Political Review

Petroleum in the Age of the Islamists

P.16

Event P.20

Weatherford Technology Seminar

International News P.10

Iran Parliament Backs Shutting the Strait of Hormuz

Bullion Market

	GOLD		SILVER	
	Price	Percentage	Price	Percentage
	1600.88	0.77%	28.06	-2.57%

Crude Oil

		Price	Percentage
USD/BBL	WTI	82.39	-12.90%
	BRENT	95.90	-12.91%

EGYPT OIL&GAS NEWSPAPER

HIGHLIGHT

Dana Petroleum's Zeitco Boosts Gulf of Suez Production

P.07

August 2012 Issue 68 24 Pages www.egyptoil-gas.com

Between the Transitional Ministry and the Ministry of the Revolution

Debts, dues, subsidies, fuel shortages and wage regulation present themselves as some of the most prominent and pressing issues facing the incoming minister of petroleum, as industry experts assure that these problems can be rectified in the space of a year and a half.

P.14

Egypt News

BG Egypt Makes Major Mediterranean Gas Discovery

British Gas, through its wholly owned subsidiary British Gas Egypt, has hit copious amounts of natural gas offshore the West Nile Delta in the Mediterranean Sea. The discovery was made in the company's block 8b concession, and was labeled Harmatan Deep-1.

P.07

Egypt News

Khalda Intensifies Western Desert Drilling

A sizeable amount of drilling activity has been undertaken by Khalda Petroleum Company, as it has concluded the drilling of two new developmental wells and five exploratory wells in in the Western Desert as part of its 2011-2012 development plan.

P.04

Faith

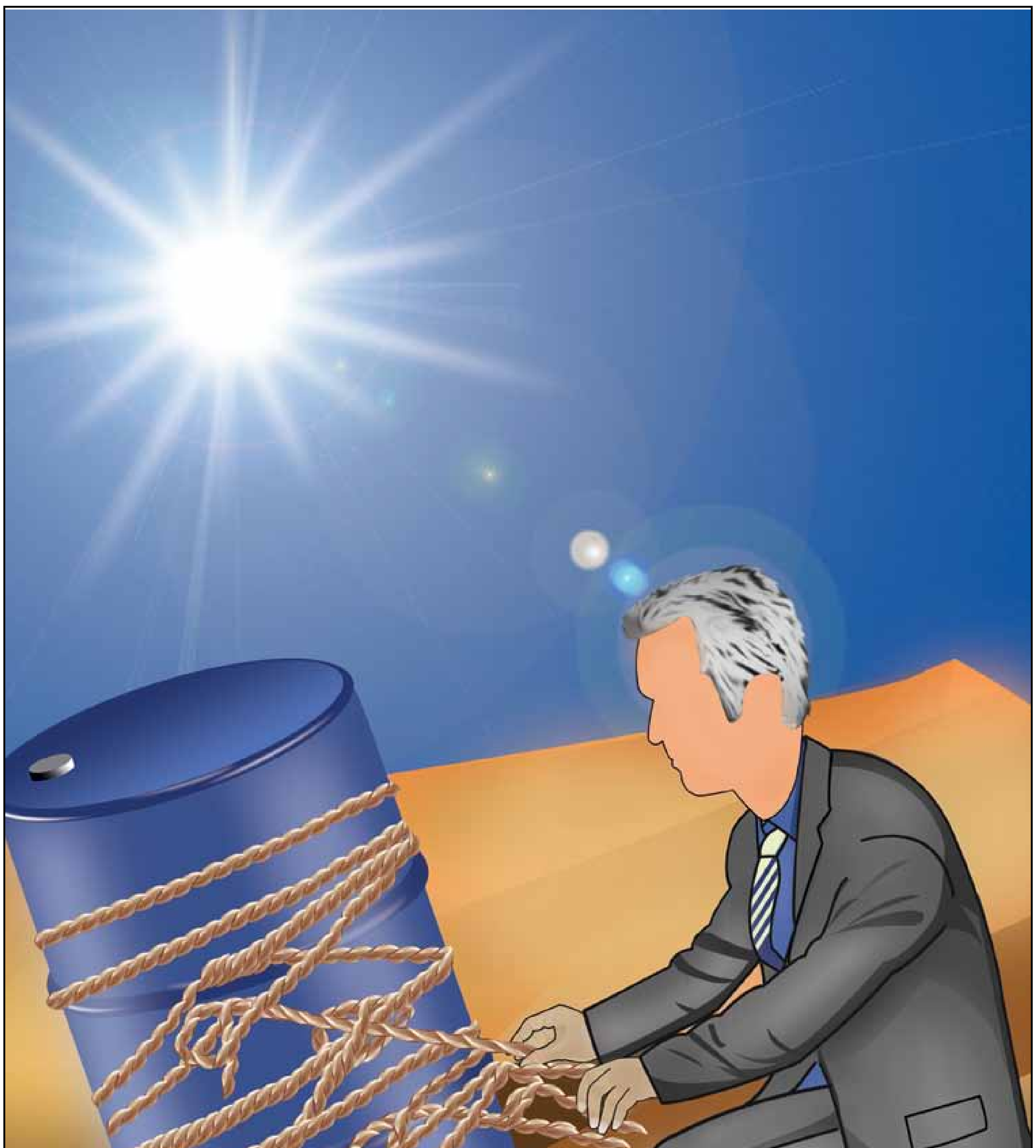
As times change, it is inevitable that the reigns of responsibility will be passed along from one hand to another. New hands will be tasked with steering the ship to safety, to prosperity and to better things, while improving upon what has gone before and avoiding the mistakes of the past.

The responsibility of meeting expectations and avoiding disasters, of balancing short-term appeasement and long-term success, can at times be overwhelming. Often, one who is newly in charge will inadvertently repeat the mistakes of the past, send mixed signals, and clumsily take a step back while trying to take half a step forward. Attempting to please everyone will result in weak, contradictory stances that please no one and convey feebleness. Taking rigid, immovable stances and vehemently standing by them may come off as rash extremism or arrogance and will breed vigorous opponents.

In a month rife with expressions of faith, the only true solution is to have faith and cling on to it. You must have faith that there are better days ahead. You must have faith in that others are doing what they believe is best, even if you disagree with them. You must have faith in the intentions and capabilities of those around you. Most importantly, you must have faith in yourself, and in your ability to do what is demanded of you in difficult times.

You have every right to judge, criticize, fear, warn, and even mock. But please have faith, if in nothing else, than in whatever you believe to be above and beyond this world. Ramadan Kareem, and may it renew your faith!

Ahmed Maaty
Managing Editor



The new Minister of Petroleum will have to work his way through the knots to achieve Egypt's post-revolutionary petroleum potential

EGYPT OIL&GAS NEWSPAPER

Managing Editor
Ahmed Maaty
amaaty@egyptoil-gas.com

Staff Writers
Ahmed Farahat
Noha Abouzeid

News Reporter
Wael El-Serag

Contributor
Ethar Shalaby

Media & Statistics Monitoring
Webmaster
Ayman Rady

Business Development Officers
Passant Khalifa
Haitham Zoufakar
Ahmed Salah El-Din

BD USA Correspondent
Clarissa Pharr

Customer Feedback Service Manager
Passant Fadl

Database Coordinator
Hanan Naguib

Art Director
Omar Ghazal

Senior Graphic Designer
Mai Kamal

Cartoonist
Mai Gamal

Administrative Assistant
Basma Naguib

Assistant Managing Director
Menna Rostom

IT Specialist
Sameh Fattouh

Production Advisor
Mohamed Tantawy

Accountant
Abdallh Elgohary
Mahmoud Khalil

Legal Advisor
Mohamed Ibrahim

Publisher
Mohamed Fouad
This publication was founded by
Omar Donia, Mohamed Sabbour
and Mohamed Fouad

All rights to editorial matters in the newspaper are reserved by Egypt Oil and Gas and no article may be reproduced or transmitted in whole or in part by any means without prior written permission from the publisher.

Contact Information:
Tel: +202 25164776
+202 25172052
Fax: +202 25172053
E-mail: info@egyptoil-gas.com
www.egyptoil-gas.com


Seaharvest's unwavering dedication to world-class quality of petroleum services is reinforced by over a decade of expertise, continuous innovative solutions and utilization of the most cutting-edge technologies to deliver a premium caliber of services, tailored to the needs of its client and demands of the market.
Our regional presence and staff's diverse expertise ensure the accessibility and proficiency of our human resources, who place client satisfaction as not only a target, but also as benchmark, by which we measure our success.
SEAHARVEST
Merchandising Services
Offering a diverse selection of industry merchandize varying from:
· Floating Equipments
· Centralizers
· Reamer Shoes
· Casing Compounds
· Valve and Fitting
· Fiberglass Pipes
· Solid Controls Equipments
· Artificial Lift
Field Services
Highly trained engineers equipped with the latest technology to cover multiple operations as:
· Leak Repair Integrated Solution
· Inspection Service
· Down-hole Service
· Subsea Service
Rental Services
Providing a wide selection of equipment with variety of timeframe packages, that contains and not limited to:
· Drilling Jars
· Shock Subs
· Stabilizers
· Mud Motors
· Drill Collars/Drill Pipes
· Landing string
· Compressors and Generators
Providing Quality Solutions
Villa 54, Road 57, 1st District, Zone 7, Fifth settlement, Cairo, Egypt
Tel : +202 23130751 - 53
+202 23130304 - 07
Fax : +202 23130750
Website: www.seaharvest.org
email: egypt@seaharvest.org

Abu Qir Continues Offshore Exploration

A new offshore exploratory well was drilled by Abu Qir Petroleum Company in the Abu Qir North field offshore the Nile Delta, in search of natural gas.

The well, labeled NAQ PIII-3X, was drilled to a depth of 14,300 feet using the Ocean Spur jack-up rig and has been temporarily abandoned. Costs of the operation amounted to $15.717 million.

Abu Qir's natural gas production reached 1,386,911 barrels of oil equivalent in the month of June.

Abu Qir is jointly owned by the Egyptian General Petroleum Corporation (EGPC) and Italian company Edison..

Agiba Expands in the Western Desert

Agiba Petroleum Company has completed the drilling of two new developmental wells and an exploratory well in the company's fields in the Western Desert.

Sources revealed that the Aghar-13, an oil-producing well, was drilled using the PDI-147 rig to a depth of 6,500 feet. The well is located in the Aghar field, Abu Gharadiq basin, and Agiba invested $790,000 in its drilling.

Another developmental well, Dorra-2 was drilled in the Dorra field, Shoushan sub-basin in the company's Meleiha development lease. Drilling was conducted to a depth of 6,300 feet, using the ST-8 rig. Agiba invested $764,000 in the operation.

The exploratory well, labeled EMRY DEEP, was drilled using the PDI-92 rig to a depth of 11,902 feet, an operation which accumulated costs of $5.835 million. The well showed an initial flow rate of crude oil.

The company's production of crude oil reached 1,266,266 barrels in July 2012, while its natural gas production stood at 57,940 barrels of oil equivalent during the same month.

Agiba is a joint-venture company that includes Eni with 28%, Lukoil Overseas with 12%, the International Finance Company (IFC) with 10%, and the Egyptian General Petroleum Corporation (EGPC) holding the remaining 50%.

Apache Drills New Exploratory Well

American company Apache Corporation has concluded the drilling of a new exploratory well located in the Western Desert, which comes in the context of its 2011-2012 drilling plan.

The new WKAN-V-1X was drilled in the West Kanayes exploration block, Northern Egypt basin. It was drilled using the EDC-57 rig to the depth of 15,663 feet, at a cost of $3.910 million. The well is still under appraisal.

Apache Corp. is an oil exploration and development company with operations in various countries including the US, Australia, Canada, Argentina, the UK, and Egypt. The company produces an approximate 265,000 barrels of oil and 1.5 billion cubic feet of natural gas per day.

The company operates in Egypt through Khalda Petroleum and Qarun Petroleum, both of which are jointly owned by the Egyptian General Petroleum Corporation (EGPC).

Edison Plugs and Abandons Western Desert Discovery

Italian firm Edison Gas has recently plugged and abandoned a Western Desert exploratory well after it was drilled in the West Wadi El Rayan exploration block, Gindi Basin.

The drilling operation, which accumulated costs of $1.894, was conducted using the EDC-67 rig to a depth 6,400 feet. The well was plugged and abandoned after it revealed minimal amounts of oil.

The operation was part Edison's 2011-2012 drilling plan.

Edison is contracted for seven years of exploration in Egypt, divided into three phases. The company is required to spend $5 million in the first three-year phase, $3 million in the second two-year phase, and another $3 million in the final two-year phase, in addition to drilling two exploratory wells in each of the three phases.

Edison conducts exploration activities in Egypt, as well as production activities through Abu Qir Petroleum Company, its joint venture with the Egyptian General Petroleum Corporation (EGPC).

GPC Drills a New Developmental Well Offshore Gulf of Suez

The General Petroleum Company has concluded the drilling of a new developmental well offshore the Gulf of Suez. The well comes in the context of its 2011-2012 drilling plan.

The Amer-70 well, an oil-producing developmental well located in the Ras Amer field in the company's Ras Amer Marine block, was drilled using the ST-4 rig to the depth of 6,956 feet.

The company's production rate of crude oil reached 1,182,933 barrels in July 2012, while its natural gas production stood at 51,071 barrels of oil equivalent during the same month.

Norpetco Hits Dry Hole in Western Desert

The North Bahariya Petroleum Company (Norpetco) has concluded drilling operations for the Rawda SE-1 exploratory well. The well was drilled as part of the company's drilling plans for the 2011-2012 fiscal year, and was subsequently plugged and abandoned.

The well is located in the company's fields in the Western Desert, and was drilled to a depth of 10,490 feet using the ECDC-2 rig. Sources revealed investments in the well to have reached a total of $1.606 million.

During the month of June, Norpetco's production was at 580,760 barrels of crude oil per day.

Norpetco is jointly owned by the Egyptian General Petroleum Corporation (EGPC) and Sahari Oil Company.

Oapco Drills a New Developmental Well

Oasis Petroleum Company (Oapco) has concluded the drilling of a new developmental well located in the Qarun West field, Abu Gharadiq basin in the company's West Qarun development concession in the Western Desert. The operation comes in the context of the Oapco 2011-2012 drilling plan.

The new WQ 34/15-7 is an oil-producing well. It was drilled using the PDI-104 rig to the depth of 7,229 feet, attracting $1.395 million in drilling investments.

The company's production rate of crude oil reached 70,140 barrels in July 2012.

Oapco is a joint venture between the Egyptian General Petroleum Corporation (EGPC), and Sahari Oil Company.

Shell Drills $5.056 Million Exploratory Well in Western Desert

Royal Dutch Shell has successfully drilled a new exploratory well, labeled WS C 86-1, in the Western Desert. The operation is part of the company's 2011-2012 exploration plan.

The well was drilled to a depth of 14,482 feet via the use of the EDC 42 rig, and showed an initial flow rate of crude oil. Costs of the drilling operation totaled $5.056 million.

Shell operates in Egypt via Badr El Din Petroleum Company, a joint venture with the Egyptian General Petroleum Corporation (EGPC).

Khalda Intensifies Western Desert Drilling

A sizeable amount of drilling activity has been undertaken by Khalda Petroleum Company, as it has concluded the drilling of two new developmental wells and five exploratory wells in in the Western Desert as part of its 2011-2012 development plan.

Sources revealed that UMB-27, an oil-producing developmental well was drilled using the ST-2 rig to the depth of 11,510 feet. The well is located in the Umbarka field, Marmarica basin. Khalda invested $1.525 million in drilling and has yet to add the new well's output to its overall production levels.

Another developmental well drilled by Khalda was FAGHUR-L-2, also an oil-producer, located in the Faghur development lease. It was drilled to a depth of 16,500 feet utilizing the EDC-18 rig, the cost of which amounted $4.080 million.

In addition, Khalda drilled five exploratory wells.

The Hawk-5X exploratory well was drilled to a depth of 10,548 feet via the ST-10 rig, entailing investments of $3.302 million.

The ALEX-N-5X exploratory well attracted investments of $4.273 million. The drilling operation was conducted using an EDC-8 rig to a depth of 16,918 feet. The well has yet to be added to Khalda's overall production.

ST-2 NRQ-3151 was drilled to a depth of 18,260 feet, using the EDC-50 rig. The exploratory well, which is located in the North Qattara field, in the Alamein sub-basin, Northern Egypt basin, attracted investments of $6.530 million. The well is under currently under appraisal.

BRAVO-1X, another of the xploratry wells, was drilled to a depth of 16,182 feet, via the EDC-41 rig. The well attracted investments of $1.923 million. It is under appraisal, and is expected to be an oil-producer.

Finally, SHADOW-1X, yet another exploratory well, was drilled to a depth of 13,200 feet, via the ST-10 rig, at a cost of $3.919.

The company's production rate of crude oil reached 3,041,567 barrels in July 2012, while its natural gas production stood at 4,527,857 barrels of oil equivalent during the same month.

Khalda is a joint venture between the Egyptian General Petroleum Corporation (EGPC) and Apache Corporation.

Petrobel Conducts Several Drilling Operations

Belayim Petroleum Company (Petrobel) has conducted two exploratory drilling operations as well as the drilling of a developmental well, all in the context of the 2011-2012 drilling plan the company has put in place.

Sources revealed that Petrobel drilled the BMS-1 exploratory well to a depth of 10,335 feet using the G.SF 105 rig. The well is located in the southern region of the Belayim Marine field offshore the Gulf of Suez. Investments in the operation amounted to $8.932 million.

BLNE-2, the other exploratory well, was drilled in the North East of the Belayim Land field, onshore the Gulf of Suez. Drilling was conducted to a depth of 11,021 feet using the ST-12 rig. Costs of the operation reached $3.65 million, and the well showed an initial flow rate of crude oil and is currently under appraisal.

The 17 133 crude oil-producing developmental well, located in Sinai, was also drilled by Petrobel, at a cost of $3.062. The well was drilled using the ST-1 rig, and reached a depth of 9,436 feet.

Petrobel's production reached 3,065,346 barrels of crude oil and 8,803,040 barrels of oil equivalent of natural gas for the month of June.

Petrobel is a joint venture between the Egyptian General Petroleum Corporation and Italian company Eni.

Two New Developmental Wells in Sinai by PetroSinai

PetroSinai has completed the drilling of two new developmental wells in the Lagia field, in the company's lease in in Sinai.

The Lagia-19 well, an oil-producing well, was drilled using the Shams-1 rig to a depth of 1,334 feet. The company invested $915,000 in its drilling.

PetroSinai has also drilled the Lagia-10, another oil-producing developmental well, utilizing the same Shams-1 rig, to a depth of 1,387 feet. The well's drilling expenses reached $585,000.

The company's crude oil production stood at 1,779 barrels of crude oil in June.

PetroSinai is a joint venture between the Egyptian General Petroleum Corporation (EGPC), which holds a 50% stake in the company, and Canadian operator MENA Hydrocarbons, which exclusively holds the remaining 50%. MENA Hydrocarbons is a petroleum company that focuses its operations on the Mediterranean and Middle East regions.

Qarun Adds to Its Western Desert Production Portfolio

Qarun Petroleum Company has completed the drilling of three new oil-producing developmental wells in its fields in the Western Desert.

Samra-89 is located in the Samra field, Abu Gharadiq basin. It was drilled to a total depth of 5,850 feet, using the EDC-64 rig, and its investments amounted to $608,000. Qarun has yet to add the well's output to its overall production levels.

Heba-11 was drilled in the Heba field to a depth of 7,240 feet, via the EDC-17 rig. Drilling investments in the well amounted to $1.092 million. This well has also yet to be added to Qarun's overall production.

Aqsa S1-X was drilled with investments of $1.374 million using the same EDC-17 rig, to a depth of 9,600 feet. The well is located in the Aqsa field, Abu Gharadiq basin, in the Karama development lease, and is currently under appraisal.

The company's production rate of crude oil reached 1,728, 278 barrels in June 2012.

Qarun is a joint venture between the Egyptian General Petroleum Corporation (EGPC) and American oil firm Apache Corporation.

West Bakr Drills Eastern Desert Well

A new oil-producing developmental well, named K-18, was recently finalized in the Eastern Desert by the West Bakr Petroleum Company.

The well is located in the West Bakr production lease, Gulf of Suez Basin, in the 'West Bakr Fields K Structure' block, which covers an area of approximately 18 square km.

Drilling was conducted via the use of the EDC-62 rig, to a vertical depth of 5,408, accumulating costs of $1.194 million. Production from the well has begun, but has not yet been added to the company's overall numbers.

West Bakr Petroleum, which holds a 100% working interest in the West Bakr concession, is a 50%-50% joint venture between the Egyptian General Petroleum Corporation (EGPC) and US-based operator TransGlobe Energy Corporation.

Melrose Completes Drilling Endeavors

Melrose Petroleum Company has concluded drilling operations for two wells, South Khilala-2 and East Dikirnis-1.

The South Khilala-2 developmental well was recently drilled as a high angle producer in the southern lobe of the South Khilala gas field. It was drilled using the EDC-9 rig, and was tied back to the West Khilala field facilities. The well is currently producing at a rate of 14 million cubic feet of natural gas per day, which brings the field's total production to 25 million cubic feet per day.

Following the drilling operation, new well data raises the prospect of the field's total recoverable proved plus probable reserves from 47 to 60 billion cubic feet of natural gas.

The same EDC-9 rig was used to complete drilling of the East Dikirnis-1 discovery well for production. Field reserves are estimated to be 0.3 million barrels of liquids and 3 billion cubic feet of natural gas, and the well is to be added to the company's production later this year.

Melrose is a Scottish oil firm with operations in various countries including Egypt, Bulgaria, and Romania.

Choice Words

"The Ministry will make sure that **maximum salary regulations** are applied without exception."

Eng. Abdullah Ghorab, Minister of Petroleum and Mineral Resources, to The Daily News Egypt.

"The Electricity Sector owes the General Petroleum Corporation debts of **EGP 45 billion**."

Hani Dahi, Head of the EGPC, to Al-Ahram Electronic Gateway.

"The EGPC's idea of **producing local and regional dollar bonds** was a proposition suggested in one of the seminars held recently, in order to overcome the EGPC's liquidity problem."

Mahmoud Montaser, board member of the National Bank of Egypt, to Al Wafd Electronic Gateway.

"**There is no gasoline or diesel fuel crisis**. Moreover, importation operations are ongoing without any obstacles or lack of essential financial resources."

Engineer Mahmoud Nazim, Undersecretary of the Egyptian Ministry of Petroleum, to Youm-7 Electronic Gateway.

"One of the main reasons behind the frequent power outages is the **shortage in fuel and natural gas** amounts sufficient to generate the network's full generation capacity."

Engineer Mahmoud Balbaa, Chairman of the Holding Company for Electricity, to The Middle East News Agency.

Bapetco Oil and Gas Production Waning

Badr El-Din Petroleum (Bapetco)'s production indicators for the six months between January 2012 and June 2012 show a slight but gradual decrease in crude oil production, while the numbers show production of natural gas to be more consistent but also in decline.

During the designated analysis period, crude oil production for Bapetco averaged 756,348 barrels per month, reaching its highest in March at 783,058 barrels, before dipping gradually to 710,640 barrels in the most recent month of June, its lowest point in the entire analysis period.

Natural gas production, was more consistent, but also witnessed a decrease. Bapetco produced 2,250,357 barrels of oil equivalent in January, which fell somewhat to gradually reach 2,088,393 barrels in June. The company's production of natural gas during the designated period averaged a monthly 2,140,893 barrels of oil equivalent.

Bapetco is continuing its Western Desert development efforts, having concluded drilling operations for four developmental wells and two exploratory wells in the company's fields in the Western Desert.

The BED 1-3 oil-producing well was drilled in Bapetco's BED 1 field, onshore the Abu Al Gharadiq Basin, via the use of the NAFTA-1 drilling rig. Drilling was conducted to a total vertical depth of 10,516 feet, and overall costs of the operation amounted to $2.616 million.

In the same Abu Al Gharadiq Basin, the BED 9-5 oil-producing well was drilled using the EDC-52 rig to a depth of 11,484 feet, with drilling costs reaching $3.860 million. Its production figures have been added to the company's overall rates.

The Al Barq-6 well, also an oil-producing well, attracted investments of $2.092 million. It was drilled using the EDC-72 rig, to a depth of 11,913 feet.

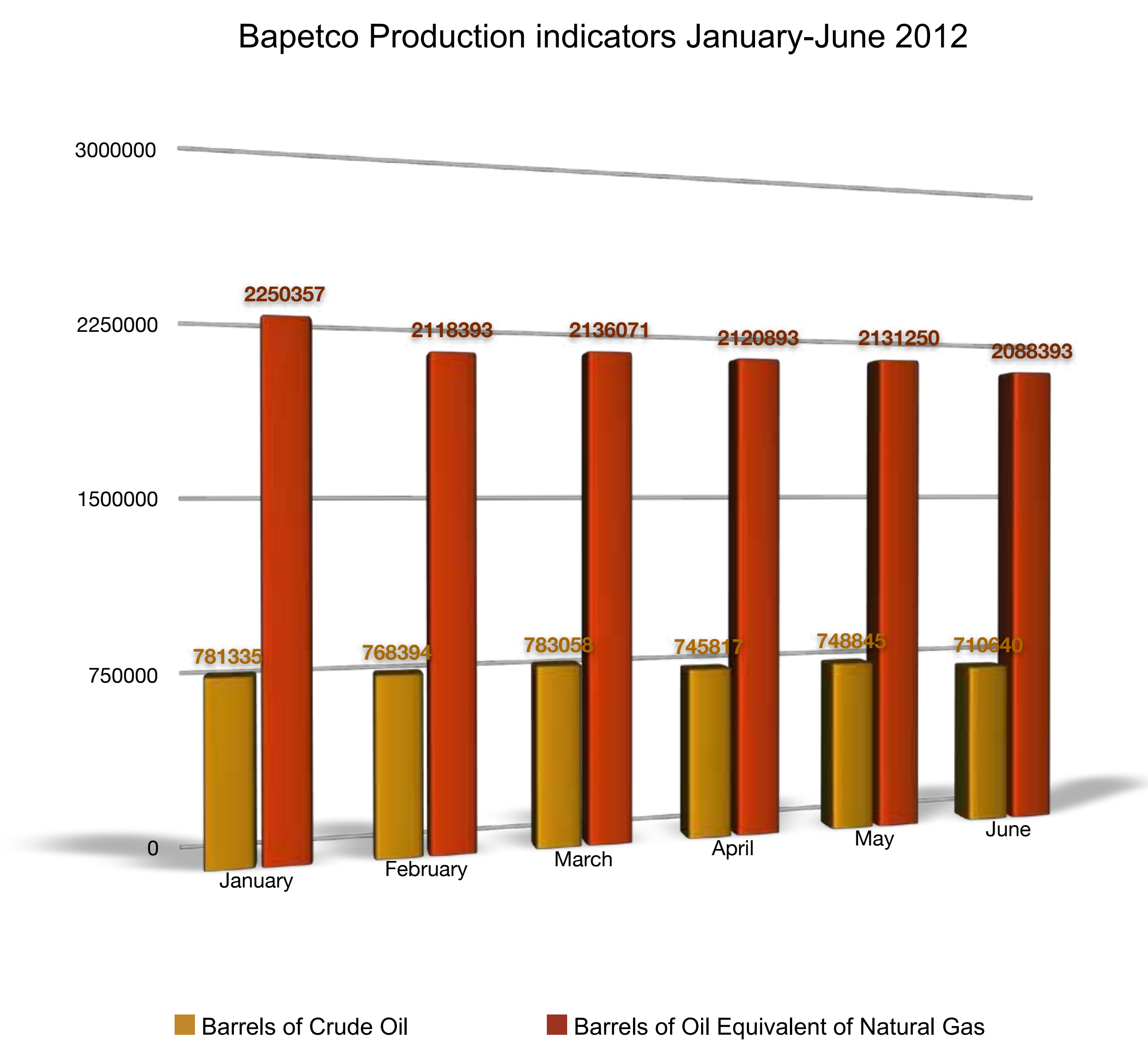
The AL BARQ-3 developmental well, yet another oil-producer, was drilled to a depth of 12, 304 feet using the same EDC-72 rig. It attracted investments of $3.457 million.

The two exploratory wells drilled by Bapetco were labeled WS JAWAD-1 and ALMAGD-C86.

The WS JAWAD-1 well was drilled to a depth of 3,642 feet via the EDC-42 rig, with drilling costs reaching $1.400 million. The well was plugged and abandoned.

ALMAGD-C86 was drilled to a depth of 12,140 feet using the EDC-51 rig. Sources revealed investments in the oil-producing well amounted to $2.866 million.

Bapetco is an equal-interest joint venture between the Egyptian General Petroleum Corporation (EGPC) and Royal Dutch Shell, with each partner holding a 50% interest.



Rashpetco Indicators Show Consistent Production

Rashid Petroleum Company (Rashpetco)'s production numbers in the six-month period from January 2012 to June 2012 revealed fairly consistent natural gas output, with a noticeable dip in February preceding a recovery to previous levels.

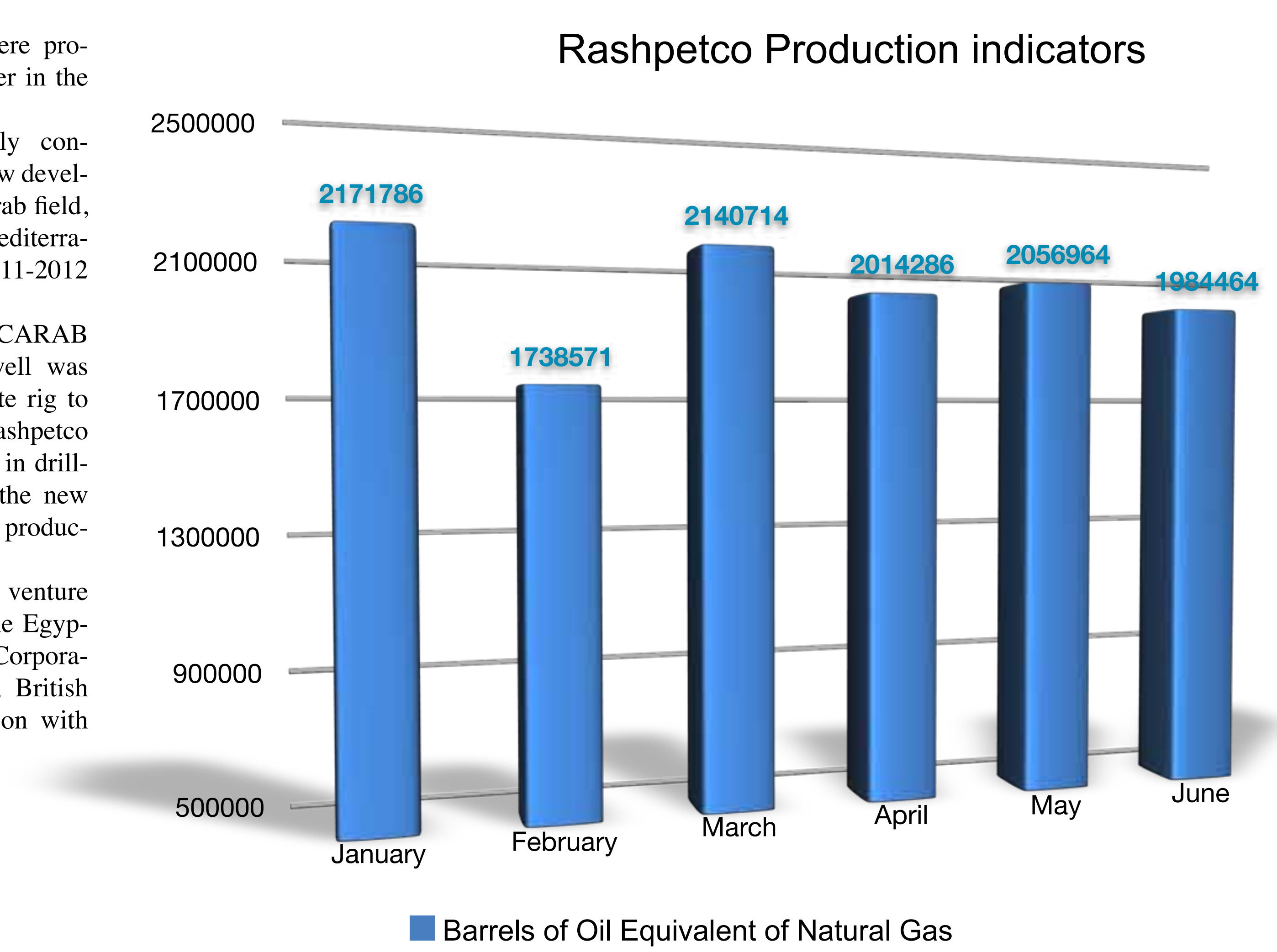
The company's production during the designated analysis period averaged 2,017,798 barrels of oil equivalent of natural gas per month, a number that the indicators generally did not deviate from in the specified period. Production did take a dip to reach its lowest point at 1,738,571 barrels of oil equivalent in February, but it was back on track in the following month, in which 2,140,714 barrels of oil equivalent were produced.

Production in the most recent month of June was 1,994,464 barrels of oil equivalent, continuing a trend of consistency witnessed since March, but it has yet to equal the production achieved in January, in which 2,171,786 barrels of oil equivalent were produced, the highest number in the entire analysis period.

Rashpetco has recently concluded the drilling of a new developmental well in the Scarab field, Nile Delta basin in the Mediterranean Sea, as part of its 2011-2012 development plan.

Sources revealed that SCARAB GH, an oil-producing well was drilled using the Amirante rig to the depth of 6,995 feet. Rashpetco invested $36.275 million in drilling and has yet to add the new well's output to its overall production levels.

Rashpetco is a joint venture company that includes the Egyptian General Petroleum Corporation (EGPC) with 50%, British Gas with 40% and Edison with 10%.



Circle Oil Drills Two New Wells

Circle Oil has expanded its drilling activities in the Al Amir Southeast (AASE) and Geyad fields.

AASE-12X ST1 is an oil-producing developmental well located in the south- central part of the AASE field. It was drilled to a total depth of 10,300 feet. The well has now been placed on the company's overall production numbers.

The well tested at average flow rates of 2,595 barrels of crude oil per day, and 4.7 million cubic feet of gas per day. It is now producing at an initial flow rate of 1,038 barrels per day.

The company is also drilling the Al Ola-3 well, in the southern part of the AASE field. The well is expected to be an injector well targeting the Kareem sands, located to the south of the Al Ola-1 and Al Ola-2 wells.

The Al Amir, Al Geyad and Al Ola development leases are all located in the Northwest Gemsa concession, the production of which has reached 8.6 million barrels per day. The concession covers an area of about 260 km, and is located in the Gulf of Suez Basin, roughly 300 km away from Cairo.

Prof Chris Green, Circle Oil PLc's CEO, stated, "Circle is pleased with the results of the AASE-12X ST1 well, which has been completed as a Shagar sand producer with good initial flow. This well result further proves up the south central part of the AASE field and will add to the production rate and ultimate recovery from the field. The rig has now being moved to drill the Al Ola-3 well, which is intended as a southern water injector for the AASE field and is part of the overall plan to improve the productivity of the NW Gemsa accumulations."

Egyptian Gas Pipeline Hit by 15th Explosion

On Sunday the 22nd of July, the pipeline used to carry gas from Egypt to Israel and Jordan, located East of El Arish in the northern Sinai Peninsula, was attacked and exploded for the 15th time in the last 18 months.

A large explosion resonated across the region and flames of burning gas were lighting the sky. A group of individuals in a small truck drove up to the pipeline and placed explosives under the pipeline that they detonated from a distance, a security official and witnesses said.

Attacks on the pipeline have occurred regularly since the unrest began in February 2011 against the deposed Egyptian President Hosni Mubarak.

Gas exports to Israel and Jordan had been halted since April's pipeline explosion. Egypt also terminated its agreement to supply gas to Israel because of a business dispute.

No group has claimed responsibility for the attacks, and prosecutors have assigned the Criminal Investigation Department to investigate the accident, and urged it to arrest the criminals as soon as possible.

Guest Column

One Hand Is Not Enough

The main goal of the petroleum sector regarding exploration activities in Egypt is to furnish a healthy investment environment to attract international companies to join the exploration task force. These companies can provide capital and technical expertise to boost the proven oil and gas reserves of the country.

Other parties play a very significant role in contributing to the successful achievement of this goal. Firstly, agreements should be revised and approved by the government, represented by the parliament and then the president. In order for business to start, other authorities must get involved before any operations can begin (Mine clearance, acquiring seismic and drilling), and military approvals must be obtained. Sometimes agricultural permits might be needed in cultivating areas. Environmental authorities review the programs and make sure that the environment will not be harmed. Occasionally in case of explosive materials being used for Seismic and the perforation jobs, national security involvement is essential. Financial compensation to the landowners (Bedouins and Farmers) is a must to be settled under the supervision of the government district administration. Success cannot be achieved with only one hand.

By Mahmoud El-Gezeiry
Assistant Chairman For Exploration
Board Member
Petrozeit

BG Egypt Makes Major Mediterranean Gas Discovery

British Gas, through its wholly owned subsidiary British Gas Egypt, has hit copious amounts of natural gas offshore the West Nile Delta in the Mediterranean Sea. The discovery was made in the company's block 8b concession, and was labeled Harmatan Deep-1.

The well was drilled to a final depth of 9,104 feet into the Miocene epoch, and production from Harmatan Deep-1 is projected to reach 39 milion cubic feet of natural gas per day, in addition to a daily 1,039 barrels of condensates. Total recoverable reserves in place are estimated to be 123 billion cubic feet of natural gas and 6.1 million barrels of condensates.

The discovery is located approximately 5.2 km northeast of the city of Ras El-Barr, 11m underwater.

The agreement struck with the Egyptian Holding Gas Company (EGAS) stipulates that BG holds a 70% majority stake in the concession, while Malaysian firm Petronas holds the remaining 30%.

BG is Egypt's biggest natural gas producer, accounting for roughly a third of the country's overall gas production. In the month of June 2012, Rashid Petroleum Company, one of BG's joint ventures in Egypt, in which it holds a 40% interest, produced 1,984,464 barrels of oil equivalent of natural gas. Burullus Gas Company, another Egypt joint venture in in which the company has a 25% stake, produced 7,233,750 barrels of oil equivalent of natural gas.

On the 27th of June 2012 BG began production from phase 8b of its West Delta Deep Marine concession, managed by Burullus. BG has discovered 14 gas fields in the concession since 1994.

British Gas

Dana Petroleum's Zeitco Boosts Gulf of Suez Production

The East Zeit Petroleum Company (Zeitco), a 50%-50% joint venture between the Egyptian General Petroleum Corporation (EGPC) and British oil company Dana Petroleum, has succeeded in concluding an appraisal well, Fin-2X, and a developmental well, A22, in the Gulf of Suez area.

The Fin-2X well was drilled in the Lorcan field in the North Zeit Bay concession, Gulf of Suez Basin, using Sino Tharwa's Tanmia-1 rig. It reached a depth of 9,712 feet in the Rudies Formation, encountering the thickest Rahmi reservoir found so far in the concession. The Kareem Rahmi sand interval was tested at a constrained rate of 2,220 barrels of crude oil and 1.260 million cubic feet of natural gas per day. Costs of the well reached a total of $3.2 million, and it was tied into the Lorcan production facility on the 24th of June.

The A22 oil-producing developmental well drilled offshore the Gulf of Suez, on the East Zeit field's 'A' Platform. The well was drilled via the Bahari-1 jack-up rig, another of Sino Tharwa's rigs, targeting an undeveloped, lower quality area of the reservoir, and it reached a depth of 12,051 in the Kareem Marker Formation. Production from the well began on the 25th of June, and is flowing at a rate of 2,000 barrels of crude oil per day. The well entailed costs of $11.43 million.

Zeitco's production numbers in June 2012 reached 129,001 barrels of crude oil and 9,303 barrels of oil equivalent of natural gas. Zeitco now produces approximately 5,300 barrels of crude oil per day.

Commenting on the developments, Dana Petroleum Egypt Managing Director Nick Dancer said:

"Dana is very pleased with the continued drilling success through our Zeitco joint venture company, especially with the successful completion of the challenging A22 well. This is a significant well for extending the economic field life of the East Zeit field, which had its first oil production back in 1985 and demonstrates Dana's commitment to invest in Egypt."

Dana Petroleum Egypt's daily production has now exceeded the 13,000 barrels per day mark, which constitutes an increase of more than 50% over the numbers achieved in 2011. The company plans to drill at least another 10 wells during the remainder of the year.

The Zeitco joint venture was founded to operate in the East Zeit and North Zeit Bay concessions, and holds a 100% working interest in both.

ENI Acquires Three Exploration Blocks in Kenya

Italian company Eni has purchased three exploration blocks in Kenya for the first time, as it looks to reinforce its presence in East Africa.

The company signed three Production Sharing Agreements (PSCs) with the Kenyan government covering blocks L-21, L-23 and L-24, marking its entry into the country. The three blocks are located in the deep and ultra-deep waters of the Lamu Basin off the Kenyan coast.

The preliminary exploration stage of these blocks, which will be managed by Eni with a 100% working interest and cover an area of more than 35,000 square kilometers, will consist of the execution of a seismic acquisition program.

ENI's entry into Kenya comes on the heels of a recent discovery of sizeable amounts of natural gas in Mozambique. It has also strengthened ENI's control in the Sub-Saharan region where it is already present in Nigeria, The Republic of Congo, Ghana, Togo, Angola, The Democratic Republic of Congo and Mozambique with an overall production of 450,000 barrels of oil equivalent per day and rapidly escalating exploration activity.

The Kenyan government has awarded seven of its 12 remaining petroleum blocks to oil firms including Eni and Total. Martin Heya, Kenya's petroleum commissioner, told Reuters in an interview "We signed seven blocks in one week. ENI signed three (offshore) blocks, L21, L23 and L24. Things have been going very well ... we've been very busy ".

Orca Drills a Well and Suspends Another in Tanzania

Orca Exploration Group has announced the drilling of the new SS-11 developmental well on Tanzania's Songo Songo field. The company's management anticipates that the well will be substantially productive.

The SS-11 well was drilled near the peak of the reservoir structure, with drilling investments amounting to $38 million. The augmented expenditure is principally attributable to supplementary rig time and the fact that the rig was assembled from Syria particularly for this well. While the Company believes that the well may be able to produce up to 70 million standard cubic feet of natural gas per day (MMcfd) unimpeded, definitive productive amounts and production figures cannot be estimated.

The company also stated that it has postponed drilling the SS-12 developmental well owing to escalating unpaid TANESCO receivables and unsettled negotiations with the Government Negotiating Team (GNT). Originally, Orca had arranged to drill the well directly after the drilling of the SS-11. The company intends to return to the SS-12 well and drill it when further deliverability is available and the issues with TANESCO and the GNT have been resolved.

Orca Exploration Group operates one license in Tanzania, which comprises two blocks including the Songo Songo field, known as the Discovery Blocks.

Furthermore, Orca Exploration Group Inc. and its operating subsidiary PanAfrican Energy Tanzania Limited mutually stated that they are determined to effectively conclude the continuing discussions with the government of Tanzania's negotiating team in order to resolve issues in Tanzania.

Sudan Offers Exploration Blocks

Sudan has awarded new oil and gas exploration blocks to international companies. The government in Khartoum has signed a number of exploration and production allocation contracts with numerous international oil companies. Earlier this year, the government offered nine blocks with around $1 billion in investments.

State Oil Minister Ishaq Adam Gamaa said that Canada's Statesmen Resources, Sudanese state player Sudapet, and foreign players from China, Nigeria, Australia, the UK and France were all part of the nine deals, Reuters reported. He also said that there would be no production at the new blocks for several years until after surveying and exploratory drilling, with the government's share of oil depending on the data from each block. He added that Sudan was currently producing 115,000 barrels per day, and hoped to add a further 65,000 barrels a day by year's end.

Some of the blocks are near the northern border with Egypt, some are offshore, and others are near Kassala in eastern Sudan and in the Khartoum state, the minister said.

South Sudan's independence has had a substantial effect on the country's economy. As a result of the separation, Sudan lost three quarters of its oil production, leaving the oil-reliant economy with a budget insufficiency of almost $2.4 billion and consequently leading to an increase in fuel prices. Moreover, a disagreement with southern Sudan has led to the destruction of the strategic Heglig oilfield, which is essential to Sudan's economy. In light of these events, the recent agreements will be ofgreat importance to Sudan.

Gamaa said that the government's share of oil would depend on data from each block. "The government priority will be to meet domestic demand and export the surplus," he said.

Libya Disparages Shell for Operations Deferment

Libya's National Oil Corporation (NOC) blamed Royal Dutch Shell for failing to meet its obligations in Libya.

The NOC said that Shell's decision to abandon two exploration wells in Libya was not derived from an objective appraisal.

In May, Shell declared that it had suspended drilling and abandoned exploration in two Libyan blocks because additional exploration would be economically inefficient for the company.

"Shell has recently tried to request the annexation of those blocks, which confirms these areas are rich in oil and gas resources." The NOC statement said.

The Libyan oil firm also accused Shell of not executing an agreement concluded in June 2008 entailing the drilling of six wells at new fields over a five-year period.

"The company had not started drilling any well by the time it announced force majeure on March 22, 2011, but had only completed a seismic survey," said the statement.

"Shell has not lifted the force majeure compared to its activities in other countries where conditions are more difficult than Libya."

Shell said in May it intended to keep an office in Libya and had agreed with the NOC to pursue upstream opportunities.

But the NOC said Shell had not even acquainted it of its decision to withdraw, announcing it directly to the media.

The NOC recognized that Shell had not made any significant discoveries since the start of its operations in the North African country.

"These results were aggravated recently when Shell concluded two agreements with the National Oil Corporation including one through direct negotiation, to develop a liquefied natural gas plant at Marsa Brega," it said.

"During the preliminary discussions, the company confirmed it had the technical and financial capacity to achieve good results regarding the two agreements... but the company has not met its commitments for the exploratory activity and modernizing the gas plant."

Shell is a global group of energy and petrochemical companies with around 90,000 employees in more than 80 countries.

East Africa Oil & Gas Summit to be Held in November

The East African Oil and Gas Summit is taking place from 12-14 November 2012 in Nairobi, and will be Co-hosted by the Kenyan ministry for energy and Global Event Partners (K) Ltd. The conference will offer a platform for leading East African decision makers to engage with international and local investors on investment opportunities.

At the press launch of the summit, the minister pronounced his expectations and objectives on how Kenya plans to direct the new oil reserves which have been discovered "I want Kenya to be the example of the best management of oil and gas resources in the world, I want to study the best practices and borrow from them. I have promised that Tukana will never be another Niger Delta." The Minister explained.

The Kenyan Ministry of Energy said that the government is enthusiastic to learn from the superlative practices of oil utilization around the world so as to protect the country from the risks related to oil. "We are looking at countries like Abu Dhabi, Norway and Ghana which have managed their oil resources fairly well as examples. However, we want to make Kenya a case study of the best management of oil in the world," he said.

The Chairman of organizers Global Event Partners Kenya, Dr. Mukhisa Kituyi agreed saying, "There is a good narrative that can be developed.... we must start to grow a transparent state of play exercise where we are all laying on the table what are the best practices around the world, what don't we want to be and what will make us avoid the wrong path that others have taken so expensively."

"We are honored to have been engaged by the Ministry of Energy to organize this high level investment summit for the oil & gas industry East Africa," said Dr. Kituyi.

"The minister is securing the presence of the key ministers in the region from Mozambique, Tanzania, Uganda and South Sudan so all the major players will be represented this November," said the former Kenyan trade minister.

The strategic conference will feature sessions led by the leading government and industry experts including country focus sessions on Kenya, Mozambique, South Sudan, Tanzania, Uganda, Madagascar and Rwanda as well as regional sessions on infrastructure, pipelines, LNG terminals, security, local content, technology transfer and future projects.

The summit is attracting attention due to the fact that East Africa has emerged as one of the most exciting oil and gas investment prospects in the world.

Nigeria Offers Oil Contracts Worth $60 Billion

Nigeria has signed agreements allocating its oil supply of the coming year in a group of contracts worth around $60 billion.

The Nigerian National Petroleum Corporation (NNPC), granted 1.59 million barrels a day of oil to 50 companies for the period from August 2011 to July 2013. The supply deals are worth $159 million a day, or around $60 billion a year.

The execution of the oil supply allocation process was uncertain for months, creating ambiguity over future supply owing to a disagreement in Nigeria over the terms of application.

In 2010 there was an attempt to intensify Nigerian companies' role in the country's oil production. Unlike last year, when big trading companies like Trafigura Group, Vitol Holding B.V. and Glencore International PLC were offered huge volumes of crude, this year their allocation was divided. The number of companies obtaining supply ranged from 45 in 2011 to 50 in 2012 with a great number of Nigerian companies involved.

Nevertheless, traders on the West African market said many of the barrels would likely end up with the usual suspects--trading companies or oil majors--despite the large volume of term contracts awarded to new participants. Many of the smaller companies are expected to sell on their allotted volume to the larger players.

"The question is where those barrels will end up...if [the companies] front majors or traders," said one trader with large international oil company in Nigeria.

Asian companies Indian Oil Corp. and Sinopec, are still receiving the biggest amount as indicated in the contracts, with both companiesbeing allocated 60,000 barrels a day each.

Huawei Intelligent Energy Solution

As the oil and gas industry faces more challenges than ever, improving efficiency is critical. That's why Huawei offers an intelligent end-to-end solution that integrates more services than ever. Building on our heritage as the leading provider of global telecommunications solutions, we offer a one-stop ICT solution that meets the needs of the energy industry. Now more than ever, you need technologies that can help you get the most out of your business.

For details, please visit **enterprise.huawei.com**

HUAWEI ENTERPRISE A BETTER WAY

HUAWEI

Statoil and Total E&P Norge Make Substantial North Sea Discovery

Norwegian oil company Statoil and license partner Total E&P Norge have discovered significant amounts of natural gas and condensates in the King Lear prospect, a high-pressure, high-temperature prospect located in the southern region of the North Sea.

After drilling the 2/4-21 exploratory well using the Maersk Gallant jack-up rig, Statoil uncovered gas and condensate columns. The well was drilled to a depth of 5,2371 meters below sea level. Statoil has revealed plans for appraisal drilling to be conducted in the discovery.

"Statoil had earlier defined King Lear as a potential high-impact prospect. The drill results confirm our expectations and show once again that the Norwegian continental shelf still delivers high value barrels," said Gro Gunleiksrud Haatvedt, senior vice-president for exploration at Statoil Norway.

"This reinforces our faith in the exploration potential of the Norwegian continental shelf. Not only does it have a proud past, but also an exciting future," she added.

Total recoverable reserves at the King Lear prospect are estimated by Statoil to be between 70 and 200 million barrels of oil equivalent.

Statoil is currently evaluating whether to develop the prospect independently or merge it with the existing infrastructure in the area.

The King Lear discovery is the latest in a line of 'high-impact' (more than 250 million barrels of recoverable oil equivalent) discoveries made by Statoil in recent months.

Statoil has resumed production in its Norweigian assets after a workers' strike sparked at the beginning of July was stopped by the government. The strike had affected the installations of Oseberg Field Centre, Oseberg South, Oseberg East, Oseberg C, Heidrun, Huldra, Veslefrikk and Brage.

Statoil is the operator of the PL146 and PL333 licenses in the North Sea, with a stake of 77.8%. Total E&P Norge holds the remaining 22.2%.

Iran Parliament Backs Shutting the Strait of Hormuz

More than half of the members of the Islamic Republic of Iran's top legislative body, the Majlis, have signed a bill detailing a double-urgency plan to shut all sea transit through the strategic Strait of Hormuz, through which roughly a fifth of global oil shipments flow. The move comes in response to EU sanctions against Iranian crude oil exports, which came into effect in July.

Ebrahim Aqa-Mohammadi, a member of the Iranian Parliament's national security and foreign policy committee, stated "The Majlis Committee on National Security and Foreign Policy has drawn up a plan which puts emphasis on blocking the passage of tankers carrying oil through the Strait of Hormuz to countries that imposed sanctions on Iran."

Another member of the Majlis, Javad Karimi Qodoosi, revealed that 150 of the legislative body's 290 members had given their backing to the bill, adding that 'If the sanctions continue, the countries that have imposed sanctions have no right to cross the Strait of Hormuz without harm,'

The Iranian military has announced that there are plans to close the Strait if the country's interests are "seriously threatened," as stated by the chairman of Iran's Joint Chiefs of Staff, General Hassan Firouzabadi.

In the past, the Iran's Revolutionary Guard, which holds much sway in domestic politics, has warned that Iran is ready to close the Strait of Hormuz to protect its interests.

The ultimate decision regarding matters of security and foreign policy lies in the hands of Iran's Supreme Leader, Ayatollah Ali Khamenei, but the backing of both the parliament and the military's top brass would prove to be important were he to take the decision to close the Strait.

US Defense Secretary Leon Panetta is quoted as saying that Washington has "invested in capabilities to ensure that the Iranian attempt to close down shipping in the Gulf is something that we are going to be able to defeat if they make that decision to do that."

An estimated 15 million barrels of oil exports pass through the Strait of Hormuz every day, implying severe economic repercussions in the case of its closure to shipping.

The US and Britain have both warned that they will not tolerate a potentially economically disastrous closure of the Strait, as a Western naval presence in the Persian Gulf makes Iranian prospects of an effective shutdown of the Strait uncertain.

Western sanctions against Iranian oil exports are aimed at pressuring Iran into abandoning its uranium enrichment program, which the US and its allies claim is geared towards attaining nuclear weapons. Iran denies these allegations, asserting that it is pursuing the program for peaceful reasons of energy generation.

Eight Energy Companies Competing for Afghanistan Gas

Afghanistan's Mining Ministry has revealed in a statement that eight energy companies are in the running for the acquisition of six gas exploration blocks in the north of the country in the context of a bidding process that is set to last until the coming year.

The most prominent name on the list of likely bidders is American supermajor ExxonMobil, which has filed a notice of interest through its ESSO Exploration International Unit. They are joined by Kuwait Energy, Dragon Oil of Dubai, Pakistan Petroleum, Turkey's state-owned TPAO, Thailand-based PTT Exploration and Production, the Indian ONGC Videsh, and Brazil's Petra Energia, who are all vying for the Afghan blocks.

"Exxon is so big and they're in so many countries that they can afford to say no. So they don't appear unless they think they can make it work," stated Brigadier General Ricky Waddell, head of NATO's anti-corruption task force in Afghanistan.

20 companies had initially relayed their interest, but 12 were disqualified due to falling short of financial specifications or failing to meet deadlines.

Submitting a notice of interest offers the companies access to recorded seismic and well log data pertaining to the area of the offered blocks.

The six blocks are located in the western part of the Afghan-Tajik Basin in the north of Afghanistan, near the town of Mazari-Sharif. The basin is estimated to hold several hundred million barrels of oil equivalent, with some estimates going as high as one billion barrels.

The bidding process will end in 2013, when the contracts will be awarded. The coming October has been decided upon as a deadline for submitting bids.

Afghanistan's petroleum wealth is not minor, with the country's Economy Ministry estimating that $12 billion in annual revenue could be made from the sector if it is fully exploited, but political and security factors have consistently stood in the way of development.

Minister of Mining Wahidullah Shahrani said the list of potential bidders showed 'the robust growth and rapid development of Afghanistan's oil and gas sector.' He added: 'Building on the success of last year's tender in the Amu Darya Basin, we believe this tender magnifies the progress we are making.'

The tender for the Amu Darya Basin, also located in the north of Afghanistan, ended with the China National Petroleum Company (CNPC) edging out Petroceltic to secure the license. A deal was signed in late 2011 with CNPC, with production beginning on the 24th of last June; cumulative production is expected to reach 150,000 barrels by the end of 2012.

Afghanistan is bracing for political instability due to a planed hand over of power by President Hamid Karzai through the coming presidential elections of 2014.

DNO Drills a Well in Oman

DNO International has finished new drilling activities in the Sultanate of Oman. The company said that it has completed drilling of the West Bukha-5 well, offshore Block 8 and is planning to carry on operations on the West Bukha-4 well, which has not yet been completely drilled.

The primary flow test of West Bukha-5 well verified the presence of oil in the Thamama reservoir, with an estimated flow capacity of 1,500-2,000 barrels daily.

The initial test flow period also indicated an oil gravity of 35-degree API and a gas-to-oil proportion of 5,000 standard cubic feet/barrel. However, DNO said that these results are somewhat uncertain, owing to the fact that the well cleanup process has not been completed and only about a third of the cumulative spent acid recovered. In spite of this, the company asserts that they are consistent with the values observed in neighboring wells. Cleanup operations will resume and the well will be put on production later this summer once normal offshore pipeline operations resume.

West Bukha-5 is the first of a three-well drilling plan in Block 8. It was drilled to a depth of 17,060 feet, including a 3,000 feet horizontal section with good fracture indications. It is the deepest well for the company in Oman.

After concluding the drilling of West Bukha-4, the company will drill a third well on the adjacent Bukha gas condensate field via the Noble Roy Rhodes (250' ILC) rig.

In late March an impediment occurred in the 12-inch pipeline connecting the West Bukha and Bukha platforms. Attempts to clear the pipeline have been ineffective and a decision has been taken to replace a 2.7-mile (4.3 kilometer) section of the blocked pipeline. Before the blockage, the West Bukha field produced around 7,000 barrels per day of oil and liquids and about 25 million cubic feet per day of gas. Operations at the Bukha field have continued without intermission with daily deliveries averaging over 20 million cubic feet of gas and 1,000 barrels of liquids.

DNO International ASA is a Middle East and North Africa focused oil and gas company holding stakes in 17 licenses in various stages of exploration, development and production both onshore and offshore in the Kurdistan Region of Iraq, the Republic of Yemen, the Sultanate of Oman, the United Arab Emirates and the Tunisian Republic.

US EIA Forecasts: Oil Demand Growth to Decrease

The US Energy Information Agency (EIA) continued to lower its predictions for global demand of crude oil, citing a 'less optimistic outlook' for the global economy as the main factor.

"The debt crisis in Europe and possible weak economic growth in China will reduce world oil demand growth in the second half of this year by 150,000 barrels a day to 850,000 barrels a day," EIA Administrator Adam Sieminski said in a statement.

The EIA expects global liquid fuel consumption to increase by 0.67 barrels per day in 2012, reaching an average of 88.64 million barrels per day, which is a lower than the increase of 0.8 million barrels per day witnessed between 2010 and 2011, which took global consumption to 87.9 million barrels per day. Projections for 2013 put worldwide consumption at 89.37 million barrels per day, indicating an expected growth rate of 0.73 million barrels from 2012's expected numbers.

The EIA also forecast higher production growth for non-OPEC (Organization of Petroleum Exporting Countries) countries in 2012. The EIA's predictions placed the growth in production for crude oil and liquid fuels during the current year at 800,000 barrels per day, an increase of 120,000 barrels per day. This would take total production outside of OPEC to 52.72 million barrels per day. The organization also identified North America as the highest growing non-OPEC region in this regard; production boosts expected by the EIA for the United States and Canada amount to 890,000 barrels per day in 2012 and 410,000 barrels per day in 2013.

OPEC itself has also been producing at higher rates than those demanded by its 30 million barrels per day output target, which coupled with increased non-OPEC production and lower global demand have served to dampen crude price forecasts despite apprehensions regarding the Iran crisis. The EIA expects Brent crude to average $106 per barrel in 2012 and $98 per barrel in 2013.

Oil & Gas

GL Noble Denton

GL

GL Noble Denton is the leading independent technical advisor to the oil and gas industry. With a presence in more than 80 countries, our experts are **trusted** by some of the sector's best known organisations to implement meaningful **change** and deliver exceptional **results** across the lifecycle of their assets.

From providing technical due diligence support to one of Germany's leading financial services providers, to delivering project management for ACS Cobra's new underground gas storage facility in Spain, we're committed to providing world-class service in everything that we do.

follow us
@glnobledenton

See more of what we do at **www.gl-nobledenton.com**
glnobledenton@gl-group.com

16237_HB 16 04 2012

© GL Industrial Services UK Ltd. All rights reserved

$3.7 Billion Giant Petrochemicals Complex in Suez

A new petrochemicals complex was recently launched in the industrial zone located in the Northwest of the city of Suez. The project, which is to be undertaken by the 'El Tahrir' company, will entail costs of $3.7 billion.

The complex is designed to produce 3.5 million tons of petrochemicals per annum intended to meet local demand, in addition to a yearly 414,000 tons of benzene, 662,000 tons of propylene, and 214,000 tons of bituthene, for export purposes. Total output will be an estimated 5.3 million tons of petrochemicals.

During a meeting held in Washington surrounding the project, Osama Saleh, Head of the General Authority for Investments and Free Trade, asserted the petrochemical industry's perseverance despite recent economic hardship, stating that the industry managed to move ahead according to plan. He claimed that the oil refinery project at the giant petrochemical complex in Suez is the largest project to be implemented since the Egyptian revolution of the 25th of January.

Saleh revealed that the Export-Import Bank of the United States (Ex-Im Bank) has preliminarily agreed to provide Egypt with a $1.4 billion loan for the petrochemical complex project. The Export-Import Bank of Korea (KEXIM) will grant another loan, worth $1.2 billion.

The project will cover two million square miles, and will be completed over the span of two to three years. The construction phase alone is expected to employ 20,000 people, as well as providing 100,000 indirect job opportunities.

New Abu Dhabi Export Pipeline Inaugurated

The new Abu Dhabi Crude Oil Pipeline (ADCOP), which provides an alternate path to the Strait of Hormuz for Abu Dhabi's crude oil exports, was inaugurated in July. The pipeline runs from the Emirate's fields in Habshan to an export terminal in the Emirate of Fujairah, extending for 370 kilometers.

The project, which consists of the pipeline itself as well as pumping stations and offshore mooring systems is estimated to have cost an approximate $3.3 billion (Dh12.12 billion). The China Engineering and Construction Corporation was contracted as the primary provider of engineering, construction and procurement services.

The flow capacity of the pipeline is 1.5 million barrels per day, which constitutes more than half of the Emirate's total oil exports, and it is upgradeable to 2 billion barrels per day. Predictions, however, are placing initial flow to be around 1 million barrels per day with a 500,000 barrels per day spare capacity

The pipeline grants Abu Dhabi access to the Indian Channel for exportation of its crude oil; before the pipeline, the Emirate relied on the Jebel Dhanna port to load up its onshore oil for export, while offshore oil was loaded on Das Island.

The pipeline runs in its entirety through United Arab Emirates (UAE) territory, delivering crude oil from the country's western fields to the Gulf of Oman without necessitating passage through the Strait of Hormuz, the vital waterway through which 17 million barrels of oil exports are transported every day.

The security of oil exports passing through the Strait has been the subject of much debate lately, as Iran threatened to shut the Strait to all passage in retaliation to Western sanctions on its economy, which were brought about as a result of the country's nuclear program. In addition to improved security, the pipeline project boasts a more economical method of exporting crude oil for Abu Dhabi, avoiding the shipping and insurance costs of tanker transport.

Four New CNG Fueling Stations in Cairo

The Egyptian Ministry of Petroleum and Mineral Resources opened four new Compressed Natural Gas (CNG) Fueling stations last month for fueling of cars and state transport buses. The new stations will serve the Cairo Transportation Authority (CTA) buses working from the Basateen and Sawah garages, as well as private vehicles

Eng. Abdullah Ghorab, minister of petroleum, was in attendance at the opening of the stations along with Cairo Governor Dr. Abdel Qawi Khalifa and a number of the petroleum sector's leaders and senior executives.

Eng. Ghorab stated that the projects are proof of the success and growth of the process of swapping gasoline for CNG as a vehicle fuel in Egypt, a process that began in 1996. He added that the results of these efforts can be seen in the numbers, as the switch to CNG was undertaken by 173,000 cars, with 159 stations servicing them, in addition to 67 specialized centers in which the modification can be made.

According to the minister, the ministry is aiming to raise the number of cars using CNG as fuel to 205 by the end of the fiscal year. The ministry is also looking to open 29 new stations providing CNG fuel, and 11 modification centers, as well as conduct a campaign with the aim of attracting more consumers to use CNG fuel.

The ministry is placing importance on this endeavor due to the economic and environmental benefits, in addition to the fact that it will assist in coping with the issue of liquid fuel subsidization.

Renewable Energy

Great Potential for North Africa's Future of Renewable Energy

The Ernst & Young renewable attractiveness index has highlighted North Africa's renewable energy potential. The region has an abundance of solar resources together with some wind resources, all of which is expected to attract a significant amount of investment once political stability is restored.

According to the Index, Egypt is a relatively new market for renewables with a significant amount of potential and ambitious targets. Egypt is seeking to derive 20% of its energy from renewable sources by 2020 mostly through wind (12%) and hydro and solar photovoltaics (8%). Several studies are being conducted concerning the connection of the Egyptian grid to the European grid. Electricity sector reform, a modern grid infrastructure, proposed feed in tariffs and a renewable energy fund would lay a significant foundation for further growth in the renewable energy sector.

Without any domestic coal or oil reserves and Morocco's energy demand expected to double by 2020, the country is actively seeking alternatives to meet its current and future energy needs. A target to generate 42% of electricity from renewable energy sources by 2020 demonstrates the necessity and commitment to diversify its energy supply. Despite no feed in tariff or subsidies, the Moroccan government has privatized the energy sector, which has encouraged private and foreign investment in renewable energy. Further reforms are planned with the breakup of the former monopoly enjoyed by the state utility, Office National de l'Electricite (ONE).

The Tunisian government has ambitious targets in the renewable energy sector, although there is currently no feed in tariff or renewable energy certificate incentive scheme in place. Tax incentives and subsidies are used to encourage development and construction. Investment and expansion are required to develop and increase the grid to meet solar and wind targets. Interconnections with Algeria, Libya and European countries will be required and are being planned. Various legislative, regulatory and financial barriers hinder the development of Tunisia's attractive wind potential.

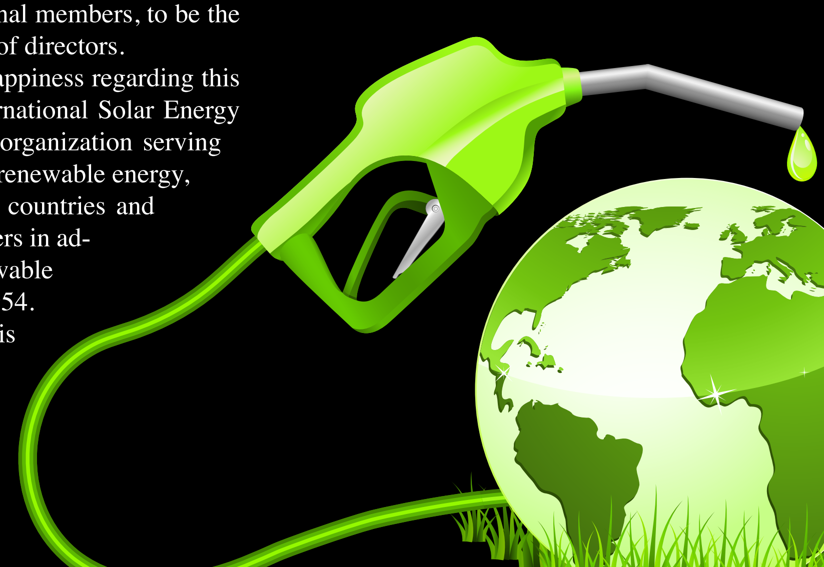
International Solar Energy Society Appoints an Egyptian Director

The International Solar Energy Society has decided to appoint Dr. Galal Osman, head of the Egyptian Wind Energy Association as an honorary director to its board which comprises 31 multi-national members, to be the only Arab member in the board of directors.

Dr. Galal Osman expressed happiness regarding this decision, saying that ISES International Solar Energy Society is a non-governmental organization serving the needs of the community for renewable energy, and is present in more than 50 countries and supports the efforts of its members in advancement of technology, renewable energy since its foundation in 1954.

Dr. Osman added that ISES is seeking to encourage the use of Renewable Energy everywhere, through technology and the best scientific applications, and concern for social responsibility, and communication to reach the renewable energy technologies, supporting industries and institutions of the international community, as well as to motivate and encourage basic and applied research both in the field of solar energy through the support of private enterprises and empowerment in the field of renewable energy.

He stressed the importance of providing quick access to information through tailor-made communication methods and exchange platforms to take advantage of modern technologies aspects which aim to promote the use and support of renewable energy technologies, create international structures to facilitate cooperation, to support the deployment of renewable energy technologies by combining industry with science and politics in workshops, conferences and summits in the field of renewable energy, by providing guidance to the government and organizations in the policies, implementation and sustainability of renewable energy in all parts of the world.



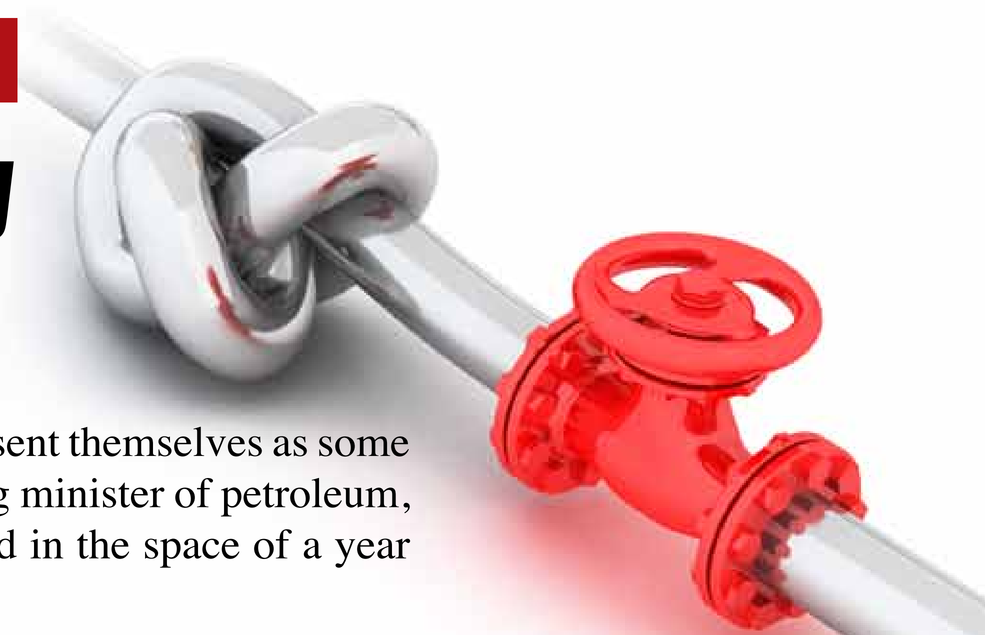
Excellence Within Your Reach

www.sapesco.com

With 30 years of experience in petroleum services, **SAPESCO** provides a myriad of cutting-edge solutions that caters to the growing demands of the industry. Our expansive presence in the MENA region, the Gulf and Kurdistan provides a pivotal hub that ensures an accessible, reliable and timely delivery of an unparalleled quality of services.

Well services | Measurement Services | Industrial Services
Offshore services | Tool services | Exploration Services

Between the Transitional Ministry and the Ministry of the Revolution



Debts, dues, subsidies, fuel shortages and wage regulation present themselves as some of the most prominent and pressing issues facing the incoming minister of petroleum, as industry experts assure that these problems can be rectified in the space of a year and a half.

By Ahmed Farahat

The scale and the essentiality of the petroleum industry have consistently been on an upward trajectory during the last few decades. Today, there is no major industry in the national economy that does not rely on petroleum products to some degree; as such Egypt's coming minister of Petroleum will be tasked with managing a sector the arms of which extend to support and maintain the entire economy.

The outgoing ministry was given the responsibility of ensuring that the sector remains stable and functional throughout a rocky transitional period in Egyptian politics. Now that Egypt is moving away from transition and towards solidifying effective state institutions, the new ministry will be expected to reflect the revolutionary ethics of reform and resolution.

In this context, experts in the petroleum sector and those with a stake in its success are voicing concerns regarding the most urgent difficulties facing a sector which suffers from a multitude of problems. On one hand, the EGPC's outgoing debts to banks are increasing, and on the other, the institution has been unable to obtain the funds owed to it by governmental entities; the EGPC's dues to the banks amount to approximately LE80 billion, while it holds debts worth LE60 billion owed to it by state institutions such as the ministries of electricity, finance, and transport.

The banks are now refraining from providing loans to the EGPC, which does not bode well considering the need for funds to finance petroleum-related activities and to buy petroleum products needed to meet local market demand.

Minister of petroleum Eng. Abdullah Ghorab at one point described the issue of liquidity as a problem not of the EGPC but of the state as a whole, as the EGPC's obligations are tied to the dues it is owed, and until a recent period, he claimed, the EGPC was forced to seek financing through bank loans due to the fact that it was not consistently granted funding from the state. He added that in the wake of the revolution of January the 25th, the EGPC has been unable to acquire bank loans as a result of a credit rating that had reached a point too low for the banks to accept.

Regardless of the scope of the problem, it is crucial for the EGPC to regain some degree of solvency in order to begin repaying its debts and getting its financial house in order. Mr. Osama Morad, former Executive Director of Barclays bank in Egypt, proposed that the EGPC secure a portion of its dues from government entities in order to begin repaying foreign partner debts. He also put forward a more novel suggestion, namely that the EGPC issue dollar bonds in international financial markets rather than relying on bank loans for funds.

A high-ranking source at the Arab African International Bank explained that banks cannot overstep the credit ceiling put in place by the Egyptian Central Bank in financing companies and economic entities. He added that the EGPC is in essence a good client, but it suffers from two primary problems, the first of which is an outgoing debt to banks that has exceeded the limit beyond which banks are not allowed to provide funding, and the second of which is the accumulation of debts owed to the EGPC by other governmental entities, damaging the corporation's liquidity. The latter in particular has prompted EGPC officials and banking officials alike to call for a swift resolution of all EGPC-bound debts owed by government entities.

According to Finance Minister Momtaz El Said, his ministry has recently granted the EGPC an additional $100 million in order to guarantee liquidity to meet energy needs for domestic and industrial purposes. This raises the total sum of funds granted by the ministry of finance to the EGPC to $4.55 billion, or LE27 billion.

In statements to Egypt Oil and Gas last month, Eng. Mohamed Mahmoud El Gezeiry, Petrozeit's Assistant Chairman for Exploration, had touched upon the point of other governmental entities and their effect on the success of the EGPC, stressing that full cooperation between all ministries and government entities is paramount to the success of the EGPC and the petroleum sector.

The unpaid debts the EGPC owes to foreign investors have also consistently suffered from a scheduling and organization problem, which has further exacerbated the dilemma. Foreign companies constantly attempt to bring this complaint to the fore, ensuring its place near the top of the list of problems the new minister will be required to deal with in the coming year. As of May 2012, the EGPC's debts to its foreign partners had reached $8.3 billion.

In addition to unpaid debts and dues, the EGPC's finances are further stressed by the burden of petroleum subsidies. Former minister of petroleum Dr. Hamdy El Banbi expressed his view that the solution to the EGPC's financial woes is a decrease in subsidies. Dr. El Banbi stated that the Egyptian petroleum sector loses millions of pounds every year as a direct result of subsidies that disassociate local market prices from international prices in order to satiate domestic needs.

Eng. Mahmoud Nazeem, First Undersecretary for Petroleum Affairs at the ministry of petroleum, revealed that the ministry is giving priority to the issue of subsidies in the coming period, hoping to ensure that they benefit the socioeconomic classes that they were meant to target. The ministry is currently contemplating the removal of subsidies from 95 and 92-octane fuel as well as decreasing subsidization of 90-octane fuel, as these types are consumed by the wealthier segments of Egyptian society. The phasing out of subsidies has already begun and can be witnessed in the portion of the national budget dedicated to fuel subsidies, which has fallen to LE70 billion.

Finances are not the only complication the new minister will have to deal with. The shadow of another fuel shortage looms large over the streets of Egypt, as the country has intermittently been afflicted with severe shortages ever since the uprising of 2011.

Commenting on the problem, Eng. Ghorab had stated that the shortages of vehicle fuel and LNG are a seasonal in nature and are consistently resolved when they arise. He had further revealed that committees have been set up with the ministries of finance, interior, and social solidarity with the aim of eliminating the problem at its root and ensuring that petroleum products are available to every citizen at subsidized prices.

Another complication that will no doubt prove to be a thorn in the side of a minister expected to represent the revolution is the issue of wage discrepancies. Wages in the sector suffer from major discrepancies between different companies, and there is no unified regulation to guide them. Fresh petroleum engineering graduates are hired in some government companies for a monthly salary of LE2,000 pounds, while others are hired in investment companies in equivalent positions for much higher sums that may reach LE15,000. Needless to say, this gulf creates tension and dissatisfaction within the working ranks of the sector, which reflects negatively on efficiency and productivity.

The head of the dissolved Egyptian parliament's labor committee, Mr. Saber Aboul Fotouh, had addressed the problems facing those working in the petroleum sector in one of the legislative body's sessions. He had pointed out that several workers in the sector are employed on a project-to-project basis and do not even receive compensation for their work on any particular project until another one has been initiated, while others struggle due to companies' refusal to grant them permanent employment with its benefits.

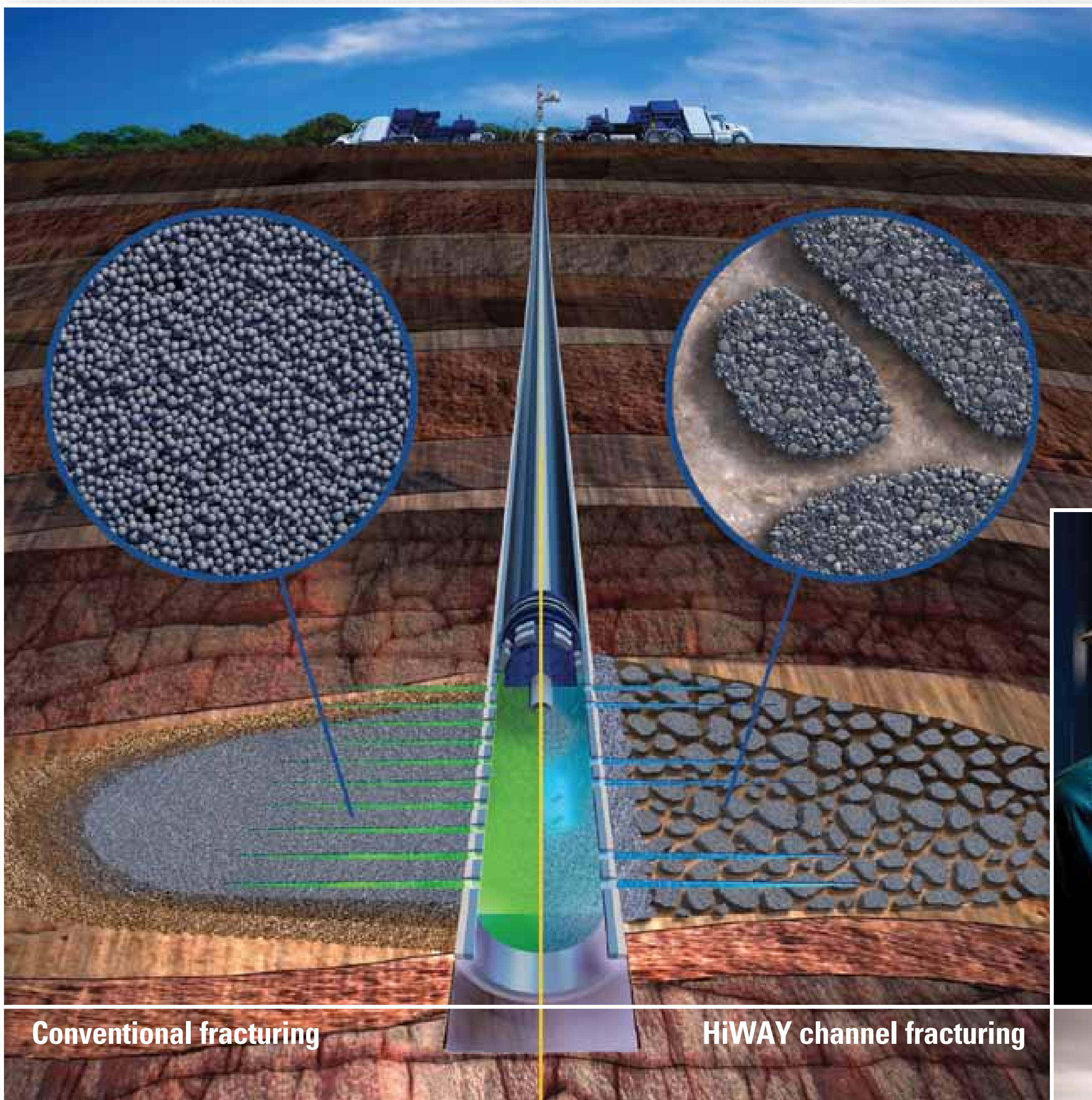
A source at the Gulf of Suez Petroleum Company (GUPCO), who preferred to remain anonymous, disclosed that the company had sent the EGPC information regarding the benefits and terms under which the workers at GUPCO and a number of other petroleum companies in the country operate, in hopes that this would result in a unified regulation. The EGPC is yet to act on this, and the amount of priority that the issue has been given is unclear, but an unsettled labor force can only be a hindrance to the sector.

The ministry of petroleum is keen to accentuate the difference between the public sector and investment companies. Ministry undersecretary Ahmed Zaghloul argues that the numbers hired by investment companies are far more limited than those employed by the government-owned companies, adding that the ministry had already resolved a multitude of workers' problems in the sector, and would put in place a timeframe to tackle the ones remaining.

A number of industry experts insist that all of these challenges, if met with hard and honest work, can be overcome in a period of time that does not exceed a year and a half. Assuming the political situation does not ignite again, the time of transition and survival has for the most part passed. The minister to be appointed, whatever his identity, must now look to address the core problems standing in the way of development, in order to lay a strong foundation for the years to come.

Experience **infinite** fracture conductivity

HiWAY
FLOW-CHANNEL HYDRAULIC FRACTURING TECHNIQUE



Introducing HiWAY* channel fracturing—

A new hydraulic fracturing technique that creates flow channels to maximize the deliverability of the reservoir.

With this technique, there's nothing between the reservoir and the well, so reservoir pressure alone determines flow.

Open up. No speed limits.

www.slb.com/HiWAY

Global Expertise | Innovative Technology | **Measurable Impact**

*Mark of Schlumberger. Measurable Impact is a mark of Schlumberger. © 2010 Schlumberger. 09-ST-0150

Schlumberger

Petroleum in the Age of the Islamists

Following President Morsy's first presidential trip to the oil-rich kingdom of Saudi Arabia, many are wondering if Egypt's ships will soon be sailing safer after veering for a long period into unchartered and dangerous waters. Both economic and political instability have strongly influenced the many sectors in the country. Placing the challenging and complex oil and gas sector under the spotlight reveals many questions as to how far Morsy's four-year presidency can affect the sector and what challenges the return of the legally dissolved parliament could possibly present to Egypt's oil and gas companies.

By Ethar Shalaby

During the violence and political instability that accompanied the breakout of the Arab Spring, many foreign companies severely curtailed their operations in countries close to the eye of the tornado. In Tunisia, for instance, 153 foreign investment entities left the country during 2011. During the same period in Libya, Foreign Direct Investment (FDI) fell precipitously from close to US $4 billion to just several millions. In Egypt, meanwhile, FDI fell from US $1.6 billion in the third quarter of 2010 to US $440.1 million in the same period of 2011.

But with the green shoots of democracy emerging, foreign companies are set to return to these countries in pursuit of attractive — and relatively safe — investments. In Egypt, Morsy affirmed that he expected $200 billion in foreign investment to enter the country over an unspecified "coming period". It can also be foreseen that the long-term political and security spheres are heading to more positive grounds, with fewer existential risks to the government. In a press statement published in July 2012, the German Ambassador to Cairo Michael Bock affirmed that "There are big projects on the way in the oil and gas sector", a statement that might even indicate encouraging signs on the road ahead.

Egypt's Petroleum Sector Under Morsy's Presidency

Commenting on the possibly effects of Morsy's victory on the oil and gas sector, Eng. Samir Sizo of Petrobel Company, the Port Fouad field Operations General Manager, asserts that oil and gas is quite a disciplined sector in which contracts have been signed and secured since a year and a half ago. "Operations planned for the year 2012/2013 have already kicked off about three weeks ago," said Sizo, explaining that other sectors might be affected by the uncertainty accompanying Morsy's new rule. He described the oil and gas sector as a 'productive and functional' sphere that is not affiliated with religion. In Sizo's estimation, the oil and gas division is not vulnerable to any changes occurring within the Ministry of Petroleum thanks to its precisely planned production and output. "All companies in the oil sector do have joint ventures with foreign companies. I can say that none of them will be affected during Morsy's reign. Some companies have already secured concessions until the years 2030 and 2037. No money deposited can be refunded now," Sizo explained.

Before the constitutional court had issued a verdict disbanding the Islamist-dominated parliament, Eng. Said Abdel Aziz Naguida, Head of the parliamentary Committee of Energy and Industry, had called upon members of his committee to revise all contracts signed with foreign investors in the oil and gas sector, stressing the importance of safeguarding Egypt's interests in all agreements. Repeatedly, he has highlighted the fact that his committee never aims to hinder foreign investments or to place additional burdens on investors. Speaking to Egypt Oil and Gas newspaper, Naguida confirmed that Morsy's presidential program emphasizes the importance of utilizing the resources distinguishing each governorate in order to attract investments. "Morsy's program has covered the oil and gas sector when it asserts the significance of stretching investment opportunities in governorates on the Mediterranean and the Red Sea that are known for their rich resources of oil and gas," he said.

As for his committee's tasks within the parliament, Naguida, member of the Muslim Brotherhood's Freedom and Justice Party, highlighted that the Committee of Energy and Industry oversees all terms and conditions that govern agreements between Egyptian companies and foreign investors in the oil and gas sector. "The first thing we tend to examine is how far the investor is fairly dealing with the Egyptian company. Prices are also another factor through which we decide to pass our approval on joint ventures or not," he said. One of the most popular agreements that the committee has drawn to a close was that related to exporting natural gas to Israel. "The price was extremely unfair and this agreement was one of the landmark achievements of the post-revolution parliament," Naguida said.

Responding to the many concerns surrounding the rising tide of political Islam in the country, the parliamentarian confirmed that the committee used to exert its utmost efforts to increase foreign investment in Egypt. "If any of the oil and gas companies have any concerns regarding Islamist parties who constituted a majority in the now legally dissolved parliament, I assure all of them that our utmost aim is to protect Egypt's interest and benefit in all deals secured". If the parliament is to be reinstated in its old form, Naguida said that the next step would be to request reports detailing all of the country's oil and gas reserves from the Ministry of Petroleum, in order to start drafting investment opportunities to foreign investors.

Ahmed Al- Qattan, deputy of the parliamentarian Committee of Energy and Industry and a member of the Salafist Al-Nour party, agrees. He told Egypt Oil and Gas newspaper that during the six months in which the parliament operated, the committee managed to revise about five agreements in which terms and conditions were inequitable to the Egyptian side. "In many cases you find that foreign investors step on the feet of the Egyptian company to maximize benefit to their own operations. This cannot be the case in Egypt's oil and gas sector, that's why we keep a close eye on what to approve and what to re-examine," Al-Qattan said. After halting any of the deals, the committee renegotiates the corresponding terms and conditions with the foreign party with the aim of reaching a compromise. "It is not for our benefit to turn away any investor. But the problem is that many foreign companies are used to imposing their preconditions prior to any operations and that's truly unjust to Egypt," he said.

In the coming period, Al-Qattan said that if the committee were to reassume its powers, members would start examining all appeals presented from the companies under the Public Authority of Petroleum to fix agreements with foreign investors. We have about 111 appeals, 31 of them come from the oil and gas sector," Al-Qattan stated. Recalling contracts sealed under the parliament of the ousted regime, the parliamentarian asserted than the current committee has inherited a plethora of cases that need to be revisited. "I will keep repeating it again and again, our mission is to encourage foreign investment but not at the expense of Egypt's interest. We are a wealthy and blessed country, our role is to protect our resources and not to sell them for cheap," Al-Qattan said.

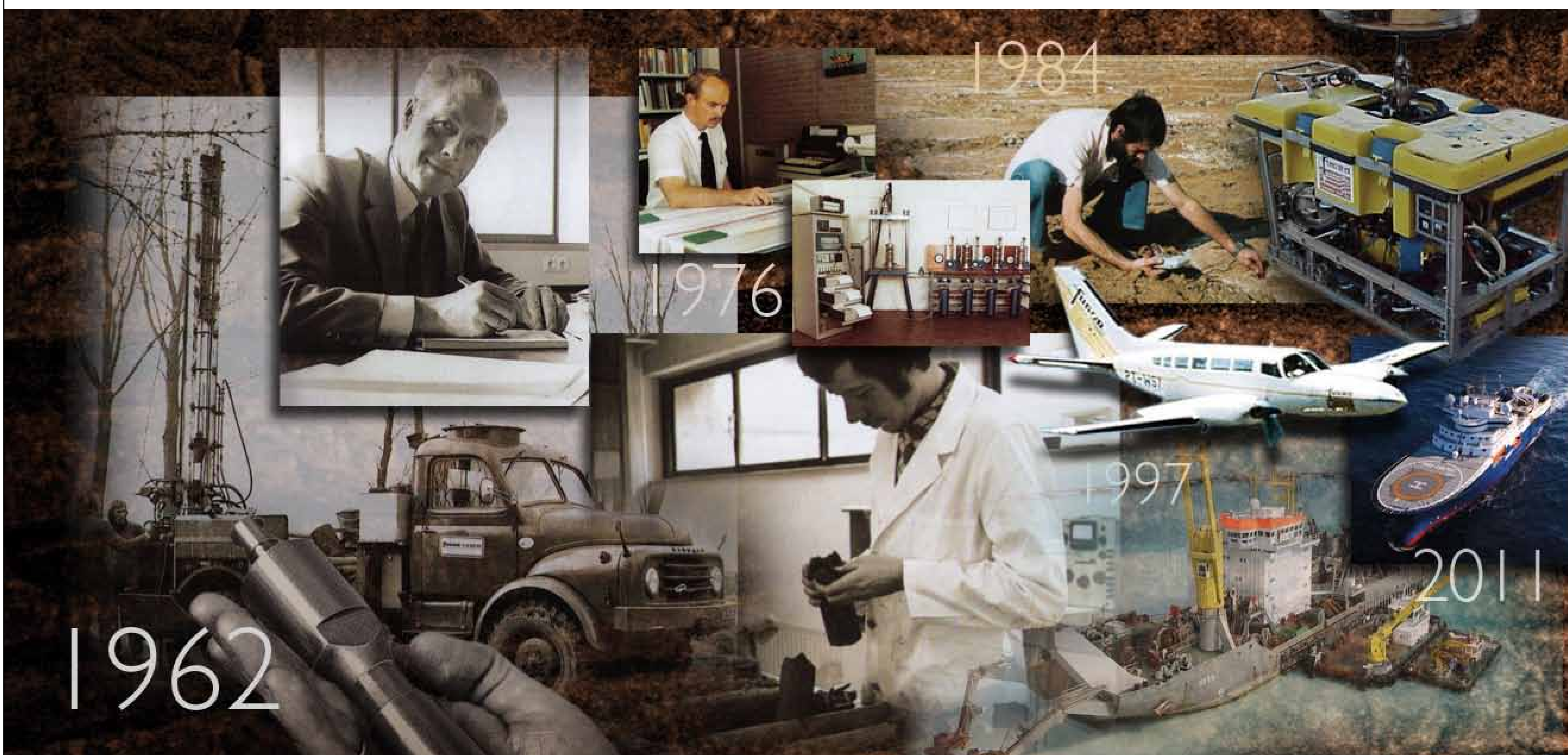
Morsy's Visit to Saudi: a Hope for Oil and Gas?

After the 25th of January revolution, the house of Saud offered $1 billion to Egypt's Central Bank and another $500 million in general economic assistance. According to Al-Ahram online newspaper, the oil-rich kingdom has also allocated $250 million only for gas exports to Egypt, as Saudi ambassador to Egypt Ahmed Al-Qattan was quoted as saying by MENA. Morsy's first presidential trip to Saudi Arabia raised hopes that potential partnerships in the oil and gas sector could probably come to light during Morsy's coming four years in office.

Analyzing his visit, critics state that Morsy could have visited the kingdom's successful oil and gas companies in order to pave the way for investments, or at least transfer their expertise to his homeland. One of the largest Saudi oil and gas companies, Saudi Aramco, could probably teach Egypt a great deal. Firstly, the wisely leveraged foreign investment-which is the American party in this case-can surely aid in transforming an industry and a country through the training and development of employees. The Saudi-American venture proves that each side can benefit from the other rather than exploiting each other. In Egypt, a rising tide of xenophobia and anti-Americanism caricatures foreign investors as no more than bloodsucking exploiters, which is not always the case. It might not be an easy pill for an Islamist president and parliament to swallow that such agreements can genuinely benefit both sides, as long as Egypt ideally leverages investments wisely and does not perceive its officials as thieves who deposit shady funds in Swiss bank accounts.

Morsy's window overlooks a number of predicaments. But when it comes to the oil and gas sector, companies and contracts seem to be invulnerable to any probable changes in the coming period. It should be noted, however, that terms and conditions of future ventures will have to pass the strict examination of the parliamentary Committee of Energy and Industry before they can bloom-or wither-in Egypt's oil and gas fields.

WHEN HISTORY COUNTS...



50 YEARS

This year, Fugro celebrates 50 years of success and growth while supporting the exploration, development and production of the world's natural resources.
Since its foundation in Holland in 1962, Fugro has established 280 offices in 60 countries around the world, employing 14,000 staff.
This global network allows Fugro to remain decentralised and client-oriented, enabling a wide range of services to be delivered locally while supported by a global knowledge base.
Fugro's services are delivered in Egypt by Fugro SAE.
Fugro's history in Egypt spans 30 years and employees recently celebrated both anniversaries while looking forward to many more.

...COUNT ON FUGRO

Fugro SAE
Telephone : +20 (0) 2 2758 0299 Fax: +20 (0) 2 2758 0599
Email : info@fugro-egypt.net
www.fugro.com

FUGRO 50 YEARS EARTH UNLIMITED

Proserv Maritime & Engineering Services S.A.E. Co. (PME)

One of Proserv. Egypt's Group Companies

Proserv.
Maritime & Engineering Services

By Proserv

PME - Is a shareholding company, registered and government licensed in Alexandria & Egypt, with the authority to conduct all kinds of Inspection & Quality services within Egypt. PME offers and carries out highly professional surveys and inspection services to different clients worldwide through its network partners around the world.

Divisions:

- NDT Division
- Boiler Division
- Welding Division
- Marine Engineering Division
- Training Division
- Oil & Gas Inspection Division

Scope of work:

NDT Division.

1) NDT inspection with qualified and certified level II Inspectors under supervision level III in the following methods:

- Visual inspection
- Liquid penetrate inspection
- Magnetic particle inspection
- Ultrasonic inspection
- Radiographic inspection (x-ray, gamma ray)

2) DESTRUCTIVE TESTING :

A) Tension compression test

B) Hardness test (VICKER, BRINEL & ROCKWELL)

Boiler Division:-

Certified and qualified boiler and pressure vessel inspections in accordance with ASME codes and standards in the following areas:

- Boiler Drums inspections & repairs
- Boiler Headers & risers inspections & repairs
- Boiler tubing inspections & repairs
- Boiler water and feed water chemical treatment systems inspections.
- Boiler refractory inspections & repairs
- Boiler control system inspections & repairs
- Boiler apprentices inspections & repairs
- Boiler consultancy for newly erected Boiler.
- Boilers retrofit design & applications

Welding Division

1. Repair welding & specialized welding services
2. Develop welding procedures.
3. Welding inspection according to code
4. Welding with post weld heat treatment equipment

Marine Engineering Division

1. Marine services for docking and undocking including the following:

a. Ship repairs
b. Deck steel work repairs
c. External hull blasting preparation and painting
d. Underwater hull thickness measurement
e. Shaft, propeller, repair
f. Under water hull plate repair, change (Steel, aluminum, fiberglass)
g. Pipe fitting and coded welding
h. Pipe renewal & replacement
i. Pipelines inspection
j. Fabrication of piping and bending with bending machine from 0.5 inch up to 6 inch carbon steel

2. Special Assignment

a. Repair catholic protection system
b. Shaft, propeller, repair.
c. Pipeline cleaning & flushing
d. Tank cleaning with certified gas free engineering
e. Tank blasting and coating
f. Tank repair and testing
g. Valve rebuilding & repair
h. Hydraulic systems inspections and repair
i. Main/auxiliary engines repair
j. Electric & electronic systems inspection and repairs
k. Air conditioning & ventilation system repairs
l. Static & Dynamic balancing
m. CNC Laser cutting machine up to 20 mm steel 10 mm stainless steel, 6 mm aluminum.
n. Cleaning repair and hydrostatic testing of heat exchangers

Training Division:

1. NDT level I & Level II Courses IN 5 methods certified by NDT Level III inspectors
2. API preparation courses
3. Radiation Safety Program Course
4. ISO 9001/2008 Preparation with certified IRCA Lead Auditor
5. Boiler operation and maintenance training course

Oil & Gas Inspection Division:

1. Communication
2. Tubular inspection
3. Lifting gear inspection (bad eyes, lifting wires, shackles, sheaves, chains, snatch blocks and any related lifting equipment).
4. Pressure relief valves and all gauges calibration
5. Drilling equipment:

- TDS run & function tests
- Draw works run & function tests (including Crown-o-matic)
- B.O.P & koomey unit function test (Related panels)
- Mud pumps (high pressure mud system) run & function tests
- Mixing system (low pressure mud system) run & function tests
- Mud treatment equipment run & function tests
- Crown blocks and traveling block inspection
- Choke & standpipe manifolds inspection
- Handling equipment (slips, tongs, safety collars, etc.) inspection (May require NDTby third party)
- Diverter system and related equipment function test
- Rotary table run & function tests

6. Mechanical inspection:

- Engines
- TDS
- Mud pumps
- Draw works and cooling system
- Centrifugal pumps
- Rotary table
- Water maker
- Jacking system
- Crown and traveling blocks
- Air compressors
- Cranes engines and mechanical parts
- B.O.P Gantry cranes

7. Electrical Inspection:

- SCR Room (cubicles, circuit breakers, transformers, Etc.)
- Communication systems
- Lighting equipment
- ELMAGCO Brake
- Rig load
- Rig watch

8. Marine inspection:

- Crane
- Bilge system.
- Pre-load system
- Radio system
- Jacking system
- Lifting gear
- Fuel, drill water and fresh water systems
- Life boats
- Life saving equipment
- Fire extinguishers
- CO2 system
- Helideck
- Trash disposal systems
- Oil/water separator

9. Accommodation inspection:

- Medic
- Hygiene
- Mess hall/galley and kitchen
- Bathrooms and water system
- Water heaters
- Internal accommodation and rooms
- Air conditioning

10. Stores and spare parts:

- Critical and shut down items
- Consumables
- Spare parts and stores inventory

ProServ Qualities:

Our work force consists of full time trade persons.

Our work force includes NDT Inspectors level I, II & III fitters, turners, riggers, mechanical engineers, specialized welders and boiler-makers.

All work is carried out under rigorous compliance with our integrated safety, health, quality and environmental management system.

Designing and establishing desalination seawater plants and providing all materials, equipment, and piping the system from reserved tanks to outlets.

Designing and establishing fresh water system and providing all materials, equipment, and piping the system to service stations.

Sandblasting and painting steel structures with a new material certified from GL called "lineX", which protects facilities from corrosion.

www.prsoervegyptgroup.com

OPTIMIZING PRODUCTIVITY

Productivity gains at every step

The ultimate success of your well is the result of a series of closely connected E&P operations, with each phase affecting the one that follows. Every day, M-I SWACO helps operators on more wells and with more of those crucial steps than ever before. We deliver a portfolio of individual and integrated solutions designed for positive impact on operational productivity at every step of your well's life.

We've developed specialized technologies to address a range of specific issues. Innovations such as the micron-size, treated particles in WARP* Advanced Fluids Technology that can be used in all water- and oil-base drilling and completion fluid systems to increase density without compromising rheology or promoting particle settlement.

Other innovations include SMART RDF* fluids and breaker systems. Engineered to work together seamlessly, they give you high-performance drilling with greater fluid control during completion while protecting your formation's production potential.

Throughout the life of your well, you'll find there are M-I SWACO solutions that can help you increase efficiencies, reduce waste, maximize production and minimize environmental impact.

They all add up to greater productivity every step of the way.

Drilling Solutions | Wellbore Productivity | Production Technologies | Environmental Solutions

*Mark of M-I LLC

MI SWACO
A Schlumberger Company

Customer-focused, solutions-driven

M.I Overseas Ltd - Egypt Branch
4 EL Saha El Shabia Street
P.O Box 61
11431 Maadi, Cairo, Egypt
Tel: +202 2358 8463
: +202 2358 2307
Fax: +202 2358 5944
www.miswaco.slb.com

Weatherford Artificial Lift Technology Seminar

On the 17th of July 2012, Weatherford organized a seminar at the Dusit Thani hotel in order to exhibit the services and technologies it offers to clients. Representatives from the majority of Egypt's biggest oil and gas players were present, as Weatherford's subject matter experts used the opportunity to explain the advantages such technologies provide as well as to engage customers about their own production challenges.

At the floor of the event, Weatherford openly showcased various examples of its technological achievements and innovations. The company's various lift systems were on display; Weatherford, which brands itself "The Lift Experts", offers Gas Lift, Plunger Lift, Hydraulic Lift, Reciprocating Rod Lift, Progressing Cavity Pumping, Electric Submersible Pumping, Capillary Technologies and Production Enhancement services.

According to company executives, Weatherford's highly qualified experts conduct a detailed analysis process in order to determine the lift system most suited to and most cost-effective for the client's specific needs.

In addition, Weatherford offers software products designed to aid in the success of production operation. The company's Field Office® 2011 software suite, presented and promoted at the seminar, includes a number of new additions for the monitoring, analysis, and optimization of production assets, in addition to improvements applied to existing applications.

Applications offered in Weatherford's new Field Office suite include real-time well monitoring and analysis, field network optimization, wellsite activity capture, well-test simulation and analysis, and an enterprise operation platform to pull all the applications together. Weatherford highlighted the new CygNet enterprise operation platform as a particularly noteworthy addition to the suite.

The company's range of technologies was explained and discussed in on-stage presentations, which concluded with audience questions and participation, while intermittent breaks allowed clients and attendees to more closely examine the technology on display and to engage and converse with the Weatherford staff directly.

"We are contributing to the escalation of technological equipment in Egypt," said Mr. Ahmed Abuzeid, Country General Manager for Weatherford Egypt. "We have invited most of the oil and gas companies operating in Egypt to our seminar."

He went on to highlight the importance of new technologies to Egypt's economy, stating that "new technology is important because it will increase daily production and solve production problems. This will in turn boost Egypt's productivity and thus strengthen the national economy." He added that "There is great local expertise in Egypt and we always aim to utilize it."

Mr. James Walls, Production Systems Manager at Weatherford Egypt, explained that the purpose of the seminar was to engage customers, to ensure that all of them are aware that Weatherford offers solutions for every form of artificial lift.

"I believe that in the past, Weatherford hasn't been very good at making sure our customers are aware of all of the services that we provide, and so that is our focus today." He said.

He added that Weatherford's competitive edge comes down to the fact that it is the only company that provides comprehensive solutions for every form of artificial lift, asserting that no other competitor can venture such a claim. Regarding the seminar's attendees, he commented that "we want to not only teach them but learn from them as well," emphasizing the importance of dialogue with clients.

Mr. Rafael Bastardo, Weatherford Egypt's Regional Business Unit Manager, said that the seminar was intended to show customers what's new in terms of hardware and software offered by Weatherford, as well as to relay the message that "Weatherford puts together comprehensive solutions for customers with a highly-trained and experienced regional support team." He went on to claim that Weatherford is the only company globally that can do this.

If there is one thing the seminar managed to confirm, it is that in its field, Weatherford stands out from the crowd with the unmatchable diversity of the products and services it offers.

Passive Seismic Survey and Applications

By Karim Akrawi (PhD), GWW Managing Director - Tamer Fareed, Tanqeeb Managing Director

Low Frequency Passive Seismic survey, also called Infrasonic Passive Differential Spectroscopy (IPDS), is a unique technology for hydrocarbon reservoir detection and monitoring from the surface. The technique is based on the principles of non-linear behaviour of multiphase fluid systems in porous reservoirs. It is well-known that the relative compressibility of Hydrocarbon fluids (gas & oil) is higher than water. Therefore, the Hydrocarbons fluid in the pore system can be detected at the surface as a characteristic alteration of the normal signature of the natural earth's noise signal movement in the low frequency range between 1 Hz and 10 Hz (Figures 1 & 2), which can be measured by very high sensitive hydrocarbon sensor. The nonlinear spectral signature of hydrocarbon bearing reservoirs behaviour is different than the water bearing reservoirs (Figure 3).

The technology is based on high success ratio drilling results and it is gaining a lot of momentum in the petroleum industry, and its potential in exploration areas, discovery delineations, and developed fields is now being recognized. The Reservoir Hydrocarbon Indication (RHI) technology was applied in many countries worldwide since 1996 with over 30,000 measurements covering numerous exploration (Hydrocarbon discoveries and dry locations) and production (appraisal, producer and injector) wells. Over 130 survey campaigns were acquired from several exploration and development areas in the Middle East (Egypt, Sudan, Ethiopia, Nigeria, UAE, Kuwait, Jordan & Saudi Arabia), USA, Russia, Europe others, most of these surveys were successful completed during the last 17 years.

The main objective of the Passive Seismic survey campaigns was to run such surveys as exploration, delineation, reservoir monitoring and time laps monitoring tool under any kind of geographic conditions or with any type of geological system, structure, stratigraphic and lithology (sandstone, limestone, igneous, salt, anhydrite, etc.) it will have no effect on low frequency anomalies. However, the main effect is to determine whether hydrocarbons exist or not in porous media. The secondary objective was to provide information concerning detailed lateral and vertical hydrocarbon distributions away from well control points (quantity and quality), and more recent studies are being conducted to develop the technology for addressing the detection of hydrocarbons depth and possibly the staking pattern of the reservoirs.

Results available with GeoDynamics WorldWide and other associates are very encouraging. The key finding is that the correlation between hydrocarbon pay zone thicknesses (gross or net pay) and Reservoir Hydrocarbon Indications (RHI) data is high, often in the order of 80%, both for exploration wells, undeveloped fields and producing fields (Figures 4, 5 & 6).

A number of blind test wells were drilled and over 80% of them produced results in line with the RHI predictions, strongly supporting the technology, and it had highly reduced the drilling risk and minimized the time and uncertainties.

The Passive Seismic (RHI) technology therefore appears to be very promising.

Recently, there is significant demand for the passive seismic low frequency surveys for reservoir hydrocarbon indicator (RHI), and also for passive seismic high frequency to monitor micro-seismic and detect the fractures activities and distribution.

Currently, GeoDynamics WorldWide & Tanqeeb have several potential projects in the Egyptian petroleum sector with government and private companies.

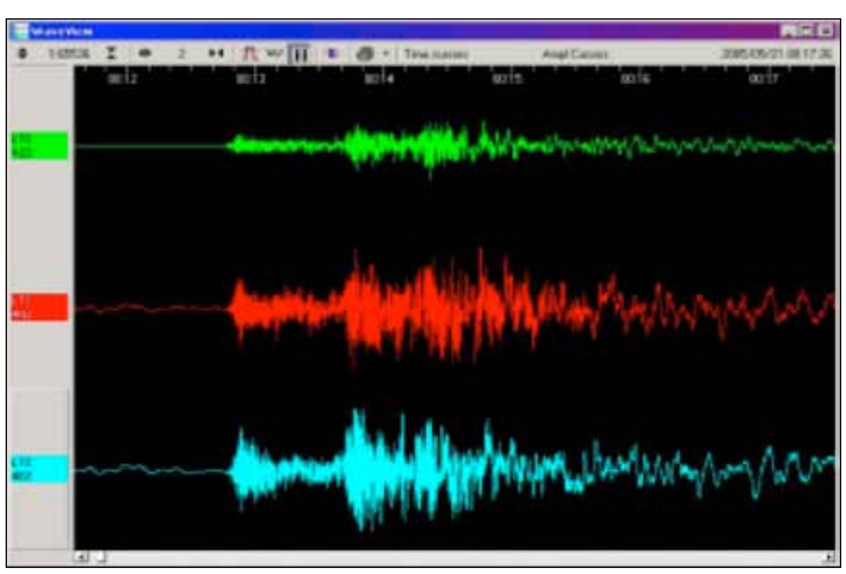


Figure 1: Raw signals from passive seismic sensor

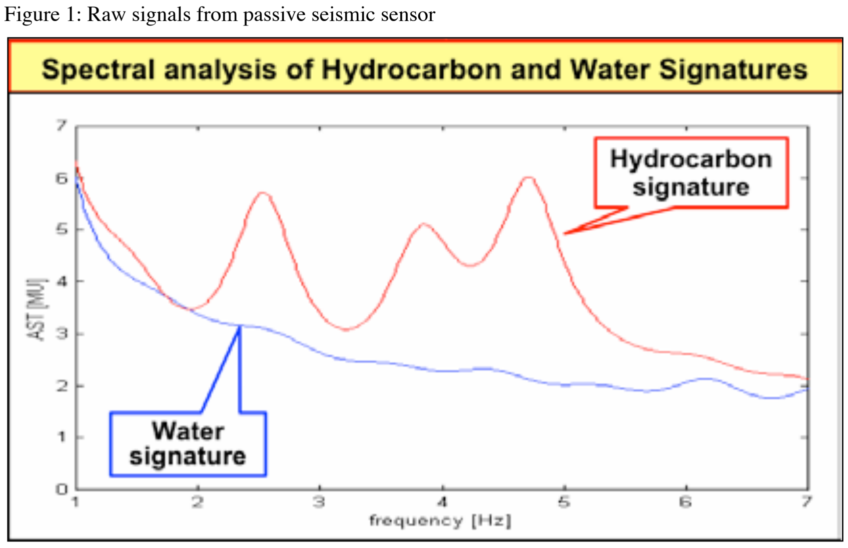


Figure 2: Comparison of Reservoir Hydrocarbon Indicator (RHI) analyses in oil and in water media.

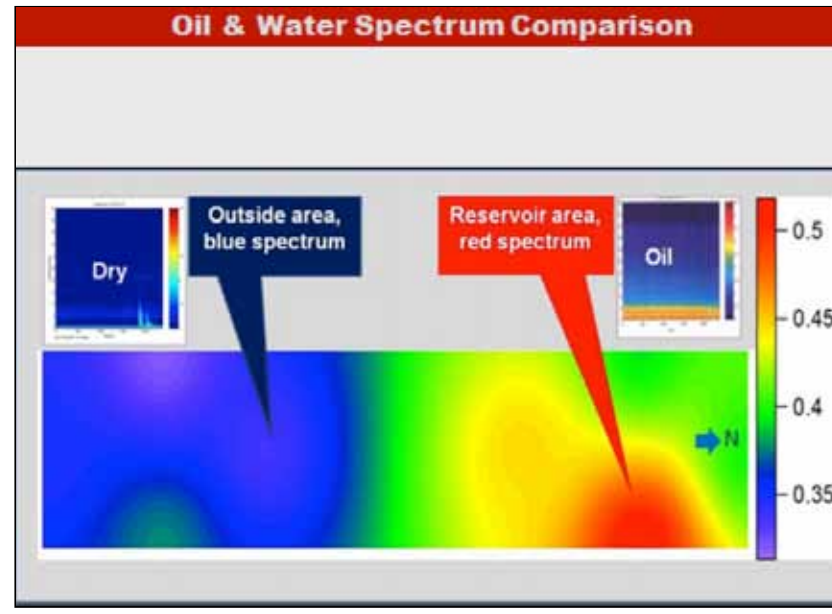


Figure 3: Comparison between oil and water Passive Seismic spectrum analyses

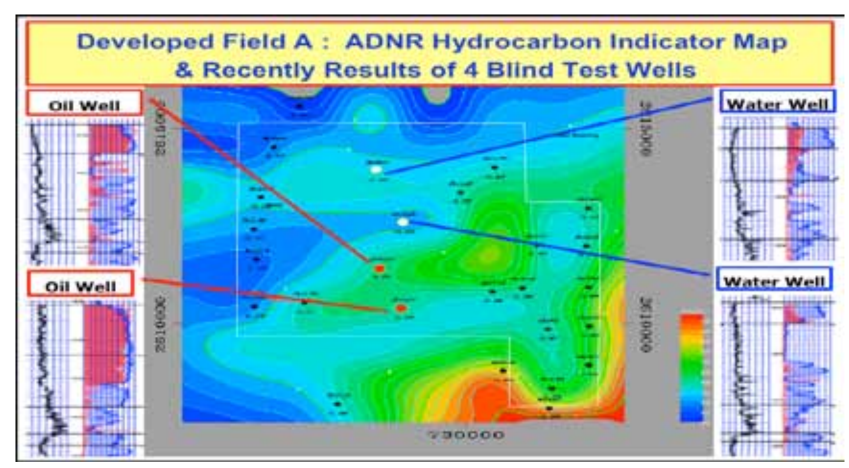


Figure 4: Developed oil reservoirs monitoring, the survey results confirm water front and by

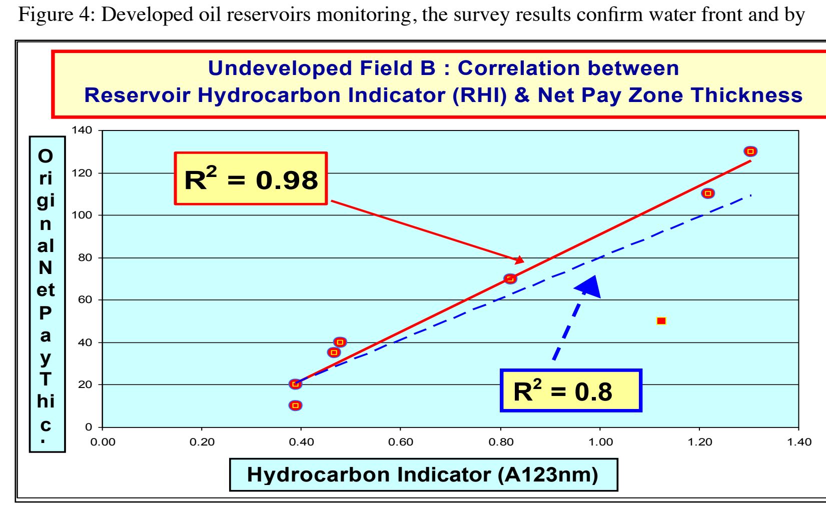


Figure 5: The chart shows the correlation between RHI and Net Pay Zone from wells surveysdrilling four wells after passive seismic survey

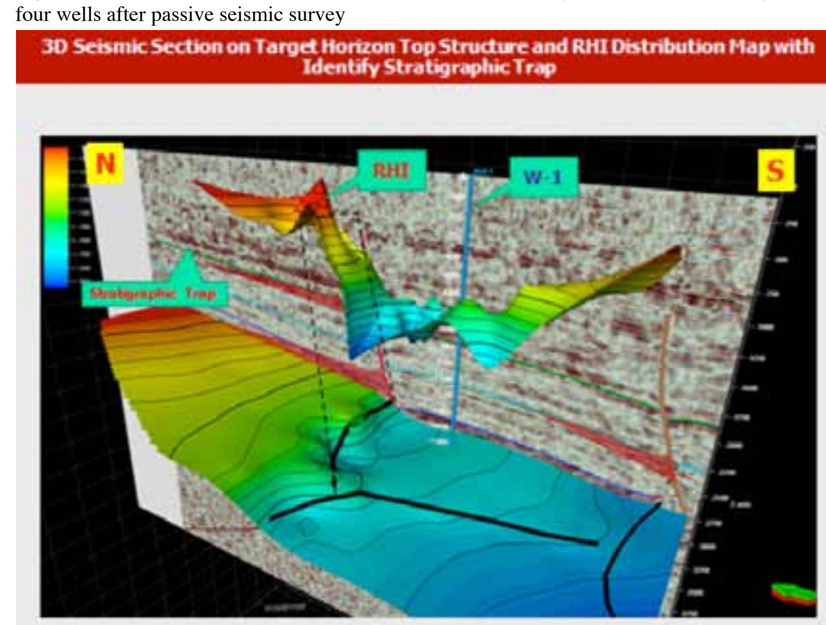


Figure 6: Data integration between 2D/3D Seismic and Passive seismic (RHI) results.four wells after passive seismic survey

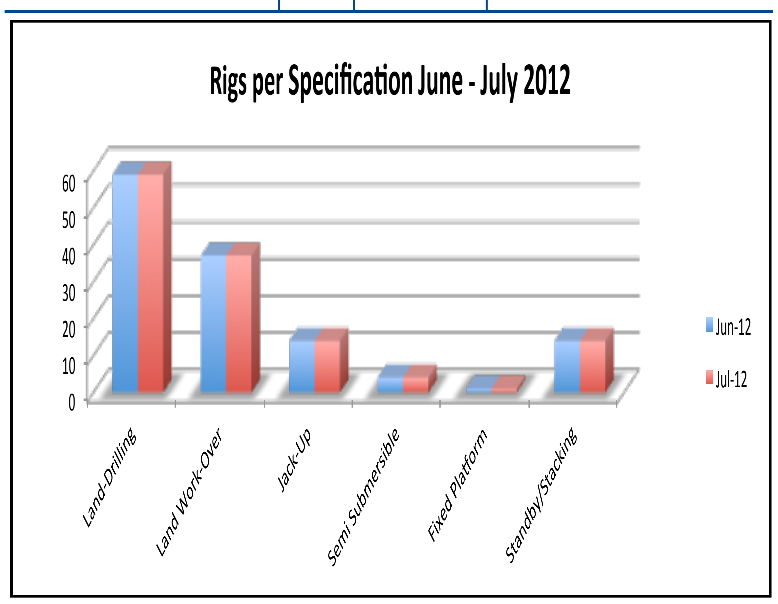
Egypt Statistics

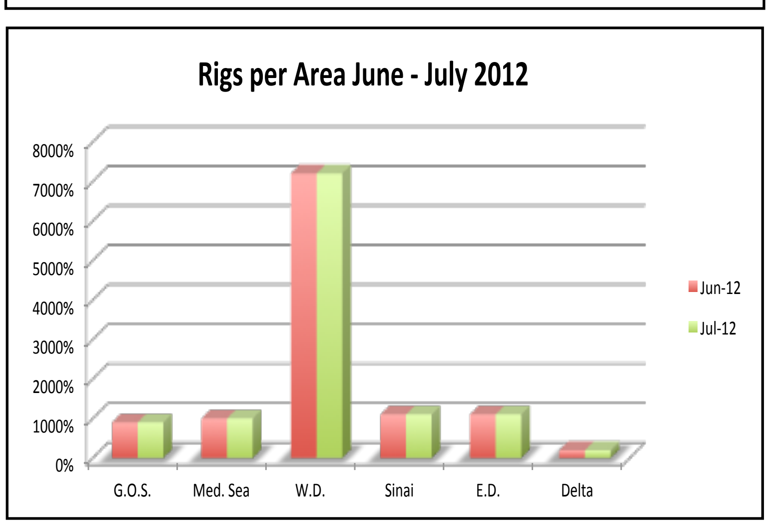
EGYPT OIL&GAS
RESEARCH & ANALYSIS

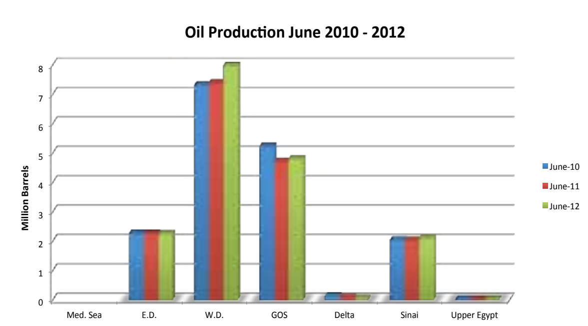
	Oil			Equivalent Gas			Condensate			Liquefied Gas		
	Barrel			Barrel			Barrel			Barrel		
	June-10	June-11	June-12	June-10	June-11	June-12	June-10	June-11	June-12	June-10	June-11	June-12
Med. Sea				22615536	21462321	22262143	1516993	1319093	1155228	376636	382981	388952
E.D.	2265658	2266796	2249288									
W.D.	7314871	7392233	7974360	6123571	6706429	6810714	1623258	1791524	1628776	540591	568790	587726
GOS	5231729	4708710	4797720	96429	296964	202321	63985	72044	59170	158747	171035	166915
Delta	131735	101008	50291	2440000	2056250	1712679	201735	172548	138614	110390	96656	92701
Sinai	2048530	2043447	2111138	57143	25893	1786	49066	30663	34602	81679	57695	88344
Upper Egypt	14932	19996	14272									
Total	17007455	16532190	17197069	31332679	30547857	30989643	3455037	3385872	3016390	1268043	1277157	1324638

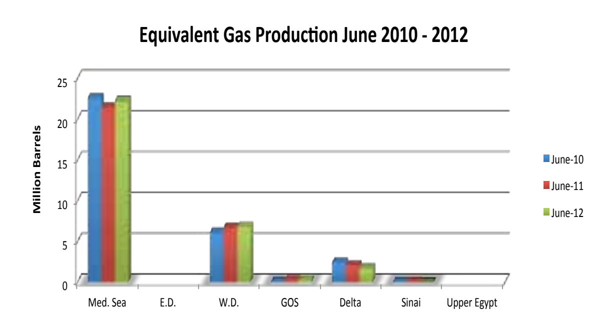
Table 1 Egypt Rig Count per Area – July 2012

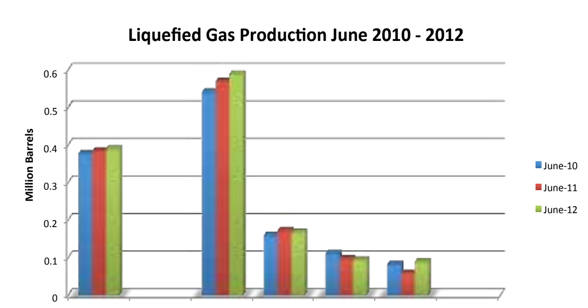
RIG COUNT			
Area		Total	Percentage of Total Rigs
Gulf of Suez		9	8 %
Offshore	9		
Land			
Mediterranean Sea		10	9 %
Offshore	10		
Land			
Western Desert		72	63 %
Offshore			
Land	72		
Sinai		11	9 %
Offshore			
Land	11		
Eastern Desert		11	9 %
Offshore			
Land	11		
Delta		2	2 %
Offshore			
Land	2		
Total		115	100%

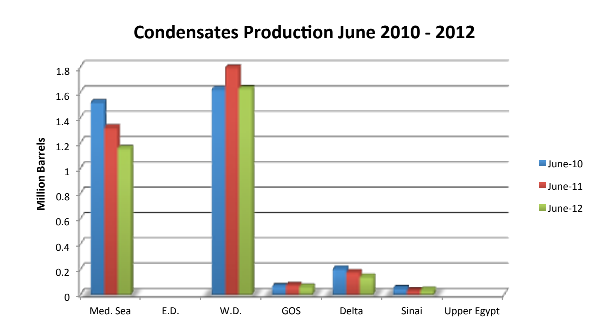


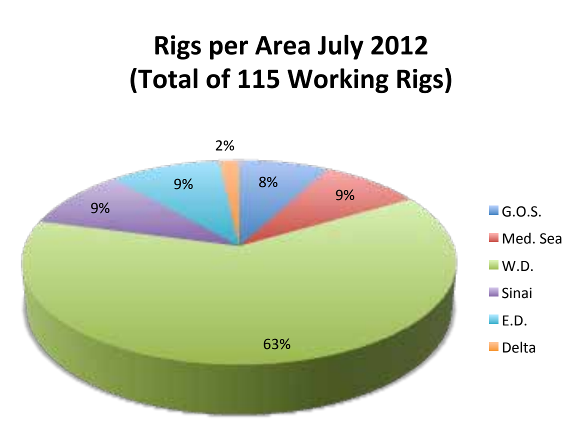


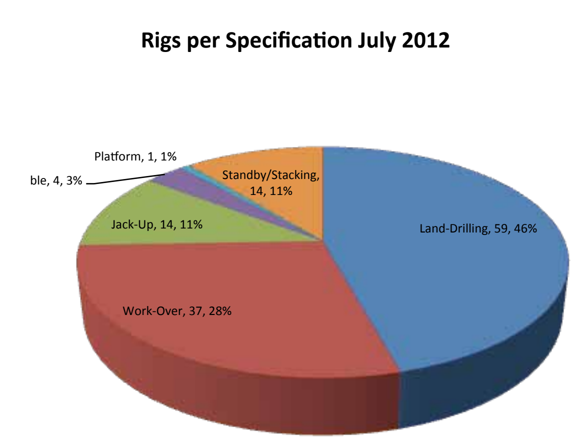


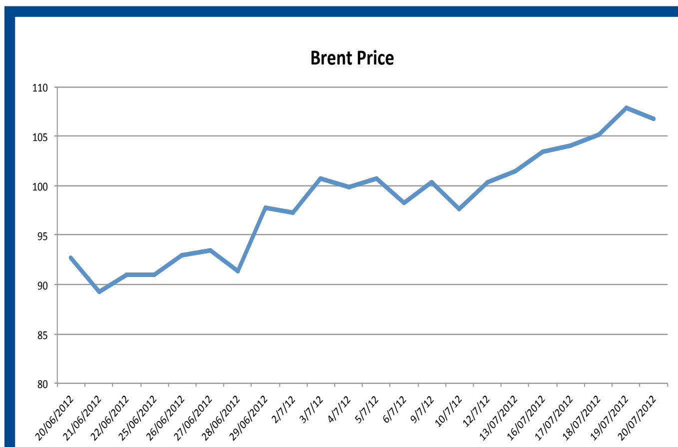


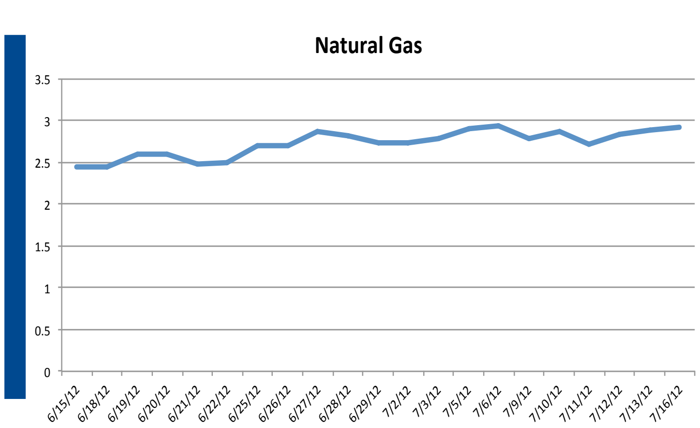


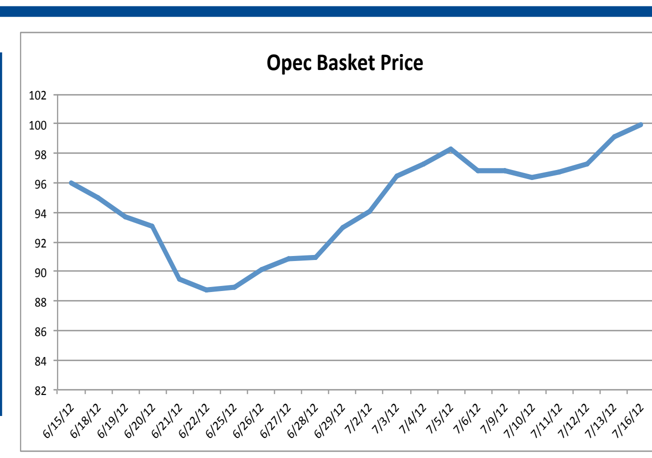













الهيئة العربية للتصنيع
واعدوا لهم ما استطعتم من قوة
الهيئة العربية للتصنيع
مصنع حلوان للصناعات المتطورة
Kitemark® Licence
No. KM 585733
The licence is granted to:
Helwan Factory For Developed Industries
Hammamat 11421
Helwan
Cairo
Egypt
In respect of:
BS EN 1555-3
Plastics piping systems for the supply of gaseous fuels. Polyethylene (PE). Part 3. Fittings
For and on behalf of BSI:
Gary Fenton, Global Assurance Director
First Issued: 24/05/2012
Latest Issue: 24/05/2012
BSI
raising standards worldwide
Page 1 of 2
لاول مرة في مصر والشرق الاوسط
انتاج مصري
لوصلات اللحام الكهربي لمواسير البولي ايثيلين
الخاصة بشبكات توزيع الغاز الطبيعي
بترخيص من شركة RADIUS الانجليزية
وصلات الغاز لمواسير البولى ايثيلين
معا نبني مصر
استمرارا لمسيرة النجاح في تلبية احتياجات شركات الغاز الطبيعي
من الانتاج المتميز من مواسير البولي ايثيلين الخاصة بشبكات توزيع الغازالطبيعي
والتي تم تركيبها في معظم محافظات الجمهورية
للإستفسار : مصنع حلوان ص ب ١٦٢ حلوان ت ٢٥٥٨٣٥٠٩/٢٥٥٦٣٣١٦/ ٢٥٥٦٣٠٣٦- ف ٢٥٥٨٣٦٠٣
الجهاز التنفيذي ت : ١٩٣٣٤ ف: ٢٥١٨٢٣٨٥ Website: www.aoi.org.eg


EGYPT
OIL&GAS
NEWSPAPER
6
TOMORROW IS OURS
10-20 Ramadan 1433
6th Ramadan Petroleum
SOCCER
Tournament
12
Official Tournament Sponsor
DANAGAS
دانة غاز
Platinum Sponsor
Kuwait Energy
Gold Sponsors
enap sipetrol
Transocean
Silver Sponsor
HALLIBURTON
Bronze Sponsor
Outfit Sponsor
TransGlobe Energy
CORPORATION
Official Carrier Sponsor
QATAR
Refreshment Sponsor
Nestlé
Hosted By
info@egyptoil-gas.com