

BG names Egypt's first LNG ship



VPN
Connect Branches
ADSL

Internet EGYPT
Cairo: 02-7962882
Hurghada: 065-3447211
Ismailia: 064-3912428
Special Offer, Call NOW !!
www.internetegypt.com

w w w . e g y p t o i l - g a s . c o m

February 2008

Issue 14

24 pages



GTL or LNG: Which route to choose? Part II
page 10



Leading Women... Stories of Success
page 12



Between a rock and a hard place
page 16

Sports..... page 8
Echem warns against waste of funds in Agrium project... page 13
Filtration of completion and workover fluids.....page 18
Statistics.....page 20

LAST MONTH'S OIL PRICES



Mashreq Gas Market... Is it the Middle East Bridge to the EU?

Since the implementation flag of the Euro-Mashreq Gas Project signaled the debut, hopes and anticipations have been directed to this 6-million Euros project that will strengthen regional cooperation in channeling natural gas from Arab countries to Europe. But, will it fulfill the hopes of the Arab countries and EU?

Continued on page 14



SIGMA
COATINGS

THE PERFECTION
OF PROTECTION





Managing Editor
Yomna Bassiouni
ybassiouni@egyptoil-gas.com

**Media & Statistics
Monitoring**
Ayman Rady

Contributors
Mohamed El-Sayed
Ashraf Said

Vice President
Laila Fayek
lfayek@egyptoil-gas.com

**Senior Business Development
Officer**
Amr Hegazy

Business Development Officer
Laila Solaiman
Roba Yehia

Administrative Manager
Marwa Madi

Data Entry Administrator
Basma Naguib

Senior Graphic Designer
Ahmed El-Degwy

Junior Graphic Designer
Shaima Sobhy

Cartoonist / Designer
Ramy Ameen

Production Advisor
Mohamed Tantawy

Accountant
Abdallah Elgohary

Legal Advisor
Mohamed Ibrahim

Newspaper Technical Advisors
Eng. El-Sayed Orabi - *EGPC*
Geol. Magdy Wedad - *PICO Energy*
Dr. Mohamed Ghareeb - *Lufkin*
Eng. Said Zaki - *Weatherford*

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

Publisher
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 25192108 Fax: +202 25191487
E-mail: info@egyptoil-gas.com www.egyptoil-gas.com

Price on the rise!

"Oh! Not again! Is this true? When is it supposed to increase?" These were my first comments when I read in many newspapers that fuel prices are to increase within the coming few days. It was said that all fuel types, whether 90, 92 and 95 will be raised, which follow the 100% increase in the mazot price applied last month.

Nearly two years ago, the government set their first significant increase; the 90 octane benzene increased by 30% and has counted for 1.30LE. The officials attributed the reason behind this decision as a means to cope with the unprecedented increase of international oil prices. A wave of complaints aroused during that time, as many claimed that the government had to study the side effects of such a decision before applying it, as it has led to the price increase of transportation, food, clothes....etc. However, the decision was made and complaints faded away.

Imagining the scenario in the shadow of a second increase, I believe that vehicle owners would reconsider their means of transportation. They would probably use their cars less and reduce the amount of purchased benzene.

Assuming that this will be the citizens' reaction, hence, the number of vehicles running in roads will decrease, which can be the key to solve the circulation problem we are daily suffering from. In a lecture held by the Consumer Protection Authority, one of the members stated that 10 years ago, the average speed in Egypt was nearly 41 km/hr, while in 2007 it became 21 km/hr. This shows that in the next ten years, the car speed would be 1 km/hr, which means a circulation blockage in Egypt.

I believe that a move towards fuel price increase is not solely for the circulation problem; it rings alarm bells to better utilize the country's oil resources, save them to the coming generations and better allocate the budget of subsidies, or else we will suffer from the coming energy war.

Personally, I do not deny the fact that Egypt provides one of the lowest fuel prices worldwide, which is a heavy burden on the Egyptian economy. And, when we tackle the problem of wasted subsidies that are losing directions to the targeted citizens, we definitely need to reconsider the subsidized petroleum products and where to allocate them. Although the government has full right, in my opinion, to apply a second increase, first it has to provide high quality transportation means with reasonable fees.

You should study all the pros and cons of a decision before making it, or else the situation will be worthless! That is what life has taught us.

Yomna Bassiouni
Managing Editor

MEDITERRANEAN OFFSHORE CONFERENCE & EXHIBITION

5th MOC 2008

20 - 22 MAY 2008 ALEXANDRIA - EGYPT

Under the HIGH PATRONAGE of

Egyptian Ministry of Petroleum





Official Show Daily Sponsor

Egypt Oil & Gas

MOC Show Daily Newsletter

Allow Egypt Oil & Gas to help you maximize your profile in MOC 2008

Brought to you by Egypt Oil & Gas, the Show Daily newsletter will be distributed to all MOC participants every morning and will cover different aspects of the conference and exhibition.

Through advertising in the Show Daily, we offer you the opportunity to increase awareness of your products/services and message and solidify a professional image during the event.






Advertising space is limited, so we strongly suggest that you reserve your space early

For more information:
Tel: (002-02) 2516 4776 - 2519 2108
Fax: (002-02) 2519 1487
Email: ahgazy@egyptoil-gas.com



© 2008 Tenaris. All rights reserved.

Tenaris. Innovations that make things go smoothly in a rough industry.

Millions of dollars a day ride on our ability to deliver the right pipes, on time, to some of the world's most inhospitable regions. With our mills on four continents working in concert, we are designing critical products, tackling supply chain inefficiencies, shortening delivery lead times and reducing risks. In short, we're making life easier and safer for one of the toughest, most important industries on earth.

Tubular technologies. Innovative services.

www.tenaris.com



Tenaris



Andrew's visit, a chance to bolster mutual cooperation

Eng. Sameh Fahmy, Minister of Petroleum, received Prince Andrew, the Duke of York, the representative of the United Kingdom for International Trade and Investment in the presence of the Chairmen of major English Petroleum companies operating in Egypt; BG, BP and Shell, where they discussed bolstering and continuing joint cooperation between Egypt and Britain, in addition to developing oil, gas and petrochemical joint projects.

The Egyptian Minister asserted that the visit of the Duke of York will give a momentum to increase mutual cooperation in light of the effective partnerships of the British companies working in Egypt in oil, gas, marketing and LNG export projects.

Fahmy pointed out that cooperation with the British companies represents an ongoing success model, in light of the stability and attracting investment atmosphere that Egypt enjoys.

During the talks, the three British oil companies' Chairmen reviewed their activities development in Egypt, praising the constructive cooperation with the petroleum sector, which contributed to the achievement of distinct results. As well as the various attracting investment opportunities in the field of exploration, especially that Egypt has virgin regions which have not been explored yet; while forecasts indicate that Egypt is a promising area and capable of producing crude oil and natural gas for long coming periods.

The talks shed light on the volume of British investments in the Egyptian fields, which account for nearly \$4.5 billion.

On the other side, Prince Andrew assured that the British investments success in the oil and gas industry domains represent an incentive for developing these investments, together with bolstering trade and economic cooperation between the two countries.

(MoP)

TransGlobe waiting for the final approval

TransGlobe Energy Corporation entered into an agreement to acquire privately-held GHP Exploration for \$40.2 million; holding a 30% interest in eight development leases and associated infrastructure in Egypt.

Expected to be closed this month, the transaction serves TransGlobe's aim to expand its presence in the Egyptian territories.

The eight approved West Gharib development leases encompass 178 square kilometers (approximately 44,059 acres) and are valid for 20 years. Modern 3-D seismic covers the majority of the development leases, reported *Rigzone*.

One additional development lease is currently awaiting final approval of the Egyptian Minister of Petroleum Eng. Sameh Fahmy.

It is worth to mention that TransGlobe has drilled and cased the Hana #11 well in the West Gharib area and anticipates releasing the completion testing results near the end of January. The drilling rig has moved to Hana #13, an appraisal/development location approximately 1 mile (1.6 kilometers) north of Hana #11. Moreover, an agreement was signed to provide a second deep rig for the area. This rig is expected to be delivered by mid 2008.

The working interest share of production for GHP is around 900 Bopd (approximately 450 net Bopd after the production sharing split with the Egyptian Government). Currently, the amount of gross oil pro-



duction from the eight development leases is nearly 3000 Bopd.

According to independent reserve auditors, GHP's working interest share of the eight leases is to contain 1.7 MMBbls proved reserves and 3.0 MMBbls of proved plus probable reserves.

(*Rigzone*)

Petrogas sets its feet in the Egyptian platform



As an attempt to strengthen its presence in North Africa, Oman's Petrogas has acquired a 30% stake in onshore Area A, in Egypt, from Australian player Oil Search.

The Omani company signed an agreement to acquire this stake in a deal comprising two exploration concessions and four development leases located along the western side of the Gulf of Suez, said Petrogas in a statement.

The deal is to boost the company's activities in the region of North Africa.

"Petrogas considers the deal to be a strategic move toward establishing an (exploration and production) business in Egypt and North Africa, and an opportunity to partner Oil Search in this and perhaps other ventures," added the statement.

(*Upstream Online*)

For the first time...

Petrojet manufactures oil extraction pumps domestically

In the context of the Petroleum Ministry's strategy in strengthening the domestic manufactories and workshops in the sector, Petrojet announced its success in manufacturing, absorbing and compressing oil extraction pumps for the first time in Egypt, after signing a cooperation agreement with the international Lufkin Company.

After receiving a report from Hani Dahi, the Chairman of Petrojet, Eng. Sameh Fahmy, the Minister of Petroleum asserted that the development of domestic manufactories serves the aim of decreasing the rate of importation, better utilizing the country's natural resources economically, in addition to creat-

ing more job opportunities for Egyptian youth.

The report highlighted that according to the terms of agreement, about 93 pumps were manufactured at the specialized workshops of Petrojet in Al Qatamyia. These pumps were utilized with high efficiency at the oil fields of the Eastern and Western Deserts.

As a result of this success, Lufkin asked Petrojet to manufacture 355 pumps this year; 80% of which are for local usage in production sites in Egypt, and 20% for export. This quantity presents approximately 10% of total Lufkin's production at the world scale.

(*MoP*)





BG names Egypt's first LNG ship



BG Egypt, a wholly owned subsidiary of BG Group plc, recently named the first Egyptian-owned Liquefied Natural Gas (LNG) ship, the Methane Nile Eagle.

The new vessel is expected to transport LNG from the LNG facility located in Idku, west of Alexandria to international markets, said the company in a statement.

The Methane Nile Eagle is owned by Egypt LNG Shipping Ltd, whose shareholders are BG Group, Eagle

Gas Shipping Co. ESA and GasLog Shipping Co. Ltd.

"BG has been a committed partner in Egypt for almost twenty years. The Methane Nile Eagle will play an important role in ensuring Egypt benefits from access to international gas import markets. This announcement is another milestone in the further development of our long-term commitment to the country," said BG Egypt President Ian Hewitt.

The 272-meters LNG ship is characterized by being

one of the largest operating vessels within BG Group's global fleet. It has a capacity of 145,000 cubic meters of LNG.

It is important to note that the Methane Nile Eagle is the eighth ship to be built for BG Group by Samsung Heavy Industries. The naming ceremony took place in Geoje Island, South Korea and the ship's maiden voyage was to Idku last month.

(BG Egypt Press Release)

Dana Gas flies beyond 2007 production expectations

Dana Gas announced an exit rate of 32,000 barrels of oil per day equivalent for 2007, exceeding company expectations. The early production from two new discoveries has contributed substantially to the favorable production rate and brings significant development potential to Egypt.

"We are excited about our recent successes, which confirm our confidence in the development opportunities in both the Upper Nile and Lower Egypt concessions," said Hany Elsharkawi, Dana Gas Egypt Country Director, expressing the Company's pride in producing the first oil in Upper Egypt and the rapid hook-up of the Dabayaa-2 well.

At the end of 2007, the first Middle East's regional private-sector natural gas company celebrated the New Year with the achievement of a historic discovery in Egypt. The Al Baraka discovery well has produced the first oil ever in Upper Egypt. In the short period of four months from discovery to first production, the first shipment of oil was delivered to the Assiut Refinery on December 27, 2007.

In addition to this discovery, Dana Gas' production was increased by approximately eight million cubic feet of gas and 240 barrels of condensate per day thanks to the Dabayaa-2 delineation well that was drilled on the east-



ern side of the West Manzala concession to appraise the Dabayaa-1 discovery well in the Lower Abu Madi Sandstone formation and ended-up with a new discovery in the Upper Abu Madi formation.

"The year 2008 will be a busy one for Dana Gas, with an active exploration and drilling program continuing in Egypt, as well as the startup of our major projects in the UAE and Northern Iraq. We are also actively evaluating a number of other interesting opportunities in the Middle East and North Africa," said Rashid Saif Al Jarwan, General Manager of Dana Gas.

(Dana Gas Press Release)

AGR Group's RMR secures 1st jack-up rig RMR commitment from BP

AGR Group entered its first jack-up agreement for its Riserless Mud Recovery (RMR) technology, on the jack-up rig Constellation II in Egypt, with BP.

"This is a significant, breakthrough agreement for AGR Group. This contract with BP and its joint venture partner on a Jack-up expands the potential market for the RMR considerably, when taking into account the addition of the jack-up rig market to our established presence on semi-submersibles," said Sverre Skogen, CEO AGR Group.

Previously the RMR, which is designed to re-circulate and reuse the drilling fluids that are needed when drilling top hole sections of a well, has been exclusively used on semi-sub rigs.

Jermund Kleppe of AGR Group and project leader on the Egypt well said, "The tophole the RMR will be used on is at 19 meters depth at the Rahamat Field outside Alexandria. The RMR was selected as it balances operational pressure in the well enabling drilling with heavier mud, while offering a virtually zero discharge solution. In the absence of the RMR, drilling of the well would have been considerably more expensive."

Since its introduction in last December, the RMR has been used to drill 58 wells, in locations including the Barents Sea, the Caspian Sea, the North Sea and the Asia Pacific region.

(Oil Voice)



Conoco, the “front-runner” for Abu Dhabi gas race



ConocoPhillips has joined the race to participate in a \$150 billion, multiyear project to develop the Shah natural gas field, Abu Dhabi, reported the *Daily News*.

The company is competing against firms that were perceived until last year as the finalists for this project, which were Occidental Petroleum Corporation and Royal Dutch Shell PLC.

The high value of this project lies in the fact that Shah Field's gas is tied with heavy concentrations of sulphur which makes it “poisonous and corrosive”. It is also known as a big energy development where foreign oil companies are addressed due to their technical expertise.

Adnoc, Abu Dhabi National Oil Co. was expected to name a partner for this project last year, and oil companies have become frustrated by the delay.

The Shah project is vital as it serves Abu Dhabi's aim to meet rising regional demand for gas. (AP & Daily News Egypt)

Schlumberger Q4 up to \$6.25 billion over last year

Schlumberger Limited reported 2007 revenue of \$23.28 billion versus \$19.23 billion in 2006.

Net income, excluding charges and credits, reached \$5.16 billion, representing diluted earnings-per-share of \$4.18 versus \$3.04 in 2006.

Fourth-quarter revenue reached \$6.25 billion versus \$5.93 billion in the third quarter of 2007, and \$5.35 billion in the fourth quarter of 2006.

Net income in the fourth quarter, excluding a \$17 million after-tax gain on the sale of certain work over rigs in the quarter, reached \$1.37 billion — an increase of 1% sequentially and 21% year-on-year. Diluted earnings-per-share, excluding this gain, were \$1.11 versus \$1.09 in the previous quarter, and \$0.92 in the fourth quarter of 2006.

Oilfield Services revenue of \$5.44 billion increased 6% sequentially and 18% year-on-year. Pretax segment operating income of \$1.54 billion increased 2% sequentially and 16% year-on-year.

WesternGeco revenue of \$798 million increased 1% compared to the prior quarter and increased 11% year-on-year. Pretax segment operating income of \$272 million decreased 11% sequentially but increased 4% year-on-year.

“Schlumberger revenues in 2007 grew by 21% driven by strong demand for oilfield services particularly in the Eastern Hemisphere and Latin America. All Technologies showed double-digit improvement, with Drilling & Measurements, Well Testing and Integrated Project Management recording the highest overall growth rates,” commented Schlumberger Chairman and CEO, Andrew Gould.

In the fourth quarter strong sequential revenue growth contributed significantly to overall performance, but a less favorable Oilfield Services revenue mix, lower pricing in US land operations, and a number of exceptional and seasonal weather effects led to less than satisfactory margins.

In addition, strong WesternGeco Multiclient sales



failed to offset lower Marine utilization for the quarter due to several vessels dry docking or seasonally transiting to new contracts with consequent margin decline.

“In line with this overall positive outlook, I am pleased to announce that the Board of Directors has increased the quarterly dividend for the fourth consecutive year,” added Gould.

(Rigzone)

Stratic Energy leaves the Tunisian sector

Stratic Energy has entered into a conditional sale agreement in respect of its Kerkouane permit offshore Tunisia, which is held 100% by Stratic.

The consideration is \$1 million in cash; however it is still subject to working capital adjustments.

According to *Rigzone*, completion of the agreement is conditional principally on approval by the

relevant Government authorities. This follows the sale, announced on November 26, 2007, of Stratic's interest in the Chorbane permit, onshore Tunisia, and will complete Stratic's exit from that country as part of the rationalization of assets acquired through the Grove Energy Ltd acquisition in 2007.

(Rigzone)

More investments to revive the Iranian sector

Hinduja Group is in the final negotiations phase with the Iranian officials to develop oil and gas fields in Iran and set up a refinery and LNG terminal in India involving a total investment of \$20 billion.



Hinduja, together with state-run ONGC's overseas arm ONGC Videsh Ltd, will court Iranian firms to invest U.S. \$8 billion in developing the 40 billion barrels Azadegan oilfield and Phase-12 of the giant South Pars gas field.

Switzerland-registered Naftiran Intertrade Co, a unit of National Iranian Oil Co, has been offered a stake in the 15 million tons oil refinery, one million tons petrochemical plant and 7.5 million tons LNG receipt facility planned by Hinduja-ONGC at an investment of over \$10 billion at either Kakinada in Andhra Pradesh or Mangalore in Karnataka.

The Indian consortium of Hinduja Group and OVL will get 60% stake in development of South Pars Phase-12 and just over 50% in Azadegan field, they said, adding that a contract will be signed within two months.

Azadegan field will produce 150,000 barrels per day of oil in the first phase that would double subsequently, while South Pars Phase-12 will produce 12 million tons of gas that will be converted into LNG at a two-billion dollar facility.

(Rigzone)

Sinopec reveals its 2007 profits

Sinopec, China's leading oil refiner, announced a \$9.63 billion net profit in 2007, compared to \$6.97 billion last year, said Cai Xiyu, a senior company executive.

The profit can be attributed to cost control, resources integration and technological innovation, reported the official Xinhua news agency.

Last August, Sinopec started the execution of one of its large projects to transmit gas from southwest China's Sichuan province to Shanghai. Sichuan includes one of the largest and most profitable fields in the country which is the Pu-guang field.

Although the high international crude oil prices have affected the oil sector worldwide, China has kept domestic oil prices much lower. In return, it gave Sinopec a subsidy to compensate for its losses at the end.

As for its future plans, the giant Chinese firm plans to expand overseas for oil assets. (United Press International)



SPERRY DRILLING SERVICES

>> Setting Direction With the Pilot™ Fleet

**For operations with tighter budgets,
we don't just point you in the right direction.**

>> We get you there, too.

Sperry Drilling Services' new EZ-Pilot® point-the-bit drilling system brings the speed and efficiency of rotary steerable technology to land and shallow water operators. The practical EZ-Pilot rotary steerable system solution helps increase daily footage, eliminate hole spiraling and improve directional control in vertical, high-angle and horizontal wells. Integrated with Sperry's DWD™ measurement-while-drilling system, the EZ-Pilot system guides you straight to your target in less time.

EZ-Pilot
System

Whatever your drilling challenge, Halliburton has a solution. To learn more about how we are setting direction with the Pilot Fleet, check out our Geo-Pilot®, Geo-Pilot® XL, Geo-Pilot® GXT, EZ-Pilot and V-Pilot® systems at www.halliburton.com/pilot, or call 202-759-1000.

Unleash the energy.™

HALLIBURTON



Champions Egypt crush Cameroon 4-2

Mohamed Zidan scored a first-half double as title holders Egypt made an impressive start in the African Nations Cup with a 4-2 thrashing of Cameroon.

The striker netted in the 17th minute and in first half stoppage time as Egypt went 3-0 up at the interval in the Group C game at Kumasi's Baba Yara stadium.

Midfielder Hosni Abd Rabou also scored twice, putting Egypt ahead with a 14th-minute penalty and adding a powerful shot nine minutes from time.

Samuel Eto'o pulled two back for Cameroon, heading in a cross six minutes into the second half and converting a penalty just before the final whistle.

Egypt showed the title they won two years ago on home turf, their fifth all told, was no fluke and sent a serious warning to the other contenders.

"We are not here just to be part of the tournament, we are here to win a second successive title," Zidan told Ghanaian television channel TV3.

Asyut Petroleum clearly stated: expect the unexpected!

In one of the biggest surprise in the Egyptian cup, Asyut Petroleum ousted Champions Ahli with a 1-0 victory.

The second-division side capped their dominance with a superb 49th-minute goal to hand Ahli their first domestic defeat of the season. Hamdi Seif pinned a pinpoint cross from the right-hand side into the top corner of the net.

Ahli, who won back-to-back cup titles the last two seasons, played 23 minutes with 10 men after Moetazbellah Eno received his marching orders after a harsh challenge.

By this victory, Asyut Petroleum advance to meet ENPPI in the round of the 16.

Ronaldo hat-trick fires Manchester to summit



Cristiano Ronaldo scored the first hat-trick of his career as Manchester United thumped Newcastle 6-0 to leapfrog Arsenal into the Premiership summit.

The defending champions now have 51 points, level with Arsenal, but leading on one-goal difference.

Ronaldo was the man of the game with dominant display in the midfield. Carlos Tevez posted a double and stand-in captain Rio Ferdinand completed the rout.

Newcastle played without a manager but managed to keep United at bay in the first period. But the floodgates opened after the restart as Ronaldo's wicked free-kick opened the scoring in the 48th minute.

Argentina striker Tevez doubled the lead in the 55th minute, converting Ryan Giggs' square pass home.

Ronaldo stretched the lead with a fierce shot from inside the area after being set-up by Tevez in the 70th minute.

Ferdinand volleyed home in the 85th minute and Ronaldo produced another piece of magic before burying the fifth home three minutes later.

Tevez headed into the crossbar and his ball fell behind the goal line as United wrapped up a precious victory.

Eto'o gets ready for the African Nations Cup

Samuel Eto'o, the Cameroon striker heads for the African Nations Cup after a goal-scoring performance for Barcelona that is sure to be a major boost for his Cameroon team mates ahead of the tournament in Ghana.

Due to Barca's league match against Murcia, Eto'o was unable to fly to Ghana like most of the other top African players who have already joined up their national squads.

The striker scored twice in a 4-0 victory for the Catalans, a welcome show of form ahead of the finals which run from January 20 to February 10. This victory granted four points to the Spanish league leaders Real Madrid.

The Cameroon striker wrapped up the home side's victory after earlier goals from Eidur Gudjohnsen and teenager Bojan Krkic.

Gudjohnsen opened the scoring in the 27th minute from just inside the penalty area following a pass from Gianluca Zambrotta before Rafael Marquez and Thierry Henry missed chances to extend second-placed Barca's lead.

France forward Henry made amends for his miss when he set up the 17-year-old Krkic seven minutes after half-time, having burst free down the left to the by-line before delivering a perfect low cross.



Murcia goalkeeper Antonio Notario denied the hosts with several fine saves before Eto'o finally made it safe in the 77th minute with a clinical effort after another fine cross from the left by Henry.

Zambrotta then hit the post, while Eto'o - who returned last month after four months out following knee surgery - made it four goals in four games in the 87th minute when he stabbed in Giovanni's cross.



Murless controls the European Tour's Joburg Open

The vastly experienced Darren Clarke is one of 18 players within five shots of the lead going into the final round Sunday of the European Tour's Joburg Open.

The 39-year-old Ryder Cup star, trying to get his game back on track after it went sour following the death from cancer of his wife Heather in August 2006, birdied the par-5 18th hole on Royal Johannesburg's East course Saturday for a 67 and an eight-under-par aggregate of 205.

Mark Murless, who has never owned a European Tour card but will earn himself one if he hangs on for victory the first day, leads the tournament on 11-under 202 after a 69 the following day.

The 31-year-old South African is two ahead of Germany's Sven Struver (66), Spain's Pablo Larrazabal (70) who is a European Tour rookie after getting through Q-School last year, and 20-year-old South African Tyrone Ferreira who is playing his very first tournament in the paid ranks.

"It's wide open but from a personal point of view I'm feeling confident," said Clarke, hero of four European Ryder Cup victories and once ranked in the world's top 10 although he has since dropped to No 229.

The 40-year-old German has won three times on the European Tour since turning professional in 1990, although he lost his card in 2007 when he finished just outside the designated top 116 on the Order of Merit.

Murray crashes out of Aussie Open

Qatar Open champion Andy Murray was the first big casualty of the Australian Open after crashing out to little known French player Jo-Wilfried Tsonga of France 7-5, 6-4, 0-6, 7-6 (5) in Melbourne.

There were no such problems for defending women's champion Serena Williams and Justine Henin who both cruised through their first round matches.

"I think I was a wee bit nervous out there," defending champion Williams admitted after beating Jarmila Gajdosova 6-3, 6-3 in the first match on centre court.

"I think everyone could probably tell I was a little scratchy. But it's the first round... just moving forward."

Top-ranked Henin, making her first appearance here since defaulting with an upset stomach in the 2006 final against Amelie Mauresmo and sitting out last year with personal problems, ran off the last six games to finish off a 6-2, 6-2 victory over Japan's Aiko Nakamura.

"It was a little bit windy and she had a game that wasn't the easiest for me to start the tournament. I'm



glad it's behind me now," said Henin, who pushed her winning streak to 29 matches, six short of Venus Williams' record.

Andy Roddick, who himself was given a tough time by Tsonga in the first round last year, had an easier time this time around.

The sixth-seed advanced 6-3, 6-4, 7-5 over Czech qualifier Lukas Dlouhy, who self-destructed with 12 double-faults in the first two sets.

No. 4 Nikolay Davydenko, still subject to an ATP investigation into illegal gambling, beat Michael Llodra 7-5, 7-5, 6-3.



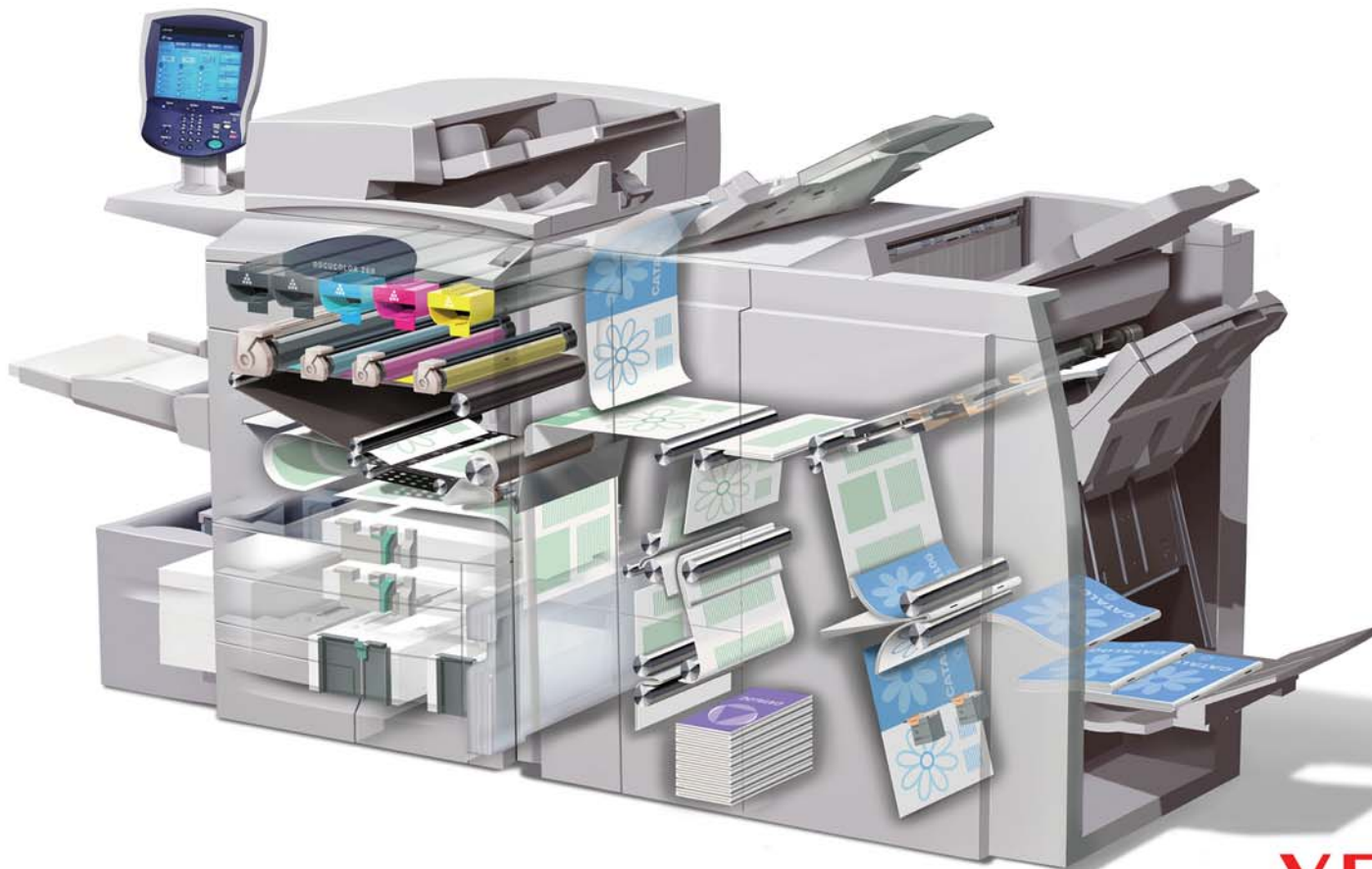
XEROX® Easy Affordable color for any environment

DocuColor 252/260

production multifunction

The DocuColor 252/260 printer/copiers enable the production of all types of applications and are ideal for a wide array of printing environments.

- 50/ 60 impression per minute at rated speed even with variable data, simplifies the copying and scanning of large jobs, offering scan speed up to 50 ppm color and 80 ppm black and white with 2400 X 2400 dpi.
- Whether your business is large or small enterprise we can provide you with cost-effective solutions tailored to suite your business requirements - and your budget.



XEROX®

Call Xerox short number 19611
visit our site www.xerox.com

Technology | Document Management | Consulting Services



Gas-to-Liquid: Is it an attractive route for gas monetization? Part II

GTL or LNG: Which route to choose?

By: Osama Abdul Rahman
General Manager of Orient Environmental Consultants (OEC)



A gas producer is always trying to maximize his profit from this valuable hydrocarbon resource. His target revolves around the need to have a sustainable market for his gas at minimum operating cost and highest revenue.

If a gas market is available to producer within relatively a short distance, for instance less than 2000 km, and if the gas buyer can commit a long term gas purchase agreement for the total quantity of gas, then the most economical option available to the gas producer appears to be the installation of a pipeline to sell the gas to this market (a take or pay clause is sometimes incorporated in such agreements). In actual practice, this is not the case for most of the gas producers.

Gas production, in most of the cases, exceeds the gas demand of the nearby market and sometimes, the gas production is located in locations very far from the market, which makes the pipeline option either less economically attractive or even not technically feasible.

Excluding this pipeline option, it is essential to find another mean to monetize the gas discoveries at these locations. Considering the fact that liquid is economically easier to be transported for very long distances, the option of liquefying the gas or converts it into liquid is emerged.

First Option: LNG

The process of gas liquefaction and the production of LNG are based on chilling the gas to a very low tem-

perature, around -165°C after the removal of impurities in the gas, such as Sulphur, Carbon Dioxide and in some cases Nitrogen; which is normally removed from the LNG product rather than the gas feed. The LNG is then stored in a specially designed tanks, shipped in a special LNG carrier, received in a suitable LNG receiving terminal where it gets re-gasified (converted into gas) and then supplied to consumers which are mainly power stations. The gas is also used after compression (CNG) as a clean fuel for vehicles.

The LNG route requires:

- Large proven gas reserves. A world scale LNG plant requires a proven gas reserve of at least 4 Trillion SCF of gas
- Long term gas supply commitment, normally for not less than 20 years
- Long term gas purchase agreement for the same period which includes in most of the cases a Take or Pay clause to protect the large investment of LNG production made by the gas seller
- Special LNG carriers to be dedicated for the LNG plant production and its market
- LNG receiving and vaporizing terminal

The problem of LNG marketing is that it traditionally does not have a spot sale market which means that any LNG plant should have its own dedicated market for the life of the plant. At present, minor quantities of LNG is being marketed on spot basis. However, the LNG spot market is increasing.

Second Option: GTL

The other option of gas utilization is converting it into petroleum products of superior quality through the Gas to Liquid (GTL) process.

The GTL process is based on Fischer – Tropsch (F-T) reaction for the conversion of Synthesis gas ($\text{CO} + \text{H}_2$) into liquid petroleum fraction. The products from GTL plants are the same as those produced from a refinery. They can mix easily with the available infra structure of the petroleum products

• Production Cost for The GTL Route

The quantity of natural gas required to produce one barrel of products is about 10,000 SCF. The investment required is in the range of \$25,000 – 30,000/BPD of products. GTL plant operating cost, excluding depreciation and feedstock cost is in the range of \$4–6/Bbl.

Based on the above, the production cost of a barrel of GTL products is estimated as follows:

Feedstock Cost:
\$5 (at gas price of \$0.5/MMBT) – \$10 (at \$1/MMBTU gas price)
Capital Cost (at 15 % ROI): \$11- \$14
Operating cost: \$ 4-6
Total Production Cost: \$20-\$ 30 (per barrel of products)

Note that for each increase of \$0.5 /MMBTU in gas price, GTL operating cost increases by \$5/Bbl of GTL products.

Benefiting from a long term up-cycle in E&P Investment

WE think the Q4 2007 sell-off in oil services did not reflect the industry's correct fundamental picture. With structural resource imbalances in the oil industry taking decades to emerge and decades to repair, we believe we are now only a few years into a period of pronounced «capex catch-up» which is likely to persist well into the next decade.

Unless long term oil price expectations fall below USD50/bbl, we expect this investment response to remain rather strong, especially for deepwater work where economics and discovery potential are attractive. We believe the longevity of this investment cycle and what it implies for oil services demand is currently under-estimated by the market.

Oil & gas capex already rising for 2008

Recent capital spending guidance from the oil majors already re-enforces this «stronger for longer» outlook, with 2008 capex budgets up around 15% versus 2007 for the likes of StatoilHydro, ConocoPhillips and Chevron Texaco. Some of this increase is cost inflation (perhaps half) but if more services resource is available (more rigs, more contractors, more installation vessels, and most importantly more people) then we believe overall activity will increase. The services industry is adding supply at a fair rate, but lead times for major equipment continue to lengthen and we expect the oil industry's needs will absorb much of this new resource.

Industry view

We favor deepwater exposure, driving long term growth in floating production, both growth and potential margin upside in subsea equipment / offshore engineering, and a «stronger for longer» cycle in deepwater drilling. With 60-70 new floater rigs arriving by 2010/2011 we also see an acceleration of development and appraisal work. All these drivers should support a continuation of growth well past 2009e and margin upside over 2008-2010e for the majority of offshore service contractors.

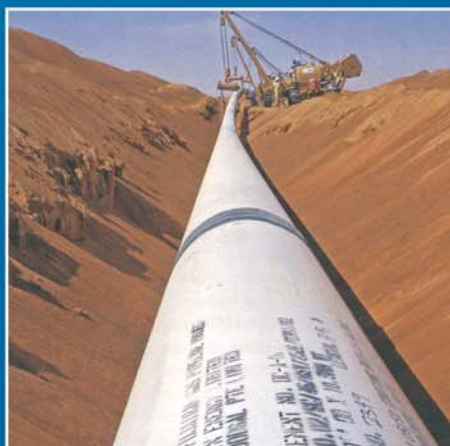
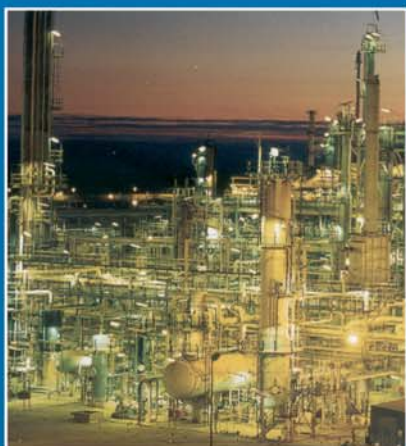
HSBC 
Global Research



20 - 22 MAY 2008 - ALEXANDRIA - EGYPT

MOC 2008

WWW.MOC2008.COM



5th

MEDITERRANEAN OFFSHORE CONFERENCE & EXHIBITION
THE ONLY OFFICIAL OIL & GAS EVENT IN EGYPT

MEDITERRANEAN SEA: FUELLING THE FUTURE

Under the High Patronage of:

H.E. Eng. Sameh Fahmy - The Minister of Petroleum of Egypt



Egyptian Ministry of Petroleum



EGYPTIAN GENERAL
PETROLEUM
CORPORATION



EGYPTIAN GAS
HOLDING
COMPANY



GANOUB EL
WADI HOLDING
COMPANY



EGYPTIAN HOLDING
COMPANY FOR
PETROCHEMICALS

CONFERENCE ORGANISER



EGPC Egyptian General Petroleum Corporation
Palestine St., Part 4 - New Maadi, Cairo - Egypt
Phone +202 7065210 - Fax +202 7065359
e-mail: conference@moc2008.com

EXHIBITION ORGANISER



IES Srl
Z.I. Settevene, Via Cassia km 36,400 - Nepi (VT) - 01036, Italy
Phone +39 0761 527976 - Fax +39 0761 527945
e-mail: exhibition@moc2008.com



Leading ladies... Stories of success

Many female careerists have carved a niche for themselves in the male-dominated oil industry

By Mohamed El-Sayed

TO be an Egyptian working woman is no easy task. To be a successful female in a heavily male-dominated field is, by all means, a success story that is worth telling.

The difficulties facing female leaders in the oil companies stem from the fact that they have to establish themselves among male colleagues, and that they have to juggle a full-time, challenging job and homemaking. They are always required to show a great deal of perseverance at work to stand out and rise in the ranks, and a considerable time-management skills to be a successful mother.

Egypt Oil & Gas Newspaper interviewed two of the key leaders in oil companies who managed to strike a balance between their careers and families.

The Fighter

Graduated in the geology department at the Faculty of Sciences, Cairo University, Safaa Sharabi was determined to pursue a career in the field she studied and had passion for. She joined the Egyptian Geological Survey Authority, affiliated with the Ministry of Petroleum, and specialized in micro biostratigraphy.

Her work was to study, analyze and treat the micro fossil samples taken from oil fields in order to estimate their age and the atmosphere in which they were created. Afterwards, she joined the International Egyptian Oil Company (IEOC), an Italian joint venture, from 1980 to 1986.

As a matter of fact, honing work skills by pursuing higher studies was not a means to show off for Sharabi. Rather, it was a necessity for her career to flourish. Consequently, she decided to spend four years from 1986 to 1990 to obtain a Master's degree. Six years later, she obtained her PhD in 1996.

"Some male workmates have sensitivities toward female workmates. They think that females are not suitable for and cannot endure heavy work in oil-related fields," she admits. "However, there are many of them who encourage and give me enormous support throughout my career".

For many females, claiming a higher position in an oil company might be their only career ambition. Sharabi, however, made a breakthrough in her career by taking the risk of opening her private venture, Geocom, in 1998. "I started it from scratch," she said about her company. "In the very beginning it was very difficult in terms of financing and administrative logistics," she added.

Her concerns were not centred on financial and administrative hassles only; the possibility that other companies might be reluctant to enter into deals with a company with a female at its helm was another problem. "Our distinguished services were enough to refute any claims or rumours circulated about the inability of my company," Sharabi recalls.

Achieving success mainly depends on the

personal characteristics of a female leader who wants to pull herself up by her bootstraps. "Many females have enough knowledge [to be leaders in an oil company]. Yes, there are many obstacles and problems in the face of any female leader in the oil industry, but you should be a fighter so that you could work your way up," she points out.

Many female leaders might find themselves between a rock and hard place when it comes to managing family affairs and challenging work position. "I have a wonderful family consisting of three children. Two of them completed their university studies and are married now, and the third one to finish his university studies this year," she says.

Bringing up three children and starting up a private venture were not to be achieved without the moral support of a helpful husband. "He encouraged and supported me a lot throughout my career," Sharabi says of her husband. "He is an enlightened person to whom I owe a lot of my success," she points out.

For a young woman to leave a mark in the oil field industry, it calls for many things. "Any young woman in the beginning of her career in the oil field should secure the support of her husband before going any further. I know of many female colleagues who are able to rise in the ranks and become leaders, but their husbands are objecting to their increased dedication to work," she says.

In fact, the numbers of young women who want to pursue a career in the oil field is on the decline, according to Sharabi.

Satisfied with what she has achieved so far, Sharabi is wishing that her business will prosper and expand outside Egypt. "When my private business started, we were dealing with a very minor company exploring oil in the Gulf of Suez. Then we started working with companies digging oil fields in the Western Desert, and then we began doing business in the Delta," she recalls.

The passionate marketing researcher

Having obtained her economics and political sciences degree from the American University in Cairo, Alyaa Abdel-Latif started her career in the External Relations Department

In 2005/06, Female's contribution to labour force reached about 19% within the framework of the State's interest in women affairs and expansion in educating and employing females. Labour force during 2006/07 is expected to reach about 22.4 million, at a growth rate of about 2.8%. This leads to a decrease in the volume of unemployment from about 2.1 million in 2005/06 to about 2.08 million in 2006/07, thus bringing down unemployment rate from 9.6% to 9.3%.

Source: Egypt State Information

at the Egyptian Oil Authority. Her marketing research skills as well as speaking many languages helped her to stand out.

Abdel-Latif found it convenient to specialize in external relations affairs, where she had the opportunity to display her skills. "I hardly found any obstacles in my way as a female working in an oil and gas company, but this might be due to the fact that I was not involved in the technical side of work," she says. "Other than normal competition between colleagues, I was encouraged by my seniors at work."

Abdel-Latif was lucky to have married a husband who is involved in the oil business. And this, of course, boosted common understanding between them. "My husband, who is a chairman of an oil company, was fully aware of the nature of my work," she says.

Juggling a challenging, demanding career and not-easily-tackled homemaking is, by all means, a test of endurance for a working woman. But for Abdel-Latif, it was as easy as pie, thanks to the moral support she receives from her family. "I give my family their due, and I give my its due," she simply puts it. "When I gave birth to my children, I dedicated a considerable time to them, and at the same time I did my best at work," she says.

Any young woman in the very beginning of

her career in an oil company should firmly believe in what she does, Abdel-Latif opines. Developing one's personal skills and languages is all-important for a female careerist. "She must dedicate a great deal of her time to taking training courses. She must not knuckle under [pressures], and be perseverant in her work" to be able to achieve professional advancement.

Making best use of one's seniors' knowledge and experience is key element for a successful career. "Efficiency is a decisive factor in occupying high position in oil companies. So, a female careerist should not give herself excuses for not being able to occupy higher positions on the pretext that she is a woman," she points out.

The society's vision of a working woman has changed a long time ago, since numerous females have occupied senior positions, especially in the oil field, where there is no distinction between male and female, Abdel-Latif opines.

"Thanks to God I have achieved many successes in my career. I have risen in the ranks until I became assistant chairman of the Natural Gas Holding Company for external affairs. I have also been the general manager of marketing research department at the Egyptian Petroleum Authority," she says.

Egyptian Southern Valley lures more oil firms

In less than a decade, Egypt's Southern valley has been revived with more international oil companies showing interest in the area, which uncover one of the lucrative richnesses of the Egyptian petroleum sector

By Ashraf Said

WITH the establishment of the Ganoub al-Wadi Petroleum Holding Company (Ganope) in 2003, chances emerged for oil companies to have an easy access to the region and deal with a specific agency responsible for this promising area.

Officials at the Egyptian Ministry of Petroleum and Ganoub Company see the concession areas available in southern Egypt as being surrounded with huge oil reserves in eastern Libya and the border area with Sudan. They project that southern part of nation will be in the future a major fuel reserve area because of its enormous natural gas and crude riches.

According to Ezzat Saqr, the Deputy Chairman of Ganope for Exploration Affairs, the area gives small and medium-scale oil companies a chance to establish themselves strongly in the natural gas and crude markets in Egypt. He argues that there are vast promising stretches of land in the area offered by his company for exploration and oil operations.

"International oil companies are really interested in the tenders launched by Ganope," he said. "Some thirteen companies showed up for the third tender. This is a sign of growing interest on the part of the international oil companies in the tenders called by the Egyptian company."

Saqr highlighted that since 2003, the company has focused its attention on the Southern Valley where it has set up an integrated data basis covering all activities of exploration and production and the area's present future needs of all oil products until the year 2020. Ganope has also compiled an inventory of the fuel and services stations with the aim of upgrading them. In addition, it has conducted feasibility studies on building such facilities as warehouses and crude pipelines.

It's worth mentioning that, during the last three years, Upper Egypt has witnessed an intensive research and exploration operations after the success of Ganope in signing 10 petroleum agreements with Arab and foreign companies covering 220 thousand km², with total investments of \$282 million for drilling 46 exploratory wells compared to only 12 wells drilled in the region during the last century.

Ganope is one of four holding companies owned by the Egyptian Ministry of Petroleum holding companies which together undertake the responsibility for all oil-related activities in Egypt. But Ganope's area of jurisdiction is focused on the southern part of the nation.

"In fact the area holds lucrative option for small and medium-scale oil companies," said Eng. Hassan Akl, former chairman of Ganope, adding that "for long, the area was neglected by international oil companies due to the high costs and difficult exploration operations."

Upper Egypt witnessed the first oil discovery in Kom Ombo area, about 80 km northwest Aswan city, 25 km northwest the city of Kom Ombo, for the first time in its history.

Hany Elsharkawi, Dana Gas Egypt Country director, reviewed the assessment program of the new discovery, which was named "Al Baraka" and its development plan along with determining the needed investments to drill appraisal and productive well.

Akl underlined that a joint committee was formed between Ganoub Al-Wadi and Centurion, Dana's upstream division for the development of the field aiming at selecting the best locations to drill the development wells of the discovered layer.

Holding Company warns against waste of funds in Agrium project

By Ashraf Said

TENSION aroused between E-Agrium Company and the governorate of Damietta; as the latter accused the former for violating the contract terms concerning the construction of a complex for nitrogen production in Damietta.

Egypt's Petrochemicals Holding Company (Echem) has warned against wasting about E£300 million of funds in case of closing E-Agrium's plant. The plant's investments are projected to reach \$1.2 billion by 2010.

A senior official at Echem, however, refuted claims about a dispute with the Canadian company over the profit. "The company has fulfilled all its obligations and obtained approvals from various government agencies over the project which would spur an upsurge in ammonia production," said the official.

Germany's Uhde GmbH is to carry out the design and construction works of this plant, which consists of an ammonia unit with a capacity of 100,000 tons/year and a 1.3mn tons/year urea plant. The German company is expected to finalize this phase in 2010.

Atrium's Egyptian partners will provide natural gas as feedstock. The Canadian firm holds 60% in the Agrium-Egypt for Nitrogen Products (E-Agrium) company, while Echem holds the remaining 40%.

Mohammad Kosba, the representative of Damietta at the People's Assembly, said he filed an inquiry to the Prime Minister and other government ministers on the environmental hazards of allowing the Canadian company to produce liquid ammonia in the Damietta Port.

On the other side, officials from Echem insisted that the project would generate no threats to the environment, noting that their company controlled 40% of the new plant and would face legal action in case of environmental hazards.

Agrium Canada has presented an offer to the authority of Damietta Port to establish a maritime terminal, in addition to an area of maritime facilities (export, import, shipping, handling and unloading... etc) to be dedicated to its new factory in the industrial zone in the East of the port, added officials.

Last November, E-Agrium approached banks for \$750mn worth of funding for the project, which is considered as a part of Egypt's three-phase Petrochemicals Master Plan, which is currently implemented by Echem.

The plan revolves around the establishment of 14 petrochemical complexes, 24 projects and 50 production units worth an investment of \$10 billion over 20 years. Egypt plans to raise the petrochemical production to 15 million tons/year by 2020.



Mashreq Gas Market... Is it the Middle East Bridge to the EU?

Since the implementation flag of the Euro-Mashreq Gas Project signaled the debut, hopes and anticipations have been directed to this 6-million Euros project that will strengthen regional cooperation in channeling natural gas from Arab countries to Europe. But, will it fulfill the hopes of the Arab countries and EU?

By Yomna Bassiouni



WITH the aim of developing a strong regional gas industry, the Euro-Mashreq Gas Project has entered into an execution phase two years ago, in February 2006. The project's goals are to reform and modernize the gas industry with emphasis on gas market and network development, strengthen the legal and regulatory framework, and transfer the "know how" and expertise to the administrations, institutions and companies of the Mashreq region.

More importantly, the project is expected to contribute to the integration of the gas markets of Egypt, Jordan, Lebanon and Syria, in view of creating a regional internal gas market to be in-

tegrated with the EU internal Gas Market. It is worth mentioning that these four countries have contributed with €1 million to fund the project.

Addressing a Euro-Mediterranean ministerial conference on energy in Limassol, Cyprus, last December, the Egyptian Minister of Petroleum Eng. Sameh Fahmy affirmed that Egypt is qualified to become an international economic commercial center for oil and gas by linking areas producing crude oil and gas in the Arab Gulf and the Mediterranean Sea to areas of consumption in Europe and the Far East, thanks to its strategic location.

A Euro-Arab Mashreq Gas Co-operation Centre was established in Damascus, in January 2006, with liaison offices in Cairo, Amman and Beirut.

It carries the responsibility for promoting

industry, creating links to other markets and especially the EU, are high priorities. This is an important project and it has my full support."

This Centre will prepare a Gas Master Plan and Network Development Plan for the region, formulate recommendations for improving the legislative and regulatory framework for gas, and provide training and know-how transfer to people in the gas industry.

Moreover, it will enhance the process of exchanging information agreements between the Euro-Arab Mashreq Gas Cooperation Centre and EU Universities and/or similar institutions in addition to the improvement of the skills and knowledge about EU business and legislative practices of the staff in the beneficiary countries' gas sector (public and private sector).

Frank Hesske, Head of the Delegation of the European Commission to Syria expressed his view concerning this project, stating that "the European Union has a long history of successful co-operation with the Governments of Egypt, Jordan, Lebanon and Syria. This project will have long term strategic benefits for the region and for the EU."

The establishment of the Mashreq Gas Market will push forward the security of energy supplies, clarified

“ This project will have long term strategic benefits for the region (Middle East) and for the EU ”

gas markets co-operation between Egypt, Jordan, Lebanon and Syria and between these countries and the EU, and for implementing the Euro-Arab Mashreq Gas Markets Project, expected to be completed by next October.

The Syrian Minister of Petroleum and Mineral Resources, Eng. Sufian Al-Alao said, "the development of our gas in-

Sameh Fahmy. "In addition, Arab Gas Pipeline project is considered one of the most significant mechanisms to establish an interconnected Mashreq gas market," he added.

Last November, the EU and the Government of Egypt organized a Ministerial level EU-Africa-Middle East Energy Conference, which was held at Sharm El Sheikh. The participants exchanged information on common energy policy challenges and discussed policy responses. Initiatives to enhance energy cooperation were discussed, including the extension of this Project and its possible replication in other areas. Press reports from the Conference indicated that Egypt and Iraq will supply gas to the EU through the Arab Gas Pipeline in 2008.

www.3M.com/OilandGas



From the wellhead to the retail pump, 3M serves the global Oil & Gas industry with more than 10,000 products designed to improve safety, productivity and profitability







3M Maintenance, Repair and Operations Solutions
for the Oil & Gas Industry

Oil & Gas Business
3M Egypt
Sofitel Tower, Corniche El-Nil St.
P.O. Box 69 Maadi, Cairo, Egypt.
Tel. : +2 (02) 25259007
Fax : +2 (02) 25259004
Email : www.3M.com/eg

Contact name : Mohamed Saleh
Title : Team Leader
E-mail : mhsaleh@3M.COM
Mobile no. : +2(010) 5385805











CHEMICAL INDUSTRY

Advanced sigma epoxy tank-lining technology protects tanks from corrosion and aggressive chemicals, and at the same time protects cargoes from contamination in storage.



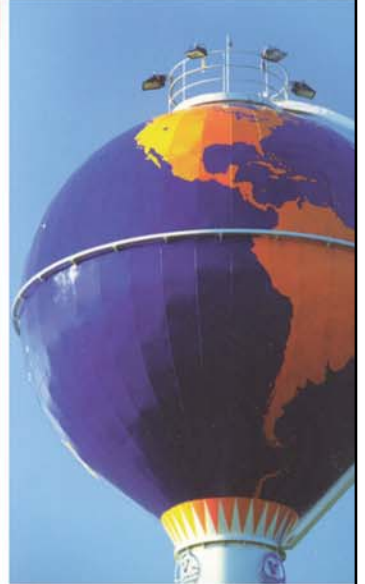
Sigma Coatings systems designed for nuclear, thermal, hydro, cogeneration, wind power and power transmission are currently protecting and maintaining projects in more than 30 countries.

POWER



WATER AND WASTE

Drinking water is notoriously difficult to store and no toxic components may be used in tank coatings developed for the purpose. Sigma have solvent-free protective coatings that meet the need.

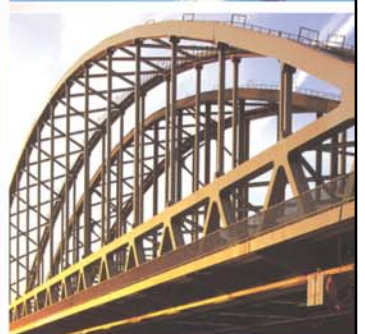


OIL AND GAS

Protective coatings for offshore structures can provide effective protection in sub-zero North sea temperatures or the heat and humidity of the Gulf.

RAIL

Consultation with our customers and promoting significant improvements in paint shop efficiency and productivity has helped Sigma to become the leading rail coatings.



INFRASTRUCTURE

Frequently located over water or deep valleys, bridges are often difficult to access and expensive to repaint-that's why they need the long lasting anticorrosive properties of Sigma's advanced epoxy technology coatings.

THE PERFECTION OF PROTECTION



**SIGMA
COATINGS**

Sigma Paints Egypt - Ltd

Head Office:

Villa 8, 279 st. - New Maadi- Cairo.

Tel: (+202) 2516 3797 Fax: (+202) 2516 3804

Alexandria Branch:

89, Street No. 20 Mostafa Kamal buildings.

Tel: (+203) 5233 663 Fax: (+203) 5437 578



Between a rock and a hard place

By Mohamed El-Sayed

PERHAPS precious few observers were able to read between the lines of the government statement given by Prime Minister Ahmed Nazif before the People's Assembly (the upper house of parliament) in the last week of 2007. "We will never cut the government subsidies to butagaz and bread," stressed Nazif, while he didn't mention anything about other subsidized energy sources.

No wonder then that the government announced a 100% increase in mazout and by the beginning of the new year. According to the new prices, a ton of mazout has soared from LE 500 to LE 1000, while butamin prices rose from LE 550 to LE 1000. Officials at the

ministries of petroleum and finance defended the unexpected rise, arguing that it was aimed at bridging the gap between local and international prices (\$300 per ton).

The dramatic upturn in mazout prices is, in fact, attributed to a significant increase in local consumption combined with skyrocketing oil prices. Egypt's consumption of mazout hit 8.5 million tons; one-third of this amount is used in electricity plants. Therefore, the Ministry of Electricity and Energy decided few weeks ago to raise electricity prices; observers forecasted a significant increase in oil derivatives which is the spinal cord of power plants. The decision also is expected to make waves in construction sectors. Many experts estimated an average rise of LE400-500 in the price of a one square meter

the idea of cutting subsidies on basic commodities like bread, news reports had it that senior security officials warned against a new bread riots like those happened in 1977 when then-president Anwar Sadat attempted to cut subsidies on a range of foods. According to independent estimates, around 80% of the population benefits from the LE65 billion subsidies program. Perhaps, that was the reason behind the Prime Minister's meeting with editors-in-chief of independent and opposition newspapers last month. Nazif tried to soothe their worries concerning the subsidies issue.

Pulling the plug on government subsidies seems to be the only solution available for policy-makers. But the social and political consequences are still uncertain.



in newly built residential units, for the cost of brick — whose manufacturing depends mainly on mazout — hit new highs.

The rise in mazout and butamin came to crown a series of rises in basic commodities prices over the past year. With oil subsidies expected to hover around LE50 million and skyrocketing oil prices that exceeded \$100 in January, policy-makers were caught between the devil and deep blue sea: either to cut government subsidies on oil derivatives or face a serious deficit in the state budget.

In fact, raising the prices of mazout and butamin is widely believed to be merely a step towards cutting subsidies on other oil derivatives like petrol and solar. News reports also had it that there were disagreement between the economic portfolio ministers (ministers of finance, trade and industry, investment) and high-profile security officials over the timing of cutting subsidies on other oil derivatives. Security sources stressed that raising the prices of petrol and solar could lead to serious results among the poor categories, since transportation fares would be affected.

Nevertheless, informed government sources expected a significant increase in these two derivatives in the middle of the year. "The prices of fuel 90, 92, 95 will be increased. Also solar prices will be raised since it is not fair to keep subsidizing it while it is sold to yachts of the rich and resorts, taking into consideration that its international prices are soaring," said a source in the oil ministry.

When government officials started in the past two months to float

Bhutto's assassination is not the only reason



THERE is never a dull moment in the Middle East. And hence the prices of crude oil, produced mainly from this ever turbulent region, are always hanging in the balance. And as one oil trading expert put it, everybody wants calm when they are talking about pricing energy. But, calm is a missing word in the Middle East lexicon.

As expected, oil prices hit new highs in the aftermath of the assassination of Pakistani opposition leader Benazir Bhutto, last December, which raised usual concerns about political stability in the entire Middle East. The anticipated killing, which claimed the lives of 20 others at a campaign rally, catapulted prices to touch and even exceed the \$100 mark for the first time in decades.

The assassination coincided with a fall in oil supplies by 1.3 million barrels, according to the American Energy Department Information administration, due to bad, foggy weather which prevented oil tankers from entering the Houston Ship Channel and delivering their cargoes. The oil market traders were already holding their breath during the military tensions between Turkey and Kurdish rebels in northern Iraq, which helped prices to soar two months ago.

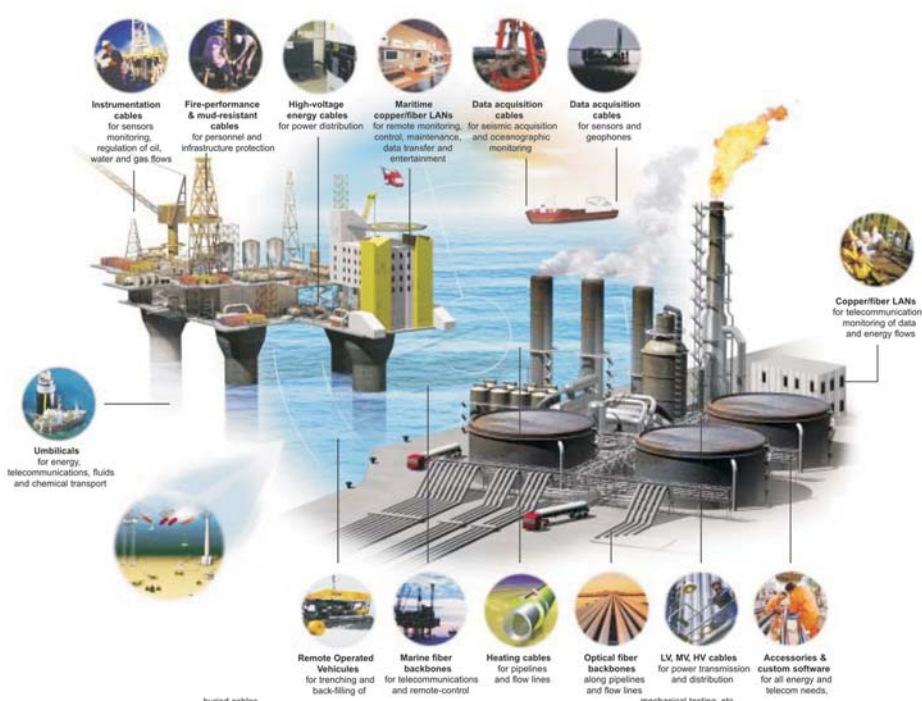
Despite the fact that Southern Asia, where Pakistan is located, is not a major oil-exporting region, but the death of Bhutto highlighted geopolitical tensions in the entire Middle East, according to analysts.

No wonder then that gold price also hit new highs, since gold and crude oil are widely considered as safe investments in times of global political uncertainty.

The murder of the former Pakistani prime minister who was campaigning for parliamentary elections stunned leaders around the world who called upon all Pakistani parties to keep calm. American and European top officials stressed that extremists, who are widely believed to be behind the assassination of Bhutto, said that extremists must not be allowed to destabilize the nuclear-armed nation. Bhutto launched a harsh critique against extremists in Pakistan and vowed to eliminate them once she came to power. But she was killed before honoring its promise.

With Nexans, Oil and gas keeps flowing upstream and downstream

In Egypt:



Nexans

Global expert in cables and cabling systems

Head Office : 102B Merghany st., Heliopolis

Tel.: +(202) 2906371 Fax: +(202) 2904900



Russia is back to the scene

MANY political analysts expected that Russia will not come back on track after the collapse of the Soviet Union in 1991. However, as Vladimir Putin became on the helm of the Russian state, he vigorously attempted to regain the international standing the Soviet nation used to have in the last century as a major power.

To the chagrin of the United States (US), Putin has arguably helped Russia to rise in the world again, having regained its prominent role on the international arena. No wonder then that he was elected by the Time magazine as the most influential international figure in the year 2007, despite the fact that he will leave office this year.

In what was considered as a step toward achieving this goal, the Russian government has been trying to expand its influence on Europe by tightening its grip on energy sources of the old continent.

Consequently, the Russian officials have succeeded at last to sign a landmark agreement with Kazakhstan and Turkmenistan by virtue of which the main pipeline connecting natural gas from those two countries to Europe will pass through the Rus-

sian territories. The agreement is widely viewed as an astounding victory for Moscow over Western European capitals and the US, which tried to make the vital pipeline pass beneath the Caspian Sea then to Turkey, far removed from the Russian territories.

Europe consumes about 500 billion cubic meter of natural gas annually, 30 percent of which is imported from Russia. As Russia was unable to secure more natural gas supplies for Western European capitals, their eyes were set on Turkmenistan and Kazakhstan as alternative suppliers. Turkmenistan intends to increase its annual production of natural gas to 120 billion cubic meters by 2010, while Ka-

zakhstan vowed to raise its annual production to 45 billion cubic meters.

The new pipeline, which is expected to be completed by 2010, will increase the size of European natural gas imports from Central Asia from 55 billion cubic meters to 75-85 billion cubic meters annually. This, as a matter of fact, will further extend Russia's influence on European politics.

In February 2006, Putin said in a press conference that, "We have about ten quite large private oil companies such as LUKOIL, TNK BP, Surgutneftegaz and others – there are a great deal of them. Nobody is going to nationalize them, nobody is going to interfere with their activities. They are going to develop according to market conditions like private companies. I think that such a balance is better for the Russian economy today, and this includes active participation from our foreign partners and shareholders. Shall we look at TNK BP which, as you know, is 50 percent a Russian company and 50 percent owned by British Petroleum. I regularly meet with shareholders. Our British colleagues have told me that they are happy with working in the Russian market."

“We have about ten quite large private oil companies... Nobody is going to nationalize them, nobody is going to interfere with their activities. They are going to develop according to market conditions like private companies.”

Fugro SAE



When it's a Question of Survey...Ask Fugro

Fugro SAE offers a complete range of offshore survey services that be offered alone or combined in multi-disciplined projects to provide an integrated seamless solution to our clients' exploration, field development and engineering problems.



Positioning

High accuracy independent Starfix and Skyfix DGPS services for rig moves and other offshore projects

Drill Site Surveys

Single and multi-channel seismic surveys of drilling locations for jack-up and semi-submersible rigs

Deepwater Geohazard Surveys and Assessment

Integrated geophysical and geotechnical surveys for deepwater developments

ROV Inspection

Subsea inspections of pipelines and platforms with digital recording of all survey and video data

ROV Intervention

The first major intervention project in the region for field maintenance and emergency intervention a subsea field

Soil Investigations

Soil borings and seabed coring and CPTs in shallow and deep water

NO OTHER COMPANY CAN PROVIDE THE SAME COMPREHENSIVE RANGE OF SURVEY, ROV AND GEOTECHNICAL SERVICES

OIL COMPANY COMPLEX, Km 12 OLD AIN SUKHNA ROAD, KATAMEYA, CAIRO, EGYPT
Tel: (+202) 7580299 Fax: (+202) 7580599 E-mail: info@fugro-egypt.net

www.fugro.com



Filtration of Completion and Workover Fluids



a 3M company

CUNO Application Brief

Introduction

Weighted brines are commonly used to prepare oil and gas producing wells for completion and the initiation of production. These brines are often referred to as completion fluids. The proper type and concentration of brine is required in

order to prevent blowouts and ensure well safety by balancing the formation pressure. If the system is under-balanced, when the formation pressure is greater than the well bore, oil and gas will enter the "hole" endangering the rig and crew. As a result, most work is performed in a slightly over-balanced situation, where the fluid pressure in the hole is slightly greater than the formation pressure. When over-balanced, large volumes of expensive brine may be lost to the formation. Since these fluids will come in contact with the formation, perforation and gravel pack, it is important that they be free of suspended solids so that they do not damage or reduce the permeability of these production zones.

Workover fluids are similar to completion fluids except that they are used when an already completed well requires maintenance in order to increase its productivity. A well bore may be "swabbed" and reperforated through the workover fluid as part of this operation. As with completion fluids, it is important that they be free of suspended solids that can reduce the permeability of the production zone formations.

This CUNO Application Brief will discuss the benefits of using cartridge filtration to reduce the level of total suspended solids in completion and workover fluids, resulting in reduced formation plugging and increased production.

The Process

On completion of the drilling operation of a new well, after insertion of the casing but before

casing perforation, the completion fluid displaces the mud from the well bore. The brine displaces the mud particles and carries the drilling mud to the surface where the brine is separated from the mud (Figure 1). The brine is circulated through the well and the filter until an acceptable level of cleanliness is achieved. The operator then perforates the well casing and the adjacent rock to gain access to the oil producing formations. Well workovers are completed in a similar fashion.

During the life of an oil producing formation, particles can restrict the flow of oil to the casing perforation. A workover fluid is injected to displace the particles and restore the oil flow. The workover fluid is filtered and re-circulated until an acceptable level of fluid cleanliness is achieved.

Figure 2. - PolyKLEAN Filter Cartridges



The Problem

Although many completion and workover fluids are relatively "clean" before they enter the well bore, once they are circulated in a closed loop system, they quickly become contaminated with drill cuttings, drilling mud, cement, formation fines, etc. These contaminants, if injected into the formation, will quickly damage the well's permeability and reduce the well's production capability.

Since formations containing oil and gas often have low permeability, they are susceptible to plugging with small particles. Appropriate filtration will reduce the chances of particles directly plugging the formation pores and reduce the incidence of particles causing damage by bridging formation pores.

Particles can cause problems in the following areas:

- Formation-particles will invade the formation blinding off flow channels in the producing zone resulting in lost oil/gas production
- Perforation-particles will plug the perforation resulting in reduced production and increase the need for additional workovers.
- Gravel Pack-used for sand control, can become plugged with particles resulting in reduced production and increased need for workover.

The CUNO Solution

It is critical to minimize the level of total suspended solids in the completion/workover fluid before it enters the wellbore to minimize formation damage from particulates. CUNO's 2 micron

PolyKLEAN® filter (Figure 2) downstream of the appropriate pretreatment equipment, usually diatomaceous earth (DE) filters, provides reliable and cost effective well protection.

PolyKLEAN filters are manufactured using CUNO's proprietary rigid extrusion bonded technology to achieve a rigid, coreless structure that resists unloading at higher differential pressures.

An optimized groove pattern effectively doubles the filtering surface area, resulting in longer filter life and fewer change-outs. The unique thermally bonded fiber structure offers superior flow characteristics, resulting in flows up to ten times that of competitive filters for a given differential pressure. The result is a robust product that provides consistent filtration performance throughout the filter's long life.

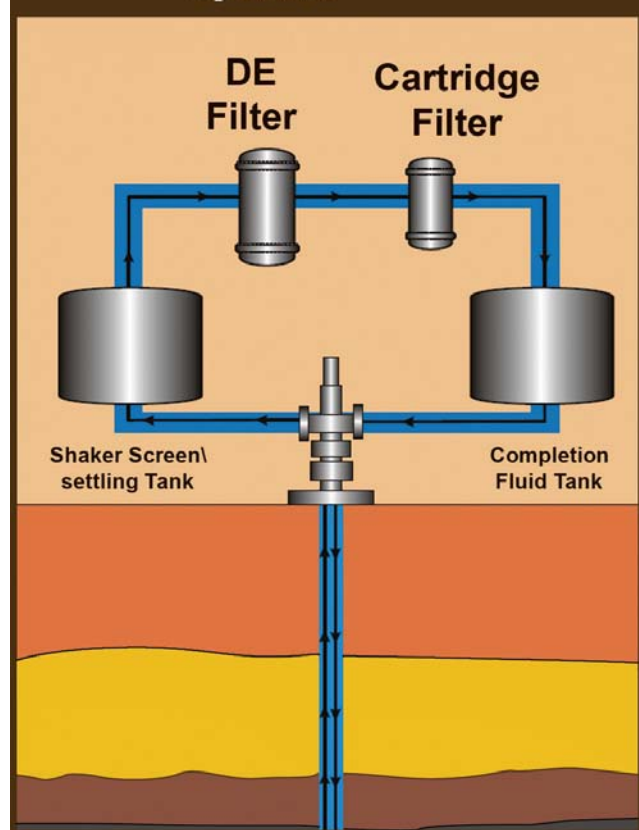
PolyKLEAN – Features & Benefits

Features	Benefits
• Rigid depth filter construction	<ul style="list-style-type: none"> • Eliminates unloading at high differential pressure • Efficient removal of deformable materials • Consistent superior particle removal throughout filter life and at high flow rates (flux)
• Enhanced contaminant holding capacity	<ul style="list-style-type: none"> • Fewer filter change-outs • Long filter life
• Grooved cartridge with extended surface area	<ul style="list-style-type: none"> • Promotes fuller utilization of the depth matrix • Long filter life
• All polypropylene construction	<ul style="list-style-type: none"> • Compatibility in a wide range of applications and operating conditions • No adhesives, binders, surfactants, lubricants
• Coreless filter structure	<ul style="list-style-type: none"> • Ease of disposal via incineration or shredding

Conclusion

The productivity and profitability of a well depend on maintaining the permeability of the oil producing formations. If the formations are restricted, less oil will be produced. During well completion, appropriate filtration of the completion fluids is necessary to maintain an open formation and maximize the volume of oil produced. During well workovers, the workover fluid must also be clean. Proper selection of the filter provides the greatest level of particle removal to protect the oil-bearing formation from restriction when perforated. CUNO's PolyKLEAN filters efficiently remove particles to protect the formation, while providing dirt holding capacity that allows cost effective operations.

Figure 1. -Typical Completion Fluid Operation





Mark Your Calendars !!!

MONDAY 7 - THURSDAY 10 JULY 2008

SHARM EL SHEIKH-EGYPT

INTEGRATED SOLUTIONS FOR WELL OPTIMIZATION WORKSHOP 2008

Don't miss out on this excellent opportunity

1. PARTICIPATE: Join us to contribute, benefit, explore your individual concerns with industry leaders and discuss issues and challenges which can establish new ideas and strategies

2. SPONSOR: Networking does not only mean meeting people, but also making an impression. Sponsorship reflects commitment and dedication and undoubtedly will make a great impression

3. CONTRIBUTE: Recommend to your colleagues that may benefit from attending this opportunistic event

Organized By

For details on this strategic workshop:

Tel: (002 - 02) 2516 4776 - 2519 2108

Fax: (002-02) 2519 1487

Email: lfayek@egyptoil-gas.com

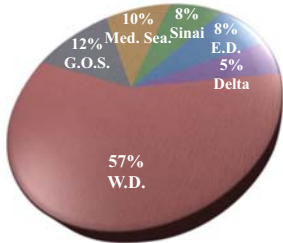
Website: www.egyptoil-gas.com



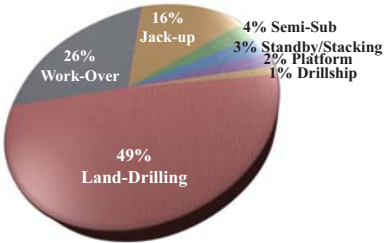
Table 1 Egypt Rig Count per Area -January 2008

Area	RIG COUNT		
		Total	Percentage of Total Area
Gulf of Suez		14	12%
Offshore	14		
Land	0		
Mediterranean sea		12	10%
Offshore	12		
Land	0		
Western Desert		65	57%
Offshore	0		
Land	65		
Sinai		9	8%
Offshore	0		
Land	9		
Eastern Desert		9	8%
Offshore	0		
Land	9		
Delta		6	5%
Offshore	0		
Land	6		
Total		115	100%

Rigs per Area January 2008



Rigs per Specification



Source: Egypt Oil & Gas

Table 2 World Oil Supply¹ (Thousand Barrels per Day)

		United States ³	Persian Gulf ³	OAPEC ⁴	OAPE-12 ⁵	OAPE-11 ⁵	World
2007 February	E	8,351	22,820	23,979	34,457	32,833	84,338
March	E	8,460	22,907	24,059	34,513	32,849	84,083
April	E	8,506	22,953	24,115	34,719	33,016	84,570
May	E	8,566	22,953	24,142	34,570	32,853	84,250
June	E	8,520	22,870	24,095	34,463	32,761	84,379
July	E	8,526	22,926	24,169	34,713	32,981	84,816
August	E	8,360	22,880	24,118	34,682	32,929	83,838
September	E	8,324	23,430	24,694	35,318	33,504	84,753
October	PE	8,474	23,580	24,748	35,560	33,645	85,605
2007 10- Month Average	PE	8,456	23,026	24,209	34,756	33,032	84,475

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.
³ 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.
⁴ OAPEC: Organization of Arab Petroleum Exporting Countries: Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates. ⁵ OPEC-12: Organization of the Petroleum Exporting Countries: Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. OPEC-11 does not include Angola.
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)

	Venezuela	Vietnam	Yamen	Other ¹	World	OPEC-12 ²	OPEC-11 ²	Persian Gulf ³	North Sea ⁴
2007 February	2,383	336	358	2,694	73,315	31,191	29,591	20,356	4,447
March	2,445	301	356	2,700	73,240	31,247	29,607	20,445	4,300
April	2,445	321	354	2,668	73,525	31,452	29,773	20,494	4,354
May	2,444	321	344	2,620	72,987	31,304	29,609	20,494	4,084
June	2,444	281	344	2,587	72,710	31,189	29,509	20,403	3,755
July	2,444	301	343	2,588	73,152	31,488	29,778	20,508	4,107
August	2,444	304	351	2,651	72,471	31,456	29,726	20,462	3,718
September	2,440	317	358	2,684	73,410	32,089	30,298	21,012	3,912
October	2,440	318	357	2,724	74,124	32,324	30,435	21,158	4,033
2007 10- Month Average	2,431	313	358	2,655	73,206	31,504	29,803	20,582	4,098

² OPEC-12: Organization of the Petroleum Exporting Countries: Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. OPEC-11 does not include Angola.
³ The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.
⁴ 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)

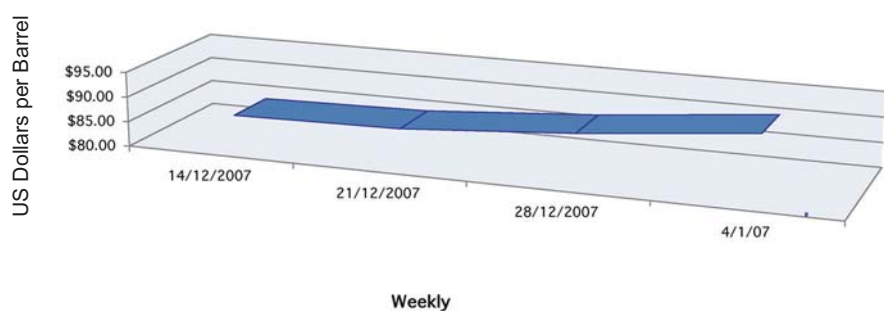
	France	German	Italy	United Kingdom	OECD Europe ²	Canada	Japan	South Korea	United States ³	Other OECD ⁴	OECD ¹	World
2007 February	1,954	2,379	1,756	1,787	15,331	2,448	5,562	2,387	21,271	3,421	50,421	NA
March	1,923	2,483	1,712	1,786	15,319	2,307	5,404	2,282	20,529	3,530	49,371	NA
April	1,854	2,343	1,631	1,776	14,771	2,198	4,876	2,215	20,579	3,302	47,940	NA
May	1,788	2,393	1,704	1,801	14,940	2,315	4,405	2,071	20,631	3,497	47,859	NA
June	1,900	2,456	1,670	1,766	15,172	2,323	4,568	2,063	20,737	3,579	48,441	NA
July	1,941	2,500	1,687	1,775	15,386	2,416	4,564	2,047	20,641	3,522	48,577	NA
August	1,908	2,581	1,552	1,709	15,242	2,465	4,597	2,091	21,051	3,388	48,833	NA
September	1,929	2,604	1,651	1,763	15,565	2,457	4,860	2,027	20,385	3,291	48,585	NA
2007 10- Month Average	1,914	2,451	1,663	1,777	15,191	2,355	4,889	2,173	20,705	3,433	48,745	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

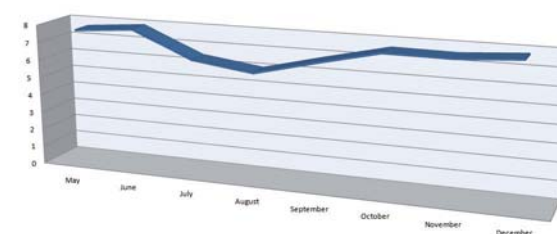


Fig 1 Egypt Suez Blend Price



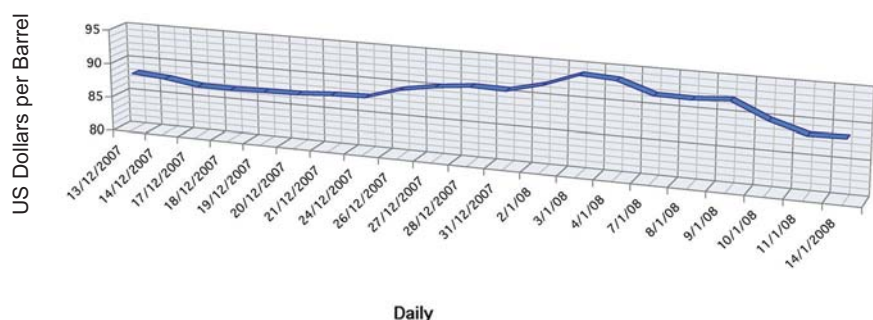
Source: Egypt Oil & Gas

Fig 2 Natural Gas Price



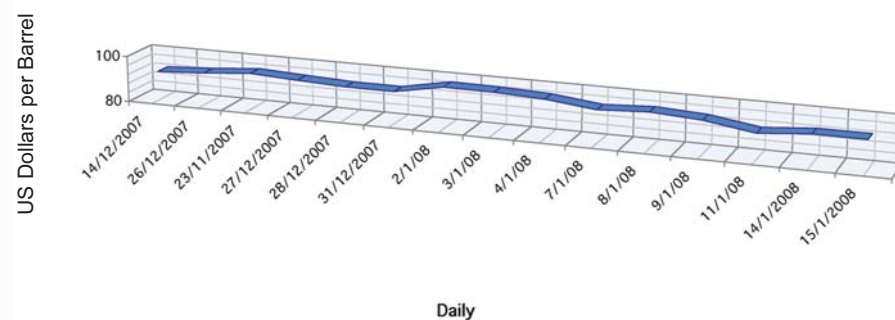
Source: Egypt Oil & Gas

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	Soudi Arabia	Russia	Former U.S.S.R		United States ¹	Persian Gulf ²	OAPE ³	OAPE-12 ⁴	OAPE-11 ⁴	World
2007 February	340	762	405	1,427	427	–	E	1,706	2,355	2,810	3,128	3,104	8,013
March	340	680	416	1,427	426	–	E	1,767	2,352	2,807	3,127	3,103	7,923
April	340	661	420	1,427	427	–	E	1,749	2,349	2,805	3,128	3,104	7,944
May	340	670	412	1,427	429	–	E	1,787	2,350	2,805	3,128	3,105	7,916
June	340	621	418	1,427	424	–	E	1,775	2,358	2,813	3,136	3,113	7,876
July	340	624	401	1,427	425	–	E	1,778	2,308	2,764	3,087	3,064	7,850
August	340	619	378	1,427	428	–	E	1,755	2,309	2,764	3,087	3,064	7,733
September	340	636	372	1,427	428	–	E	1,795	2,309	2,764	3,091	3,068	7,744
October	345	653	371	1,427	428	–	PE	1,837	2,313	2,767	3,097	3,071	7,901
2007 10-Month Average	341	663	400	1,427	426	–	PE	1,762	2,334	2,790	3,113	3,090	7,883

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 OAPE-12: Organization of the Petroleum Exporting Countries: Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela. OAPE-11 does not include Angola. - - = Not applicable. E=Estimated data. PE=Preliminary estimated data.

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

Source: EIA

Average Currency Exchange Rate against the Egyptian Pound (December 2007 / January 2008)			
US Dollar	Euro	Sterling	Yen
5.492	8.042	10.900	4.945
Stock Market Prices (December 2007 / January 2008)			
Company	High	Low	
Alexandria Mineral Oils [AMOC.CA]	82.38	78.43	
Sidi Kerir Petrochemicals [SKPC.CA]	23.97	20.04	

Table 6 International Stock Prices Mid-December 2007-Mid-January 2008

International Stock	High	Low
Schlumberger [SLB] NYSE [US Dollars]	102.31	88.93
Halliburton [HAL] NYSE [US Dollars]	39.12	35.36
Exxon Mobil [XOM] NYSE [US Dollars]	95.00	89.02
Atwood Oceanics [ATW] NYSE [US Dollars]	104.77	88.94
Weatherford [WFT] NYSE [US Dollars]	71.00	65.12
Shell [RDSA] NYSE [US Dollars]	86.20	80.24
Apache [APA] NYSE [US Dollars]	110.59	103.14
Baker Hughes [BHI] NYSE [US Dollars]	82.75	76.61
BJ [BJS] NYSE [US Dollars]	24.34	22.18
Lufkin [LUFK] NYSE [US Dollars]	60.27	54.35
Transocean [RIG] NYSE [US Dollars]	146.02	133.07
Transglobe [TGA] NYSE [US Dollars]	5.43	4.98
BP [BP.] LSE Pence Sterling	644.50	600.50
BP [BP.] LSE Pence Sterling	1164.00	1036.00
Dana Gas [Dana] ADSM US Dollars	2.69	2.12
Caltex [CTX] ASX Australian Dollars	20.10	17.94
RWE DWA [RWE AG ST] Deutsche-Borse Euros	100.64	94.16
Lukoil [LKOH] RTS [US Dollars]	87.400	82.30

Source: Egypt Oil & Gas



BG Energy Challenge 2007 leads \$120-thousand charity campaign for Upper Egypt

WITH over 140 participants, forming 25 teams, mostly from the energy sector, the BG Energy Challenge 2007 took place in Wadi El-Gimal National Park in the south east of Egypt by the Red Sea, raising over \$120,000 for charity in Upper Egypt.

The teams spent two days hiking and climbing mountains in the Wadi as well as taking part in competitive games between each climb.

The BG Energy Challenge, now in its fourth year in Egypt, is an event that attracts groups to undertake physical and mental challenges and raise money for disenfranchised areas of Egypt through fundraising events.

For those who take part in the event, not only is there a sense of achievement in completing the Challenge, but it fosters a sense of camaraderie and team spirit among the teams. Each team is expected to raise a minimum of \$4,000 to be able to participate in the Challenge.

Since 2004, the BG Energy Challenge - Egypt has raised over \$ 580,000 with the proceeds being directed towards basic education for young girls,

water and sanitation projects for rural communities, income and jobs generation for 13,000 rural families, and assisting women against violence.

This year's Challenge was split into 'caring' or 'daring' routes to test team fitness and endurance levels. The Wadi, in the eastern desert, is a harsh terrain for those not acclimatised to the heat and home to an array of reptiles and animals but little vegetation because the area has not experienced rainfall for several years. The Challengers hiked about 12 kilometres each day and ascended peaks of up to 239 metres.

The participants were hosted at a camp, at the end of the first day's Challenge, by the Bashareya and Ababda tribes, whose subsistence is dependent on the local desert area.

Over \$120,000 has been pledged so far this year from the event which will be used to support the work of CARE Egypt, the organiser of BG's Energy Challenge.



Events and Conferences

2nd Annual European Gas Storage

11-12 February
Budapest, Hungary
Tel: +44-20-7176-6658
www.platts.com/events

This conference will bring together leading regulators, new-build project operators, academics, and market players to debate the way forward in regulation, new-build, and gas storage investment, bringing you the information you need to make your strategic decisions.

Gas Arabia 2008, 3rd Annual Conference

18-19 February
Abu Dhabi, United Arab Emirates
Tel: +44(1242)529090
www.theenergyexchange.co.uk

As the Middle East continues to grow from strength to strength as a world gas player, announcements concerning gas exploration and production and mega projects make the regions gas sector a market to keep watching. With the Abu Dhabi Government said to be set to spend over \$10 billion on forthcoming major gas projects, Abu Dhabi provides the perfect home for Gas Arabia 2008. Gas Arabia 2008 will provide the perfect opportunity to get an up to date picture of activities in the Middle East. Executive speaker panels will cover the whole value chain from upstream gas exploration and production, transportation and distribution challenges, through to downstream gas processing and associated technologies.

Middle East Fuels Symposium 2008

27-28 February
Abu Dhabi, United Arab Emirates
http://www.wraconferences.com/wra122over...

Having created interactive networking opportunities and securing executive speaker panels and agendas that the sector demands, Middle East Fuels Symposium 2008 is guaranteed to be no exception and will bring together key fuels players operating in the region, providing the opportunity to hear cutting edge presentations and network with people who can make a difference to the future of the industry and your business. The symposium will address discussions on the latest developments in all facets of fuel industry developments including; auto fuels, marine & bunker fuels, aviation fuels and bio fuels including both strategic planning and technological advances.



MOC 2008 – MEDITERRANEAN OFFSHORE CONFERENCE & EXHIBITION

ALEXANDRIA, EGYPT – MAY 20-22, 2008

MEDITERRANEAN SEA: FUELLING THE FUTURE

UNDER THE HIGH PATRONAGE OF ENG. SAMEH FAHMY
H. E. THE MINISTER OF PETROLEUM OF THE A.R. OF EGYPT

MOC 2008: THE BIGGEST SUCCESS EVER!

The 2008 edition of the MOC Mediterranean Offshore Conference and Exhibition promises to be the best edition ever since the it started in 2000 thanks to the high number of exhibiting companies and the increased number of papers received. Please find below the current list of exhibiting companies:

3B TECHNOLOGY FOR PETROLEUM SERVICES, ADRIMAR, AKER KVAERNER, AL-FARID, ALLWEILER FARID PUMPS, BAKER HUGHES, BAMBINI, BENTINI, BG EGYPT, BJ SERVICES, BONDOLI & CAMPESE, BOOTS AND COOTS, BS+B SAFETY SYSTEMS, CAMERON, CENTRAX LIMITED GAS TURBINES DIVISION, CFO CENTRO FORMAZIONE OFFSHORE, CHINA CONIC IMPORT&EXPORT CO., CHINA NATIONAL PAVILION, COMART, COSMI, CREA, DNT OFFSHORE, DOF, DREXEL, ECCO EGYPTIAN CONSULTING OFFICE, ECEM EGYPTIAN COMPANY FOR PETROCHEMICALS, ECOTECH, EDC EGYPTIAN DRILLING COMPANY, EGAS EGYPTIAN NATURAL GAS HOLDING COMPANY, EGPC EGYPTIAN GENERAL PETROLEUM CORPORATION, EGYPTIAN LNG, EGYPTIAN TRAINING SERVICES, EMC EGYPTIAN MAINTENANCE COMPANY, ENDRESS+HAUSER, ENI, ENPPI, FAD FLANGE, FERRARI, FIBER GLASS SYSTEMS, FIORE, FMC SUBSEA, FRATELLI RIGHINI, FRIGOMECCANICA, FRIGOTECNICA, FRIULANA FLANGE, FUGRO, GAFFNEY - KROESE SUPPLY CORP., GANOUB EL WADI HOLDING COMPANY, GASCO, GAZ DE FRANCE, GAZPROM, GE OIL & GAS, GRANT GEOPHYSICAL EGYPT, GULF OIL & GAS, HALLIBURTON, HESS CORPORATION, ICE ITALIAN TRADE COMMISSION, IEOC, IMPRESUB INTERNATIONAL, INA INDUSTRIAIA NAFT, INTEC ENGINEERING, IPR GROUP OF COMPANIES, ITALEGYC, ITALMET, JOH. HEINR. BORNEMANN, KONGSBERG MARITIME, LEWA, LUFKIN MIDDLE EAST, LUKOIL, MARINE CONSULTING, MED INGEGNERIA, MICOPERI, MODUS-PEC, NETZSCH, NOV BRANDT, OCEAN TECHNICAL SYSTEMS, OIL REVIEW AFRICA, OIL REVIEW MIDDLE EAST, OILSAFE PETROLEUM SERVICES, OPEC OFFSHORE PROTECTION ENGINEERING CO., PARKER INSTRUMENTATION, PETROJET, PETROLEUM AFRICA MAGAZINE, PETRONAS, PICO, PMS PETROLEUM MARINE SERVICES, POWER HOUSE, PROTECH, QUICK, RANA DIVING & MARINE CONTRACTOR, RAVENNA CARGO AND SHIPS ASSISTANCE ORGANIZATION, ROCA RAVENNA OIL & GAS CONTRACTORS ASSOCIATION, ROSETTI MARINO, RWE DEA, SAKR POWER SYSTEMS, SAPESCO, SCHLUMBERGER, SEA, SEAHARVEST, SECOMAR, SEGAS (Spanish Egyptian Gas Company), SERS, SHANDONG DAWANG JINTAI GROUP INTERNATIONAL, SHANDONG KERUI PETROLEUM EQUIPMENT CO., SHELL, SIGMA, SINO THARWA, SMAPE, SMITH, SOCOTHERM, SPECTEC, SPINA GROUP, SPIR STAR, STATOIL, SUFA TECHNOLOGY INDUSTRY CO., SUMED, TAM OILFIELD SERVICES, TECHNO, TWMA - TOTAL WASTE MANAGEMENT, VALERIO MAIOLI, WEATHERFORD, WELL FLOW INTERNATIONAL, WESTERN GECO, YOKOGAWA MIDDLE EAST, ZA.VE.RO., ZYT PETROLEUM EQUIPMENT CO.

BE IN THE FRONT LINE: BE A SPONSOR AT MOC 2008

A large number of sponsoring opportunities are available at MOC 2008: being the Sponsor of the Gala Dinner or having your brand on the MOC 2008 visitors carrier bags, we can offer you a variety of ideas and opportunities to enhance your presence and take the most exposure! These sponsoring and advertising opportunities are available also for non-exhibitors. MOC 2008 provides an exceptional platform for your company to promote its market position and expertise to the most influential decision makers in the international gas market. For any information please contact exhibition@moc2008.com or conference@moc2008.com.

REGISTER NOW AS DELEGATE FOR THE MOC 2008 CONFERENCE

The theme of the MOC 2008 Exhibition & Conference is "Mediterranean Sea: Fuelling The Future" and more than 240 papers have been received, among them 116 technical speeches have been selected by the organising committee to be delivered during the conference sessions. The conference agenda for MOC 2008 will be splitted into 4 technical sessions per day each one dedicated to a specific theme, and the agenda will be soon available on www.moc2008.com. To attend the MOC 2008 CONFERENCE, please submit the delegate registration on line form, available on www.moc2008.com in the Conference section. We suggest you to register in advance in order to avoid queuing at the entrance. You can also download the delegate registration form and submit it by fax.

DELEGATE REGISTRATION FEES:

- L.E. 800 for Egyptian Petroleum Sector
- US\$ 600 for Foreigners
- US\$ 600 for Exploration Companies Employees working in Egypt

EXHIBIT SPACE NOW SOLD OUT: HAVE YOU BOOKED YOUR SPACE AT MOC 2008? IF NOT ...

If you have not booked your exhibit space at MOC 2008 you still have a chance to participate: ask now to be included in the waiting list for additional available space by contacting the Exhibition Organiser at exhibition@moc2008.com.



Exhibition Organiser:
IES srl - Z.I. Settevene
Via Cassia km 36,400
Nepi (VT) - 01036, Italy
Phone +39 0761 527976
Fax +39 0761 527945
exhibition@moc2008.com



Conference Organiser:
EGPC - Egyptian General
Petroleum Corporation
New Maadi, Palestine Street
Phone +20 2 7065210
Fax +20 2 7065359
conference@moc2008.com

WWW.MOC2008.COM



w w w . p i c o e n e r g y . c o m

DFT

Drilling Fluids Technology

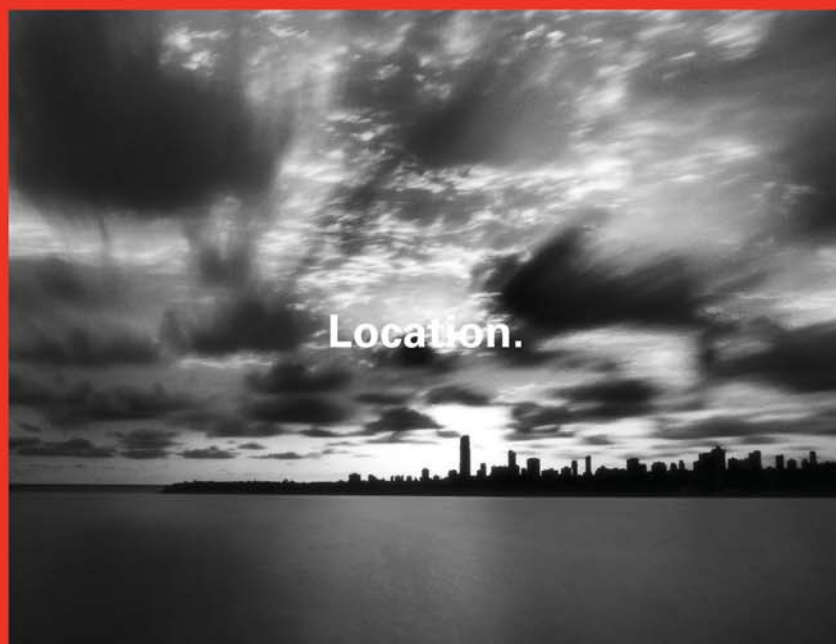
A Successful Start



Pioneers In Creating Opportunities



Issued by HSBC Bank Egypt.



HSBC Project and Export Finance
unit incorporates Oil and Gas
Project Finance and Advisory
Services for sponsors drawing on
HSBC group worldwide experience
and market knowledge.

Cairo: 202 2739 6116

HSBC 
The world's local bank

GLOBAL MARKETS | GLOBAL BANKING

CMP 070083