by ExxonMobil and its use of the latest technologies shall increase the chances of discovering new resources.





QATARENERGY AWARDS TIME CHARTER PARTY AGREEMENTS FOR 6 ULTRA-MODERN QC-MAX LNG VESSELS

QatarEnergy has selected the joint venture of Japan's Mitsui O.S.K Lines Ltd. (MOL) and China's COSCO Shipping LNG Investment (Shanghai) Co. Ltd. (CSLNG) to own and operate 6 QC-Max size LNG vessels.

The 6 vessels will be built in China by Hudong-Zhonghua Shipbuilding Group, a subsidiary of China State Shipbuilding Corporation (CSSC). These vessels are the last batch of the 128 LNG vessels in QatarEnergy's historic ship building program, made up of 104 conventional and 24 QC-Max size ultra-modern vessels.

The long-term Time Charter Party (TCP) agreements were awarded to the shipowners during a special ceremony held at QatarEnergy's headquarters in Doha under the patronage of His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy. Taking part in the ceremony were Mr. Takeshi Hashimoto, the President & Chief Executive Officer of MOL, and Mr. Zhang Feng, Vice President of China COSCO Shipping Corporation (the parent company of CSLNG), in the presence of senior executives from both shipowners as well as



QatarEnergy and QatarEnergy LNG.

In remarks at the ceremony, His Excellency Mr. Saad Sherida Al-Kaabi said: "This is the last batch of long-term shipowner contracts in our 128-vessel strong historic shipbuilding program that will cater for QatarEnergy's future LNG fleet requirements for our LNG expansion projects, as well as the replacement requirements of some of our existing fleet."

His Excellency Minister Al-Kaabi added: "We are proud to have forged very important partnerships and business relations with many companies and joint ventures including today's new partnership with MOL and COSCO Shipping."

The MOL-CSLNG joint venture has already entered long-term TCP agreements with QatarEnergy for 7 conventional LNG vessels, executed in 2022, giving the joint venture a total of 13 long-term TCPs under QatarEnergy's LNG fleet expansion program.



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ARAMCO PLANS TRANSITION MINERALS JV WITH MA'ADEN



Aramco, one of the world’s leading integrated energy and chemicals companies, and Ma’aden, the largest multi-commodity mining and metals company in the Middle East and North Africa region, announced the signing of non-binding Heads of Terms, which envisages the formation of a minerals exploration and mining joint venture (JV) in the Kingdom of Saudi Arabia. The proposed JV would focus on energy transition minerals, including extracting lithium from high concentration deposits and advancing cost-effective direct lithium extraction (DLE) technologies. Commercial lithium production could potentially commence by 2027.

The proposed JV is expected to extend Aramco’s capabilities into an adjacent sector, leveraging its

technological innovation and skills in resource and data management. It would seek to unlock the potential of the Kingdom’s high-value mineral resources, with the aim of helping meet growing demand for lithium and other transition minerals both domestically and globally. The JV is expected to further harness natural resources utilizing a wealth of subsurface data, as well as emerging technologies, to advance the Kingdom’s economic diversification and energy ambitions.

There is significant potential for the extraction of energy transition minerals in the Kingdom. For example, as part of its operations, Aramco has identified several areas with a high lithium concentration of up to 400 parts per million. The JV is expected to benefit from Aramco’s significant expertise and operations, including the use of existing infrastructure, industry-leading drilling operations, and more than 90 years of geological data in its area of operations.

COMPANIES SIGN HEADS OF TERMS TO EXPLORE NEW OPPORTUNITIES IN TRANSITION MINERALS



COLLABORATION HARNESSSES ARAMCO'S EXTENSIVE GEOSCIENCE DATA, DIGITAL CAPABILITIES, AND SUBSURFACE KNOWLEDGE AND MA'ADEN'S DECADES OF MINING EXPERTISE

ARAMCO IDENTIFIES PROMISING LITHIUM CONCENTRATIONS EXCEEDING 400 PARTS PER MILLION IN ITS EXISTING AREA OF OPERATIONS

Nasir K. Al-Naimi, Aramco Upstream President, said: "This announcement reflects Aramco's focus on positively contributing to the global energy transition. The proposed JV will enable extraction of energy transition minerals, contributing meaningfully to the growth of more sustainable energy solutions while diversifying our portfolio for a lower-carbon future. We expect that this partnership will leverage the world's leading upstream enterprise to apply significant low-cost advantages, industry experience, technological innovation, accumulated subsurface knowledge and an integrated supply chain ecosystem, with a view to meeting the Kingdom and potentially the world's projected lithium demand."

Darryl Clark, Ma'aden Senior Vice President of Exploration, said: "Ma'aden has been undertaking one of the world's largest single-jurisdiction exploration programs across the Arabian Shield, to unearth the estimated \$2.5 trillion mineral endowment.

This proposed JV would enable us to accelerate exploration of the Arabian Platform, combining Aramco's vast knowledge of the area with Ma'aden's extensive mining and exploration expertise."

Lithium is a fundamental component of the energy transition, essential for production in fast-growing sectors such as electric vehicles, energy storage, and renewables. The total global demand for lithium has tripled over the past five years, and its compound annual growth rate is anticipated to exceed 15% per annum through 2035. The JV could potentially help meet the Kingdom's forecasted demand for lithium, which is expected to grow twenty-fold between 2024 and 2030, supporting an estimated 500,000 electric vehicle batteries and 110 GW of renewables.

The planned JV, which is subject to customary closing conditions including regulatory approvals, was announced during the Future Minerals Forum in Riyadh.



ADNOC AND AIQ SUCCESSFULLY COMPLETE TRIAL PHASE OF AGENTIC AI SOLUTION

ADNOC and AIQ announced the successful proof-of-concept trial of ENERGYai, the world’s first-of-its-kind agentic artificial intelligence (AI) solution tailored for the energy sector. ENERGYai integrates a 70-billion-parameter large language model (LLM) with over 50 years of ADNOC’s knowledge and petabytes of its proprietary data, to drive optimization and efficiency across the company’s operations.

The 90-day proof-of-concept trial demonstrated that ENERGYai’s agentic AI – AI ‘agents’ that are trained in specific tasks across the energy value

chain – can deliver significant improvements in the pace and accuracy of upstream exploration through rapid, precise and detailed seismic survey analysis, alongside relevant, actionable insights to support production optimization at ADNOC’s existing wells. ENERGYai was able to deliver its insights in intuitive natural language, enabling engineers to interact with it effectively and easily.

The results of the trial delivered promising real-

ENERGYAI SUCCESSFULLY DEMONSTRATED SIGNIFICANT IMPROVEMENTS TO SEISMIC INTERPRETATION, RESERVOIR PERFORMANCE AND MONITORING



TRIAL PHASE OF AGENTIC SOLUTION USED AI AGENTS AND COMBINED LARGE LANGUAGE MODEL TECHNOLOGY WITH PROPRIETARY DATA SOURCED FROM OVER 15% OF ADNOC'S ONSHORE AND OFFSHORE WELLS

RESULTS CONFIRM TRANSFORMATIONAL POTENTIAL AND SCALABILITY OF ENERGYAI ACROSS THE ENTIRE ENERGY VALUE CHAIN

world results, including a 70% improvement in accuracy in major seismic interpretation aspects and significant improvements in advanced reservoir monitoring and anomaly detection.

Musabbeh Al Kaabi, ADNOC Upstream CEO, said: "The successful completion of this proof of concept for ENERGYai has shown extremely promising results, and has confirmed the potential of the solution to be a powerhouse for value creation and sustainable energy production. Building on this initial achievement, ENERGYai will leverage petabytes of data to better empower our people and future-proof ADNOC, as we work to become the world's most AI-enabled energy company."

The ENERGYai trial also showed promising results in enhancing data quality, as it vastly improved the reliability and usability of operational data inputs by detecting errors, standardizing formats and enriching datasets.

Magzhan Kenesbai, Acting Managing Director of AIQ said: "This milestone was made possible through close alignment between ADNOC subject matter experts, the expertise of 100+ specialists, and the establishment of robust and secure AI infrastructure. These factors lay the foundation for even greater accomplishments in the forthcoming phases."

Following the successful proof of concept, the first operational, scalable version of ENERGYai is expected to be completed in H1 2025. This version will include five fully operational AI agents covering tasks within subsurface operations and will be test-deployed across a number of upstream assets, with plans to scale its application to thousands of additional wells.



Petroleum Developments in The World Markets



Petroleum Developments in the World Markets February 2025

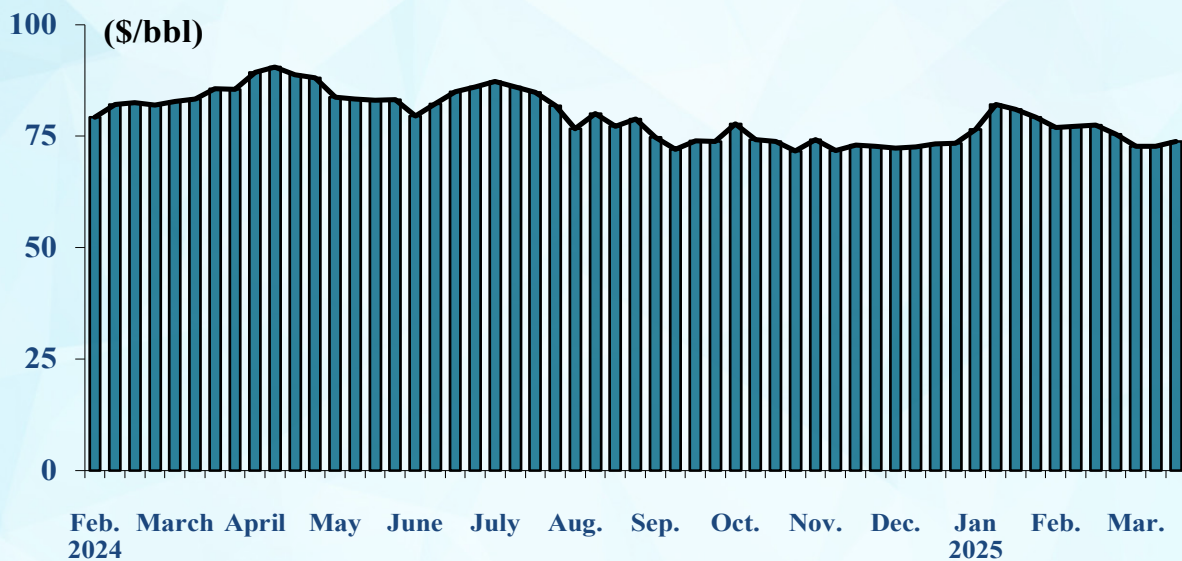
First: World Oil Markets

1. Oil Prices

OPEC primary estimates indicate that OPEC Reference Basket price decreased in February 2025 by 5% compared to the previous month, to reach \$72.97/bbl. Whereas annual price of OPEC Basket is estimated to decrease in 2025 by 3.6% compared to 2024, to reach \$77/bbl.

It's worth mentioning that OPEC Reference Basket decreased in February 2025 by 3.2% or \$2.6/bbl compared to the previous month of January, to reach \$76.8/bbl. This is mainly attributed to heavy selling in the oil futures market, easing of supply risk premium, reduced demand in the spot market due to Lower global refinery intakes in light of seasonal maintenance. In addition to build in US crude stocks, and high crude supply availability in Northwest Europe and supplies from the US Gulf Coast.

Weekly Average Spot Prices of OPEC Basket of Crudes, Feb. 2024 – Mar. 2025



Source: OPEC, Monthly Oil Market Reports (Mar. 2024 – Mar. 2025), and the website.

2. Supply and Demand

➤ Estimates indicate that world oil demand decreased in Q1 2025 by 1.1% compared with the previous quarter, to reach 104.3 million b/d. As demand in OECD countries decreased by 2.9% to reach about 44.9 million b/d, whereas demand in Non-OECD countries increased by 0.1% to reach 59.3 million b/d.

Projections indicate that world oil demand is expected to increase in Q2 2025 to reach 104.5 million b/d. As demand in OECD countries is expected to increase by 760 thousand b/d to reach about 45.7 million

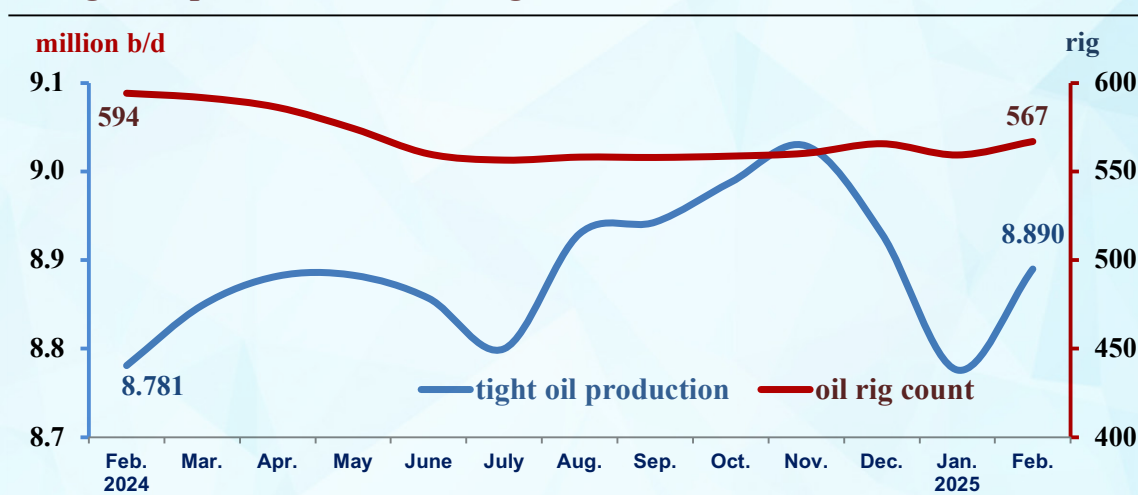
b/d, whereas demand in Non-OECD countries is expected to decrease by 550 thousand b/d to reach 58.8 million b/d.

- Estimates indicate that **world** crude oil and NGLs/non-conventional supply in February 2025 increased by 0.4% to reach 103.3 mb/d. OPEC supply increased by 0.5% to reach about 32.5 million b/d, and Non-OPEC supplies increased by 0.4% to reach 70.8 mb/d.

OPEC+'s crude oil supply in February 2025 increased by 312 thousand b/d, or 0.9% compared with previous month level to reach about 35.5 million b/d. Supplies of OPEC-9¹, which are members in OPEC+, increased by 0.5% to reach about 21.4 mb/d. And supplies of Non-OPEC, which are members of OPEC+, increased by 1.5% to reach about 14.1 million b/d,

- US tight oil production in February 2025 increased by 114 thousand b/d compared to previous month's level to reach about 8.890 million b/d. On other developments, US oil rig count increased by 8 rigs to reach 567 rigs.

US tight oil production and oil rig count



Source: EIA, Short-Term Energy Outlook, March 2025.

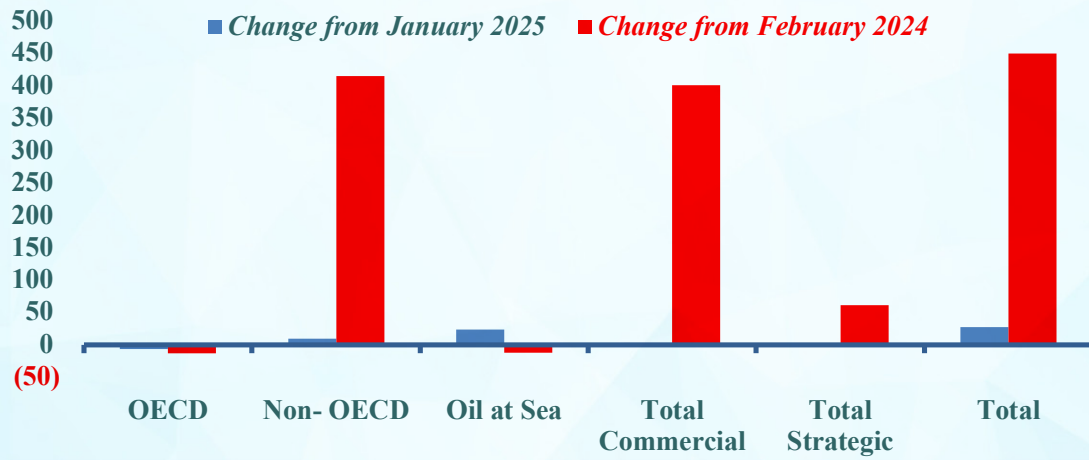
3. Oil Inventories

- OECD commercial inventories at the end of February 2025 decreased by 6 million barrels from the previous month level to reach 2757 million barrels. Whereas Non-OECD commercial inventories increased by 10 million barrels from the previous month level to reach 3702 million barrels, and strategic inventories decreased by 1 million barrels to reach about 1565 million barrels.

¹ It does not include Libya, Iran, and Venezuela, whose supplies of crude oil amounted to about 1.3 million b/d, 3.3 million b/d, and 918 thousand b/d, respectively, during February 2025.



Change in Global Inventories at the End of February 2025 (million bbl)



Source: Oil Market intelligence, May 2024 and March 2025.

4. Oil Trade

US Oil Imports and Exports

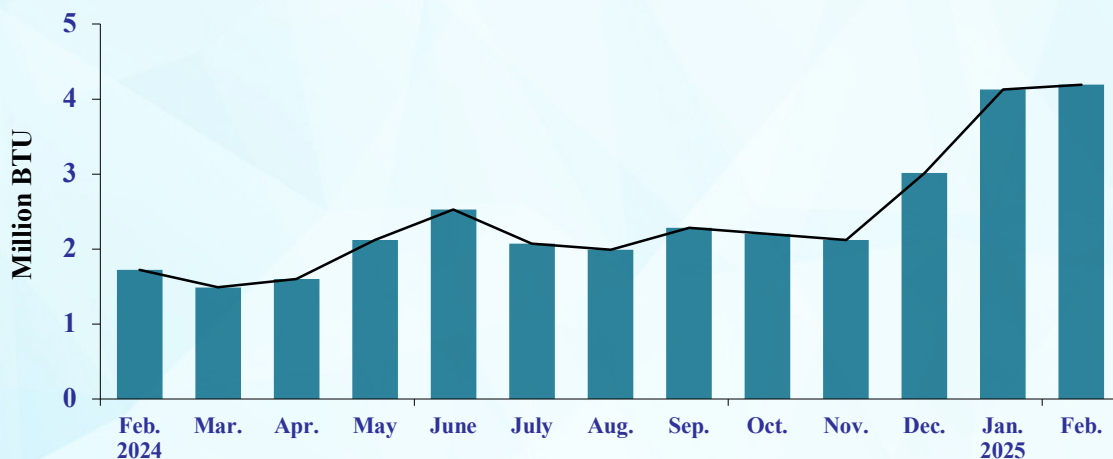
- US crude oil imports in February 2025 decreased by 9% from the previous month level to reach about 6 million b/d, whereas US crude oil exports increased by 0.02% to reach about 4.2 million b/d.
- US petroleum products import in February 2025 increased by 4.2% from previous month level to reach about 1.7 million b/d, and US petroleum products exports increased by 0.4% to reach 6.5 million b/d.

Second: Natural Gas Market

1. Prices

- The average spot price of natural gas at the Henry Hub increased in February 2025 to reach \$4.19/million BTU.

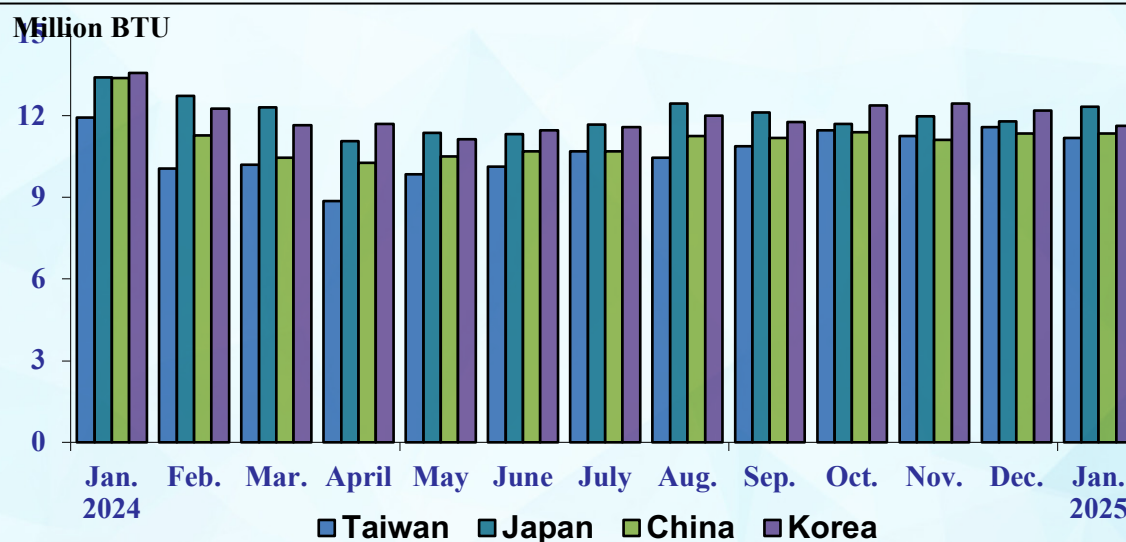
Average spot price of natural gas at the Henry Hub, Feb. 2024 – Feb. 2025



Source: EIA, Henry Hub Natural Gas Spot Price.

- The price of Japanese LNG imports in January 2025 increased by \$0.52/m BTU to reach \$12.33/m BTU. Whereas the price of Korean LNG imports decreased by \$0.55/m BTU to reach \$11.64/m BTU, and the price of Taiwan LNG imports decreased by \$0.40/m BTU to reach about \$11.19/m BTU. And the price of Chinese LNG imports remained stable at the same previous month level of \$11.35/m BTU.

The price of Northeast Asia LNG imports, Jan. 2024 – Jan. 2025



Source: Energy Intelligence - WGI, Various issues.

2. Exports

Arab LNG exports to Japan, South Korea and Taiwan were about 4.705 million tons in January 2025 (a share of 23.9% of total imports).

Tables Annex

OAPEC

ORGANIZATION OF ARAB
PETROLEUM EXPORTING
COUNTRIES



The value of the first prize is raised to ten thousand Kuwaiti Dinars (equivalent to about 33 thousand US Dollars), and the value of the second prize is raised to seven thousand Kuwaiti Dinars (equivalent to about 23 thousand US Dollars).



OAPEC AWARD

OAPEC SCIENTIFIC RESEARCH FOR THE YEAR

2024

In line with OAPEC'S policy to encourage scientific research by awarding two prizes on a biennial basis (**First Prize** KD 7000 equivalent to USD \$23000, **Second Prize** KD 5000 equivalent to USD \$16000), upon the resolution number 1/169 of OAPEC Executive Bureau at its meeting dated **5 May 2024**. **The Organization of Arab Petroleum Exporting Countries (OAPEC)** is pleased to announce that **the research field** selected for the "OAPEC Award for Scientific Research for the Year 2024" is:

NEW AND RENEWABLE ENERGY

Research Field:

New and Renewable energy plays a pivotal role in confronting global challenges such as combating climate change, achieving energy security, and promoting sustainable development. It contributes to reducing greenhouse gas emissions and mitigating the effects of global warming. It can be relied upon as a clean fuel to meet the growing demand for energy. It also contributes to stimulating economic growth, creating diversification opportunities, and encouraging technological innovation.

Enormous resources of renewable energy sources available in the Arab countries on the one hand, and successful experiences of many countries around the world in exploiting such resources on the other hand, underline the possibility of bringing about a tangible change in how to optimally use these resources in the Arab countries.

Based on these inputs, the submitted research papers can address many main topics, including, but not limited to:

- 1. Modern technologies for producing renewable energy, including renewable energy storage technologies and smart grid technologies.**
- 2. National and international policies that promote the deployment of renewable energy, including goals, incentives, legislations, laws and regulatory frameworks.**
- 3. Economic considerations, including cost trends in renewable energy technologies, and mechanisms for funding renewable energy projects (such as subsidies, tax incentives, and green bonds).**
- 4. Existing infrastructure and renewable energy projects that are planned to be executed at the Arab and international levels.**
- 5. Challenges facing the deployment and use of renewable energy, such as supply chain issues facing some technologies and irregular supplies.**
- 6. The future outlook for renewable energy sources, and their integration into non-electricity sectors (such as transportation, cooling, and heating).**





1. Research may be submitted by one or not more than two researchers. Research submitted by legal entities will not be accepted.
2. The submitted research must be new. It must not have been published or received any award from any Arab or foreign body in the past.
3. The research must provide recommendations that are applicable and contribute to providing benefit to the energy industry in the Member Countries.
4. Research that relies on innovative laboratory work is given preferential marks in the evaluation.
5. The author of the research agrees in advance to grant the organization the copyright of his work in the event that he wins one of the two aforementioned awards, while retaining all his rights to the research. The Secretariat General has the right to print and publish the winning research according to what it deems appropriate.
6. The researcher adheres to the principles of citation in accordance with the standards of scientific and academic research.
7. An electronic version of the research- in both PDF and WORD format- should be submitted to the award's email address: **oapecaward@oapecorg.org**
8. The research can be submitted in either Arabic or English.
9. The participating researcher shall submit a summary of his academic and professional qualifications, in a separate file.
10. Participating research works must be submitted no later than the **end of May 2025**. After that date, no research will be accepted for the purpose of the award.
11. Researchers of all nationalities are welcome to participate in the award.
12. The award will not be granted to the same researcher twice in a row.
13. The research work must not contain any references or phrases indicating the researcher's name, workplace, or domicile.
14. Any research work that does not meet the requirements mentioned in the OAPEC Award Participants Guide attached to the announcement will be ignored.

Researchers will be notified by OAPEC Secretariat of the Award Committee's decision. The winners will be officially announced at the end of the OAPEC's Ministerial Council meeting in 2025.

For further information you may contact the OAPEC General Secretariat at:

Organization of Arab Petroleum Exporting Countries (OAPEC)

Secretariat of the Award Organizing Committee

Tel.: (+965) 24959784 - (+965) 24959763

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**Organization of Arab Petroleum Exporting Countries (OAPEC)
OAPEC AWARD FOR SCIENTIFIC RESEARCH FOR THE YEAR 2024**

In the Field of

NEW AND RENEWABLE ENERGY

Statement of relinquishment of printing and publication rights for the research

I, the undersigned:

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

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to the Organization of Arab Petroleum Exporting Countries (OAPEC), in the event of
winning one of the two prizes of OAPEC Award for Scientific Research for the year 2024.

Name:

Signature:

Date: / /