

EXCLUSIVE

ODE sets its 1st overseas base in Cairo



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LAST MONTH'S OIL PRICES



Fahmy: Time for Russian ties



Over the past two months, there have been intensive discussions and negotiations between the Egyptian petroleum top officials and their Russian counterparts studying the means to bolster the mutual cooperation between the two countries. Why is Russia becoming today's world attention? What benefits would the Russian cooperation generate to Egypt? Hady Fahmy, President of the Egyptian Chamber of Petroleum and Mining sheds lights on the fruitfulness of the Russian-Egyptian ties

Continued on page 14



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Yes We Can!

Inspirational, superb, motivational and sincere are the least words to describe the speech of US President-Elect Barack Obama after announcing his historic victory in the 2008 presidential elections, being the first African-American to win this race. Despite the major obstacles currently dominating our world; the economic crisis, the Iraqi war, Palestine conflict...etc., Obama sounded confident that he would bring back prosperity not only to his country, but to all nations.

Focusing on Obama's policy concerning the oil and gas sectors, he calls for reducing the United States dependence on foreign oil imports. He has vowed during his campaigning that within 20 years 85 percent of cars on US roads would no longer be powered by oil or gas-based fuels. He also eased his initial opposition to proposed legislation to allow offshore drilling in a bid to raise US domestic oil production, thus helping reduce dependence on foreign oil imports and bring down prices.

Although Obama and defeated Republican rival John McCain repeatedly clashed over oil policy during the presidential campaign, especially when oil prices peaked to over 147 dollars a barrel in July, both however agreed that the United States, the world's largest energy consumer and importer, should become less dependent on foreign oil especially that coming from the Middle East.

Such policy sounds like a threat on the Arab world, as the lead producer and exporter of oil and gas worldwide, it would probably use high revenue from the United States, the world largest energy importer and consumer.

However, various analysts believe that Obama's policy for energy dependence cannot be fully attained. "There will be no problem for the Gulf countries in the foreseeable future even if Obama succeeds in implementing his policy," said the head of the Saudi Al Dakkak Economic Studies House, Ali Al Dakkak. "Whatever the United States does, it will continue to need foreign oil for a very long time," Dakkak said.

The United States would not be able to reduce the price of oil by increasing domestic output because production costs there are very high, he said. The Gulf Cooperation Council (GCC) states, grouping OPEC members Saudi Arabia, the United Arab Emirates, Kuwait and Qatar besides Oman and Bahrain, produce 14-15 million barrels per day (bpd), just under 20 percent of global needs. The six nations, which sit on 45 percent of the world's proven crude reserves, export around 13 million bpd of which only 10-12 percent goes to the United States, Kuwaiti oil expert Hajjaj Bukhdur said.

Crude reserves in the GCC along with those in Iran and Iraq now account for 65 percent of global reserves and "in the medium term, they will become the main source of oil as production diminishes from other regions," Bukhdur told AFP.

Great expectations, hopes and speculations revolve around Obama's super capabilities to make the world a better. But, will he be able to meet the expectations? I believe, YES, HE CAN!

Yomna Bassiouni
Managing Editor

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India Consortia awarded 3 oil exploration blocks

Two consortia of Indian companies led by state-run Gujarat State Petroleum Corp. have been awarded three offshore oil exploration blocks in Egypt, said a senior GSPC executive.

"We have committed to spend at least \$85 million in the three blocks over the next four years. But that is a conservative estimate. We may end up spending more," said M.Y. Farooqi, General Manager for Planning and Development at GSPC.

One consortium, comprising GSPC, Hindustan Petroleum Corp. and Oil India Ltd., won two blocks. The second consortium, comprising GSPC and Adani Welspun Exploration Ltd., won another block, he clarified.

GSPC will be the operator of all three blocks. The rights to the blocks were awarded by Egypt's Ganoub El Wadi Holding Petroleum Co. (Ganope), added Faruqi.

HPCL and Oil India each own a 25% stake in the two blocks - in Block 3 South Quseir and Block 4 South Sinai - while GSPC owns the rest. In Block 5 South Gulf of Suez, GSPC owns a 60% stake, while Adani Welspun Exploration Ltd. owns the rest.

Ganope had launched its 2008 licensing round in March 2008, offering 12 exploration blocks to both Egyptian and international companies. The offered blocks are in Red Sea, the South Gulf of Suez and the Eastern and Western Deserts of Egypt.

GSPC was earlier awarded the North Hap'y offshore block in the Mediterranean Sea and an onshore South Diyar block in the Western Desert in Egypt. The company had committed to put in \$200 million for exploration activity in these two blocks.

HPCL has interest in 19 blocks in India, Oman and Australia as part of a consortium.

(Rigzone)

Melrose to put East Abu Khadra on-stream

Melrose Resources has provided an operational update for its assets in Egypt, announcing its plan to put the East Abu Khadra on stream this month.

The EDC-9 drilling rig is currently completing the West Dikiris No.7 well as the first horizontal oil producer to be drilled in the West Dikiris field. The well has reached a total depth of 11,587 feet and a horizontal wellbore 890 feet long has been drilled within the reservoir section. Some operational delays have been experienced drilling the well but completion operations are now ongoing with a view to bringing the well on production next month.

The West Zahayra No.2 well has been drilled using the EDC-54 rig to appraise the West Zahayra No.1 Qawasim discovery and to test a deeper Sidi Salim exploration target. The well reached a total depth of 10,532 feet and although hydrocarbon shows were evident, they were considered to be non commercial and the well has been plugged and abandoned.

The EDC-54 rig will now move to drill the East Dikiris (also known as North Tariff) exploration prospect in the El Mansoura concession which has unrisks reserves potential of 49 Bcfe with an estimated chance of success of 48%. The rig will then be used to drill a horizontal production well on the Tamad oil field where the Company sees the potential to add in excess of 1.0 MMbbls of oil reserves through further field development investment.

The EDC-9 rig will next be used to drill the North Dikiris prospect which lies in between the West Dikiris and the South Zarqa fields and has unrisks reserves of 33 Bcfe and a chance of success of 32%. It will then drill a second horizontal well in the West Dikiris field.

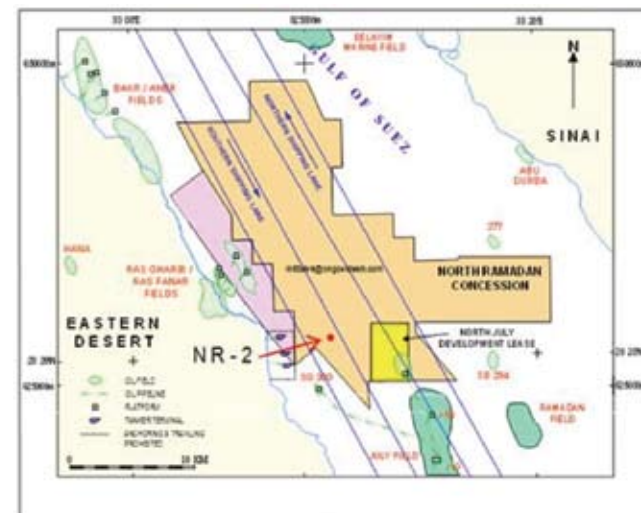
(Melrose Resources PLC.)

IPR scores 2nd discovery at North Ramadan Concession

IPR Energy Red Sea achieved its second oil discovery in the highly prospective North Ramadan Concession located in the Gulf of Suez. The discovery well, NR-2, is located on a separate fault block north of IPR's first oil discovery, NR-1A ST1, which produced approximately 3,000 BOPD and 1.5 MMscf/D during the testing phase.

NR-2 was drilled to a total depth of 11,700 ft MD in the Lower Miocene Mheiherratt formation using the Ocean Heritage jackup. A total of 113 ft over a gross interval of 286 ft of interbedded sandstones, shale and limestone in the Asl formation were perforated. Tests of the reservoir produced up to 800 BOPD (34 degrees API gravity) and 0.50 MMscf/D on natural flow with no water. Pressure transient analysis indicated that stimulation of NR-2 will likely increase well productivity significantly. Stimulation programs will be carried out to test the most effective techniques for this formation. IPR's adjacent offshore platform and facilities infrastructure, North July, will provide an attractive option for expedited development for the NR-1A ST1 and NR-2 discoveries. Production rates from the first phase of development in this one lease within the Concession area are forecasted at 5,000 bbl/d of light (34 degrees API) crude and 3.0 MMscf/D of sweet gas.

The North Ramadan concession is 290 sq. km in size and is surrounded by some of Egypt's most prolific producing oil fields in the Gulf of Suez. Total potential resources in the block are estimated to exceed 200 MMBO. IPR and partner, ONGC Videsh of India, are in the first phase of exploration in North Ramadan and



have one remaining exploratory well to drill, North Ramadan-3 (NR-3), which is presently rigging up. The partnership has already acquired 205 sq. km of 3D seismic during Phase I and has identified several key prospects that will be pursued in subsequent exploration phases. The joint venture has successfully built a cost recovery pool in excess of \$50 MM during Phase I that will be parlayed into future development scenarios.

(IPR Press Release)

Sea Dragon to commence the Gulf of Suez Drilling Program

Sea Dragon Energy is making final preparations for the East Wadi Araba Concession exploratory drilling program.

The Company is finalizing logistics for towing the rig to the Company's first prospect, Dahab North target, to commence the drilling program. Further, all necessary permits including the satisfactory seabed survey have been completed, drilling supplies are ready and charted, rig crews secured and tow boats have been contracted.

"We are excited to announce final preparation of our Dahab North offshore drilling prospect. Weather permitting, the GSF Rig 103 will be towed to our location to begin preparation for spudding by mid November" stated David Thompson, Sea Dragon's President and Chief Executive Officer.

"The EWA Concession is analogous to the Warda oil field which is located to the north of our first target. Cumulative Warda production to date is approximately 50 million with an additional 20 - 50 million barrels still to be recovered and reported rates of production were 8,500 STB/d," added Thompson.

(Rigzone)

Vietnam bolsters its Egyptian ties

The Egyptian General Petroleum Corporation (EGPC) and Vietnam Oil and Gas Group (Petrovietnam, PVN) signed a Memorandum of Understanding (MoU) to strengthen the mutual cooperation in the fields of exploration and production through the participation of Petrovietnam in the International bid rounds offered by the Egyptian Petroleum Sector, as well as the participation of the Egyptian companies in the bid rounds offered for petroleum exploration in Vietnam, in addition to the participation in the different petroleum projects there.

The signing ceremony was witnessed by Eng. Sameh Fahmy, Minister of Petroleum, Mrs. Fayza Abul Naga, Minister of International Cooperation, and Mr. Vu Huy Hoang, Vietnamese Trade and Industry Minister. The ceremony was held in light of the 4th Joint Egyptian - Vietnamese Committee meetings.

According to the terms of MoU, the two parties will initiate more cooperation in the fields of information exchange, legislations, and petroleum agreements' regulations. Besides exchanging expertise, considering specialized training in the petroleum domain in both countries and boosting up the joint cooperation in the different stages of oil and gas industry in Egypt and Vietnam.

Ganope to offer 8 wells in Q1, 2009

The Ganoub El-Wadi Holding Petroleum Company (Ganope) reveals its plan to start the first quarter of 2009 with the drilling of eight exploratory wells, worth \$60-million investment, said Hany Nassar, Vice President of Ganope to *Egypt Oil & Gas*.

The wells cover the areas of Kum Ombo, Eish El-Melaha and East Magawish.

Nassar highlighted that many reputable organizations, such as Dana Gas, Ground Start, Amitex and Al-Tham UAE have already submitted their requests.

Commenting on the effects of the current economic crisis, Nassar believes there will be positive effects on the Egyptian petroleum sector, since many international companies have downsized their production activities and are currently focusing more on the drilling, especially with the high availability of rigs.

On the other hand, Nassar said that Tri Ocean, a subsidiary of the Egyptian Kuwaiti Holding Co., won Ganope's bid round for the 600-km southern area of El-Sahl Valley, south of Hurghada; one of the promising areas close to the Gulf of Suez.

It is worth mentioning that this is one of five areas released this year by Ganope, through which the company fulfills its plan to achieve 15 agreements, worth \$430million.

Ganope has been implementing a development program for the South Valley to increase the production potentials. The fruits of this program were illustrated few months ago when Dana Gas hit its historic discovery of El-Baraka.

"The current production volume of the South Valley is in the average of 270 to 280 bpd, which is still at an early age and insufficient to satisfy the local demand in this area. However, Ganope and Dana Gas are currently studying means to increase El-Baraka production to reach 2000 bpd," highlighted Nassar.



Gulfsands: more oil from Syria's Khurbet East Field

Gulfsands Petroleum announced the latest production update for the Khurbet East Field in Block 26 in Syria.

Last October, the results of the pressure monitoring survey conducted on field have been further evaluated. When taken in conjunction with the production performance of the field, these suggest that the massive reservoir parameters may be better than was estimated at the time of development approval in last February.

Additional pressure monitoring work was carried out to further assess the performance of the field's reservoir which involved the shutting in of each of the producing wells. During uninterrupted production, the field continued to average in excess of 11,000 bopd from five wells (two horizontal and three vertical producers) with only trace amounts of water.

To October 31, 2008, over 840,000 barrels of oil have been produced from the field. Gulfsands invoices for oil produced and delivered to the oil processing facilities of the Syrian Petroleum Company on a monthly basis and Gulfsands has received payment for all invoiced oil on a timely basis following marketing of the oil by the Government of Syria, in accordance with the provisions of the contract for the Exploration and Development and Production of Petroleum under which Gulfsands is operating in Syria.

Oil sales have been achieved at prices in line with historic pricing of Syrian Souedieh blend which historically has averaged a discount of approximately 11 percent to the price of Brent crude.

(Rigzone)

Saudi Aramco and ConocoPhillips delay Yanbu Project



The Saudi Arabian Oil Company (Aramco) and ConocoPhillips have agreed to halt the bidding process associated with the construction of the planned 400 thousand barrel-per day export refinery at the Yanbu Industrial City, in the Kingdom of Saudi Arabia, citing uncertainties in the financial and contracting markets.

The current bidding process requested bids to be submitted during this month. Instead, it is planned that the project will be re-bid in the 2nd quarter of 2009.

"ConocoPhillips remains committed to working with Saudi Aramco to complete the Yanbu Export Refinery Project," said Jim Mulva, Chairman and CEO, ConocoPhillips. "We believe that

this short delay will allow the markets to adjust from the current uncertainties and provide a stronger basis for the long-term success of the refinery."

Abdallah S. Jum'ah, Saudi Aramco President and CEO commented on the decision, "Although the original schedule for the Yanbu Export Refinery Project will change, Saudi Aramco remains strongly committed to completing this important project with ConocoPhillips". "We believe that a delay at this time will allow both the contracting and financial markets to better accommodate the project and will prove to be advantageous for the project company."

The companies will maintain joint engineering, start-up planning and other preparatory activities to ensure project continuity while accommodating the delay.

(Oil Voice)

Sudan targets more oil in 2009

Sudan is targeting 600,000 barrels a day of crude oil production in 2009 from 500,000 barrels a day expected by the end of this year, said Sudan's Minister of Energy and Mining Al Zubair Ahmed Al Hassan.

"We have no plan to seek the Organization of the Petroleum Exporting Countries (OPEC) membership. We are too small. We seek bigger production," he highlighted.

The Minister confirmed that Sudan is currently having little difficulty receiving customer payments, with the current economic crisis.

The projects that will fuel the targeted output hike will include a ramp up of Block 6 in the Southwest of the country. The operator, China National Petroleum Corp. (CNPC), intends to increase production from 40,000 barrels a day to 60,000 this year.

The country's proven oil reserves are among Africa's largest at 6.4 billion barrels, but growth in output has been hindered by a civil war in the South that formally ended in 2005.

(Rigzone)

Libya to build \$5-billion Energy Hub

Libya will begin building next month a \$5-billion economic zone for energy firms operating in the North African country, announced officials.

The planned "Smart Energy City" is a joint project between Libya's state Fund for Economic and Social Development and Bahraini Islamic investment bank Gulf Finance House.

Gulf Finance, which invests according to Islamic principles, envisages a \$3.8 billion investment in the zone, to be built 70 kilometers west of the Libyan capital Tripoli on the Mediterranean Sea.

"The first stage to build the basic infrastructure would take approximately 18 months, while the whole project to be completed in 3-5 years," added Finance House's Chairman Esam Janahi.

The energy city would provide business infrastructure for oil and gas producers, refiners, and companies involved in shipping, energy trading and support services.

"Our project meets the needs of most oil and gas companies. Our study showed they were interested in doing more business in Libya and want to expand their operations," added Janahi.

Abderrhmane Gammoudi, Head of Libya's state Investment Promotion Company said, "We are expecting the project to create thousands of direct jobs alongside several thousands of indirect jobs".

Libya plans to nearly double crude oil production by 2012 with an investment of \$30-\$40 billion. The country also wants to become a major gas producer and aims to increase production to 3 billion cubic feet per day (bcfd) by 2010, with a potential for 3.8 bcfd by 2015, compared with the current 2.7 bcfd.

(Xinhua Financial News)

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2009

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Venus got it

Venus Williams claimed the Billie Jean King Cup of Sony Ericsson WTA Championships in Doha

Seventh seed Venus Williams won the WTA Tour Championships for the first time in her career with victory over Russia's Vera Zvonareva and handled the Billie Jean King Cup by Her Highness Sheikha Mozah Bint Nasser Al Misnad at the Khalifa Tennis Complex at the Ritz Carlton hotel in Doha, Qatar. The American won 6-7, 5-7, 6-0, 6-2 to claim her 39th career title and first at the season-ending championships.



Zvonareva edged a dramatic opening tie-break from 5-1 down, taking it with a net cord, but Williams stormed through the second set. And her domination continued as she won 12 of the last 14 games for victory.

"I am so excited," said Williams. "It was a hard-fought match right down to the end. I am glad I got it."

Zvonareva said, "I think I could have done better today and obviously I am a little bit disappointed... But it is the first time I am able to win so many matches in a row against top-10 players and I am just looking forward to next year."

Zvonareva, 24, came into the event as the lowest-ranked player at ninth in the world. But she swept through her round-robin group, beating Svetlana Kuznetsova, Ana

Ivanovic and world number one Jelena Jankovic, before seeing off Elena Dementieva in the semis.

Williams was in equally good form, arriving in the final on the back of an eight-match winning streak that included a comeback win over her sister Serena. The American had not been at her best though and unbelievably she allowed Zvonareva to reel off six straight points, the last coming with a net cord that left Williams stranded.

Williams was clearly not amused and there was a hint of anger in the way she stormed through eight successive games to seal the second set and move clear in the decider.

Zvonareva stopped the rot by breaking back to trail 2-1, but it was only a temporary respite, and Williams broke twice more on her way to serving out the match.

Williams admitted that losing the opening tie-break from 5-1 up had been a blow but was pleased with the way she recovered.

On the other hand, Cara Black of Zimbabwe and American Liezel Huber beat Rennae Stubbs of Australia and Kveta Peschke of Czech Republic 6-1 7-5 to win the doubles title.

A new African unprecedented record

Al-Ahly crowned kings of Africa for the sixth time and enforced their position as Africa's most successful club

Al-Ahly held Coton Sport of Cameroon to a 2-2 draw to win an unprecedented sixth CAF Champions League title. After beating Coton Sport 2-0 in the final's first leg in Cairo, the Red Devils came back from the second leg in Garoua with a 2-2 draw, taking the result to a 4-2 win on aggregate.

"My players' experience helped them gain control over the game in some crucial moments," Al-Ahly coach Manuel Jose said after the triumph.

"I am glad that we took the initiative as our opening goal put us in the driving seat to win the competition," added Jose.

Al-Ahly's triumph is the club's fourth Champions League title under the guidance of the Portuguese coach, who is widely considered as the finest tactician the Red Devils have had in their history.

Jose said he was proud by the huge success of Al-Ahly's current crop of players.

He also stated that they have made history once again after reaching the Club World Cup for the third time.

"Al-Ahly's current generation has what it takes to fulfill the fans' aims and expectations."

Six-time African champions Al-Ahly plays the winners of the Confederation Cup in the Super Cup in February.

In the meantime, they face an even bigger challenge as they attempt to improve on their last showing at the FIFA Club World Cup in Japan. The Egyptians travel to participate in the tournament in December for the third time and will seek to improve their bronze medal finish in 2006.

Al-Ahly's path to top the Group A featured the defeat of arch-rivals Zamalek, Zimbabwe's Dynamos and ASEC Mimosas of Ivory Coast.

The Cairo giants then defeated Nigeria's Enyimba 1-0 on aggregate to set up a meeting with Coton Sport, who were chasing their first ever continental title.



Youngest champion

Lewis Hamilton, McLaren's driver, became the youngest world champion in Formula One history by the skin of his teeth after a thrilling Brazilian Grand Prix

The 23-year old Englishman's title rival Felipe Massa won the race in his Ferrari, but Hamilton grabbed the fifth place he needed at the last corner. A late-race rain shower looked to have cost Hamilton the title, when he dropped to sixth after a stop for wet tyres. But, he passed Toyota's Timo Glock as they entered the pit straight.



Renault's Fernando Alonso, the previous youngest champion, was second ahead of Massa's team-mate Kimi Raikkonen and Toro Rosso's Sebastian Vettel.

Hamilton's success buries the ghosts of last year, when after a remarkable debut season, he let slip a massive lead in the final two races and Raikkonen sneaked in to win the title.

Ultimately, there were no similar mistakes this time around, but as he entered the final lap, Hamilton was not going to win the title.

He, like Massa, had stopped to change to wet tires as the rain fell in the closing laps. But while the Brazilian held on to his lead, Hamilton dropped to fifth place behind Glock, who stayed on dry tires.

Hamilton then lost that position, which was the minimum he needed if Massa won, when he was passed at the start of the penultimate lap by Vettel. Hamilton tried hard to get back past the German, but he could not get close enough to him and he would have thought he had lost the title until he came to the last two corners of the lap.

There, Glock - who had started the final lap 18 seconds ahead of Hamilton - was struggling badly on the now-slick track and the McLaren slipped past the Toyota as it accelerated up the hill towards the finish line.



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Our experienced team of drilling engineers provide different drilling programs with risk mitigation scenarios applying years of engineering experiences and innovative designs, aided by sophisticated engineering database management to deliver optimal quality drilling solutions based on materials selection, services applications, and performance criteria. We provide integral solutions that improve your overall economics and HSE programs to provide high performance completed wells with reliable durable production. We simulate our drilling solutions aiming minimal NPT to attain a tolerance to the local & international Technical Limit Concepts for drilling operations. We encourage intimate customer participation from the initial concept to exhaustive prototype testing.



PICO ENERGY
Petroleum Integrated Services

Down Hole Digital Services – DHDS founded by PICO Petroleum Integrated Services in 2008 to provide a comprehensive range of surface and down-hole tools and services to help you select the appropriate design for exploratory, development and work over wells applications. Supported by 30 years of experience in the oil field where PICO has proclaimed substantial and superior quality control systems that ascertained the utmost performance and reliability meeting client's expectations; DHDS are committed to provide the best value services for well surface evaluation and bottom hole testing analysis.

Pumping and Stimulation Services –P&S founded by PICO Petroleum Integrated Services in 2008 to provide stimulation treatments to maintain and improve the original permeability of the pay zone. Coiled tubing has a significant role in playing such improvement. Other services can be achieved such as Drilling with Coiled Tubing, OH/CH Logging, Artificial lifting, Well cleaning from scales/sand, Perforation and Fishing with Coiled tubing. Different sizes of Coiled tubing enable to reach the maximum benefit to stimulate the pay zone.

Down Hole Digital Services

Pumping & Stimulation Services



ode

Energy Solutions By Design

International engineering contractor ode has chosen Cairo for its first overseas office outside the UK



At the official launch of the premises on 13 November at the Four Seasons Hotel, Nile Plaza, Chairman and Managing Director Peter Godfrey said the company was in Egypt for the long-term future and aimed to build its business.

It would also recruit and train Egyptian engineers, including UK based training, to ensure even closer links with North Africa.

The British Ambassador to Egypt, the Honorable Dominic Asquith, welcomed the arrival of another UK company investing into the Egyptian market.

He said ode was a highly respected contractor to both the oil and gas industry offshore and onshore & also renewables energy with its windfarm technology.

"The oil and gas industry is of primary importance to Egypt, as we all well know. So too, shall renewable energy become more and more important as the planet seeks to reduce the effects of climate change," said the Ambassador.

He was delighted that ode was committed to Egypt and committed to training a strong Egyptian indigenous engineering workforce. The country had a lot of young talent to offer.

ode's new office in the Maadi district is designed for an expanding workforce and support team.

The Cairo team will work under ode's newly appointed North Africa General Manager / CEO Neil Clark who has 35 years experience in the energy sector. He arrived in Egypt in 1998 as onshore project manager for the original Rosetta development as part of the Rashpetco BG/Egyptian Petroleum Corporation joint venture.

At the official opening, Mr Godfrey said his vision for ode's role in North Africa was an exciting and compelling one. The company wanted to partner Egyptian state organisations and private enterprise and has a collaboration agreement with Egyptian engineering company "OnSpec Engineering Solutions".

"Our expertise runs from early consultancy works through front end and basic engineering into major projects, brownfield engineering, and ultimately operations support works," he added, saying that it was the ideal pedigree for such partnering agreements.

"We have already started working here. We have undertaken study work for BG at the Idku terminal and we are assisting Petrobel on the El Gamil project. Now we need people on the ground."



Why Cairo?

ode is an international engineering contractor with 75% of its projects outside the UK.

ode is already working here on Egyptian projects.

- Burullus (Rashpetco) IDKU Terminal
- Petrobel ElGamil Gas treatment plant expansion Project (PM support in liaison with ENNPI)

Environmental similarities with the UK:

- Older shallow water facilities in the Red Sea.
- Deeper waters off the North Coast (Mediterranean).
- Commonality of client base.

Potential to build an engineering resource for other projects in the wider region using geographical and cultural parallels.



How ?

Work and partner within the existing Egyptian business structure (State & Private Enterprise)

Collaboration Agreement with Egyptian engineering company "OnSpec Engineering Solutions".

Focus on specific skill sets to facilitate partnering:

- Niche activities, FEED, Brownfield, Operations Support.

Provide high quality & reliable service locally.

Potential partnering with Egyptian organizations for regional prospects outside Egypt.



International contractor to the oil, gas and renewable energy markets



Cavendish Platform
ode are operators on
behalf of RWE



DEZPC facilities in Syria
engineering services including
detail design of water injection facilities
at Jafra site



Gabes LPG Facilities for BG in
Tunisia - detail design and con-
struction management



Wind Farm Conceptual
Engineering, Site
Assessment, & Opera-
tion Management

ode has an annual turnover of approximately US\$60M and employs around 300 personnel. It is headquartered in London with offices in Great Yarmouth and now Cairo. The company has two equal shareholders, DORIS Engineering and Saipem, which itself has been operating in Egypt for many years.



50%



50%

ode

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ode provides the full range of engineering and management services from front end (FEED) and basic engineering through to detail execution.

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- * Offshore Production, Compression and Living Quarter Platforms
- * Subsea Production & Manifold Facilities
- * Pipeline Engineering
- * Onshore Oil / Gas Gathering Facilities
- * Onshore Oil / Gas Treatment Facilities
- * LPG Production, Storage and Export Facilities
- * Offshore Wind Farms with associated power transmission and grid connection

Management

- * Project Management and Controls
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- * Contracting Strategies
- * Risk Management

Consulting Concept Development Strategic Studies Risk Analysis Asset Development

ode provides technical and commercial consultancy services and solutions for a diverse range of energy developments. Typical services include:

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- * Safety and Environmental Studies including Impact Assessments
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- * Wind Farm Governmental and NonGovernmental liaison
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Specialist Services

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- * Special Development Projects (Technology Applications including wave, tidal and current based renewable energy solutions)
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- * logistics services
- * warehousing

Brownfield Engineering & Construction

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- * de-manning/automations
- * compression upgrades
- * facilities enhancements
- * safety and environmental assessment and safety case updates

Offshore Windfarm Operations Management

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- * repair and maintenance of power transmission infrastructure
- * ongoing regulatory and consent compliance

Ode Summary of Experience

- Tie-back of Durango field to Waveney platform in UK Southern North Sea - brown-field modifications to topsides facilities
- Horne & Wren Minimum Facilities Platform in UK Southern North Sea (NUI Installed) for Tullow Oil
- Kinsale Facilities (Marathon) - brownfield modifications including compression facilities
- South Pars - FEED and detail design of platforms
- Robin Rigg Wind Farm - project management contractor for installation of wind farm (100_0865)
- Hasdrubal, Tunisia (for-BG Tunisia) where they are undertaking all of the FEED, detailed engineering and procurement associated with the LPG storage and export facility at Gabes.
- Ebla (PetroCanada) Syria, a large FEED undertaking for two outlying gas gathering stations, an 85Km onshore pipeline and main gas treatment and LPG production plant.
- South Pars (IOEC) Iran, where ODE has been involved in both FEED and project implementation works for many of the different offshore phases of South Pars, one of the world's largest gas fields crossing the international border with Qatar.
- EOY Development (Bowleven) Gabon, an offshore development comprising a wellhead platform with FPSO and tanker export.



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Change has come



Perhaps one of the main reasons behind Barack Obama's historic, illustrious victory in the U.S presidential elections on November 4th was his energy agenda. Having suffered for a long time from rising oil prices, which hit the \$146 mark at some point few months ago; many Americans left their cars behind and used public transportation. According to Obama's energy plan, American taxpayers will each get a \$500 rebate check – funded by profits taxes to be levied on big oil companies

By Mohamed El-Sayed

"For almost a quarter of a century, American presidents have been adopting multi-billion dollar energy policies under loose titles such as the Energy Independence Program which evidently means ending oil dependence," argued Walid Khadouri, an Arab oil expert in his weekly column in the daily London-based Al-Hayat. "Indeed, Obama's program, presented during his electoral campaign, does not differ from the programs of his predecessors, especially the Democrats," he added.

Nevertheless, president-elect Obama adopts a detailed 30-point energy agenda that calls for big changes to address carbon emissions, fuel efficiency for vehicles, and domestic and renewable power and efficiency. Obama's energy plan seems to be part and parcel of his promise to get the economy restarted, according to many experts.

Obama's energy plan includes more than 20 points. The first point aims at manufacturing one million plug-in-electric hybrid vehicles (PHEVs) to run on roads by

2015 (cars that can get the equivalent of 150 miles per gallon). The second one focuses on creating five million new green jobs by investing \$150 billion over 10 years to stimulate clean-energy infrastructure and manufacturing such as wind-turbine plants and solar panels carpeting the nation's rooftops.

Obama has also vowed during his campaign to end the U.S dependence on imported oil, especially that brought in from the Middle East. Therefore, cutting US oil consumption, within 10 years, by the amount currently imported from the Middle East and Venezuela combined, tops his energy agenda.

As oil is one of the main sources of generating electricity, Obama sees that there should be 10% of the nation's electricity coming from renewable energy sources like wind, solar, geothermal, and biomass by 2012. This percentage is planned to be raised to 25% by 2025.

Observers still wonder whether president-elect Obama would implement his agenda as it is or will politi-

cal and economic pressures hamper him. Many argue that Obama has enormous political support for his clean-energy agenda as there are many regions that will be positively impacted by the changes, he will introduce as they will benefit from clean energy he calls for.

Experts agree that the elements of the president-elect's energy plan are costly. However, they argue that the sales of pollution permits from the cap-and-trade program to limit CO2 emissions are integral to helping fund his plan's \$15 billion per year expenditure on renewable energy research and development.

While no one has calculated the cost-benefit for Obama's energy plan, some argue that any effect would still be a plus for green jobs and the economy in general.

In fact, much of the Obama plan follows the National Commission on Energy Policy's (NCEP) 2004 plan, thus giving it the advantage of having been examined by energy, foreign policy, and industry experts. This, at least, could guarantee its success.

Much ado about cartel

Since the announcements made last month by the world's three biggest reserves of natural gas; Russia, Iran, and Qatar, about their attempt to establish an OPEC-style organization for natural gas exporters, speculations about the formation of the natural gas cartel were sparked worldwide

Representatives of the Russian natural-gas monopoly Gazprom met in Tehran with counterparts from Iran and Qatar and agreed to create the organization and to meet quarterly to reach agreement on pricing and supplies. The three nations hold an estimated 55 percent of known global gas reserves.

According to media reports, the agreement on the new cartel plan may be finalized in Moscow when Russia hosted a forum of gas-exporting countries, including possible additions to the group such as Algeria, Indonesia, Libya, and Venezuela.

However, Russian Prime Minister Vladimir Putin denied later on 11 November the possibility of Russia joining an OPEC-style cartel of gas exporting countries any time soon. His announcement came after talks with his Egyptian counterpart Ahmed Nazif. "We support this idea. But we know about apprehensions and even fears voiced by certain energy consumers," Putin was quoted as saying.

Putin said that energy exporting countries should coordinate policy to ensure "uninterrupted" energy supplies to consumers, but added that Russia would not forgo its independence to sign a cartel agreement with other states. "None of us is going to cede part of our sovereignty in making decisions," he added.

Experts argue that there is no point in modeling a gas cartel on (Organization of Petroleum Exporting Countries) OPEC because gas contracts are often signed over the long-term and differ significantly in export-methods from country to country. For example, Russia exports natural gas through pipelines, while Qatar, another major producer, mostly sells it in a liquefied form (LNG). Major world gas exporters such as Norway and Algeria have not so far expressed interest in the planned gas organization.

In fact, media reports and speculations that the world's largest producers of natural gas, particularly Russia and Iran, plan to create a gas cartel equivalent

to the OPEC which sets quotas and prices gained momentum during the 7th Gas Exporting Countries Forum (GECF) meeting in Doha, last year. Contrary to expectations, the main leaders in the natural gas market stressed that there was still a long way to go before establishing such an organization.

Egypt's position on the proposed new organization, given that it's ranked the 8th on the world list of gas exporting countries and the 6th on that of liquefied gas exporting countries, was stated before by Minister of Petroleum Eng. Sameh Fahmy on many occasions. "Egypt is opposed to the idea of establishing an OPEC-style cartel for gas exporting countries," he was once quoted as saying. «Egypt's rejection to the formation of such a cartel is due to its wish to maintain transparency in international gas markets. We also refuse the idea of building a body that controls one of the essential sources of global energy," he pointed out.



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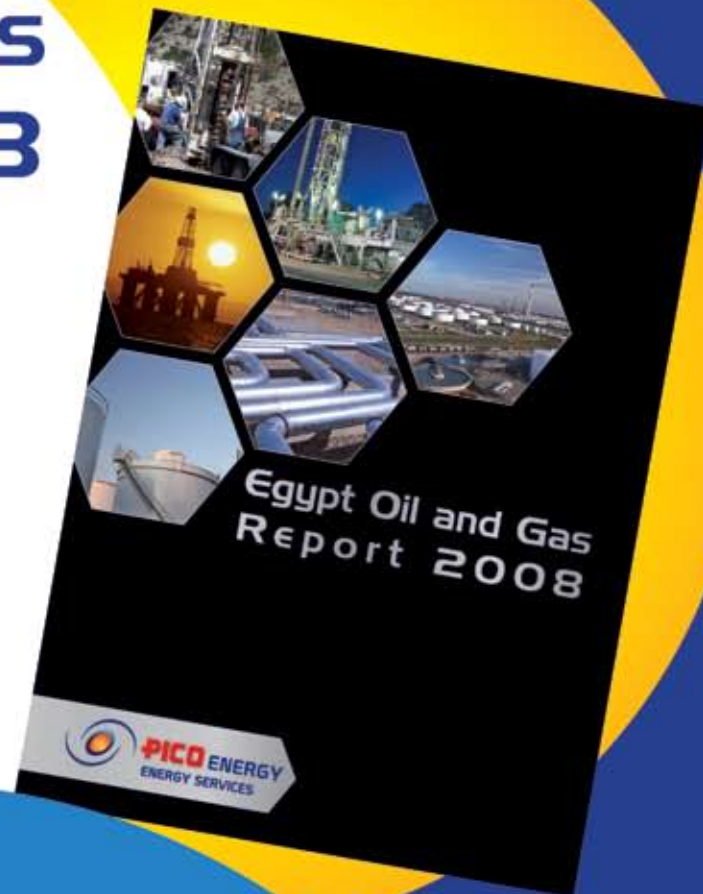


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Fahmy: Time for Russian ties

Over the past two months, there have been intensive discussions and negotiations between the Egyptian petroleum top officials and their Russian counterparts, studying the means to bolster the mutual cooperation between the two countries. Why is Russia becoming today's world attention? What benefits would the Russian cooperation generate to Egypt? Hady Fahmy, President of the Egyptian Chamber of Petroleum and Mining sheds lights on the fruitfulness of the Russian-Egyptian ties



Last October, Fahmy headed the Egyptian delegate group in the International Energy Week (IEW) and Arabia Expo 2008, held in Moscow. This has been a gateway for the Egyptian officials to exchange views about the possible means to strengthen the mutual cooperation between the two countries in the oil and natural gas fields.

First of all, we all know that Russia has become a major key player worldwide, in all aspect, said Fahmy.

"Everybody is approaching Russia nowadays, especially the Arab world. It is becoming a mega power in all aspects, whether economically or in the petroleum industry," said Fahmy. "In addition of being the world's largest producer and exporter of natural gas, Russia produces around eight million barrels of oil a day."

Moreover, Russia's business system opens the door widely for a diversity of cooperation; as Fahmy clarified, the country has two systems for doing business, the free enterprise and the controlled economy. "I believe it is the right time to get the opportunity of doing business with Russia."

During the IEW 2008, Fahmy held intensive meetings and talks with Russian officials; one of his meetings was with Livery Barmakov, Chairman of the Russian Chambers of Industries and former prime minister of the Ex-Soviet Union, who expressed his appreciation for the Egyptian efforts in the oil and gas sector and his eagerness to deepen the ties between the two countries.

Fahmy further added that the participation in

IEW 2008 was followed by a formal ministerial visit to Russia, earlier last month, headed by the Egyptian Prime Minister Ahmed Nazif accompanied by Eng. Sameh Fahmy, Minister of Petroleum, through which several agreements were signed, while old ones were renewed.

"The latest visit of the Egyptian Prime Minister to Russia was really crucial in this time, especially that as I mentioned earlier, world's attentions are moving towards Russia. Few protocols regarding the natural gas and mining were signed and several Russian companies, such as Vertex, Novatek and Gazprom are currently approaching Egypt," clarified Fahmy.

The outcomes of this ministerial visit were not limited to agreements signing, but they included protocol for exchanging expertise, one of the main highlights of this visit. "As an attempt to strengthen the Egyptian personnel in the mining industry, around 40-60 Egyptian graduates to receive scholarships from the Russian Mining University for three or four years and get their degrees."

Commenting about the Russian attempt to establish an organization for the natural gas, similar to the Organization of Petroleum Exporting Countries

(OPEC), Fahmy said that such idea should be well studied before being executed. "Such decision shows that the future of natural gas is yet undetermined and precise expectations cannot be made, especially that Russia is playing the upper hand role."

Russia has been declaring that a gas cartel to be initiated in association with Qatar and Iran (world's top three natural gas producers) and are also approaching Algeria and Egypt to join them.

"The future of natural gas depends on what happens today," declared Fahmy.

The concept of having a cartel for natural gas is very sensitive, whether Egypt would accept join-



ing the group or not is still unknown. The Petroleum Ministry is conducting its research and studies about this idea, declared Fahmy.

"I believe that this cartel has to be established one day or another. The natural gas industry is still a new comer; it has always been associated with oil; however, different measures and agreements are currently implemented for the natural gas. Gas is clean, easy to get and symbolizes high revenues. In addition, it does give strength to the oil reservoir. It can keep the oil for an extra 20 or 30 years."

Asked about the measures taken to prevent the negative effects of the current economic crisis on the Egyptian petroleum industry, Fahmy said that we should be frank with ourselves; most of the organizations are down sizing their activities and shrinking their investments to reduce their costs and expenses. Therefore, we should maintain the investments of our foreign partners through the local corporations, such as the Egyptian General Petroleum Corporation (EGPC), Egas...etc.

As President of the Chamber of Petroleum and Mining Industries, Fahmy clarified that more attention should be given to the mineral resources. Fahmy added that focusing on strengthening the country's mineral resources and

formulating a law for it are on the top of the 2009 agenda of the Chamber."

As for his personal opinions concerning the future of the Egyptian petroleum sector, Fahmy believes that Egypt will become a hub for the oil and gas in the region, taking into consideration not only the oil and gas reserves the country holds, but also its political stability. "We are on the right track; however, we are repeatedly criticized. We have a tough job and without the efforts carried out over the years by Eng. Sameh Fahmy and the former petroleum ministers, Egypt would not have received \$20-billion products a year."



From left: Hady Fahmy with Livery Barmakov, Chairman of the Russian Chambers of Industries



More Russian wave to flood into Egypt

Becoming today's world hub, economically and industrially, Russia has been symbolizing the ideal gateway for most nations seeking prosperity and wealth by strengthening mutual ties. Following this strategy, Egyptian officials have worked closely with their Russian counterparts to revive the mutual cooperation between the two countries and bring more investments in the country

During the fruitful visit of the Egyptian Prime Minister Ahmed Nazif to Russia, accompanied by the Minister of Petroleum Eng. Sameh Fahmy, two new cooperation agreements in the fields of mineral resources and natural gas were signed. The first between the Egyptian Mineral Resources Authority (EMRA) and the Russian company for Mining "Vertex", the second one is signed with the Russian Mining University.

Eng. Fahmy stated that both agreements boost the bilateral relations and long term partnership between the two countries, based on achieving mutual benefits and implementing joint projects in the field of scientific research in the activities of exploration, mineral resources development, exchanging and transferring academic and practical expertise.

In addition, the agreements included carrying out joint researches and discussing the possibility of implementing mining projects of the Russian companies in Egypt as well as forming an executive committee of experts from both countries to put the two cooperation agreements into force.

"I am very happy to be receiving such a high-ranking Egyptian delegation. Egypt is certainly one of Russia's priority strategic partners, without exaggeration," said the Russian Prime Minister Vladimir Putin.

"We have a long history of friendship, interaction and practical cooperative work. We believe Egypt to

be a leading Arab country. I am happy to have this opportunity of discussing the situation in the region with Dr. Nazif, to talk about development of bilateral contacts, especially economic ones," added Putin.

"In this connection, I would like to point out the clear progress in our trade and economic contacts, which is borne out by statistics. Bilateral trade has grown fivefold since 2003 to hit the \$4.2 billion mark," highlighted.

"Energy partnership is also promising. Such Russian companies as LUKOIL and Novotek are already working in Egypt, and certain companies, Gazprom, for example, are interested in investments and production," he stated.

Concerning the so-called Gas Exporting Countries Forum, he commented, "We are promoting this idea. We are well aware of certain consumer countries' apprehensions. They are ungrounded, I assure you. We are not setting up a cartel, and we do not intend to sign cartel agreements. None of us intends to cede even the slightest part of our independence in decision-making. However, energy producing and consuming countries should be equally entitled to the right of coordinating their actions, exchanging information, and doing everything in their power for smooth energy supplies to the world market. More than that, I think it is those countries' duty. Main consumers should be entitled to reliable and unbroken supplies with fair and econom-

ically sound pricing. As we all know, Moscow will host the next meeting, and our Egyptian partners have confirmed their desire to attend and their interest in Forum activities."

Commenting on the same point, the Egyptian Prime Minister said, "Egypt has previously taken part in the work of the Gas Exporting Countries Forum. Indicatively, Cairo hosted its 5th ministerial meeting. We look forward to the 7th meeting, which will gather in Moscow, as Mr. Putin said. I fully agree with him on the need for gas exporting countries' coordination. It is their right, and no one should regard the exercise of that right as a threat to gas consuming countries".

LUKOIL

LUKOIL is Russia's largest oil company and its largest producer of oil. In terms of proven oil and gas reserves, LUKOIL is classified as the second largest public company (next to ExxonMobil). LUKOIL carries out exploration and/or production of oil and gas in Russia and (as of 2008) ten other countries: Kazakhstan, Azerbaijan, Uzbekistan, Egypt, Iran, Iraq, Colombia, Venezuela, Belgium and Saudi Arabia.

In Egypt, 13 wells were launched as part of the Meleiha project, which produced an average daily oil flow of 43 tons. An extension of the concession agreement for the Meleiha block up to 2024 came into force in 2007. A total of 5 new production wells are

to be drilled in the project. The share of production of LUKOIL Group in Egyptian projects remained at its level in 2006 (200 thousand tons).

Regarding the place reserved for LUKOIL Overseas Holding in Africa, Andrey Kuzyaev, Vice President of LUKOIL, told Oil of Russia magazine that it was exactly in North Africa that LUKOIL acquired one of the first foreign producing projects - the Meleha block in the Western desert of Egypt even before LUKOIL Overseas has been set up. We acquired another producing asset in Egypt 6 years ago, the WEEM block near Hurgada. Both projects are relatively small but highly efficient; LUKOIL share in the production volume in these projects exceeds 200 thousand tons of oil annually.

Gazprom

Since 2006, Egypt has been holding talks with Russia's largest state-owned gas monopoly, Gazprom to carry out its operations in Egypt.

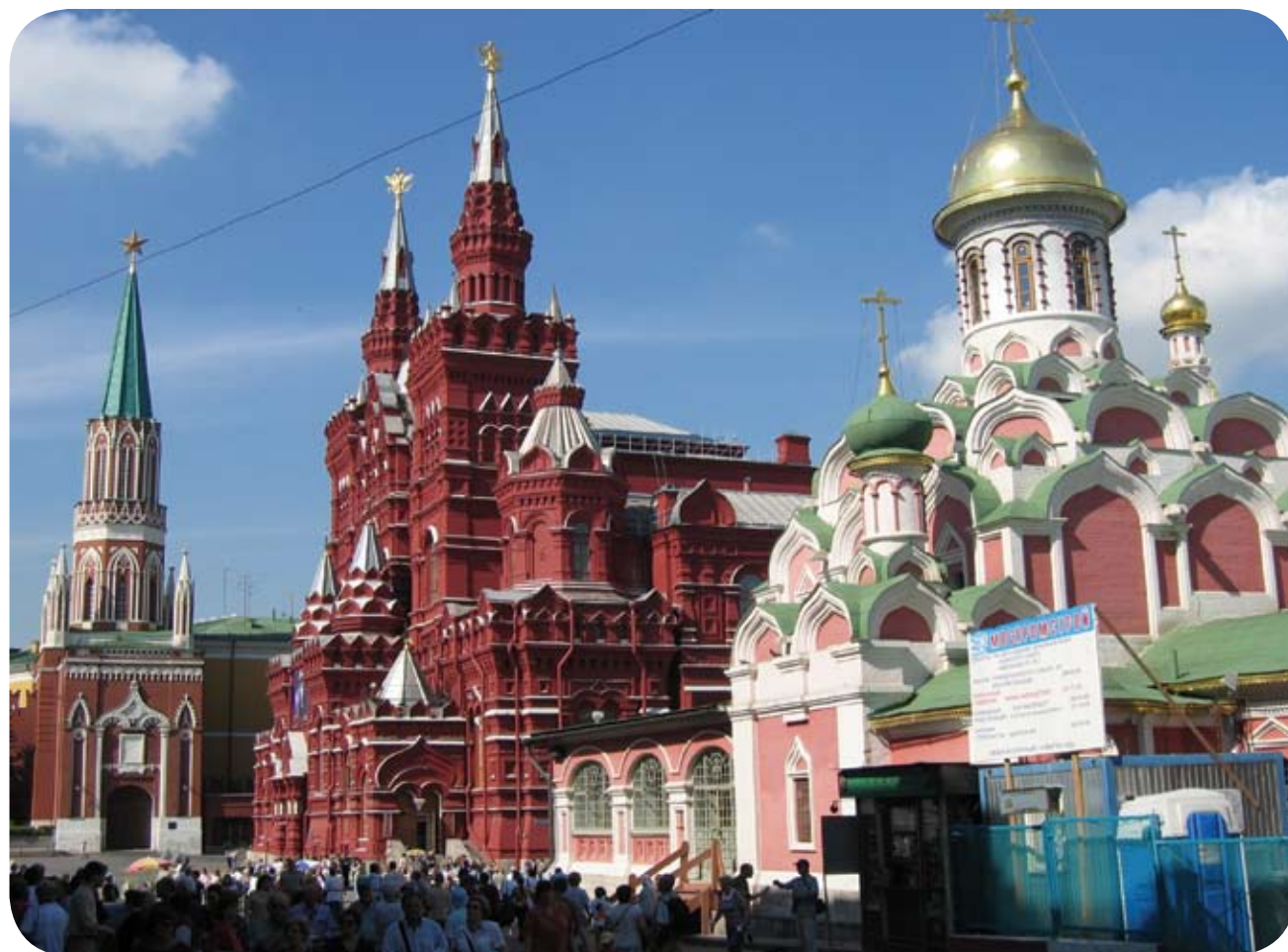
Gazprom discussed with Rashid Petroleum Co. and the Egyptian Natural Gas Holding Co. possible means of selling Russian oil-and-gas equipment to Egypt. The three companies will work together to search for and explore Egypt's oil and gas reserves.

Although no activation of these discussions were made since then, the latest visit of Dr. Nazif revived the issue once more and the two sides agreed to set a schedule to activate the cooperation agreement.

Novatek

Last year, on September 27, Novatek made its first foray overseas, when the Russian company bought 50 percent in a concession agreement for oil and gas exploration and development of the El-Arish offshore deposit in Egypt from Tharwa Petroleum S.A.E.

Novatek, Russia's second-largest gas producer after gas export monopoly Gazprom announced that it would develop the El-Arish offshore block along



with Egypt's Tharwa Petroleum, which will hold the remaining 50 percent.

"Our participation in the concession is consistent with Novatek's long-term strategy of expanding its resource base and geographically diversifying its core activities in order to establish a stable base for production growth," Novatek's Chief Executive Officer Leonid Mikhelson said in a statement.

The offshore block, comprising an area of approx-

imately 2,300 square kilometers, is located along the Mediterranean coast and is adjacent to the north coast of the Sinai. Half of the block lies at depths of up to 50 meters with the remaining area reaching depths of up to 500 meters.

The concession agreement provides for a minimum exploration period of four years which will include undertaking geophysical studies of the concession block as well as the drilling of two wells.

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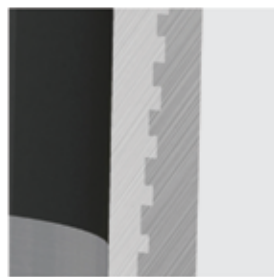




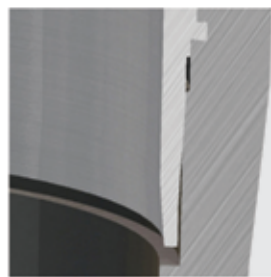
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The Truth about Tape

Part II

Over the last few decades, the IT industry has been the battleground for a number of heated debates concerning the future of technology. One of the most interesting debates revolves around “Tape versus Disk” that has raged for years

By Mohamed El Mofty
Storage Networking Solutions Expert
IBM Systems and Technology Group

Myth #5: Tapes are just too slow

Disk can be used to provide fast backup and retrieval for some applications because it provides random file access. Tape must move sequentially through the tape to a specific section. However, not all data needs to be accessed fast or frequently. Some data may go to secondary disk and expire there. Others may move from secondary disk to a tape archive or may go directly to tape without having to use expensive disk space. And, when the data is moved to tape, it can be quite fast. The

newly announced LTO Ultrium-4 specification calls for native drive data rates up to 120MB per second, able to stream up to 864GB of compressed data per hour. This far outperforms any of today's SATA disk backup speeds.

Myth #6: Disk is cheaper than tape

Disk prices have continued to decline, which have become more apparent with the introduction of higher capacity, lower performance SATA disk. Many claim that disk drives are less expensive than tape systems. They quote the average cost of a gigabyte of SATA disk as proof, but these numbers are averages and tell only a small part of the story and do not always include all of the costs. In fact, averages can be meaningless, compared to the cost of storing the same amount of data in your environment on disk versus tape. The cost of disk systems varies widely. Dual controllers are more expensive than single ones. Advanced features, such as management software, can add to the cost. Comparing the acquisition costs of the two systems, the SATA disk systems cost about 6.5 times more than the automated tape system.

When adding in space and energy costs, the LTO-4 tape library system cost 11 times less than the SATA disk system.

Moreover, Tape is green. Disk drives continue to spin and need electricity to power and cool the devices whether the device is accessed or not. Tape drives, on the other hand, use little power when not reading or writing tape cartridges, which require no power at all, when residing in an automated library.

Myth #7: Tapes get lost

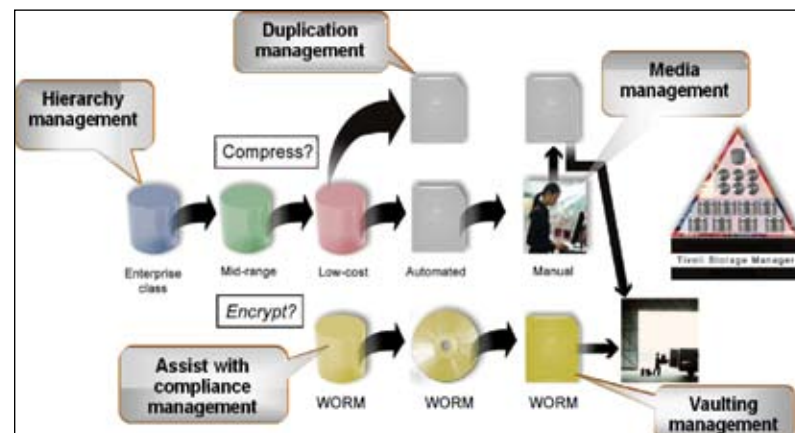
Several large corporations have admitted that their backup tapes have been “lost”. These tapes never did make it to the final vault. There should always be a concern that tapes containing sensitive information are “Recovered” by people looking to use that information for illegal gains. Tapes will get lost in shipment.

There is a simple answer to this problem; “Encryption”. Any confidential data that is shipped offsite, whether on a tape or over a network, should be encrypted. Then, when the data is “lost”, the contents cannot be used for malicious gain.

It is easy to encrypt, yet managing the keys is considered the difficult part. Backup software has imbedded encryption that can be used to write encrypted backups to tape. There are appliances that encrypt data before it is sent to the tape drive. Tape drive encryption is fast and does not consume server overhead like software encryption. The drives can do encryption at rated speeds and can compress the data first and then encrypt, which maximize storage capacities. Tape drive encryption can also help reduce the storage infrastructure by eliminating the need to invest and manage an encryption appliance.

Tape encryption is important; having an enterprise-wide security plan is critical for every corporation, if you do not have a security plan in place, you need to start planning today. Encrypting tapes must be part of that plan.

There is more work being done. Radio Frequency Identification (RFID) is in use by many corporations, such as the United States Government to track inventory. Similar RFID technology will soon be available for tape cartridges to track cartridges as they move from one location to another.

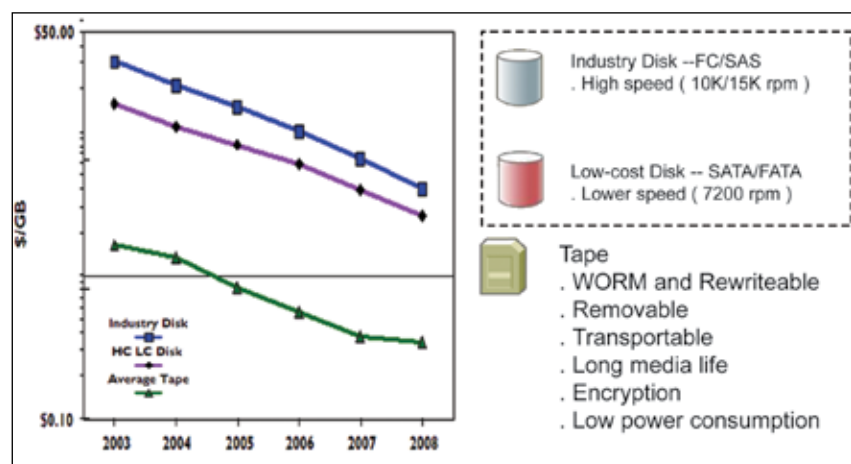


Myth #8: Tape is not part of best practices

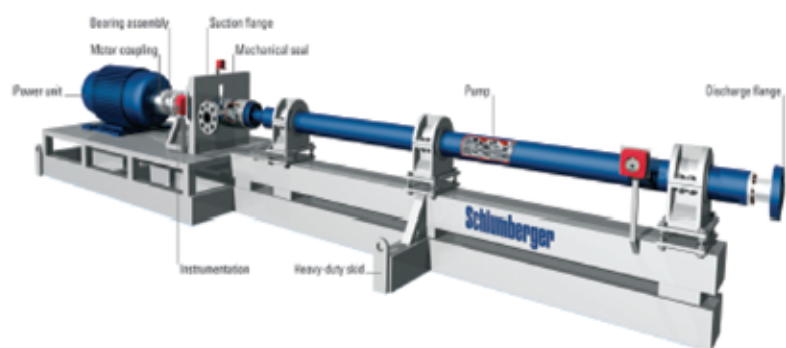
Oh, contraire! Try telling that to the major insurance, Wall Street bank, and retailers of the world that all have strategic investments in tape technology. Putting all your eggs into one technology backup basket is dangerous. Having more than one media type for storing critical data is important in the event of a media catastrophe. Therefore, a copy on disk and a copy on tape or optical is essential. Tape is removable and once removed from the system is not susceptible to system errors, viruses, or sabotage. Having more than one... more than two... even three copies of critical data is becoming the standard. Losing access to critical data is more costly to a company than the investment in the storage systems. Best practices dictates that an enterprise should have one copy of critical files at the primary location and then a second copy at a remote location (or at two different locations) to prevent loss of data if a regional disaster occurs. And, as we have previously discussed, tape fits this bill nicely with its portability, reliability, and favorable TCO.

Conclusion

It has been 55 years since the first commercially tape drives were marketed to data centers. Engineering developments throughout the years have brought faster, more reliable and higher capacity media and drives and the development shows no sign of abating. Tape's role in addressing compliance with WORM, data retention with archive, data security with encryption, data protection with safely-removable cartridges and TCO with low acquisition and operation costs is strategic in the storage hierarchy. Tape, like disk systems, continues to evolve. That evolution ensures tape's place in the data center today and in the future.



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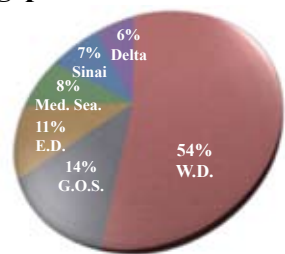




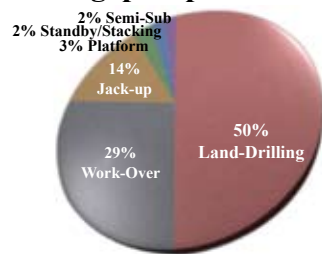
Table 1 Egypt Rig Count per Area -November 2008

Area	RIG COUNT		Percentage of Total Area
		Total	
Gulf of Suez		20	14%
Offshore	20		
Land			
Mediterranean sea		11	8%
Offshore	11		
Land			
Western Desert		76	54%
Offshore			
Land	76		
Sinai		10	7%
Offshore			
Land	10		
Eastern Desert		16	11%
Offshore			
Land	16		
Delta		8	6%
Offshore			
Land	8		
Total		141	100%

Rigs per Area November 2008



Rigs per Specification



Source: Egypt Oil & Gas

Table 2 World Oil Supply¹ (Thousand Barrels per Day)

		United States ²	Persian Gulf ³	OAPEC ⁴	OPEC ⁵	World
2007 Average		8,457	23,109	24,277	35,421	84,405
2008 January	E	8,624	24,990	25,129	36,506	85,180
February	E	8,625	24,219	25,129	36,666	85,341
March	E	8,664	24,230	25,355	36,895	85,448
April	E	8,717	24,143	25,364	36,612	85,132
May	E	8,879	24,611	25,282	36,989	86,027
June	E	8,665	24,687	25,790	37,161	85,914
July	E	8,764	25,136	26,143	37,592	86,920
August	PE	8,608	25,020	26,049	37,517	85,899
2008 8-Month Average	PE	8,694	24,507	25,607	36,996	85,738

¹«Oil Supply» is defined as the production of crude oil (including lease condensate), natural gas plant liquids, and other liquids, and refinery processing gain (loss).

² U.S. geographic coverage is the 50 States and the District of Columbia. Beginning in 1993, includes fuel ethanol blended into finished motor gasoline and oxygenate production from merchant MTBE plants. For definitions of fuel ethanol, oxygenates, and merchant MTBE plants.

³ The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.

⁴ OAPEC: Organization of Arab Petroleum Exporting Countries: Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates.

⁵ OPEC: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

E=Estimated data. RE=Revised estimated data. PE=Preliminary estimated data.
Revised data are in **bold italic font**.

Source: EIA

Table 1 World Crude Oil Production (Including Lease Condensate) (Thousand Barrels per Day)

	Libya	Sudan	Other	World	OPEC ¹	Persian Gulf ²	North Sea ³
2007 Average	1,702	464	2,505	73,015	32,174	20,672	4,114
2008 January	1,740	520	2,515	73,910	33,221	21,538	4,004
February	1,740	520	2,532	74,083	33,374	21,763	3,980
March	1,740	520	2,499	74,194	33,594	21,768	3,975
April	1,718	520	2,495	73,779	33,314	21,682	3,924
May	1,700	520	2,519	74,206	33,687	22,148	4,051
June	1,700	520	2,492	74,172	33,827	22,214	3,667
July	1,700	520	2,508	74,941	34,231	22,636	3,912
August	1,700	520	2,561	73,800	34,140	22,506	3,467
2008 8-Month Average	1,717	520	2,515	74,137	33,677	22,035	3,872

¹ OPEC: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

² The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.

Production from the Kuwait-Saudi Arabia Neutral Zone is included in Persian Gulf production.

³ North Sea includes the United Kingdom Offshore, Norway, Denmark, Netherlands Offshore, and Germany Offshore.
Revised data are in **bold italic font**.

Source: EIA

Table 4 OECD¹ Countries and World Petroleum (Oil) Demand (Thousand Barrels per Day)

	France	German	Italy	United Kingdom	OECD Europe ²	Canada	Japan	South Korea	United States ³	Other OECD ⁴	OECD ¹	World
2007 Average	1,950	2,456	1,702	1,763	15,304	2,371	5,007	2,214	20,680	3,563	49,139	85,807
2008 January	2,060	2,504	1,626	1,695	15,431	2,356	5,369	2,372	20,114	3,484	49,127	NA
February	1,992	2,494	1,671	1,804	15,410	2,431	5,883	2,348	19,782	3,566	49,419	NA
March	1,882	2,399	1,569	1,674	14,770	2,313	5,022	2,266	19,732	3,422	47,524	NA
April	2,005	2,500	1,621	1,821	15,441	2,195	4,992	2,098	19,768	3,687	48,182	NA
May	1,851	2,310	1,609	1,620	14,464	2,245	4,448	2,181	19,729	3,601	46,667	NA
June	1,897	2,430	1,588	1,708	14,753	2,348	4,340	1,993	19,553	3,462	46,448	NA
July	1,924	2,623	1,751	1,623	15,283	2,391	4,437	2,028	19,412	3,673	47,223	NA
2008 7-Month Average	1,944	2,466	1,633	1,705	15,076	2,325	4,921	2,183	19,727	3,556	47,788	NA

¹ OECD: Organization for Economic Cooperation and Development.

² OECD Europe consists of Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

³ U.S. geographic coverage is the 50 States and the District of Columbia.

⁴ Other OECD consists of Australia, Mexico, New Zealand, and the U.S. Territories.

NA=Not available.

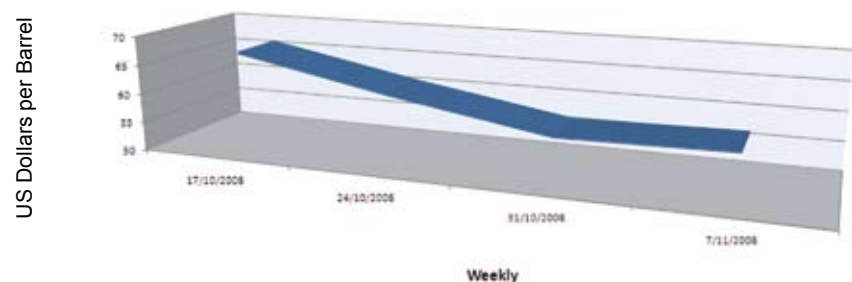
Revised data are in **bold italic font**.

Notes: The term Demand is used interchangeably with Consumption and Products Supplied.

Source: EIA

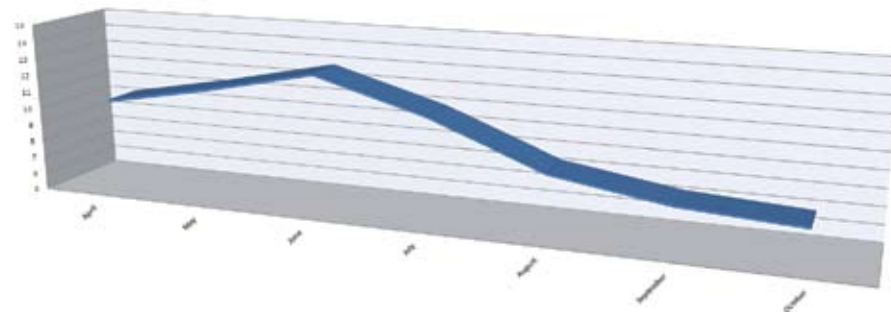


Fig 1 Egypt Suez Blend Price



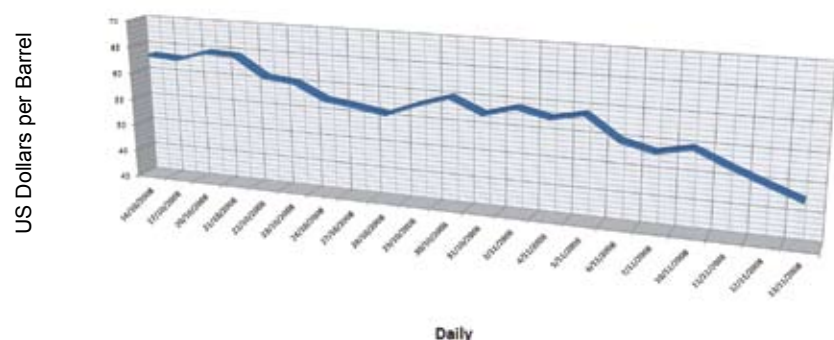
Source: Egypt Oil & Gas

Fig 2 Natural Gas Price



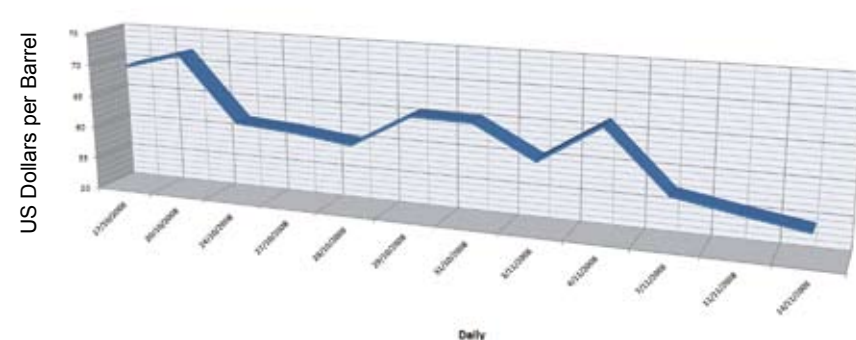
Source: Egypt Oil & Gas

Fig 3 OPEC Basket Price



Source: Egypt Oil & Gas

Fig 4 IPE Brent Price



Source: Egypt Oil & Gas

Table 5 World Natural Gas Liquids Production (Thousand Barrels per Day)

	Algeria	Canada	Mexico	Saudi Arabia	Russia	Former U.S.S.R	United States ¹	Persian Gulf ²	OAPEC ³	OPEC ⁴	World
2007 Average	342	728	396	1,440	426	—	1,783	2,313	2,769	3,096	7,959
2008 January	350	727	366	1,440	421	—	1,783	2,325	2,790	3,131	8,009
February	352	724	368	1,440	421	—	1,830	2,330	2,796	3,138	8,052
March	353	700	367	1,440	420	—	1,847	2,332	2,800	3,142	8,037
April	355	709	370	1,440	418	—	1,880	2,333	2,802	3,142	8,055
May	356	699	371	1,440	419	—	1,908	2,335	2,805	3,147	8,120
June	358	686	372	1,440	423	—	1,810	2,345	2,837	3,180	8,009
July	359	688	374	1,440	423	—	1,856	2,372	2,853	3,206	8,108
August	360	671	363	1,440	426	—	1,839	2,386	2,867	3,222	7,971
2008 8-Month Average	355	700	369	1,440	422	—	1,844	2,345	2,819	3,164	8,045

¹ U.S. geographic coverage is the 50 states and the District of Columbia. Excludes fuel ethanol blended into finished motor gasoline.

² The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.

³ OAPEC: Organization of Arab Petroleum Exporting Countries: Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates.

⁴ OPEC: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

-- = Not applicable. E=Estimated data. PE=Preliminary Estimated data.

Revised data are in **bold italic font**.

Notes: Monthly data are often preliminary and also may not average to the annual totals due to rounding.

Source: EIA

Table 6 International Stock Prices Mid-October 2008 - Mid-November 2008

International Stock	High	Low
Schlumberger [SLB] NYSE [US Dollars]	55.74	43.28
Halliburton [HAL] NYSE [US Dollars]	20.8	16.68
Exxon Mobil [XOM] NYSE [US Dollars]	77.49	66.09
Atwood Oceanics [ATW] NYSE [US Dollars]	28.93	20.75
Weatherford [WFT] NYSE [US Dollars]	17.17	11.63
Shell [RDSA] NYSE [US Dollars]	59.65	44.70
Apache [APA] NYSE [US Dollars]	83.2	64.36
Baker Hughes [BHI] NYSE [US Dollars]	38.95	29.6
BJ [BJS] NYSE [US Dollars]	13.73	10.93
Lufkin [LUFK] NYSE [US Dollars]	55.5	40.31
Transocean [RIG] NYSE [US Dollars]	84.52	63.94
Transglobe [TGA] NYSE [US Dollars]	2.63	1.61
BP [BP.] LSE Pence Sterling	533.25	438.25
BP [BP.] LSE Pence Sterling	998.00	664.00
Dana Gas [Dana] ADSM US Dollars	1.17	0.72
Caltex [CTX] ASX Australian Dollars	10.08	8.61
RWE DWA [RWE AG ST] Deutsche-Borse Euros	70.00	53.00
Lukoil [LKOH] RTS [US Dollars]	40.75	24.90

Source: Egypt Oil & Gas

Average Currency Exchange Rate against the Egyptian Pound (October / November 2008)

US Dollar	Euro	Sterling	Yen (100)
5.552	7.168	8.827	5.641

Stock Market Prices (October / November 2008)

Company	High	Low
Alexandria Mineral Oils [AMOC.CA]	61.98	49.95
Sidi Kerir Petrochemicals [SKPC.CA]	13.80	10.25



ION and Guide in a partnership deal

ION and Guide Geoscience Technologies formed Geophysical Alliance for advanced seismic data processing services for North Africa

ION Geophysical Corp., Houston, and Guide Geoscience Technologies, a Cairo-based seismic data processing company, have formed an alliance to provide advanced imaging and reservoir-related services to E&P companies operating in North Africa.

The alliance will combine the technological strengths of Ion's GX Technology Imaging Solutions group and the regional expertise of Guide. Through that blending,

the Guide-Ion imaging center in Cairo will be able to deliver a wide-range of advanced seismic processing services for 2-D, 3-D, land, marine and transition zone data. The center has been equipped with the latest Linux-based server hardware and advanced data processing technology provided by Ion. The Cairo seismic processing facility is staffed by Guide geophysicists supported by GX Technology experts in state-of-the-art data processing equipment, algorithms and workflows.

"We believe that the collective processing experience of Guide and GXT, including our advanced technologies and specialist personnel, will offer our clients in the region the highest quality seismic images available," stated Nick Bernitsas, Senior Vice President of ION GXT Imaging Solutions during the signing ceremony held in Cairo. "This partnership displays our commitment to expand the global reach of our processing capabilities so they are readily accessible to our clients in key petroleum centers around the world."

ION is a leading provider of geophysical technology, services, and solutions for the global oil and gas industry.

ION's offerings allow E&P operators to obtain higher resolution images of the subsurface to reduce the risk of exploration and reservoir development, and enable seismic contractors to acquire geophysical data more efficiently.

Dr. Adel Nasser, Guide CEO, said, "Our business is a very risky one. And the remaining oil is very difficult to find in the deepwater and layers. So, technology is the best way to manage this risky business".

"We look forward to leveraging this major business opportunity and bringing GXT's experience and expertise to North Africa. Since GGT was established in 2005, we have rapidly expanded in the highly competitive Egyptian market. Developing business strategies based on technical excellence and the understanding of customer's needs has allowed us to tackle the most complex imaging projects in the region. The new Guide-ION venture will be a valuable asset for the further expansion of GXT and Guide in Egypt and throughout the North Africa re-



gion," Nasser added.

Guide Geoscience Technologies specialize in seismic data processing and integrated high-end geophysical technologies used in oil & gas exploration and development. Guide offers a unique geophysical expertise through the integration of state-of-the-art analysis, solutions, and world-class expertise to improve the integrity of seismic data, enhance hydrocarbon production, and find additional reserves in mature fields.

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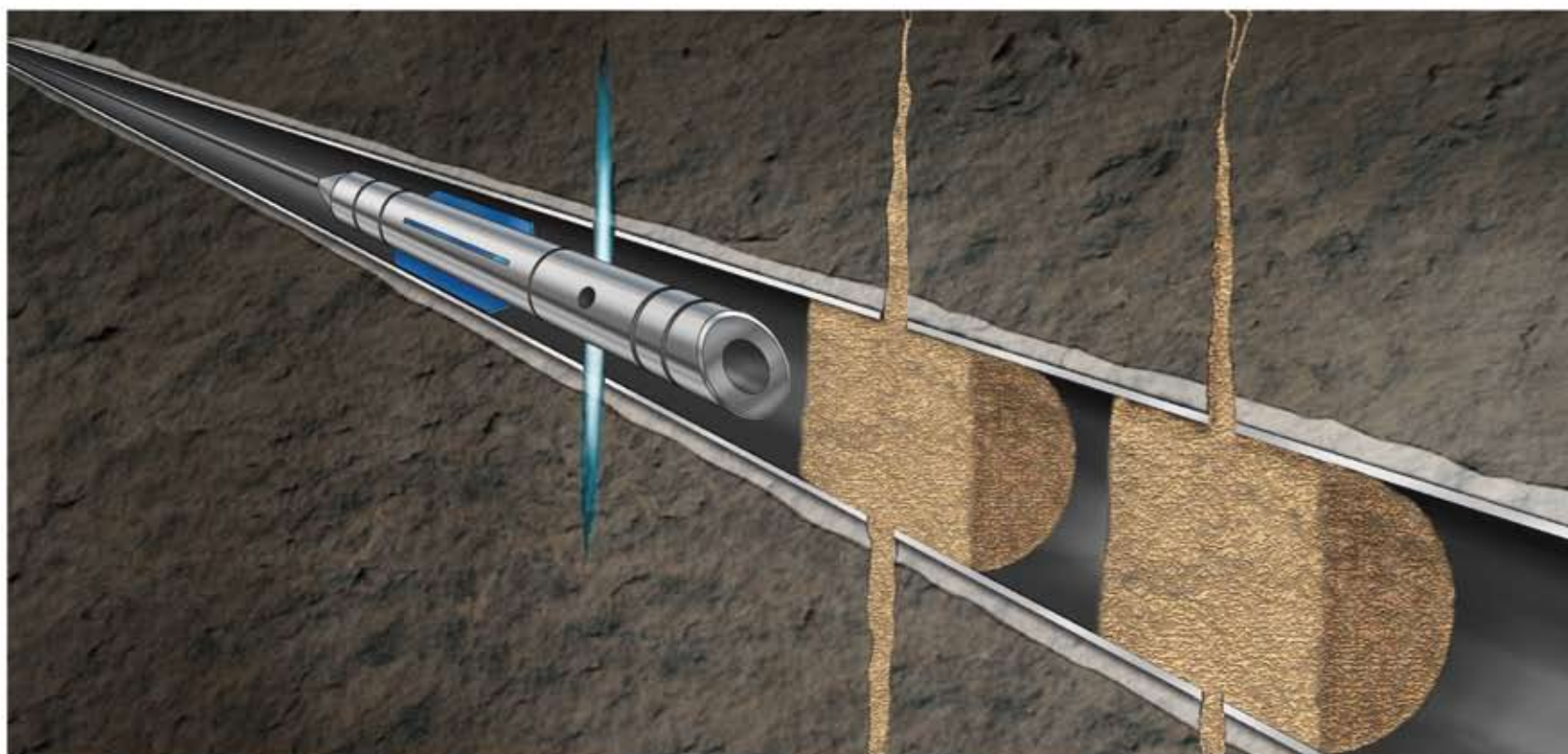
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