Series of discoveries for INA, Apache and Edison

Egypt Oil & Gas Newspaper

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More flexibility needed to lure investments

Oil refining companies will not be exempted from taxes

Egypt was about to take a step towards expanding its refining sector after the financial crisis and a new tax regime applied to the country's industrial zones have already hampered plans to upgrade Egypt's refining capacity

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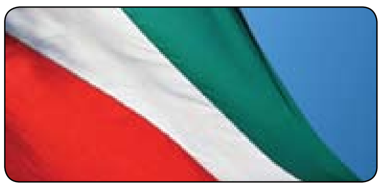

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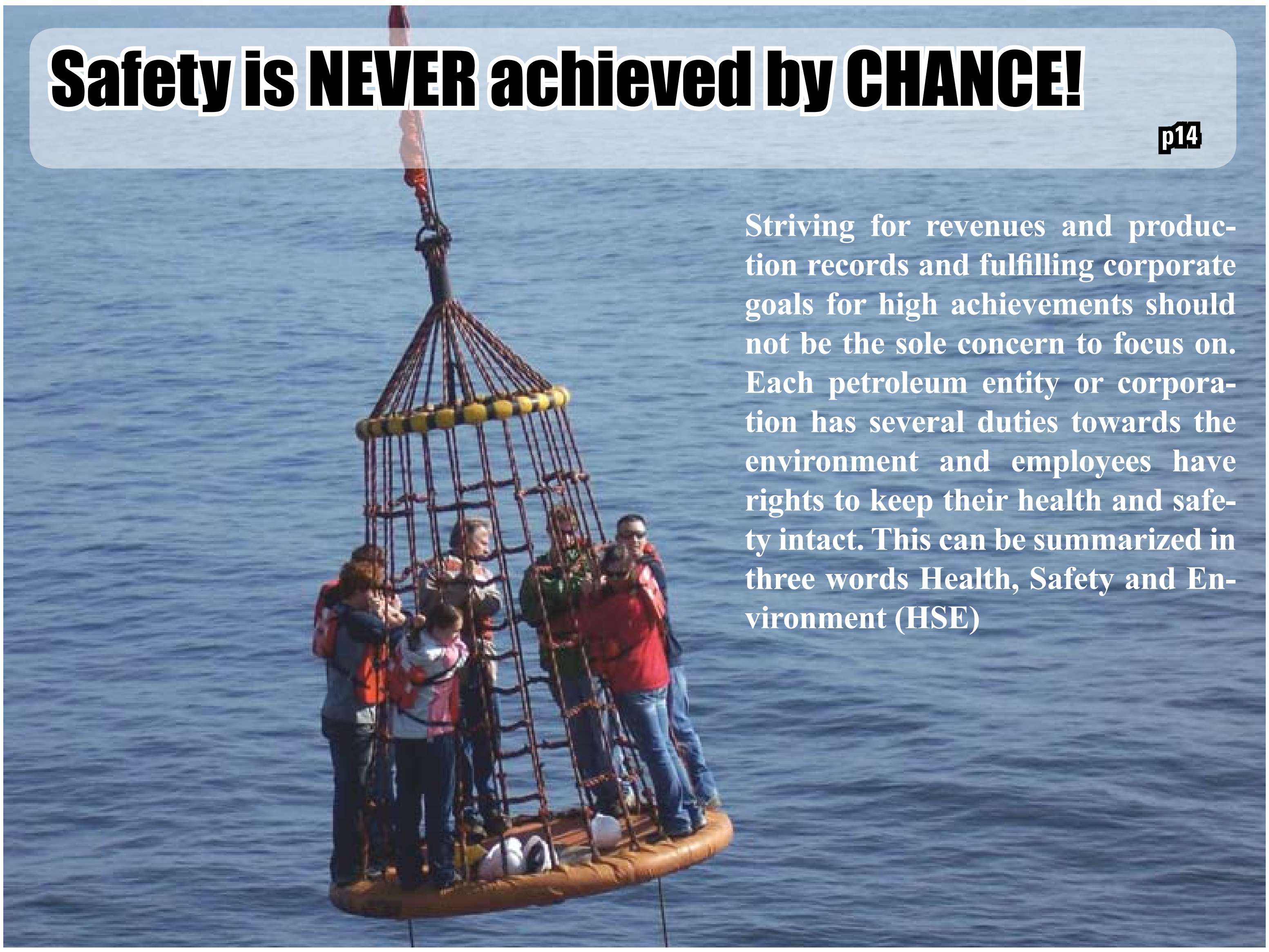
LAST MONTH'S OIL PRICES



Safety is NEVER achieved by CHANCE!

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Striving for revenues and production records and fulfilling corporate goals for high achievements should not be the sole concern to focus on. Each petroleum entity or corporation has several duties towards the environment and employees have rights to keep their health and safety intact. This can be summarized in three words Health, Safety and Environment (HSE)

Was it a bad timing for a new investments environment?

When I first heard about the proposal submitted by the Ministry of Petroleum and Ministry of Investment concerning the exemption of oil refineries from taxes for a limited period of time and being listed in the free zone area, I thought that this is a new positive step to lure foreign investments in such a tightened economic environment. I believed that such a proposal would serve the goals announced by the Ministry of Petroleum to create an attractive and fruitful environment to generate new investment in the sector.

What was shocking for me is when this proposal was rejected by the People's Assembly (PA), and more specifically by its Member Ahmed Ezz, Head of the Planning and Budget Committee of the PA. Stating that refineries export all their products outside the country and citizens would have no benefit from them; Ezz refused to grant these refineries any tax-free privileges and did not give room for any other solutions to keep the ideology of promoting the country as the best environment for investments and refineries in the region, without losing its sovereignty.

Based on my fair economic knowledge, luring investments and generating revenues to the country's treasury during this global economic shrink would be definitely of a great value to Egypt when the economic crisis comes to an end. For instance, if you encourage an investor, with incentives and privileges, and show him the value and the profit he can get by spending one Egyptian pound in an important project as refineries, this investor will undoubtedly spend much more when the global economy recovers. Thus, you have created the needed environment for investors regardless the hard time we are going through and ensured its sustainability for the future.

I believe that this rejection should be reconsidered once again, as specific terms and conditions concerning production distribution of refineries can be added to contracts signed with investors in order to ensure that the Egyptian citizens are on the top of priorities and that the domestic demand for refined products is fulfilled.

Moreover, the conflicts between country's decision makers can negatively affect the credibility of our business atmosphere. For instance, the changes made in the free zone regulations for energy-intensive industries were the primary reasons behind the Kuwaiti Al Kharafi Group's decision to pull out of plans to build a refinery complex in Egypt. It is also rumored that two Indian companies - Essar Global and Reliance Industries Ltd. - are reconsidering planned investments in refining facilities in Egypt for the same reasons. These examples reflect the indispensable necessity to reconsider this PA rejection in order to avoid any further possible loss of investment.

The attempt made by the Ministry of Petroleum should be appreciated because it reflects the change of ideologies that the Minister has adopted and it can also mark the ongoing efforts and contribution of the petroleum sector to open the door for new investments in the country. Egypt has always been one of the best business milieus for investors all over the world and it is time to maintain this reputation and renovate the country's sources of attraction.

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Guest Column

Can you value what you cannot see?

Some companies reveal more about themselves in their financials than others. The key questions that relate to transparency are: what is it that we would like to know about companies when we value them? Why are some companies more opaque than others? How do we measure transparency? How, if at all, should we consider transparency in the context of valuation?

I am writing today not to provide answers, more than to raise the questions, and overall see the value of having a more transparent industry than not. I am sure as it is important for industry players to have full details needed to evaluate their industry's future, but also it would open a door for major conflicts and perceptions that could lead to failure.

In theory, governments are used to be transparent. The presumption in government information policy is that government information is public, unless it is exempted from disclosure by law. While, some in government will always attempt to resist this policy in order to assure a positive coordination and a mutual benefit.

But it comes back to the same question, how can I value what I cannot see? Why is simple information, which if exposed to all, would add more value than keeping it hidden? Where is the value?

I have talked with several industry officials, and I was blamed once in our publication for publishing incorrect figures on Egypt's production, and was asked, where did you get these numbers? What really surprises me, why is the world publishing our production figures and we are not?

Simple and reliable information published from government officials would surely be of value to all. We need to change some mindsets in this industry and discuss the values more than just sticking to changing theories.

But lets also keep in mind, that this industry with its conventional theories has achieved a lot, and opened a lot of investment opportunities for us, that created a more complicated environment with more enemies of success, if not managed properly could lead to a huge loss. I believe the government has succeeded in having a sustainable industry growth with its transparency theory, and will achieve more.

At the end, everyone wants what would make his life simpler and easier, and if having a transparent industry would support a faster market growth, then I am sure the government would have made it happen. And maybe, it is just not the right time!

Mohamed Fouad
EOG President


Egypt Oil & Gas
3rd Ramadan Petroleum Soccer Tournament '09
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NPC National Petroleum Company
Apache EGYPT COMPANIES
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PICO ENERGY Petroleum Services
Register Your Team Now!
Scoring with connections and not just points

Egypt's rig market revived

The Egyptian rig market witnessed an intense activity at the beginning of last month; three petroleum companies finalized new rig renting agreements that are needed for their exploration and production operations.

Suez Oil Co. (SUCO), a joint venture between the Egyptian General Petroleum Corporation (EGPC) and RWE Dea, is to rent Ocean Heritage Rig, owned by Diamond Offshore, for a full year at a daily renting cost of $64.5 thousand.

The second rig agreement was sealed between North Bahariya Petroleum Co. (NORPETCO) and the Egyptian Chinese Drilling Company (ECDC). After a series of negotiations, NORPETCO agreed to pay a daily renting of $14 thousand, instead of $17.5 thousand, for the ECDC-7 for one full year.

Also, Ukrainian Naftogaz finalized a renting agreement for the EDC-17, worth $13.5 thousand a day, including the Top Drive equipment. Naftogaz is to utilize this rig in the Western Desert.

"The renting rates agreed upon are unprecedented in the Egyptian market and it can be considered a good sign for the sector taking into consideration the current global economic crisis, which has negatively lowered down the prices as various companies postponed/cancelled their E&P activities," said an official at the EGPC.

Petrojet and Saipem awarded $1.4 billion pipeline contracts

Algeria's Sonatrach Petroleum Corporation has awarded $1.4 billion contracts to Petrojet and Saipem for laying a 784-kilometer gas pipeline in Algeria.

Saipem, Eni S.p.A and Petrojet would each construct a section of the GK3 pipeline. The pipeline would run from Hassi R'Mel gas field to El Kala and raise capacity of the field to nine billion cubic meters annually.

Petrojet will construct the first two sections of the pipeline running from Hassi R'Mel to Mechatine, a total length of 433 kilometers, While Saipem would construct the other section to Skikda port and El Kala, with a total distance of 351 kilometers.

The added capacity will be utilized to feed two Algerian power stations, the domestic gas network, liquefied natural gas terminal and also provide gas for the planned Galsi pipeline running from Algeria to Italy through Sardinia.

Egypt attracts $3.5 billion investments in five months

The Egyptian Petroleum Minister Eng. Sameh Fahmy said that despite the global financial meltdown, the oil sector succeeded to be a magnet for investments of major international companies that are targeting the exploration and development of the country's oil and gas fields.

Over the last five months, approximately 17 petroleum agreements, worth $3.5 billion, were approved by the Egyptian cabinet, Fahmy said.

He further added that Egypt remains a fruitful ground for investments especially in the fields of oil and gas.

Meanwhile, the Chairman of the Egyptian Natural Gas Holding Company (Egas) Mahmoud Latif said that the natural gas reserves in Egypt doubled during the last decade.

More Egyptian gas to Israel

Egypt's East Mediterranean Gas Co. (EMG) has increased the flow of gas to the Israel Electric Corporation (IEC) to 1.5-1.6 billion cubic meters of gas per year.

According to the new agreement signed with the Egyptian government, this amount is to increase to 1.7 billion cubic meters.

Joseph Maiman owns 20 percent of EMG through Ampal-American Israel Corporation and his private company Merhav MNF Ltd., and Israeli institutional investors own 4.4 percent.

The increase in flow represents a strong indication of EMG's renewed commitment to Israel. This renewed commitment comes against the background of the finds in the Dalit and Tamar wells, which could be producing gas by 2012.

Quotes

"**The world has enough proved reserves of oil, gas and coal to meet the world's needs for decades to come**
Tony Hayward, BP's Group Chief Executive

The worst appeared to be over for the oil market despite demand continuing to shrink
Organization of Petroleum Exporting Countries (OPEC)

The global oil market could stabilize if crude prices rise to around $90 a barrel and this is likely to happen in the second half of 2010
Chakib Khelil, Algerian Energy and Mines Minister

Oil refineries are not energy-intensive consuming
Eng Sameh Fahmy, Egyptian Minister of Petroleum

Republican decides to allocate 300 thousand acres for the establishment of wind power projects
Dr. Hassan Younis, Egyptian Minister of Electricity and Energy

13 new agreements in the field of searching and exploring oil by drilling 31 new wells with investments of $2.5 billion
Eng Sameh Fahmy, Egyptian Minister of Petroleum"

Europa Oil & Gas secures license extension in Egypt to reshoot seismic survey

Europa Oil & Gas announced that the Egyptian General Petroleum Corporation (EGPC) granted the company a six-month extension on the first phase of the West Darag Concession in order to permit the acquisition of approximately 350km of 2D seismic data prior to making the decision to enter into Phase 2 of the Concession.

Europa, along with its partner Solaris Energy plc, has identified several structural leads each with reserves potential of 15 - 35mmbo recoverable in the Ain Sukhna area of the concession.

The Ain Sukhna is a coastal plain where the Gulf of Suez (GOS) rift comes onshore and its proven petroleum system is indicated to extend into the area of these mapped leads. The GOS, despite its small overall size, is an extraordinarily prolific petroleum system, having produced over five billion barrels to date.

Although Europa has made significant progress with the existing seismic data, it has been unable to reprocess the existing seismic as planned due to degradation of the original tape records and has decided to progress directly to seismic acquisition with the objective of firming up drillable targets. The preferred contractor for this new seismic acquisition has indicated its availability to undertake the survey in July. The cost of the survey, detailed in the winning tender, will for the most part be covered by the existing letter of guarantee that Europa provided in favor of EGPC.

Paul Barrett, Managing Director, said, "We are grateful to EGPC for understanding the problems we have had with the existing seismic records and allowing this extension to Phase 1. It gives us a great opportunity to develop a drillable onshore prospect in a known oil basin with excellent local infrastructure. We are looking forward to utilizing these new data to define a drilling location to allow us to commit to Phase 2 and to drill in 2010."

Series of discoveries for INA, Apache and Edison

The Western Desert witnessed last month three discoveries at once, which strengthen the successive discoveries of the oil sector in the current year for both oil and gas sectors.

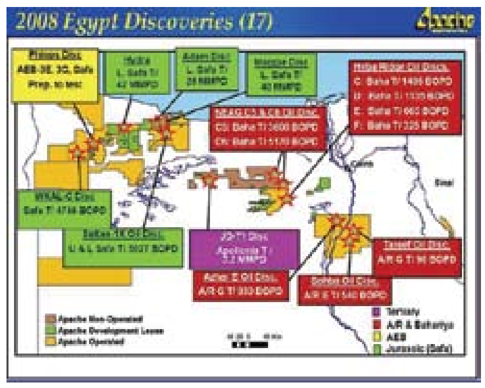
In the field of East Yedma which interests are held by the Croatian company INA, a new well was discovered in segment of Alam Al-Buwaib, with a production rate of 500 barrels per day (bpd). The new discovery is considered the company's second in Egypt, which has been working for nearly three years in the country, after the first discovery Sidi Rahmani, achieved two years ago.

The second hit was made by Edison. The Italian company successfully made two new natural gas and crude oil discoveries in the areas of Abu Qir bay in Alexandria and the Western Desert.

The Alexandrian discovery, located 30 km off the eastern coast of Alexandria in Abu Qir Bay, was achieved in water depth of 28 meters and the first test results proved that the well will increase the gas reserves with half a trillion cubic feet of natural gas production by the rate ate of 70 million cubic feet per day and 500 barrels of condensates and it is targeted to put the well on production through the production facilities in the region.

As for the other discovery, it is found in the west of Wadi El-Rayan in the Western Desert, about 170 km west of Cairo. The test results showed the existence of reserves of crude oil about six million barrels expected to be doubled after drilling new wells and gives production rate of 1500 barrels per day, a high quality 38 degree and early production will be done using the production facilities of the General Petroleum Corporation. This was stated in a report received by Eng Sameh Fahmy, Minister of Petroleum, from Eng Pietro Kavanagh, Chief executive of the Edison Company during the meeting with the Petroleum Minister.

Kavanagh said that the Abu Qir offshore discovery is the first discovery of the company after it has signed an agreement to participate in the production of Gas fields in Abu Qir last January with investments of more than three billion dollars. Besides, he added that importance of the agreement is emphasized as a step in the way back up to Egypt and to be one of the most important companies operating in Egypt in addition to that he stated that the rapid success achieved gave the impetus to the company to increase its investments in research, exploration and development.



He pointed out that studies are underway to further speed up the digging of the wells and performing other development processes to wells in order to contribute in doubling the production of Abu Qir offshore gas fields.

He stressed that the company signed the agreement to participate in the production fields Abu Qir during the mighty global financial crisis and by a record investments which had not been achieved before and it is the best evidence of his company's confidence in the high oil prospects of Egypt and the stability as well as the credibility which the Egyptian Petroleum Sector enjoys. Moreover, Kavanagh made it clear that the agreement is an important step in the relationship of Italy to Egypt, which is the most important partner to Italy in all fields, expressing his hope for more discoveries of oil and gas.

Apache had its share as well in this series of discoveries. The company reported that the Phiops-5 appraisal well tested 8,279 barrels of oil and 0.4 million cubic feet (MMcf) of natural gas per day from the Cretaceous Alam El Buieb (AEB) formation, one of the highest test rates ever measured in the Western Desert.

Phiops is the largest of five fields discovered by Apache and its joint venture partner, Khalda Petroleum Company, in the Faghur Basin of the Western Desert since 2006. This emerging Jurassic and Lower Cretaceous oil play in the extreme southwest part of the Western Desert will be further explored through additional wildcat drilling and acquisition of 180,000 acres (740 square kilometers) of new three-dimensional seismic data.

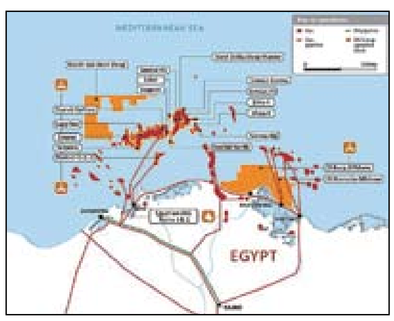
A new pipeline from Phiops to the Khepri-Sethos facilities is expected to be completed in July. New high-pressure pumps and additional storage at Kalabsha and Khepri-Sethos are expected to increase production capacity in the Kalabsha area from about 4,000 bpd to approximately 20,000 bpd in early 2010.

Phiops Field is located in the South Umbarka concession approximately 2.5 miles (4 km) northwest of Apache>s Kalabsha field. Phiops-5 was tested through perforated intervals totaling 72 feet within a 374-foot hydrocarbon column containing 242 feet of net pay across the AEB 3E and 3G units.

The Phiops-1X discovery, drilled in late 2008, encountered 173 feet of oil pay in the AEB formation. It was completed earlier this year as an oil producer in the Jurassic Safa formation after testing 2,278 barrels of oil and 5.16 MMcf of gas per day. Apache currently is drilling two additional wells at Phiops with three more planned for 2009.

BG Egypt starts Delta flows

BG Egypt announced the start of incremental gas production on 31 May through Phase V, a compression project in the West Delta Deep Marine Concession (WDDM). This milestone marks another successful stage in the phased development of the concession.



The project, managed by the Joint Operating Company, Burullus Gas Company, includes installation of two onshore gas turbine-driven compression sets, new absorption towers and associated equipment to extend plateau production from WDDM reservoirs.

The Engineering, Procurement and Construction (EPC) of Phase V was carried out by a consortium of Enppi and Petrojet, affiliate companies of the Egyptian General Petroleum Corporation (EGPC). The project was designed to boost the pressure of processed gas into the gas grid allowing field operations at lower pressures.

Tim Blackford, President of BG Egypt, said, "This project is part of the continued successful development of the West Delta Deep Marine Concession. This is being managed in a sustained manner to meet domestic and export commitments. BG and partners have been consistent in implementing the original field development plan and ensuring gas deliverability in Egypt's growing hydrocarbon sector. We are very pleased with this latest phase of field development."

Phase V began in December 2007 with the award of the EPC contract and it took six months from the arrival of the compressors in November 2008 to complete the project ahead of the original sanction schedule. At the peak of construction activity at the WDDM onshore site in Idku, up to 1,000 people were employed on the project.

It is worth mentioning that BG Egypt operates the largest share of Egypt's gas production, accounting for over 40 percent of the country's gas output, which supplies both domestic and international markets.

The West Delta Deep Marine Concession was awarded to BG Egypt in 1995. The Scarab and Saffron fields were brought on-stream in March 2003 delivering gas to the domestic market. Subsequently, the Simian, Sienna and Sapphire fields entered production. Completed in February 2008, WDDM Phase IV brought into development seven additional deepwater wells in the Scarab/Saffron and Simian subsea fields.

BG Egypt is the operator of the concession and holds 50 percent equity. PETRONAS holds the remaining 50 percent. Burullus Gas Company a Joint Operating Company of BG Egypt, PETRONAS and EGPC, conducts operations on behalf of the WDDM partners.

A move towards subsidies' reduction

As part of a long-held government effort to cut energy subsidies and bring prices up to cost, the government announced further cuts in it subsidies of natural gas, reported Egypt Daily News.

A recent report for the Cabinet's Information and Decision Support Center showed that natural gas subsidies would be reduced in fiscal year 2009/2010 to LE1.5 billion, down a significant 77 percent from LE 6.5 billion in fiscal year 2008/2009.

An official was quoted in press as saying that the move will affect household consumption and will not have any effect on industry, which pays a price that is slightly higher than the cost determined by the Ministry of Petroleum

"The government has been restructuring subsidies on energy, constituting around 70 percent of total government subsidies, to redirect spending to other social items, and gradually raise the cost of energy products to near-cost levels," wrote Reham ElDesoki, a senior economist at Cairo-based investment bank Beltone Financial.

This subsidy reduction serves the government's attempts to realign the country's energy consumption. Historically, Egypt has consumed considerable levels of both oil products (diesel and gas) and natural gas products.

"Egypt is rich in natural gas, though, and poor in oil making natural gas often a cheaper and almost always a more stable source of energy.

Recognizing this, the government announced a long-term plan to extend natural gas piping to over 6 million housing units by the year 2011", said Egypt Daily News.

Experts say that the government's move is likely to affect households more than industry, for which subsidies have already been almost fully eliminated.

"Of the products, diesel (gas oil), natural gas and mazot (fuel oil) are the more heavily subsidized. The government had last raised prices of electricity and natural gas for industry in May 2008 to partially finance an increase in civil servants' bonuses and reduce subsidies for energy-intensive industries," wrote ElDesoki.

The Ministry of Finance asserted, though, that prices of household electricity and water consumption were expected to remain unchanged.

As part of its effort to ease the country's reliance on oil, the government has also pursued projects in alternative energy. For instance, It has revealed intentions to have 20 percent of the nation's energy generated from wind farms by the year 2020.

The Second Technical Conference of ASSE-Egypt

The American Society of Safety Engineer, ASSE, Egypt Chapter held the second technical conference in Cairo, under the theme of "HS&E Leadership".

From left: ASSE President Eng. Said Khalifa, Dr. Wael Abdel Ghany, Vice President, Eng. Salah Shabaan, Treasurer and Dr. Yassin Darwish, Secretary

The conference was sponsored by MSA, and Safety International Center, SIC. More than 100 persons attended the event from different industrial sectors, safety equipment vendors as well as distinguished delegates from the regulatory bodies.

Many technical subjects were presented in the one-day conference, which served the ASSE goals. The conference aimed at enhancing networking among HSE professionals, sharing experience and developing the body of knowledge.

In lieu of the community preparedness to the H1N1 flu pandemic, the subject was thoroughly discussed in a special workshop in order to get companies prepared for the pandemic and getting ready to continue their business. A round-table exercise was introduced which revealed good measures to get ready for the pandemic.

At the end of the conference, the board of directors held their regular meeting, attended by many active members. In general, the conference was very fruitful and successful and appreciated by all delegates.

Renewable Energy

GE Energy signs $500-million contracts in Bahrain

GE Energy signed contracts totaling more than $500 million to supply advanced power generation equipment and long-term services for the Al Dur Independent Water and Power Project, the largest power plant in Bahrain.

Developed to help meet Bahrain's growing water and power requirements, the plant is located in the Al Dur area on the Kingdom's southeastern coast. Bahrain's Electricity and Water Authority is planning additional capacity expansions over the next 20 years to support the country's reported power demand growth rate at 7-10 percent per year. "Al Dur is one of the most significant energy projects ever undertaken in Bahrain and is needed to help meet the country's increasing demand for electricity and water from urban and economic development to strong investment activities," said Fahmi Bin Ali Aljowder, Minister of Works and Minister in charge of the Electricity & Water Authority. When completed, the plant is expected to provide 1,250 megawatts of power, which would account for 30 percent of the Kingdom's existing electricity grid output, as well as 48 million imperial gallons of desalinated water per day. GE Energy is supplying two steam turbines and four heavy-duty Frame 9FA gas turbines, which are equipped with GE advanced emission control technologies.

GE also has signed a 20-year contractual service agreement (CSA) contract for the project, which will support the long-term operability and performance of the turbines. "As the first installation of our F-class gas turbines in Bahrain, the Al Dur project demonstrates our commitment to deliver advanced technology solutions and services to support the Kingdom's growing power and water needs, which are critical to providing its citizens with a high quality of life," said Steve Bolze, President and CEO of GE Energy's Power & Water business.

BP Solar and RGE Energy plans one of the World's Largest Solar Projects in Germany

RGE Energy AG is partnering with BP Solar in planning one of the world's largest solar projects. The large-scale PV installation with over 46-megawatt peak (MWp) will be built in Koethen, Saxony-Anhalt. Around 210,000 crystalline photovoltaic modules with an output of 220-watt peak each will be supplied by BP Solar and installed by RGE Energy AG.

Reyad Fezzani, CEO of BP Solar, and Elias Issa, CEO of RGE Energy AG, announced the news in Munich at "Intersolar", the world's largest solar exhibition. The project launch is planned for Q3, 2009, the approval procedure is being processed, and by the end of the year, all BP Solar modules are set to be installed. The planned solar system will deliver around 43,000 megawatt hours per year of green electricity. This is enough to yearly supply about 11,500 four-people-households with electricity and to save around 25,600 tons of CO_2 emissions.

StatoilHydro builds 1st full scale offshore wind turbine

StatoilHydro decided to build the world's first full scale floating wind turbine, Hywind, and test it over a two-year period offshore Karmoy. The company is investing approximately 400 million NOK. Planned startup is autumn 2009.

The project combines known technology in an innovative way. A 2.3 MW wind turbine is attached to the top of a so-called Spar-buoy, a solution familiar from production platforms and offshore loading buoys. "We have drawn on our offshore expertise from the oil and gas industry to develop wind power offshore" said Alexandra Bech Gjorv, Head of New Energy in StatoilHydro. The rotor blades on the floating wind turbine will have a diameter of 80 meters, and the nacelle will tower some 65 meters above the sea surface. The floatation element will have a draft of some 100 meters below the sea surface, and will be moored to the seabed using three anchor points. The wind turbine can be located in waters with depths ranging from 120 to 700 meters.

"Taking wind turbines to sea presents new opportunities. The wind is stronger and more consistent, areas are large and the challenges we are familiar with from onshore projects are fewer," highlighted Gjorv.

Gulfsands completes drilling operations in Syria

Gulfsands Petroleum Plc announced the successful completion of the company's drilling operations on the KHE-10 horizontal well, which will be tied into the Khurbet East Early Production Facility (EPF).

Production from this well is expected to commence this month. The KHE-10 well was spudded on May 21st at a surface location approximately one kilometer south of KHE-1, the original Khurbet East discovery well.

KHE-10 is the second of three development wells planned to support the expansion of the Khurbet East EPF. The well was drilled to a total measured depth of 2329 meters or 1926 meters true vertical depth (TVD) and encountered the top of the oil bearing Cretaceous Massive reservoir at 1,927 meters consistent with the pre-drill prediction. A horizontal section of approximately 260 meters of Cretaceous Massive Formation was penetrated within the uppermost part of the reservoir with properties consistent with reservoirs evaluated in the other high performance wells in the central portion of the Khurbet East Field.

Tie-in operations will commence on KHE-10 and the previously drilled KHE-9 well with production from these wells expected to begin during this month coincident with the completion of the expansion of the Khurbet East EPF. As the KHE-10 well will be tied into the production facility immediately, a drill-stem test of the well was not undertaken. The drilling rig will move on to drill KHE-11, the third well in the current three well development drilling program.

Ric Malcolm, Gulfsands CEO, said, "The successful and timely drilling of the first two development wells within high quality oil bearing reservoir keeps plans on track for oil production through the Early Production Facility to be increased from the current rate of approximately 10,700 barrels of oil per day and achieve the year end target rate of 16,000 barrels of oil per day."

Island granted Moroccan permits

UK-listed Island Oil & Gas has signed two contracts with the Office National des Hydrocarbures et Mines (ONHYM) for two permits in Morocco, Sidi Moussa and Foum Draa Offshore.

The agreements are valid for up to eight years and together cover a total area of about 12,700 square kilometers in the sparsely explored Agadir Basin, about 100 kilometers south-west of the Moroccan city of Agadir.

Island has committed to reprocess seismic and conduct geological studies during the first 30 months of exploring in the two permits.

Sidi Moussa and Foum Draa are covered by over 5,200 square kilometers of modern 3D seismic data and over 2,000 kilometers of 2D seismic data. A drill or drop decision will be made at the end of the initial exploration phases.

Island will operate the two permits with 50 percent interest. Serica Energy and ONHYM will each hold a 25 percent stake.

The Agadir Basin lies offshore in the Atlantic margin and is geologically analogous to and on trend with the oil producing salt basins of West Africa. Over 40 undrilled prospects and leads were identified in Sidi Moussa and Foum Draa by previous operators. The areas extend from the Moroccan coastline into water depths up to 2,000 meters.

TAQA Arabia awarded 118-million Euros contract in Libya

TAQA Arabia, Citadel Capital's full-service regional energy distribution platform, has been awarded its first Libyan contract, worth 118 million Euros, to build the infrastructure for a gas distribution network that will connect 370,000 households in the Libyan cities of Tripoli, Benghazi and Misurata with safe, clean natural gas. The contract marks the company's entry into the lucrative Libyan market.

"There is a lot of international interest today in the Libyan market as it is largely untapped," said Citadel Capital Managing Director Marwan Elaraby. "In the energy field, those who have gone in so far have been purely on the upstream side, so there are plenty of opportunities available for an experienced regional player such as TAQA Arabia to play a major role in developing Libya's energy distribution infrastructure."

Under the terms of the contract, TAQA Arabia will be executing the design and engineering of four major gas transmission lines to service 370,000 households. The high and medium pressure networks and pressure-reduction stations will meet the highest international quality and safety standards.

In addition, the company will draft a strategic plan for the expansion of Libya's gas grid, a project worth an estimated EUR 2.5 million.

Commenting on the Libyan venture, Managing Director of TAQA Arabia's Gas Arm Ahmad Dakroury said, "This contract solidifies TAQA Arabia's position as the largest regional gas group. Libya is the most recent addition to our growing list of regional contracts which include major projects in the United Arab Emirates, Qatar, Jordan and Syria."

The new Libyan gas infrastructure project will be executed through The Arab Gas Co. (Libya), a joint venture between TAQA Arabia and the Libyan Social Economic Development Fund under the auspices of The General People's Committee for Electricity, Water and Gas Distribution. TAQA Arabia owns 49% and the Libyan Social Economic Development Fund owns the remainder. The new company has a paid-in capital of 5 million Libyan dinars.

The Arab-Libyan Company for Gas' scope of operations will include the study, design and implementation of gas grids, the management and operation of transmission lines and gas distribution networks, and the training of Libyan personnel in the operation and maintenance of gas distribution systems.

Sudan to double oil output by 2015

Sudan is aiming to double its current oil production by 2015 and has started talks to acquire exploration and production rights in foreign blocks in Indonesia, Sudan's national oil company head said Tuesday.

"Sudan is currently producing more than 500,000 barrels a day and that is from only 20 percent of the sedimentary basins. There is still 80 percent of the basins to be explored," Salah Wahbi, Chief Executive of Sudan Petroleum Corp., or Sudapet, told Zawya Dow Jones in an interview.

"We are expecting within five to seven years from now to produce about one million barrels a day," he added.

Sudapet is also considering further cooperation with other national oil companies, in particular expansion to overseas oilfields, after being approached by Indonesia's Petramina to do an oilfield swap.

"About five weeks ago the Indonesian's proposed we acquire some of their blocks in Indonesia and they acquire more blocks in sudan so they can strengthen their presence in Sudan," Wahbi said, adding the companies have started talks and a top delegation from Sudapet will be visiting Indonesia in August.

Aramco and Total award EPC contracts for Jubail export refinery

Saudi Aramco Total Refining and Petrochemical Company (SATORP) have finalized the awarding plan for Engineering, Procurement and Construction (EPC) contracts that constitute the thirteen different process packages of their Jubail joint venture refinery, following a meeting of the SATORP Board of Directors.

The awarding of these contracts marks an important step in the execution of this 400,000 barrel per day world-class, full-conversion refinery in Jubail, Saudi Arabia, which plans to be fully operational by the second half of 2013.

When completed, the export refinery will be one of the most advanced refineries in the world and will process Arabian Heavy crude to products fulfilling the most stringent specifications, to meet rising demand for environmentally-friendly fuels.

ExxonMobil explores in Turkish Black Sea

ExxonMobil Corporation received the approval of the Turkish government for an agreement between its affiliate ExxonMobil Exploration and Production Turkey B.V. and the Turkish national oil company and Türkiye Petrolleri Anonim Ortakligi (TPAO) to explore two deepwater blocks in the Black Sea.

ExxonMobil and TPAO signed the agreement in November 2008 to jointly explore deepwater prospects in the Samsun Block, which measures approximately 2 million acres (8,500 square kilometers) and the eastern portion of 3921 Block, which measures approximately 5 million acres (21,000 square kilometers). Water depths reach an approximate 6,500 feet (2,000 meters).

ExxonMobil will be the operator and will earn a 50 percent interest in both offshore blocks. TPAO and ExxonMobil intend to collaborate and utilize the skills and operational abilities of both companies during all phases of the block evaluation and potential development.

"We look forward to exploring with TPAO the hydrocarbon potential of these deepwater Black Sea blocks," said Russ Bellis, Exploration Director, ExxonMobil International Limited. "We are bringing our global deepwater experience to this prospective unexplored area."

TPAO President and CEO Mehmet Uysal commented on the agreement, "TPAO and ExxonMobil will be working closely together to assess the potential of these blocks. I believe that we will find commercial

Iran inaugurates world's largest gas injection project

The world's largest gas injection project was inaugurated in Iran's Aghajari oilfield, last month.

The $300-million project aims at recovering oil through injecting up to two billion cubic feet of natural gas per day to Aghajari oilfield to boost the oilfield's current 140 thousand barrel per day (bpd) output to reach 270 thousand bpd, the Mehr News Agency reported.

The gas injection process is conducted for enhanced oil recovery, which is a technique for increasing the amount of crude oil that can be extracted from an oil field.

Aghajari oilfield has been in operation for almost 70 years. It holds about 10 billion barrels of oil and the gas injection project would add the deposit by some 1.2 billion barrels.

Iran's 2008 estimated proven natural gas reserves stood at 948 trillion cubic feet, second only to Russia. Roughly two-thirds of Iranian natural gas reserves are located in non-associated fields and have not been developed. Major natural gas fields include the South and North Pars gas fields, the Tabnak gas field, and the Kangan-Nar gas field.

Circle Oil confirms gas discovery in Morocco's Sebou Permit

Circle Oil announced that the CGD-10 exploration well has been drilled, logged and successfully tested in the Sebou Permit, Morocco.

The company confirmed a discovery in the Lower Guebbas Sequence with the well testing gas at a sustained rate of 3.9MMscfd from the primary target using a 24/64-inch choke. The perforated interval of 889.3 to 897 meters has a calculated net gas pay of 3.3 meters.

The secondary target between 847.5 to 854.5 meters has a calculated net gas pay of two meters but testing of this interval will be carried out at a later date. The well is being completed as a potential producer.

A full technical evaluation of all the results of the well is under way. This will allow for forward planning as a precursor to further assessment of the resource, including conducting an extended well test to give a more complete estimation of the reserves.

The drilling rig will now move to commence drilling the last well of the planned six well drilling program in the area.

The Sebou permit lies to the northeast of Rabat in the Rharb Basin in Morocco. The Rharb Basin is a fore deep basin located in the external zone of the Rif Folded belt. The concession agreement, in which Circle has a 75 percent share and ONHYM, the Moroccan State oil company, has a 25 percent share, includes the right of conversion to a production license of 25 years, plus extensions in the event of commercial discoveries.

David Hough, CEO of Circle, said, "We continue to enjoy drilling success in the Rharb and again we must thank our technical staff for their professionalism in achieving yet another discovery. Having drilled five of the six planned wells and had four discoveries and very good indications of gas in DRJ-6 well, which is to be tested later, we are certainly achieving the results we had hoped for. As we move to our

Manchester United accepts £80m Ronaldo bid from Real Madrid

Manchester United announced they had accepted an £80 million bid from Real Madrid that will make Cristiano Ronaldo the most expensive player in history.

The world-record transfer is expected to be finalized before 30 June after United finally accepted that the world footballer of the year was still intent on securing his "dream" move to Madrid.

"At Cristiano's request – who has again expressed his desire to leave – and after discussion with the player's representatives, United have agreed to give Real Madrid permission to talk to the player," the club said.

Ronaldo is likely to be only the second highest earner at Real behind Kaka, the former Milan forward who completed his move to the Bernabeu earlier this week for £56 million. While Ronaldo's reported £80 million fee outstrips Kaka, it is understood he will earn a salary of around €8m net (£6.8m), which when Spain's non-domicile tax rate of 25 percent is factored in is close to €211,000 (£180,000) a week before add ons.

Sir Alex Ferguson will now turn his attention to finding a replacement and United could follow up their informal approach for Antonio Valencia of Wigan Athletic as well as feasibly resurrect their interest in Franck Ribéry at Bayern Munich, although the Real president, Florentino Pérez, has accepted that the German club are not keen to lose the Frenchman.

Ferguson talked recently of Ronaldo, at 24, still not being at his peak and, despite the huge amount of money involved, he will be forced to recognise this moment as a significant blow to his hopes of re-establishing his team as the best in Europe.

Egypt's Confederations Cup quest

After the impressive performance against Brazil and the historic win over World Champions Italy, the African Champions bowed out of the Confederations Cup by the Americans

Italy was outclassed by Brazil 3-0 to allow the U.S, whose chances of booking a last-four berth were very slim, to go through.

Egypt, Italy and the U.S all finished with three points but the latter qualified for the next round after scoring more goals than Italy.

The U.S and Italy had minus-two goal difference each while Egypt had minus-three.

The U.S scored four goals in the group stage, just one more than World Cup winners Italy to set up a semi-final meeting with Spain.

Brazil qualified as the group leaders after bagging maximum nine points from three games.

Three goals from Charlie Davies, Michael Bradley and Clint Dempsey condemned Egypt, who shook world football when they defeated Italy 1-0, to an embarrassing defeat.

Egypt coach Hassan Shehata made several changes to the side that faced Brazil and Italy.

He preferred to play with four men at the back rather than the usual three as Hani Saied, who used to play as a sweeper, was deployed as a central defender to partner Wael Gomaa.

Ahmed Samir Farag started on the left instead of Sayed Moawad while Ahmed Al-Muhammadi, who returned from suspension, played as a right-back.

Ahmed Abdul-Ghani played as a lone striker after Mohamed Zidan was ruled out of the game due to a hamstring injury.

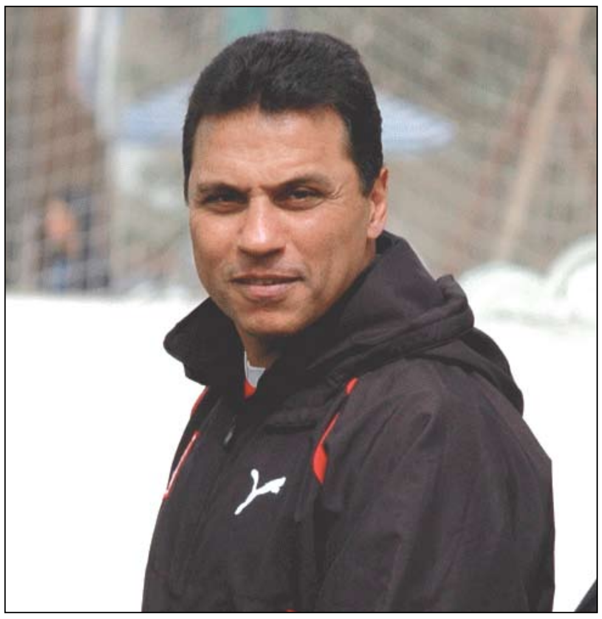
Before the tournament, everyone – even jokingly – was counting the number of goals the Egyptian national team will concede from former and current world champions Brazil and Italy. Pundits and fans predicted massive defeats from the world giants and they were not feeling bad about it.

Everyone was content to have such belief and the team entered the competition peacefully, just to watch and hope we can produce anything to cheer about. The same happened this time around. Some brilliant display against Brazil and a historic win over Italy made us all believe that we have finally landed on the world stage.

The games against Brazil and Italy were breathtaking, were something to make Egyptians proud for very long time to come.

Al-Badri achieves his dream

Hossam Al-Badri has been promoted to become Al-Ahly's new head coach



"The Ahli board have decided to name Hossam Al-Badri as the first team's head coach," an Ahli statement said.

Al-Badri served as assistant coach to Manuel Jose during the past five seasons, which saw him clinch a host of trophies with the club.

The ex-Egypt international's appointment was imminent as he became a frontrunner for the hot Ahli seat after the sudden departure of Nelo Vingada last month.

Al-Badri expressed his desire to be the head coach before his nomination.

"Coaching Ahli would be dream come true for me or anyone else," the former Ahli defender told Al-Hayat TV.

"I will be under the club's disposal if they decide to offer me the vacant position."

On the other hand, Portuguese coach Vingada signed a two-year contract with the Red Devils last month, but backed down on the job for "family reasons".

However, some rumours explained that Vingada backtracked on the Al-Ahly job after he failed to get along with the club's football committee.

"To take over Al-Ahly, I would have to be sharp all the time," Vingada told the club's official website.

"The past few days were really tough for me and for my family as well, and I do not think I can do my job competently under such circumstances. I need to move to Portugal in the immediate future to stand by my family, and I hope I can terminate the agreement we reached without troubles."

He further added, "I apologize for my decision, but I had no choice."

Al-Ahly has been recently busy looking for a replacement for the great Jose, who left for Angola by the end of last month.

Federer the greatest tennis player of all time

Roger Federer confirmed his position as the greatest tennis player of all time with his victory at the French Open

World number two Roger Federer beat Robin Soderling 6-1 7-6 (7-1) 6-4 to complete his set of Grand Slam titles and equal Pete Sampras's record total of 14. The Swiss champion won his first French Open and equal Pete Sampras's record of 14 Grand Slam titles.

He produced a near-faultless display in testing conditions to dominate Sweden's Soderling, a shock finalist, from start to finish.

He becomes only the sixth man to have won each of the four Grand Slam tournaments. Federer joins Fred Perry, Don Budge, Rod Laver, Roy Emerson and Andre Agassi as a winner of all four Grand Slam titles and matches the record total of Sampras, who never managed to win on the clay of Roland Garros.

The 27-year-old Swiss had lost to Rafael Nadal in the last three French Open finals, as well as the 2005 semi-final, but the Spaniard suffered his first-ever defeat at Roland Garros when Soderling beat him in the fourth round.

"It was probably my greatest victory, I was under big pressure," said the former world number one. "I did it and it is phenomenal. It was great to be on the podium as a winner for a change.

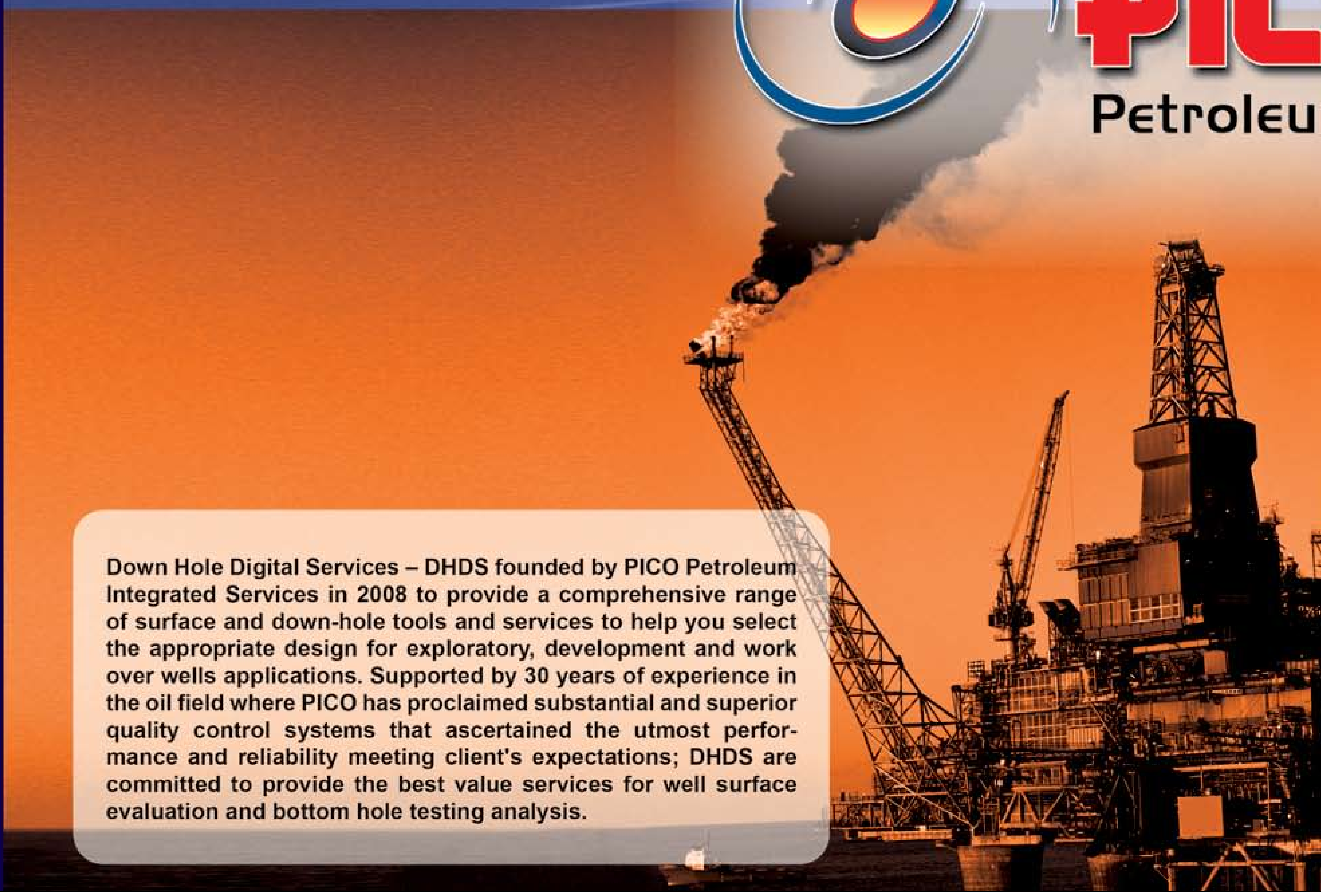
"Andre said it was my destiny to win this and that I deserved it."

Drilling Fluids Technology

Drilling Fluids Technology – DFT was founded by PICO Energy in 2007. DFT provides its customers with reliable customized and high quality engineering services implementing the best drilling fluids practices using the full fledge of OBM & WBM Chemicals and drill-in fluids. DFT team congregates the most experienced personnel within the Egyptian Market in the field of drilling fluids. The team collaborated for Managing & Operating DFT have rich local and international experience with many Operators in Egypt utilizing varieties of mud systems that led to a successful start in the Gulf of Suez of Egypt. DFT success is a function of performance and improving well integrity as well as enhancing the learning curve which adds to our reputation further diversity.

PICO
Petroleu

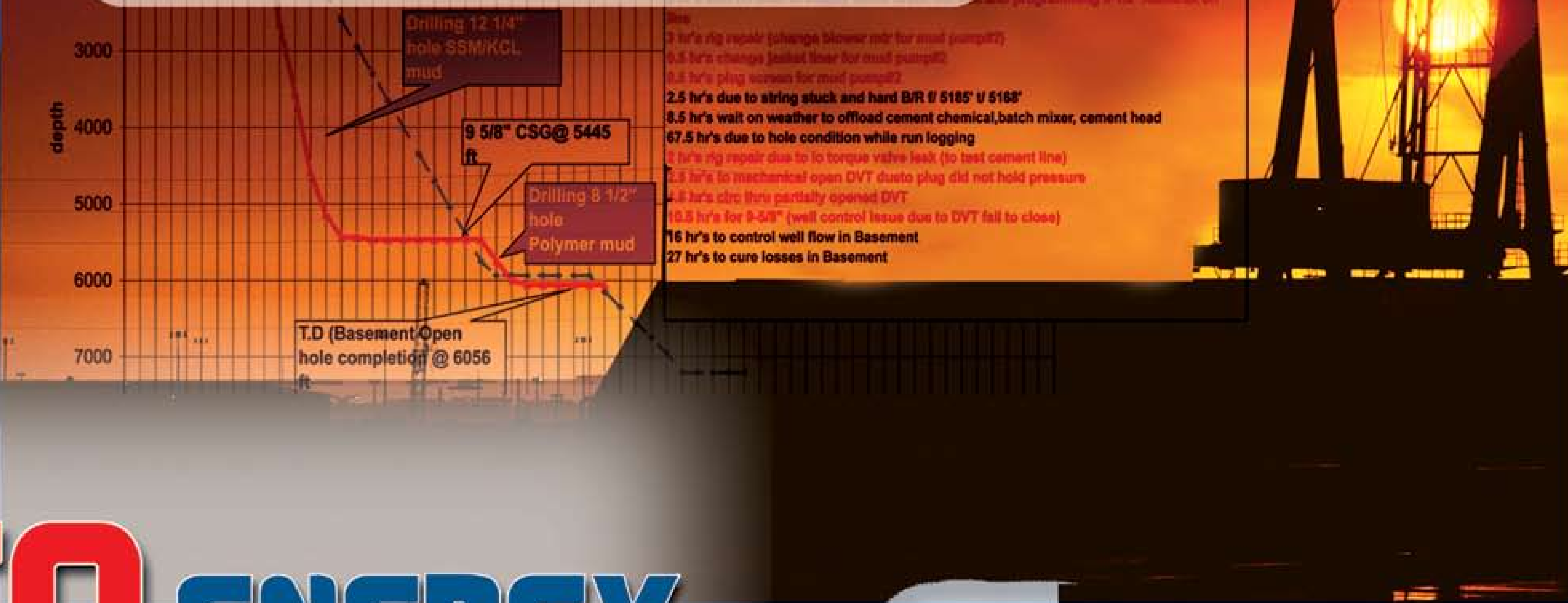
Down Hole Digital Services



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

IS Drilling Management

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



O ENERGY

m Integrated Services

Pumping & Stimulation Services

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

Safety is NEVER achieved by CHANCE!

Striving for revenues and production records and fulfilling corporate goals for high achievements should not be the sole concern to focus on. Each petroleum entity or corporation has several duties towards the environment and employees have rights to keep their health and safety intact. This can be summarized in three words Health, Safety and Environment (HSE)

By Yomna Bassiouni

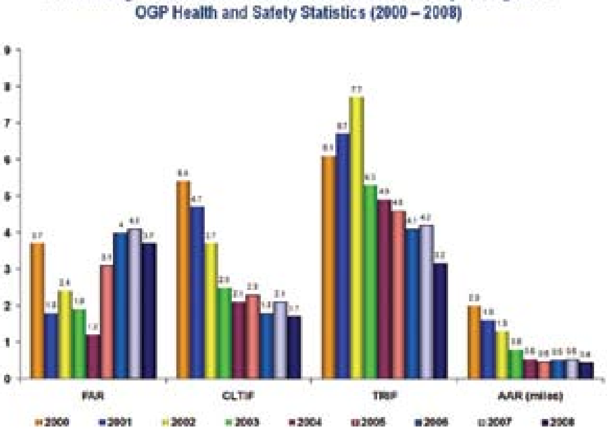
In Egypt, being one of the first nations in the region in which oil was discovered, the petroleum sector plays an indispensable role in the country's economy and has a distinguished contribution to its growth. And, since the year of 2000, when the Ministry of Petroleum set up a comprehensive strategy that included a number of new implementation mechanisms focusing on adjusting and developing the structure of the sector, a new burden has been imposed on petroleum entities and corporations to implement the new strategies, including the ones about HSE.

The HSE Culture

HSE is an integrated part of any business, including the oil and gas sector, which is becoming more complicated with the ongoing innovative technology. Despite the facilities granted through the utilization of up-to-date techniques, challenges are generated and the safety of workers and the surrounding environment can be in jeopardy. In other words, most of today's technologies focus on enhancing and smoothing the progress of work in order to increase the production level. Therefore, it is the responsibility of the company to provide a safe environment to personnel during work and specifically while utilizing the different technologies to face its challenges.

Though the different ideologies of each corporation, they commonly agree on the importance of HSE, not only for the prosperity of their business, but also as an indispensable duty towards the surrounding society and environment. For instance, Schlumberger has a long-standing HSE commitment to the highest standards for the health and safety of employees, customers, and contractors as well as to the protection of the environment in the communities in which we live and work.

Another example is Weatherford; in all of the company's operations, the most important mission is to pursue the highest possible standards to maximize Quality, Health, Safety, and Environmental performance. In order to achieve this goal, Weatherford pays a special attention to the effective implementations of these policies, which are on the top priority list for all employees. "By maintaining compliance with all applicable laws and regulations within the areas of operation and by conducting all operations in a manner that promotes safe work practices and avoids risk to our employees, our neighbors, and the environment, we can optimize the value created for our customers," highlighted the company in a statement posted on its website. The company developed direct rules to fulfill its HSE targets; to assure the quality and technical integrity of products and services so that they are fit for purpose and that their functional specifications match the customer's application in all instances, to conduct operations with zero risk to personnel or the environment, to seek continuous improvement and finally to consult regularly with employees, and others, with regards to Quality, Health, Safety and the Environment.



Similarly, Baker Hughes Incorporated believes that one of its greatest responsibilities is to be committed to the health and safety of people and the protection of the environment while supplying products and services in a safe and sustainable manner.

"We firmly believe this commitment adds value to our customers, employees and shareholders."

In order to serve this belief, the company's HSE management system has been founded on some basics, which are the following:

• Measurable goals promoting continual improvement toward zero incidents and the prevention of pollution

• Visible management commitment, effective communication and training to ensure environmental protection, and the safety and health of our employees and the community

• Line management accountability for HS&E matters and the individual contribution of all employees

• Recognition by all employees and contractors that safety and environmental protection is a condition of employment and that they are responsible for their safety and the safety of those around them

• Promoting a culture where Stop Work Authority is exercised freely and is valued as a proactive process to control HS&E risks and impacts

• Integration of HS&E considerations, including identifying and controlling risks and impacts into our business decisions, plans and operations

• Periodic audits and reviews of HS&E systems and performance

• Compliance with applicable legislation, regulations and relevant industry standards

• Providing appropriate resources to implement this policy

Moving to the local level, the Egyptian companies recognized the vitality of HSE to the sustainability of operations, leading to higher achievements and success. For instance, the Egyptian Drilling Company (EDC) has been committed, since its establishment, to conducting all its activities in a manner that ensures a high standard of quality to its services, conforms to contractual obligations, safeguards human life and health, and protects the environment. The company's Quality Management System (QMS) aims at achieving customer satisfaction, being fully complied with local laws, rules and regulations in the country where EDC is operating, providing all employees with procedures, guidelines and references to assure standardization of work, based on the established requirements, planning its activities in a manner that assure quality of deliverables and also evaluating performance through measuring achieved results against own targets & industry performance.

EDC's QMC covers all services, which are carried out by EDC today and anticipated future tasks. The system compiles with relevant authority requirements, typical QMS requirements from clients/customers, and EDC's own requirements.

Despite the simple meaning of the HSE concept, it in fact acts as the pilot guiding any business towards the land of success and high achievements and if implemented in the best way, the HSE guidelines create a risk-free working environment, adjust operations flow without accidents, keep the personnel in good health condition and at the same time avoid any dreadful harm endangering the environment we are all living in.

HSE

Workplace Risk Assessment

"Any establishment and its branches shall carry out an evaluation and analysis of the risks and of the expected industrial and natural disasters, and prepare an emergency plan for protection of the establishment and its workers in the event of an occurring disaster, providing the effectiveness of this plan shall be tested and etc" (Egyptian Labors Law # 12/2003 5th book, Article # 215)

By Adel Younis
QHSE Executive Manager, Corex Ltd.

The above article is tackling one of the most important techniques in the HSE Management, which is the Risk Assessment (RA); the process of evaluating the risks to workers, safety and health from workplace hazards. It is a systematic examination of all aspects of work that consider:

1) What could cause injury or harm?

2) Whether or not the hazard could be eliminated?

3) What preventative or protective measures are, or should be, in place to control the risk impact?

But, before going through the techniques of managing risks at workplace, we have to differentiate between hazard and risk definition, where a hazard is anything that may cause harm, such as chemicals, electricity, working from ladders, an open drawer… etc, while a risk is the probability (high or low) that somebody could be harmed by these hazards.

How to assess the risks?

The guiding principle that should be considered throughout the risk assessment process can be divided into a series of steps, summarized as follows:

Step 1: Identifying hazards and those at risk, looking for those things at work that have the potential to cause harm, and identifying workers who may be exposed to the hazards.

Step2: Evaluating risks, estimating the existing risks (their severity, probability, etc.) and prioritizing them in order to be done to eliminate or prevent risks are prioritized.

Step3: deciding on preventive action, identifying the appropriate measure to eliminate or control the risks.

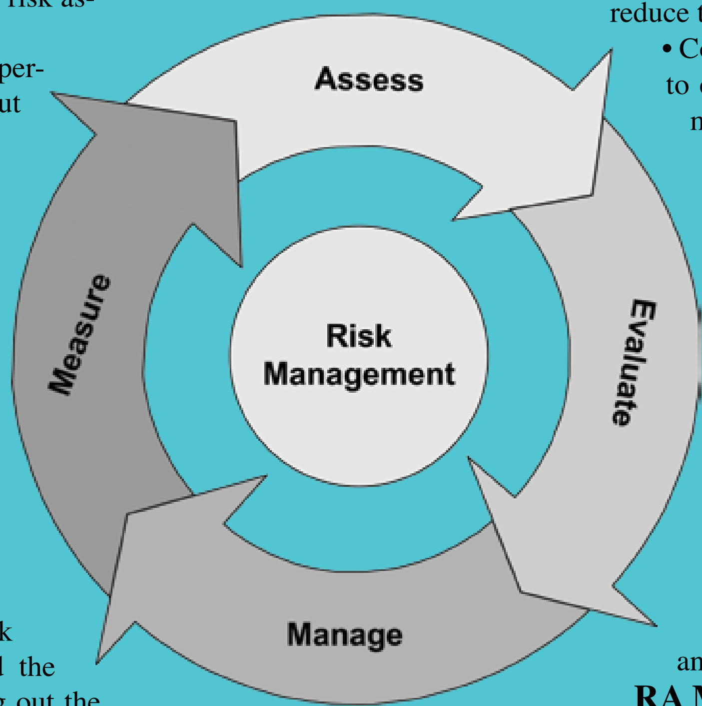
Step4: taking action, putting in place the preventive and protective measures through a prioritization plan, and specifying who does what and when, when a task is to be completed and the means allocated to implement the measure

Step5: Monitoring and reviewing, the assessment should be reviewed at regular intervals to ensure it remains up to date. It has to be revised whenever significant changes occur in the organization or as a result of the findings of an accident or near miss investigation.

Roles and responsibilities of RA implementation

A) The employer has the duty to:

- Ensure the safety and health of workers in every aspect related to work
- Organize the risk assessment
- Select the persons to carry out the assessment and ensure that they are competent
- Assess the risks and implement protective measures
- Consult the employees or their representatives about the findings of the risk assessment, and the persons carrying out the assessment and implementing the preventive measure
- Be in possession of an assessment of the risk
- Draw up assessment records having consulted with the workers and /or their representative, or even involved them in the work, and make the records available to them
- Ensure all persons affected are informed of any hazard, of any harm to which they may be at risk and of all the protective measures taken to prevent such harm



B) Workers / employees have the responsibility to

- Be consulted on arrangements for the steps of the risk assessment
- Participate in the RA process
- Report changes in the workplace
- Be informed of the risks of their safety and health and of the measures required to eliminate or reduce these risks
- Cooperate to enable the employer to ensure a safe working environment
- Strictly follow employers internal instructions / regulation in using and implementing control measures (i.e. usage of PPE)

Take into consideration that RA should not be carried out by the employer or the employers' representative working in isolation, they should involve employees in the whole process it is a part of the assessment process to manage information taken from employees or even any conclusion reached.

RA Matrix

The following table is a simple example of the RA process matrix, it may vary according to the complexity of the process within the establishment, but it has the same generic basics.

Degree	Severity	Likelihood
5	Death / permanent disability	Very likely
4	Major injury	Likely
3	Over 3 day injury	Possible
2	Minor injury	Unlikely
1	Property damage	Very unlikely

SEVERITY					
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5
	Likelihood				

Degree of risk = Severity X Likelihood

Impact on rig markets

The current economic crisis cast its shadow on all producing activities including oil industry, which used to generate trillions of dollars, but now, many oil producers and relevant services companies sustain loss of billion dollars. Undoubtedly, the economic crisis made biggest companies to shrink their activities in exploration and exploitation, excluding the developing countries, which are compelled to produce under any circumstances and whatever the prices are, to fulfill government budget cash inflows

By Mostafa Mabrouk
Economic Specialist, Ganope

Ups and downs of rig rates

The credit crisis and the 60-percent fall in crude oil prices have resulted in oil companies drilling fewer wells in offshore areas. This has increased the availability of rigs across the world and helped bring down rig rentals by up to 10 percent. Daily rentals of jack up rigs used for drilling in shallow waters have decreased from around $200 thousand to $180 thousands, yet rates are still over three times higher than they were two years ago. Analysts said, "Rigs rates have corrected with oil prices coming down. Exploration companies, which are due to renew their contracts or firm up new contracts in the coming months, stand to gain from the current slide".

Bloomberg reports show expectations that rental rates for deepwater drilling rigs will continue to surge as a worldwide shortage of vessels used to search the oceans for oil outweighs the biggest drop in crude prices. For instance, Transocean Inc, the world's largest offshore oil driller, agreed to lease its C. Kirk Rhein Jr. rig to Burgundy Global Exploration Corp. for $550 thousand a day; a 52-percent increase from the previous rate (capable of operating in water depth up to 3300ft and max. drill depth 20000 ft, 10000psi bop). The lack of financing is preventing small rivals from implementing plans to build new vessels. At least, one fifth of the new deepwater rigs on order in shipyards from South Korea to Norway will be cancelled or delayed because of capital constraints. Demand for vessels that can explore more than 10 kilometers below the sea surface and hundreds of miles from shore has risen faster than the world's supply of the most drill ships, pushing day rates to a record.

Do oil prices affect rig contracts?

The price of oil is starting to slowly recover from its recent turndown; economic analysts believe that industry will recover to appropriate price per barrel over 2009 and onward. The New York Mercantile Exchange (NYMEX) made a graph compares crude to day rates for all floating rigs worldwide from 1st Q 2004 through 1st Q 2009, the day rates included in this analysis are an average of day rates for new contracts signed each month. The following can be derived:

-When price of crude was under $40 at 1st Q 2004, day rates were around $120,000

-When price of crude was over $60 at 3rd Q 2005, day rates were around $265,000

-When price of crude was $70 at 2nd Q2006, day rates were around $350,000 due to tensions in Middle East

-The trend of day rates went up to six months till 1st Q, 2007 and reached $410,000

-After a slight dip, oil prices start to rise again to a new high in the 2nd Q2008 to more than $130/barrel, then prices came down over the next several months, while financial commitments of drill ships and semisubmersible rigs hit $ 470,000 per day in 4th Q2008, just four months after imaginative increase in oil prices that reached to $147.

Due to the already signed contracts, the present day rates are not reflecting the current oil price. The increase in oil prices throughout this span of time helped to open up new areas of exploration and development, making previously under-explored deepwater regions economically feasible. This increased demand for the limited number of floating rigs worldwide drove operators to sign longer contracts to ensure that operators had available rig time when they were ready to begin deepwater project. Also, there are currently 88 new build floating rigs, expected to be delivered this year. However, the combination of today's lower oil price and a larger fleet of floating rigs are expected to contribute to an increase of day rates, or possibly a decline.

Market support for rig construction faltering

The year 2008 started with the strongest offshore rig fleet utilization seen in years and the highest oil prices exceeding the $100/barrel, giving drilling contractors ample excuse to continue the surge in rig construction. However, by mid 2008, the global economic credit crunch has made project financing more difficult. As a result, drilling contractors have already been scrapping plans to construct new rigs or altering existing agreements as operators revise their spending budgets and explorations efforts going forward. In 2009, drilling contractors planned to construct new rigs, but last February, Rowan Cos. cancelled the construction of a fourth 240C jack up, suspended construction of jack up Joe Douglas and requested that construction be suspended on jack up Rowan EXL no. 4, Scorpion offshore Subsidiary Scorpion deepwater also it had terminated its $405 million contract for the construction and delivery of DSS-38 Semisubmersible rig with Keppel Fels in Singapore. All of these rigs have become causalities of current economic conditions.

Atwood Oceanics Inc. reported also that it will not exercise its existing option to have Jurong Shipyard Ple. Ltd construct another deepwater semisubmersible for the company at Jurong's Shipyard. The Singapore-based yard is currently building two rigs for Atwood (6000ft and 1000ft). Both units will be delivered early 2011 and mid 2012. Moreover, Seadrill announced earlier this year that it would amend construction agreements entered into 2008 with PPL Shipyard and Keppel Fels for four new build jack ups. The company originally ordered two jack ups from PPL and two from Keppel for delivery in 2010. The two yards agreed to postpone all remaining milestone payments for the second units to be built at both yards until delivery, and revised the milestone payment schedule for the first two units. Construction of all four will continue under the supervision of the current project teams sponsored by Seadrill.

During 2009, 72 new build drilling rigs are scheduled for delivery, including 37 jack ups, 24 semisubmersible, seven drill ships and four tender rigs. ODS-Petrodata reported that a significant number of these rigs are under construction in Shipyards in Southeast Asia and the Far East. The number of new build rigs set for delivery in 2009 represents an investment of over $22 billion.

Global offshore rig fleet expands

The worldwide offshore rig fleet continues to grow with new rig deliveries even as the contracted offshore rig count continues to decline. The worldwide contracted rig count fell by 14,3 percent where 611 rigs under contract out of 713 available.

The following table illustrates the movement of rigs compared to last year.

The rig count tables above include all MODU types except tenders. It appears from data above the following:

-Rigs under contract reduced by 5,5 percent compared with last year dated 15/5/08 and one percent with last month, due to the postponement or cancellation of most projects by major companies as per budget cuts.

-The w/o contract has increased by 200 percent compared with previous year since contractors focused on w/o operations and avoid heavy cost of drilling new wells for purpose of budget cuts.

-In general, number of total rigs in drilling fleet has increased by five percent compared to last year

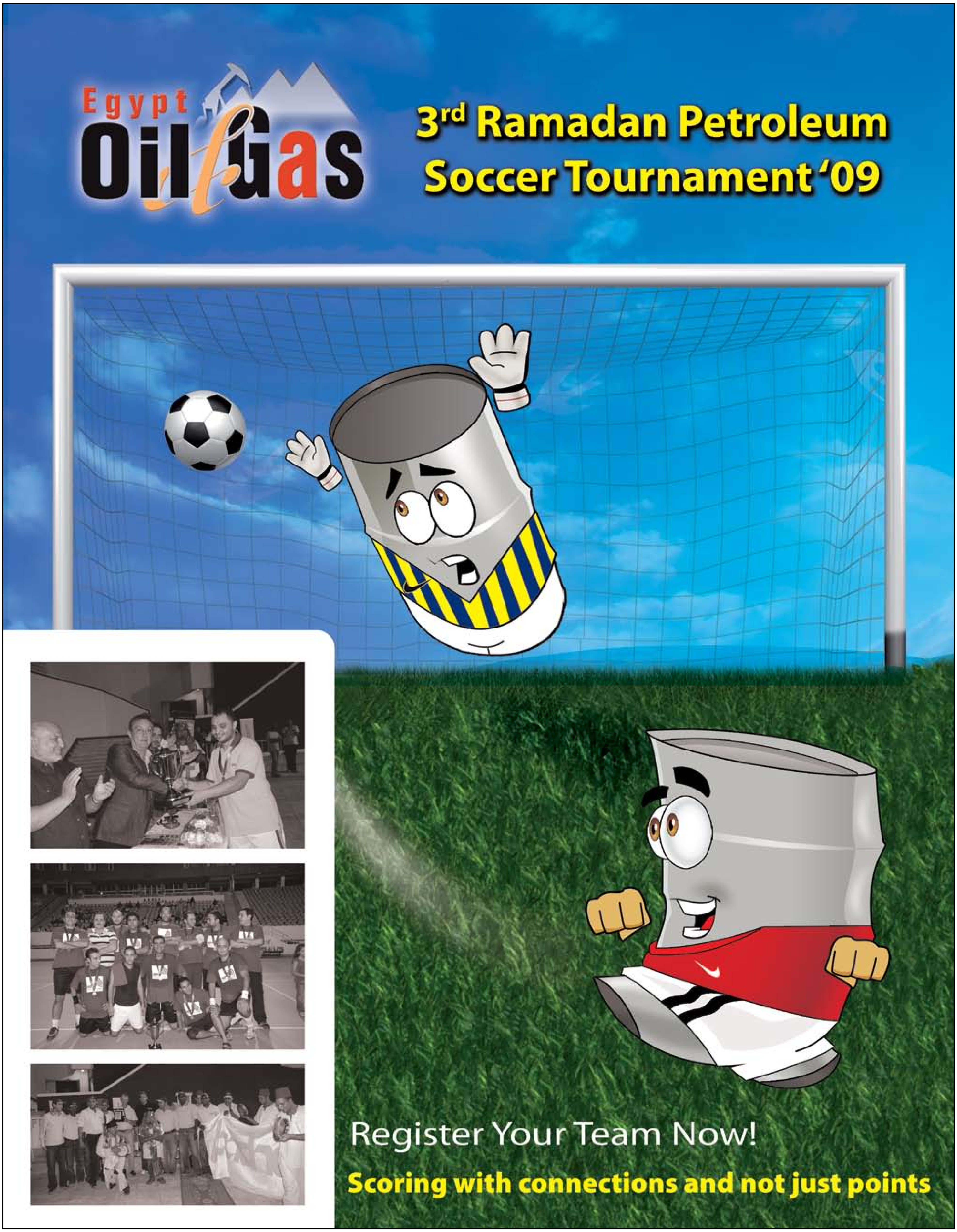
U.S. Gulf of Mexico				
	Today	*Last Week*	*Month Ago*	*Year Ago*
Total Rigs in Drilling Fleet	114	114	115	124
Rigs Under Contract	69	71	70	103
Rigs w/o Contract	45	43	45	21
Fleet Utilization Rate	60.5%	62.3%	60.9%	83.1%
South America				
	Today	*Last Week*	*Month Ago*	*Year Ago*
Total Rigs in Drilling Fleet	108	108	108	94
Rigs Under Contract	82	82	84	70
Rigs w/o Contract	26	26	24	24
Fleet Utilization Rate	75.9%	75.9%	77.8%	74.5%
Europe/Mediterranean Sea				
	Today	*Last Week*	*Month Ago*	*Year Ago*
Total Rigs in Drilling Fleet	106	106	105	99
Rigs Under Contract	103	103	102	99
Rigs w/o Contract	3	3	3	0
Fleet Utilization Rate	97.2%	97.2%	97.1%	100.0%
West Africa				
	Today	*Last Week*	*Month Ago*	*Year Ago*
Total Rigs in Drilling Fleet	59	59	60	59
Rigs Under Contract	45	46	49	58
Rigs w/o Contract	14	13	11	1
Fleet Utilization Rate	76.3%	78.0%	81.7%	98.3%
Middle East				

Offshore Rig Day Rates

The day rates provided below are the current day rates for each rig type drawn from the RigLogix database. These numbers, which include both competitive and non-competitive rigs, are updated on a daily basis

	Today	*Last Week*	*Month Ago*	*Year Ago*
Total Rigs in Drilling Fleet	106	106	105	102
Rigs Under Contract	88	88	91	93
Rigs w/o Contract	15	15	14	9
Fleet Utilization Rate	83.0%	83.0%	86.7%	91.0%
Asia/Australia (excludes India)				
	Today	*Last Week*	*Month Ago*	*Year Ago*
Total Rigs in Drilling Fleet	120	119	116	106
Rigs Under Contract	106	105	103	103
Rigs w/o Contract	14	14	13	3
Fleet Utilization Rate	88.3%	88.2%	88.8%	97.2%
Worldwide				
	Today	*Last Week*	*Month Ago*	*Year Ago*
Total Rigs in Drilling Fleet	724	723	719	689
Rigs Under Contract	587	589	594	622
Rigs w/o Contract	137	134	125	67
Fleet Utilization Rate	81.1%	81.5%	82.6%	90.3%

The number of offshore rigs working in Egypt round 31 rigs distributed between Gulf of Suez and Mediterranean Sea, including three submersible rigs rented.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More flexibility needed to lure investments

Oil refining companies will not be exempted from taxes

By Ahmed Morsy

Egypt was about to take a step towards expanding its refining sector after the financial crisis and a new tax regime applied to the country's industrial zones have already hampered plans to upgrade Egypt's refining capacity

The economic committee of Egypt's People's Assembly (PA) was arguing to exempt oil refining companies from taxes for 10 years, but the last minutes witnessed the rejection of Ahmed Ezz, the Chairman of the Planning and Budget Committee of the People>s Assembly.

In the presence of leaders of oil companies and some of the People's Assembly, it was agreed to respond to the proposal of the Parliament Member Ahmed Ezz which granting the refining companies all the benefits of the free zones but won't grant the full tax exemption.

The exemption is limited to taxes and customs duties on products that are exported to the Egyptian market, local only, and it was agreed to print a report of the Committee to provide Assembly's discussions with it during the amendments of the law.

The last month has witnessed a controversy because of the insistence of the Ministries of Petroleum and Investment to grant full exemption to the oil refining companies, especially after two refining companies have pulled out their investments in Egypt in the last period after knowing the abolition of tax exemptions, particularly as Egypt is one of the countries that a number of investors are eyeing as a strategic location for new refinery facilities.

Eng Sameh Fahmy, the Egyptian Minister of Petroleum, has also asked that oil refineries should be exempt from Law 114/2008, which stipulates higher fuel prices for energy-intensive industries. Moreover, he stated that oil refining should not be considered energy-intensive.

"The parliament had originally wanted to continue without those incentives for energy intensive industries but we reached a compromise to reinstate them for 10 years," Hamdi Abdel Aziz, a spokesman for the Egyptian Ministry of Petroleum, said. "The breaks could be renewed later on."

Tax and customs breaks for refineries in the free zones were cancelled in May 2008, adding 20 percent to refinery costs. Oil investors complained that the taxes could dent their plans to invest in the expansion of Egypt's refining industry.

"Several planned projects were brought to a halt after investors feared they would not be making enough profit," Abdel Aziz added.

Egypt has the largest refining industry in Africa, with nine refineries that have a combined crude oil processing capacity of 726,000 barrels a day.

However, in light of international demand trends, the country needs to investigate opportunities to further expand this capacity. Hence, there are two ways to achieve this goal: either to raise the capacity of existing refineries or to add new ones.

The maintenance of existing refineries and some increases in their capacities are the responsibility of the government. However, increasing the efficiency of government-owned refineries is a good but costly option.

In choosing to add new refineries, there are two possible ways of approaching the issue either to build more state-owned refineries or to encourage private investment in the sector. If you cannot approach the private sector, you will have to do your own projects for new refineries. While approaching the private sector is the new concept since seven out of the eight refineries in Egypt are controlled by the Egyptian General Petroleum Corporation (EGPC) - and the government has a stake in the eighth, MIDOR, which is located in Alexandria.

There are at least four refinery projects in the works in Egypt. According to the EGPC, there are two projects to build new refineries currently in the pipeline. Both projects are to be established through a partnership agreement between private investors and the state-owned oil company. The Egyptian Refinery Company (ERC), the first of the two projects, which is primarily owned by private equity firm Citadel Capital with a minor stake owned by the EGPC, will set up a refinery with a capacity of 4.2 MMT annually.

For the second project, Sokhna for Refining & Petrochemicals will establish a refinery with an annual capacity of 6.157 MMT.

Last July, Eng Sameh Fahmy announced plans to build a third refinery, which will be established by the EGPC in partnership with unnamed investors for $9 billion. The minister said that the refinery and petrochemical complex should be operational by 2010 and will either be located in Port Said or Gamasa. While the investors have not been named, there has been speculation by some that the Indian Oil Corporation Ltd. will be among the partners involved. The Indian company has been reportedly considering investing $9 billion to build a refinery near Port Said or Gamasa.

The fourth planned project will be in cooperation with the Libyan government as part of its plans to invest up to $10 billion in Egypt. Plans to build an oil refinery west of Alexandria were announced by the Libyan government last year. And involving the private sector to expand refining capacity is highly likely to translate into profits.

Egypt possesses a number of characteristics that make it a congenial location for foreign investors to build these refineries. There>s a possibility for exporting some of the oil products, real estate is cheaper, labour is cheaper here than elsewhere and there is already an established refinery industry.

There are other factors that make Egypt well suited for refinery projects are that we have know-how in Egypt, so we have the people aspect. In addition to that we have a good location, we have good supply lines and we have the ports for export, besides having a large consumption in the local market and in the surrounding markets in the northern Mediterranean. Nevertheless, we still need a more flexible tax system to complete the chain and to attract and approach the private sector if we are targeting to expand our refining capacity.

Moreover, recent changes in free zone regulations for energy-intensive industries have also altered the calculus for foreigner investors. As part of legislation to fund salary increases and increased government spending passed on May 5, the free zone status of energy-intensive industries has been revoked, although some existing projects have been allowed to keep their free zone status. These changes were the primary reasons behind the Kuwaiti Al Kharafi Group>s decision to pull out of plans to build a refinery complex in Egypt. It is also rumoured that two Indian companies - Essar Global and Reliance Industries Ltd. - are reconsidering planned investments in refining facilities in Egypt for the same reasons.

However, if these obstacles can be overcome, Egypt has the potential to become a more powerful player in the worldwide oil and gas industry.

Iran's unrest will not lead to higher oil prices

Despite oil prices have doubled since the beginning of this year, amid hopes that an economic recovery could boost demand, the price of a barrel of oil has fallen four percent since the presidential election

A stronger dollar and falling stock markets as well as the presidential election in Iran helped to push the price lower after reaching last week's eight-month high of $72.68 a barrel.

The question now is how far this election would affect the prices of oil since there are few scenarios that might impact oil supply. The first one concerns Iranian oil exports, and whether crude will continue to flow from its ports despite internal unrest. Logic tells us that it will.

The reasons for this are basic. As much as oil lubricates our — and the world's — economy, Iran needs foreign exchange far more than the world needs its oil. Especially considering the aforementioned internal unrest, the last thing President Ahmadinejad needs right now is a dollar shortage amid persistent questions about the veracity of the Iranian vote. Conclusion? Iranian oil will flow.

Assuming a scenario whereby violence leads to a shutdown of Iranian oil ports, is it something that should concern us? In the near-term maybe, but this would not materially impact oil prices over the long-term; the reason being that if Iranian producers bring less oil to market, other OPEC countries will gladly increase oil exports in order to fulfil their own needs with regards to foreign exchange.

But what if the U.S President Barack Obama turns up the heat on Iran, and specifically on Ahmadinejad? Could not Ahmadinejad retaliate by refusing to allow Iranian oil sales to U.S interests?

The above is not outside the realm of possibility, but it is also wholly irrelevant to the price of a barrel of oil. For one, the majority of foreign oil that reaches the U.S comes from Canada.

Secondly, while the notion of an "embargo" is at first blush a bit scary, the greater truth is that embargoes of any kind are a major economic myth. Put simply, embargoes are not.

Indeed, in the 1970s, when, despite the early 70s Arab oil embargo (Iran, as a non-Arab country did not participate) placed on the U.S, America imported every bit as much oil during the embargo as before the embargo. Saudi Oil Minister Sheik Yamani admitted after 1973 that the embargo «did not imply that we could reduce imports to the United States … the world is really just one market. So the embargo was more symbolic than anything else.»

Countries can impose all manner of selling restrictions on the items they export, but once those goods leave the port, there is no accounting for where they end up. If every OPEC country were to place an embargo on the U.S, they would still buy their oil, only from those they would not embargoed.

Assuming Ahmadinejad restricts sales of Iranian crude to U.S interests, those same interests will still buy Iranian oil, albeit from those the oil is sold to.

More realistically the oil price spiked both times because the dollar was in freefall, and oil is priced in dollars.

In conclusion, more realistically, oil will continue to flow from Iran because irrespective of who ultimately takes control there, the country needs dollars.

Top Technology Solutions

CobraMax H Service

HALLIBURTON

An issue with coiled tubing-based pinpoint stimulation for multizone fracturing has been that large-diameter coiled tubing was required to achieve the high rates and fluid volumes, velocities and down-hole pressures required for perforating and fracturing. The 2-3/8-in. or 2-7/8-in.-diameter coiled tubing imposed depth limitations due to the additional weight and the reel capacity of conventional coiled tubing units. Fortunately, recently developed technology has eliminated these shortcomings.

CobraMax® H Service Provides Coiled Tubing Efficiency and Optimized Frac Treatments

CobraMax® H service enables operators to benefit from the efficiency of coiled tubing-based multi-zone fracturing while optimizing key fracturing treatment parameters for both vertical and horizontal wellbores:

• Injection rate
• Proppant volume
• Proppant concentration

Innovative Aspects

The service combines hydrajetting-assisted fracturing with the coiled tubing's well control capabilities and speed to provide several innovative features:

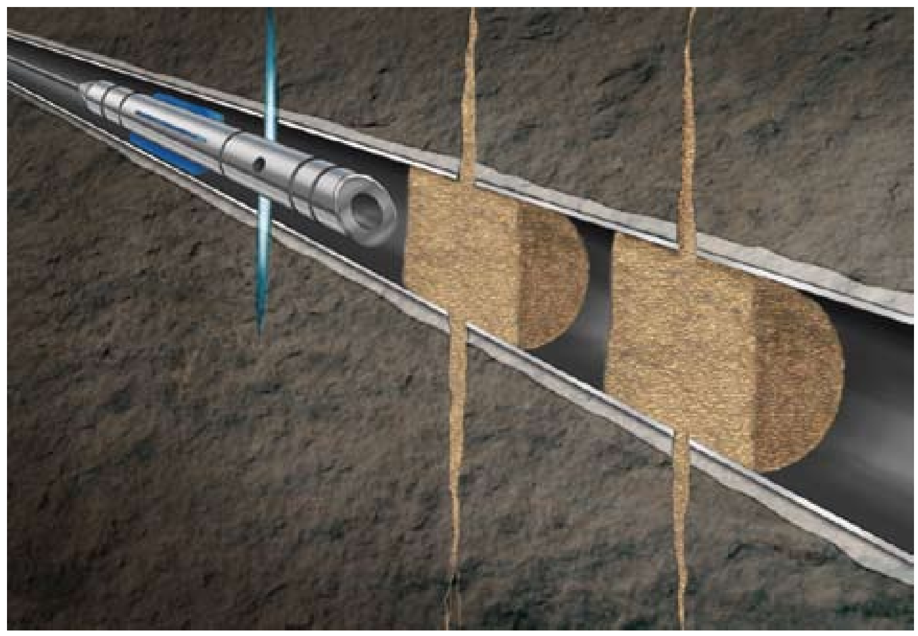
• Enables perforating and fracturing in the same trip in the hole
• Eliminates the need to set mechanical plugs that must be removed later – proppant slug provides necessary diversion to upper zones
• Enables the use of conventional coiled tubing units, typically 1-3/4-in. or 2-in. OD units
• All operations are on a live well

Specifications

• No temperature limits with the bottomhole assembly (BHA)
• No depth limitations, except for the reach of the coiled tubing
• Enables fracturing in casing sizes of 3-1/2-in. or greater
• No downhole packer or bridge plug to manipulate

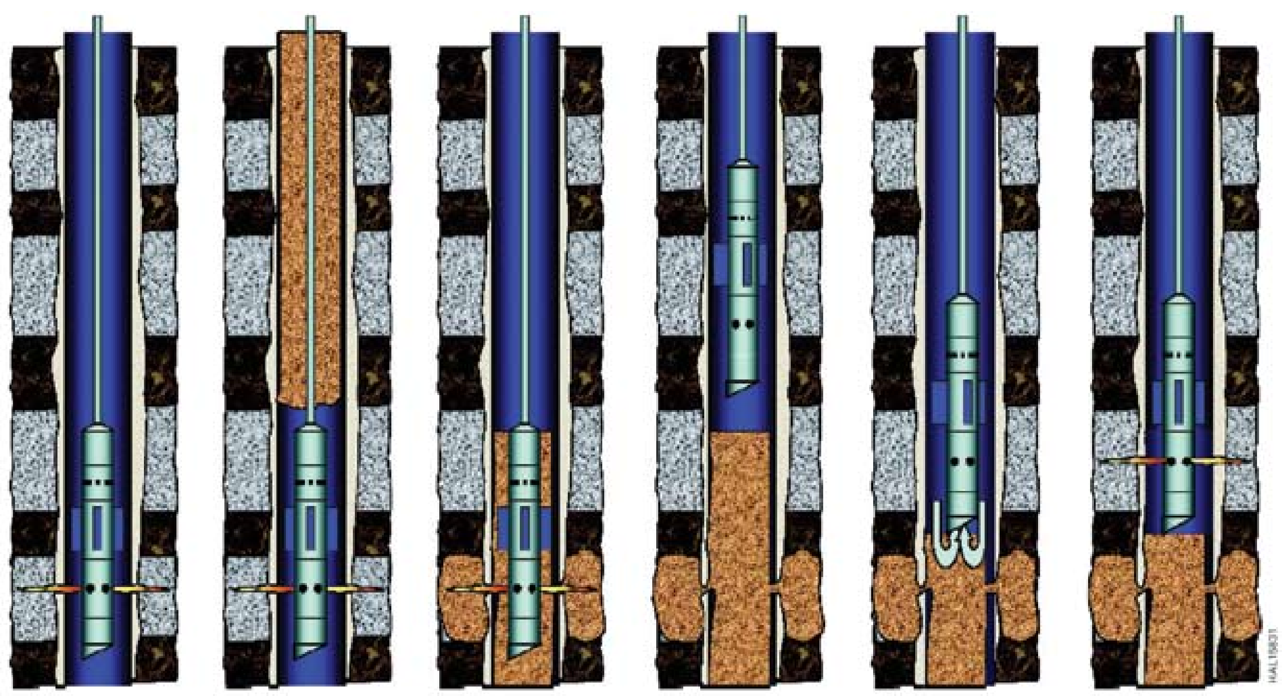
CobraMax H service is especially beneficial for horizontal wells where the process helps achieve higher production rates by eliminating flow convergence from the fracture into the wellbore. The proppant pack as a final stage of each fracture treatment helps achieve maximum conductivity in the near-wellbore region where flow convergence issues are the most extreme.

CobraMax H Service Provides 30 Percent Improvement in 180-Day Post-Frac Cumulative Production



Chevron began using the CobraMax H process in January 2005 in the Lost Hills field in California. The CobraMax H process began in 2004 and became the sole stimulation technique in 2005 after side-by-side comparisons. The surface and downhole tiltmeter analysis was used to compare the limited entry fracturing technique vertical coverage to the CobraMax H service vertical coverage. The CobraMax H technique has shown a 30 percent increase in the vertical fracture coverage compared to limited entry. A comprehensive report of the study is documented in SPE 101840 which spans two years' history in the use of the CobraMax H process.

The study found that the use of CobraMax H service



to place an average of 18 fracture treatments per well resulted in a 30% improvement in 180-day post-frac cumulative prduction as compared to the 18-stage "perf and plug" fracturingmethod used prior to the introduction of CobraMax H service. As a result, the cost per BOE for completions costs was reduced by almost half, which resulted in an expansion of the field development due to favorable economics. As of September 2006, more than 100 CobraMax H service completions have been performed in the Lost Hills field. The development project is entering Part 4 expansion and CobraMax H service remains the sole method of completing these wells.


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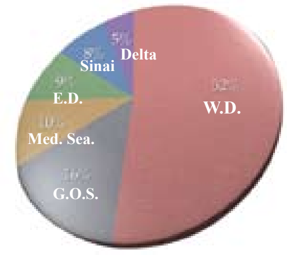
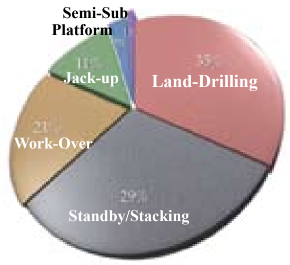
Table 1 Egypt Rig Count per Area -June 2009

Area	RIG COUNT		
		Total	Percentage of Total Area
Gulf of Suez		19	16%
Offshore	19		
Land			
Mediterranean sea		11	10%
Offshore	11		
Land			
Western Desert		60	52%
Offshore			
Land	60		
Sinai		9	8%
Offshore			
Land	9		
Eastern Desert		10	9%
Offshore			
Land	10		
Delta		6	6%
Offshore			
Land	6		
Total		144	100%

Rigs per Area June 2009



Rigs per Specification



Source: Egypt Oil & Gas

Average Currency Exchange Rate against the Egyptian Pound (May 2009 / June 2009)

US Dollar	Euro	Sterling	Yen (100)
5.600	7.816	8.983	5.805

Stock Market Prices (May 2009 / June 2009)

Company	High	Low
Alexandria Mineral Oils [AMOC.CA]	51.62	42.04
Sidi Kerir Petrochamicals [SKPC.CA]	12.55	8.95

Table 2 World Oil Supply[1] (Thousand Barrels per Day)

		United States[2]	Persian Gulf[3]	OAPEC[4]	OPEC[5]	World
2008 August	E	8,608	24,995	25,909	36,234	85,430
September	E	7,121	24,634	25,681	35,888	83,982
October	E	8,214	24,554	25,603	35,894	85,466
November	E	8,524	23,876	24,828	35,164	85,295
December	E	8,555	23,348	24,231	34,420	84,392
2008 Average	E	8,498	24,386	25,432	35,724	85,481
2009 January	E	8,731	22,338	23,239	33,300	83,282
February	E	8,754	22,519	23,453	33,229	83,761
March	PE	8,842	22,541	23,454	33,194	83,750
2009 3-Month Average	PE	8,776	22,464	23,379	33,241	83,592

1 «Oil Supply» is defined as the production of crude oil (including lease condensate), natural gas plant liquids, and other liquids, and refinery processing gain (loss).
2 U.S. geographic coverage is the 50 States and the District of Columbia. Beginning in 1993, includes fuel ethanol blended into finished motor gasoline and oxygenate production from merchant MTBE plants. For definitions of fuel ethanol, oxygenates, and merchant MTBE plants
3 The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates. 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: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.
E=Estimated data. RE=Revised estimated data. PE=Preliminary estimated data.
Revised data are in ***bold italic font.***

Source: EIA

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

	Libya	Sudan	Other	World	OPEC[1]	Persian Gulf[2]	North Sea[3]
2008 August	1,645	520	2,523	73,631	32,945	22,474	3,455
September	1,745	520	2,524	72,789	32,640	22,157	3,755
October	1,745	520	2,512	73,712	32,643	22,077	3,850
November	1,700	520	2,517	73,475	31,895	21,384	3,989
December	1,650	530	2,496	72,851	31,259	20,952	4,007
2008 Average	1,736	521	2,506	73,796	32,483	21,913	3,881
2009 January	1,650	540	2,505	71,766	30,206	20,002	3,913
February	1,650	550	2,503	72,032	30,111	20,144	4,007
March	1,650	560	2,532	71,998	30,051	20,136	3,975
2009 3-Month Average	1,650	550	2,514	71,929	30,123	20,093	3,964

1 OPEC: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.
2 The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates. Production from the Kuwait-Saudi Arabia Neutral Zone is included in Persian Gulf production.
3 North Sea includes the United Kingdom Offshore, Norway, Denmark, Netherlands Offshore, and Germany Offshore.
Revised data are in ***bold italic font.***

Source: EIA

Table 3 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]	OAPEC[3]	OPEC[4]	World
2008 August	360	659	363	1,440	426	_	1,839	2,386	2,847	3,137	7,920
September	362	651	357	1,440	426	_	1,537	2,342	2,818	3,095	7,543
October	363	655	362	1,440	424	_	1,745	2,343	2,821	3,100	7,910
November	365	672	349	1,453	421	_	1,734	2,358	2,837	3,117	7,926
December	350	668	364	1,353	420	_	1,604	2,262	2,726	3,010	7,696
2008 Average	357	676	365	1,434	422	_	1,781	2,339	2,808	3,088	7,935
2009 January	350	669	366	1,305	405	_	1,721	2,202	2,668	2,942	7,721
February	341	667	364	1,311	402	_	1,792	2,241	2,697	3,965	7,883
March	338	671	374	1,345	402	_	1,850	2,270	2,722	3,992	7,974
2009 3-Month Average	343	669	368	1,321	403	_	1,787	2,238	2,696	2,966	7,859

1 U.S. geographic coverage is the 50 states and the District of Columbia. Excludes fuel ethanol blended into finished motor gasoline.
2 The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.
3 OAPEC: Organization of Arab Petroleum Exporting Countries: Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates.
4 OPEC: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.
- - = Not applicable. E=Estimated data. PE=Preliminary Estimated data.
Revised data are in ***bold italic font.***
Notes: Monthly data are often preliminary and also may not average to the annual totals due to rounding.

Source: EIA

Fig 1

Egypt Suez Blend Price

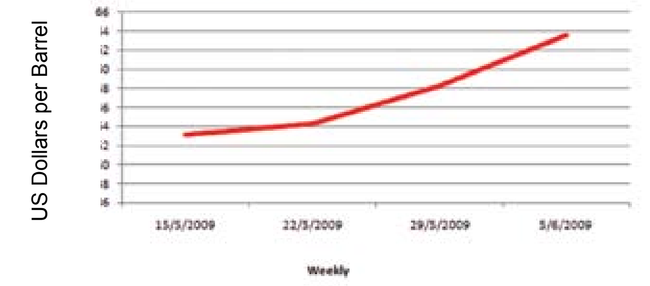


Fig 2

Natural Gas Price

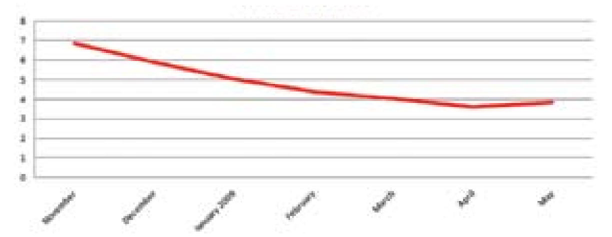
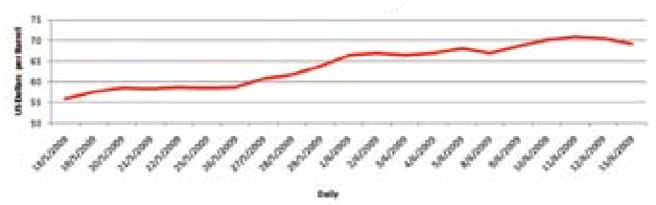


Fig 3

OPEC Basket Price



Source: Egypt Oil & Gas

Table 6 International Stock Prices Mid-May 2009 - Mid-June 2009

International Stock	High	Low
Schlumberger [SLB] NYSE [US Dollars]	60.27	51.75
Halliburton [HAL] NYSE [US Dollars]	23.99	21.30
Exxon Mobil [XOM] NYSE [US Dollars]	73.84	68.30
Atwood Oceanics [ATW] NYSE [US Dollars]	28.69	23.32
Weatherford [WFT] NYSE [US Dollars]	22.65	18.72
Shell [RDS.A] NYSE [US Dollars]	55.75	50.34
Apache [APA] NYSE [US Dollars]	86.00	77.83
Baker Hughes [BHI] NYSE [US Dollars]	41.72	35.86
BJ [BJS] NYSE [US Dollars]	16.39	14.72
Lufkin [LUFK] NYSE [US Dollars]	47.55	39.59
Transocean [RIG] NYSE [US Dollars]	83.95	70.73
Transglobe [TGA] NYSE [US Dollars]	2.88	2.56
BP [BP.] LSE Pence Sterling	533.00	498.00
BP [BG.] LSE Pence Sterling	1162.00	1079.00
Dana Gas [Dana] ADSM US Dollars	1.20	0.94
Caltex [CTX] ASX Australian Dollars	13.30	10.47
RWE DWA [RWE AG ST] Deutsche-Borse Euros	60.45	57.45
Lukoil [LKOH] RTS [US Dollars]	56.80	48.17

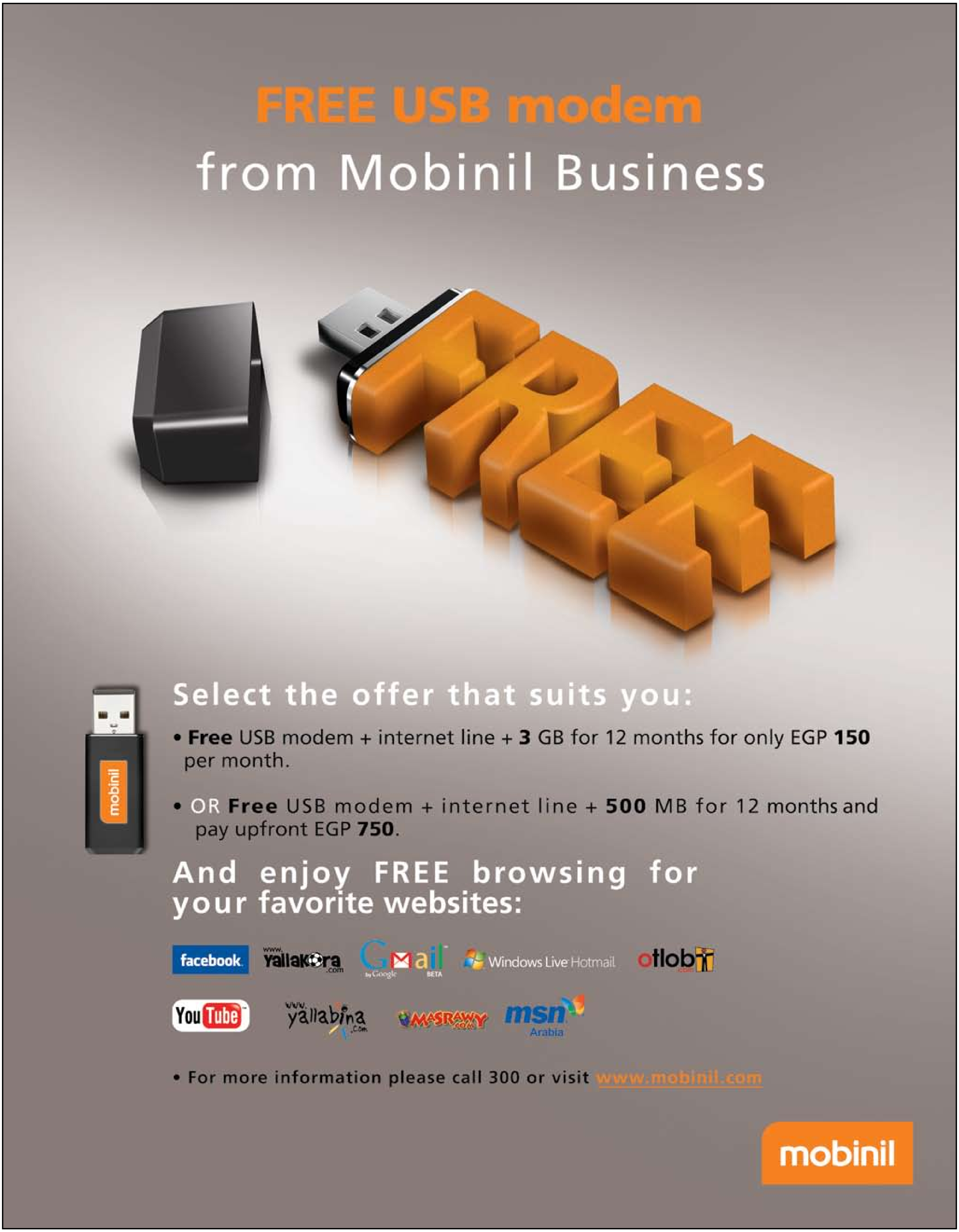
Source: Egypt Oil & Gas

Table 4 OECD[1] 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
2008 August	1,855	**2,619**	1,534	1,576	**14,822**	2,297	4,174	2,028	19,267	3,505	**46,092**	NA
September	1,994	**2,827**	1,680	1,721	**15,963**	2,326	4,290	2,167	17,796	3,399	**45,941**	NA
October	2,048	**2,843**	1,679	1,726	**15,799**	2,360	4,337	2,023	19,643	3,371	**47,533**	NA
November	1,881	**2,606**	1,578	1,709	**14,892**	**2,339**	4,565	2,059	19,001	3,301	**46,158**	NA
December	2,086	**2,457**	1,653	1,709	**15,151**	**2,217**	**5,108**	2,271	19,199	**3,566**	**47,512**	NA
2008 Average	1,956	**2,555**	1,630	1,698	**15,192**	**2,316**	**4,743**	2,153	19,419	3,503	**47,325**	
2009 January	2,007	2,375	1,544	1,734	**14,692**	**2,368**	4,804	2,306	19,125	**3,291**	**46,586**	NA
February	2,016	2,598	1,604	1,688	15,011	2,385	4,670	2,481	18,706	3,414	46,667	NA
2009 2- Month Average	2,012	2,481	1,572	1,712	14,844	2,376	4,740	2,389	18,926	3,349	46,624	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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