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Tullow hits Oil Offshore Ivory Coast

Bullion Market

GOLD		SILVER	
Price	Percentage	Price	Percentage
1588.6	-3.77%	28.80	-8.69%

Crude Oil

		Price	Percentage
USD/BBL	WTI	94.59	-8.51%
	BRENT	110.12	-8.55%

EGYPT OIL&GAS NEWSPAPER

HIGHLIGHT

SAPESCO Expands in the MENA Region

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Egypt's First Civilian President

The Petroleum sector anticipates the new Minister with hopes and concerns.

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The challenge facing the petroleum industry following the presidential elections.

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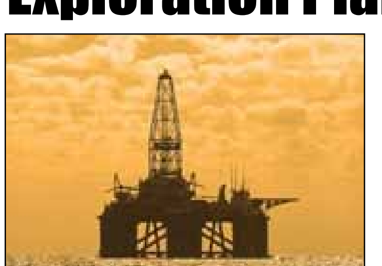
Rashpetco Exploration Chief: 95% of Exploration Plan Achieved



Rashid Petroleum Company (Rashpetco)'s Assistant Chairman for Exploration and Board Member, Dr. Haidar Saad Othman, has revealed that the company has realized 95% of its exploration plan for the fiscal year 2011-2012, a feat which he attributed to "wise management and constant work."

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Egypt News

BP Draws First Gas from Seth

British Petroleum (BP) has successfully drew first gas from the $334 million Seth development field, located 60 kilometers offshore in the Ras El Bar concession in the East Nile Delta Mediterranean, close to existing producing Ha'py and Denise fields.

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To My Beloved Colleagues

Since it's my last official note as editor of Egypt Oil & Gas, I firstly would like to extend my sincerest thanks and most genuine gratitude to each and every individual whom I've had the honor of working with during my time here; being part of EOG's family has truly been one of the most rewarding experiences I've ever lived.

I've worked in many offices before arriving at EOG, yet none of them could stand the comparison to my experience here; the jovial spirit that roams the corners of this office, which I fully attribute to the team of EOG, has provided us with the perfect environment for our ideas to flourish and for our dreams to grow.

Good days and bad, our unity was the source of our perseverance. We shared moments of happiness, others of uncontrollable laughter and indeed we had our differences. But our respect for one another stood against the growth of such differences.

I've been truly blessed to share these moments with EOG's beloved team, and it deeply saddens me that my time has come to migrate to a new place. Nonetheless, I'm eternally grateful for every day I spent here, for every person I worked with, for everything I learned, and most importantly, for the strong friendships that I've made working here, which I'm certain will stand the test of time.

Mohamed ElBahrawi
Editor-in-Chief

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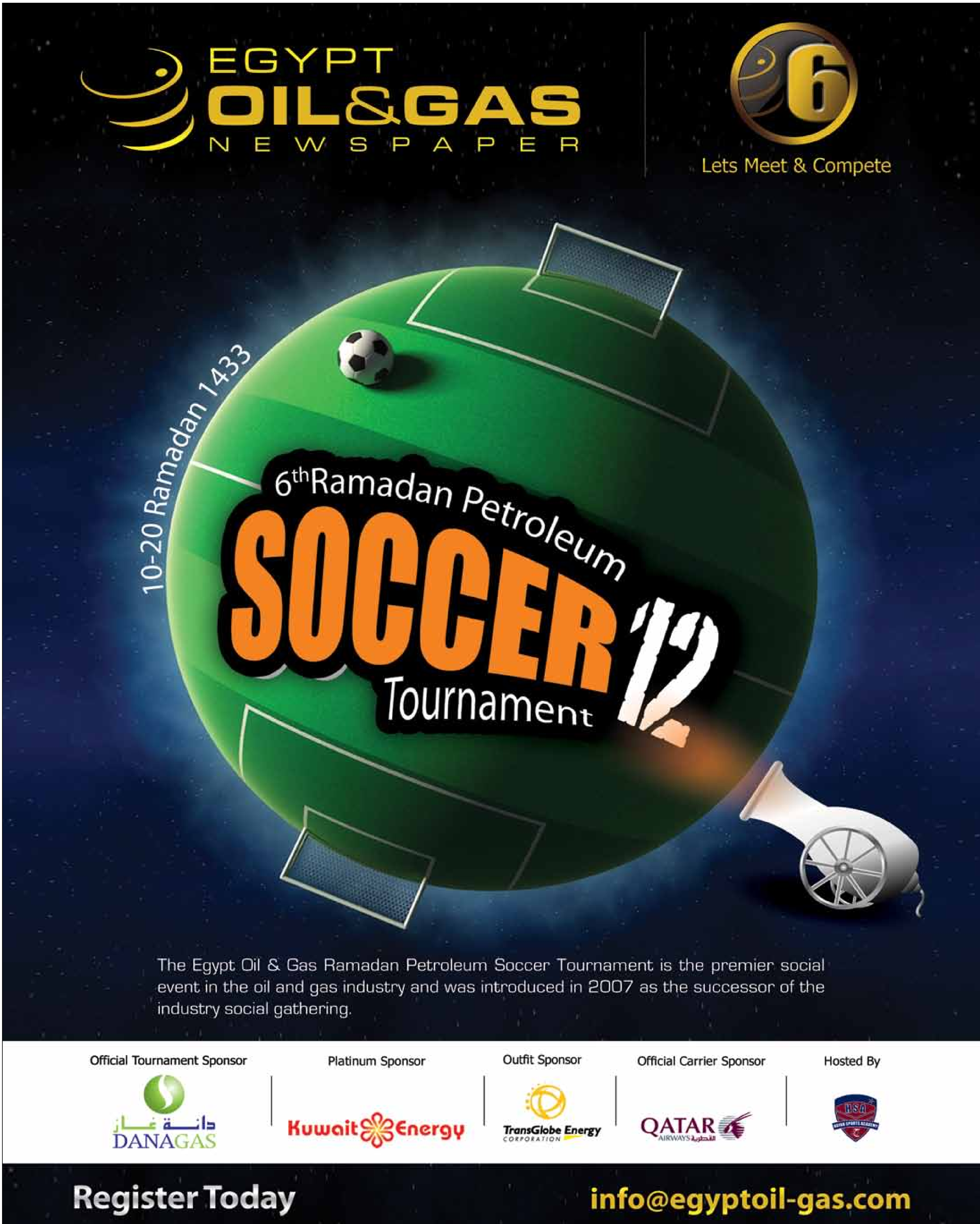
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Agiba Maintains Western Desert Development

Over the course of last April, Agiba Petroleum has completed the drilling of four new developmental wells in the company's concession area in the Western Desert.

Egypt Oil and Gas has learned that the oil-producing well E.AGHAR-12 was drilled in the West Razzak development lease in the Abu Al Gharadiq Basin, to a depth of 6,500 feet using the PDI- 147 rig. Drilling investments in the well have reached $830,000.

In the same Abu Al Gharadiq Basin, and also using the PDI-147 rig, the company drilled the AGHAR 4-53 oil-producing well to a depth of 6,200 feet, at a total cost of $780,000.

The MEL SE-32 oil-producing well was drilled in Agiba's Meleiha development lease using Sino Tharwa's ST-8 rig. Drilling was conducted to a depth of 6,300 feet, with drilling costs reaching $770,000.

The DORRA-5 well, yet another oil-producing well, accumulated costs amounting to $780,000. Drilling was conducted to a depth of 6,300 feet, also using the same ST-8 rig. The well is located in the Dorra field, Shoushan sub-basin.

During May 2012, Agiba's production figures stood at 1,251,583 barrels of crude oil and 1,767 barrels of condensates, in addition to 62,401 barrels of oil equivalent of natural gas.

Agiba is a joint venture company that includes Eni affiliate International Egyotian Oil Compnay (IEOC) with a 40% interest, Mistui with 10%, and the Egyptian General Petroleum Corporation (EGPC) holding the remaining 50%.

Apache Plugs Western Desert Discovery

Apache Corporation has drilled and subsequently plugged an exploratory well in the company's West Kalabsha exploration block, Marmarica Basin, in the Western Desert. The WKAL-L-D-1X well encountered oil, but its development was deemed currently uneconomical.

The well was drilled to a total vertical depth of 14,950 feet via the usage of the EDC-59 rig. According to sources, overall costs of the drilling operation reached $3.94 million.

Apache is an American oil firm operating in Egypt through Qarun Petroleum Company and Khalda Petroleum Company, both of which it jointly owns with the Egyptian General Petroleum Corporation (EGPC). Its operations extend to the Sinai, Eastern Desert, and Western Desert areas of the country.

Eshpetco Invests $1.574m, hits dry hole

Esh El-Mallaha Petroleum Company (ESHPETCO) has finished the drilling of a new exploratory well in West Esh El Mallaha Block in the Eastern Desert.

Sources revealed that the new oil-producing well, dubbed WEEME A-32, has been drilled via the ECDC-6 rig to the depth of 8,286 feet, the cost of which amounted to $1.574 million. The well was then plugged and abandoned as a dry hole.

ESHPECTO's production figures of crude oil during last May reached 258,714 barrels.

Esh El-Mallaha Petroleum is jointly owned by the Egyptian General Petroleum Corporation (EGPC) and the Russian petroleum company Lukoil.

BP Draws First Gas from Seth

British Petroleum (BP) has successfully drew first gas from the $334 million Seth development field, located 60 kilometers offshore in the Ras El Bar concession in the East Nile Delta Mediterranean, close to existing producing Ha'py and Denise fields.

Seth is being developed with a 6 well slot, normally unmanned platform with gas being exported via the Denise (Pliocene) pipeline to El Gamil gas terminal near Port Said. The first two wells accessing the western part of the Seth reservoir are expected to reach 170 mmscfd and develop about 240 billion cubic feet of gas.

"Seth is yet another example of BP's 50 years of commitment to Egypt and longstanding partnership with the Egyptian Ministry of Petroleum, EGPC, and EGAS. We look forward to continuing to play a key role in the development of Egypt's energy sector in order to help meet Egypt's growing energy demands for years to come," said Hesham Mekawi, Regional President, BP Egypt.

"The success of the Seth project has led us to accelerate its Phase 2 development to access gas in the eastern part of the field through an additional 2 platform wells, which are planned to be on production by the end of 2012, increasing Seth offtake to in excess of 250 mmscfd," added Mekawi.

New Developmental Well Drilled by GUPCO in Gulf of Suez

The Gulf of Suez Petroleum Company (GUPCO) has completed drilling operations for its new oil-producing developmental well, named J 58-77, in the company's Gulf of Suez developmental lease, as part of development plans for the current fiscal year 2011-2012.

Sources revealed investments in the well to have reached $3.297 million. Drilling was conducted to a depth of 11,660 feet via the use of the BENNEVIS rig.

GUPCO's production for the month of May stood at 2,447,047 barrels of crude oil and 32,477 barrels of condensates, as well as 189,400 barrels of oil equivalent of natural gas.

GUPCO is jointly-owned by the Egyptian General Petroleum Corporation (EGOC) and oil supermajor British Petroleum.

Khalda Drills Two New Western Desert Wells

Khalda Petroleum Company has added two new developmental well to its western desert portfolio. The operations were conducted in Khalda's Western Desert concession in the context of the company's development plan for the 2011-2012 fiscal year.

Sources revealed that investments in one of the two wells, the KAH UC-173 oil-producing well, totaled $860,000. Drilling of the well was concluded at a vertical depth of 1,140 feet, utilizing the EDC-61 rig. The well is located in the Kahramana block, Northern Egypt Basin.

The other developmental well, labeled W. RZK-80 and also oil-producing, was drilled using the EDC-65 rig to a depth of 6,816, an operation which accumulated costs of $1.099 million. The well is located in the Razzak West field, Alamein sub-basin, which is part of the Northern Egypt Basin.

Production from both wells has yet to be added to the company's overall production numbers.

Khalda's well portfolio is comprised of 141 wells, 40 of which are exploratory wells aimed at yielding new hydrocarbon reserves.

The company has confirmed its intention to raise production of both crude oil and natural gas, having recently finalized the contraction of three drilling rigs, which brings the number of drilling and maintenance devices operated by Khalda to 28.

The oil operator is currently working on a gas compression project designed to maximize benefit from natural gas and condensates.

Khalda produced 3,302,258 barrels of crude oil, 1,188,330 barrels of condensates, and 3,849,643 barrels of oil equivalent of natural gas during the month of May.

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

Rashpetco Exploration Chief: 95% of Exploration Plan Achieved

Rashid Petroleum Company (Rashpetco)'s Assistant Chairman for Exploration and Board Member, Dr. Haidar Saad Othman, has revealed that the company has realized 95% of its exploration plan for the fiscal year 2011-2012, a feat which he attributed to "wise management and constant work."

Rashpetco's production has reached 1.8 billion cubic feet of natural gas and 6,900 barrels of condensates per day, which constitutes an estimated 35% of Egypt's natural gas production.

The company has recently drilled a new offshore exploratory well, swan-1, in its Eastern Mediterranean Sea concession in the Nile Delta Basin, an operation which entailed costs of $80 million. The well was drilled to a vertical depth of 13,123 feet using the Ocean Endeavor rig.

Rashpetco is also looking to drill another exploratory well, labeled septer-1, in September or October of the current year. The well is to be drilled using the same Ocean Endeavor rig, to a depth of 14,435 feet.

Dr. Othman added that the company is using 3D seismic surveying techniques in order to be able to reach the deeper Oligocene layers which begin at around the 18,000 feet mark, going beyond the company's current offshore drilling efforts, which are limited to the Pliocene layer which ends at a maximum of around 16,400 feet. These efforts are geared towards boosting production as well as reserves, with the aim of extending the company's lifespan.

Rashpetco is expecting to make substantial discoveries in the Mediterranean in the coming period, Dr. Othman confirmed, revealing that investments of $1.5 billion are expected to be pumped by foreign partners into Rashid Petroleum Company and Burullus Gas Company in the coming period. British Gas holds a 40% stake in Rashpetco and Edison holds 10%, with the remaining 50% held by the Egyptian General Petroleum Corporation (EGPC), while Burullus is jointly owned by BG and Petronas with 25% each, and the EGPC with 50%.

Regarding the new Ministry, Dr. Othman relayed his hopes that, regardless of the identity of the new Minister, the debt owed to foreign companies will be organized and repaid in accordance with a schedule, so as to raise investment in the sector.

Rashpetco's production rates during the month of May reached 9,978 barrels of condensates and 2,056,963 barrels of oil equivalent of natural gas.

Magapetco Drills Eastern Desert Well

Magawish Petroleum (Magapetco) has completed the drilling of a new developmental well in the Esh El-Mellaha East Marine concession in the Eastern Desert onshore the Gulf of Suez. The endeavor comes in consistence with Magapetco's development plan for the 2011-2012 fiscal year.

The newly drilled EEMM-50 ST-1 is an oil-producing well. Egypt Oil & Gas has learned that investments in drilling the well have reached $600,000. Utilizing the ZJ-45L rig, the well was drilled to a depth of 4,493 feet and hasn't been added to the company's overall production figures.

The EEMM development lease was granted to Magapetco in 1994 and is valid until 2019.

Over the course of May 2012, Magapetco successfully produced 68,737 barrels of crude oil.

Magawish Petroleum is a joint venture company between the Egyptian General Petroleum Corporation (EGPC) and the Texas-based Trident Petroleum.

Petrobel Plugs Two Exploratory Wells

Belayim Petroleum Company (Petrobel) recently undertook two drilling endeavors, drilling a new offshore exploratory well in addition to an onshore exploratory well. The operations come in compliance with Petrobel's drilling plan for the 2011-2012 fiscal year.

The TAURT 1 well, located in the company's Mediterranean Sea concession, was drilled in search of natural gas deposits and subsequently temporarily plugged. Drilling was conducted to a depth of 5,026 feet via the SCARABE-4 rig, at a cost of $12.352 million.

Another exploratory well, labeled BLNE-4, was drilled in Petrobel's Belayim Land concession in the Sinai, and showed an initial flow rate of crude oil, but was plugged and abandoned. The well was drilled using the ST-12 rig, to a depth of 11,021 feet. Total costs of drilling reached $3.650 million.

Petrobel's production reached 3,163,777 barrels of crude oil, 795,613 barrels of condensates, and 9,313,510 barrels of oil equivalent of natural gas.

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

Further Ras Budran Development by SUCO

Suez Oil Company (SUCO) has completed the drilling of a new offshore developmental well located in its Ras Budran concession in the Sinai Peninsula. The endeavor comes as part of SUCO's development plan for the 2011-2012 fiscal year.

The newly drilled RB-B18 is an oil-producing well. It was drilled via the rig ZOSER to a depth of 12,550 feet. Drilling investments have totaled $12.21 million. The new well's production has not been added to SUCO's overall production figures.

During May 2012, the company successfully produced 475,452 barrels of crude oil, 11,635 barrels of condensate and 45,466 barrels of oil equivalent of natural gas.

Suez Oil Company is a jointly company, owned by the Egyptian General Petroleum Corporation (EGPC) and the German RWE Dea.

SAPESCO Expands in the MENA Region

Sahara Petroleum Services Company S. A. E. (SAPESCO) is currently expanding its operations to encompass the MENA region's most vital areas, with special emphasis on Abu Dhabi, Kuwait and Kurdistan. The Gulf countries' abundance of hydrocarbon resources naturally renders their markets the most competitive in the region, providing a perfect milieu for SAPESCO's unique services to penetrate such aggressive market.

SAPESCO has been a remarkable player in the field of petroleum services for the past 30 years, providing a wide array of services that utilize the most innovative solutions for upstream and downstream operations in tandem with the highest attention to Health Safety and Environment.

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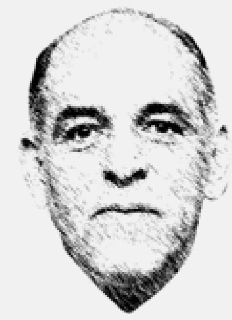
Choice Words



"Egypt has **great potential** when it comes to **gas** discoveries, both in the **Mediterranean Sea** and in the **Red Sea**."

Eng. Abdullah Ghorab, Minister of Petroleum and Mineral Resources, to Akhbar Al Youm Newspaper

"The agreement to **re-structure the debts** owed to foreign partners and the EGPC's adherence to repaying the debts in accordance with the re-structuring has contributed to the decision made by foreign investors active in the petroleum sector to dedicate **$8.5 billion** to the sector in **new investments** for the 2012/2013 fiscal year."

Hani Dahi, Head of the EGPC, to Al-Shorouk Newspaper, commenting on the EGPC's payment of debts

"The portion of the budget dedicated to petroleum products **subsidies will decrease by LE25.5 billion**... the government will take all the necessary precautions relevant to decreasing petroleum subsidies. Petroleum product subsidies in the budget will fall from **LE9.5 billion** to **LE70 billion**."

Fayza Abou El-Naga, Minister of International Co-operation, to Al Masry Al Youm, commenting on the 2012-2013 national budget

"Shell's **Western Desert concession** area, in which the company has operated for three decades through the joint venture Badr el-Din Petroleum and achieved many discoveries, is still considered a **promising and attractive investment** area in light of the potential for further oil discoveries, which indicates that the area will become one of the main oil and gas production areas in Egypt."

Mark Carne, Shell Executive Vice-President for the Middle-East and North Africa

"Egypt's needs of gasoline, diesel, and gas will be met through **local production** as well as through the **importation of 30% to 40%** of these products from abroad and the acquisition of external loans such as **a $250 million loan** from Saudi Arabia to achieve this target."

Dr. Hassan Younes, Minister of Electricity and Energy, during a joint press conference with the Ministers of industry and petroleum

Petrodara Production Back on the Rise

Dara Petroleum Company (Petrodara)'s production levels of crude oil have witnessed an increase in the past three months, after suffering a relative dip in the previous three months. The detailed analysis conducted by Egypt Oil & Gas to evaluate the company's performance in the period from December 2011 to May 2012 showed production falling monthly until February, before rising again to previous levels.

Production of crude oil was at 381,508 barrels in December, declining steadily to reach its lowest point in the analysis period in the month of February at 352,448 barrels. The numbers then displayed a gradual increase, reaching their highest point in the designated period in the most recent month of May, in which Petrodara successfully produced 390,198 barrels.

The company's average production rate in the specified six-month period was 371,925 barrels per month, an indicator of the company's current production capabilities.

In efforts to support production levels, Petrodara has recently undertaken several drilling operations. The company has concluded the drilling of three new developmental wells, all of them located in the company's concession area in the Eastern Desert, as part of its development plan for the 2011-2012 fiscal year.

At a cost of $1 million, the oil-producing well ARTA-39 was drilled to a depth of 4,441 feet using the ST-7 rig.

Using the same ST-7 rig, Petrodara also concluded the drilling of the oil-producing ARTA-65 well in the month of May. The well was drilled to 4,620 feet, at a cost of $755,000.

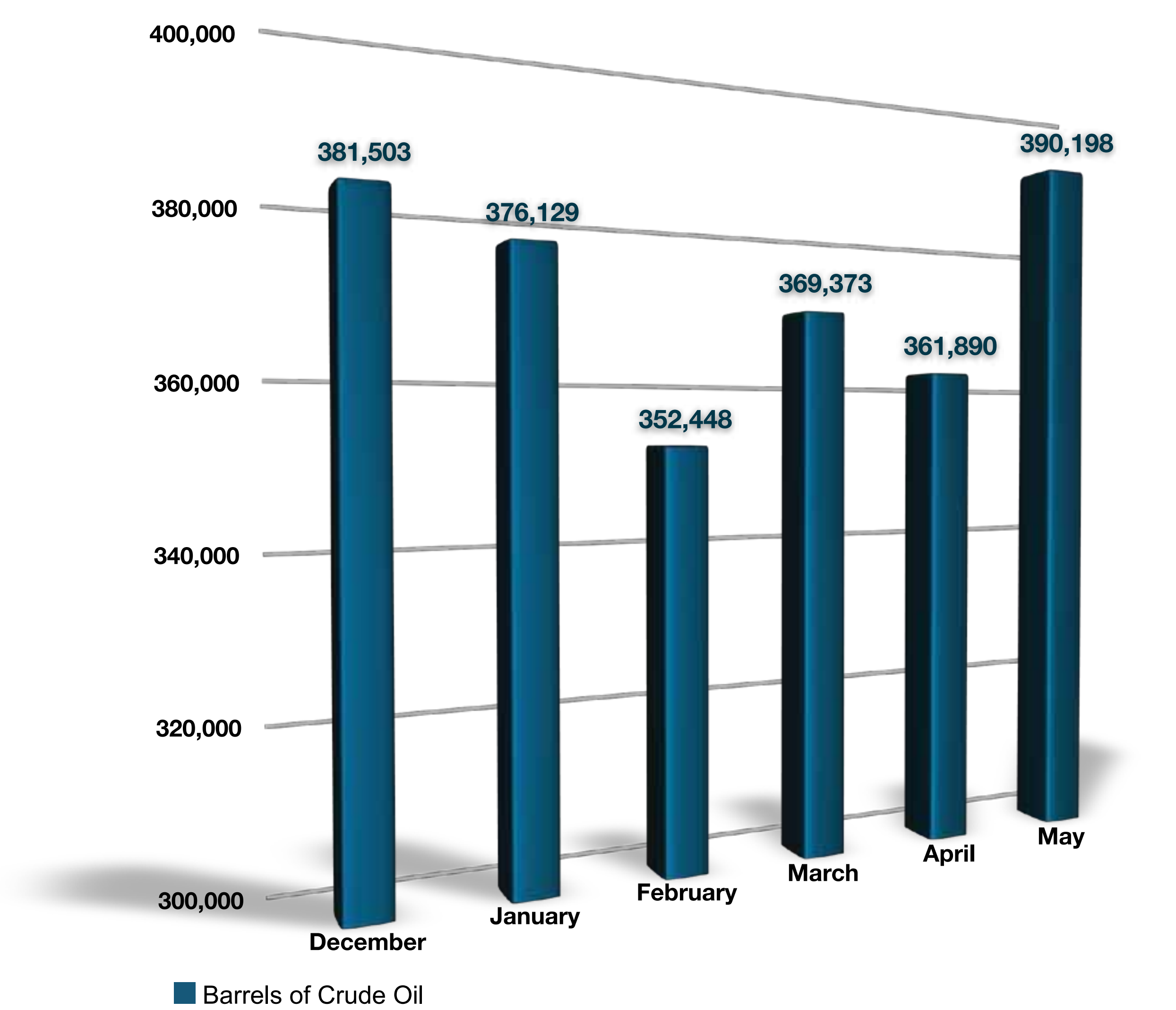
The company also completed drilling ARTA-57, which is oil-producing as well, during the month of April 2012. It was drilled to a depth of 3,790 feet via the EDC-62 rig. Drilling investments in the well, have reached $660,000.

All three wells have yet to be added to Petrodara's overall production rates.

Over the course of last May, the company reported production of 390,198 barrels of crude oil.

Petrodara is a joint venture between the Egyptian General Petroleum Corporation (EGPC) and German Company Dublin.

Petrodara's Production Indicators (December 2011 - May 2012)



Inconsistent Production by Petrosilah

PetroSilah Petroleum Company has shown unstable production of crude oil during the six-month period between December 2011 and May 2012, as revealed by the detailed analysis conducted by Egypt Oil & Gas on the company's numbers.

In the chosen analysis period, monthly crude oil production swerved from month to month. Production during the six-month period was at its lowest in December at 83,257 barrels, jumping to 106,715 barrels in the following month of January.

The numbers continued to rise and spiked to their highest point at 120,590 barrels in March, before declining again to eventually reach 90,912 barrels produced for the month of May.

PetroSilah's average crude oil production rate for the designated period stands at a monthly 102,732 barrels.

The company has recently expanded its well portfolio in the Western Desert by drilling a new developmental well, labeled Silah-32, in the company's lease in the area.

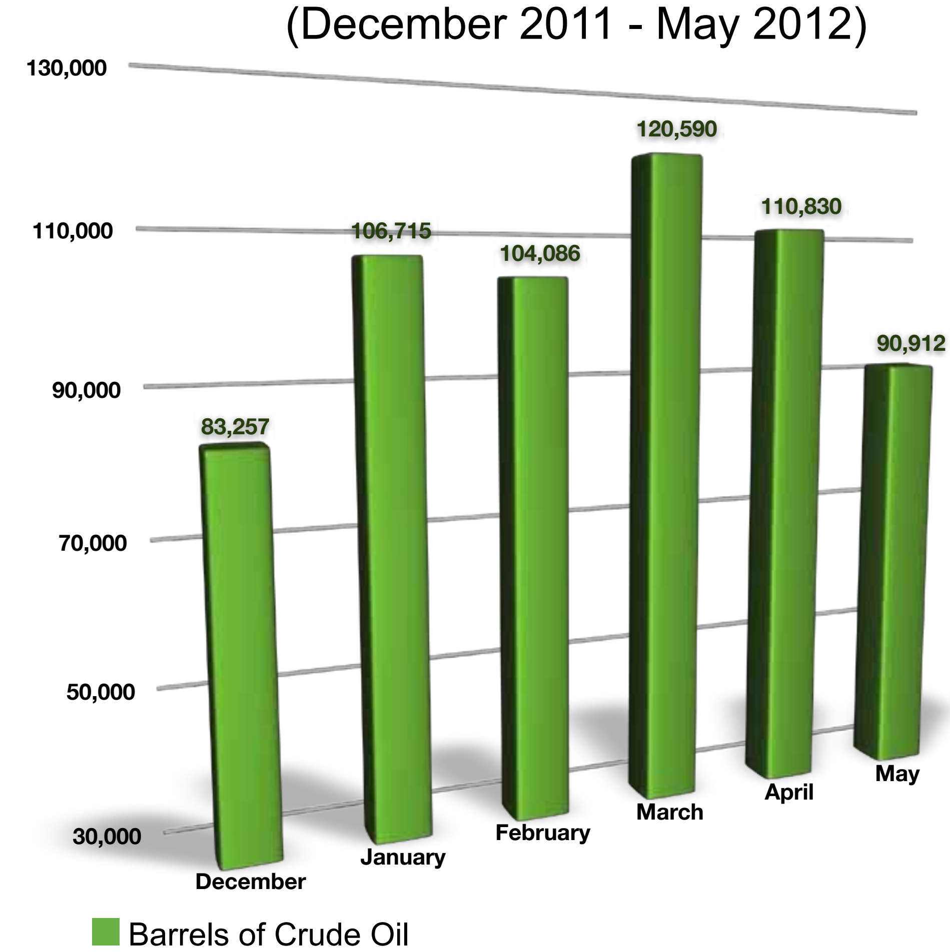
The drilling of the Silah-32 oil-producing well comes in the context of PetroSilah's current development plan for the 2011-2012 fiscal year.

Investments pooled into the drilling operation totaled $2.875 million. The drilling rig used in the operation was the EDC-53 rig, drilling the well to a depth of 7,190 feet.

PetroSilah's production rates were at 90,912 barrels of crude oil in the month of May.

PetroSilah is a joint venture between the Egyptian General Petroleum Corporation (EGPC) and Merlon International, an oil company operating in the Western Desert of Egypt and The Gulf of Coast of Texas.

PetroSilah Production Indicators (December 2011 - May 2012)



Petrosinai Drills Developmental Well

Petrosinai has concluded the drilling of a new developmental well in the Lagia field in Sinai, as part of the company's development plan for the current fiscal year 2011-2012.

The Lagia-8 well is a crude oil-producing well, and was drilled using the Shams-1 rig (750 Horsepower), to a vertical depth of 1,460 feet. The operation entailed costs of $700,000.

The well is part of the six-well program Petrosinai is undertaking in the Lagia development lease. The program includes two existing wells, Lagia-6 and Lagia-7, in addition to the new Lagia-8 well, an additional developmental well to be drilled, and two new appraisal wells to be drilled as well.

Petrosinai's Lagia development lease covers the 32-square-km Lagia field situated on the Sinai Peninsula, directly adjacent to the Gulf of Suez. According to the company, the field houses heavier oil in its shallower reservoirs, while lighter, more valuable oil may be found in its deeper targets.

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

Qarun Completes Two New Wells in Rahma Concession

Qarun Petroleum has concluded the drilling of 2 new developmental wells in its Rahma development lease, Abu Gharadiq Basin, Western Desert. The new wells come in line with Qarun's development plan for the 2011-2012 fiscal year.

Sources revealed that the oil-producing RAHMA-54 spurred investments totaling $810,000. The drilling operation was conducted to a depth of 6,250 feet, using an EDC-49 rig. The well has yet to be added to the company's overall production rates.

Situated in the same concession is the newly drilled HAMRA NE-35. Using the PD-1 rig, the oil-producing well was drilled to a depth of 5,900 feet, with drilling investments amounting to $705,000.

During May 2012, Qarun successfully produced 1,766,843 barrels of crude oil.

Qarun Petroleum Company is a joint venture between the Egyptian General Petroleum Corporation (EGPC) and American petroleum operator Apache.

New Exploratory Wells Drilled by Zeitco

The East Zeit Petroleum Company (Zeitco) has undertaken two new exploration endeavors, one in the company's Gulf of Suez concession area and another in the Eastern Desert.

The A-23 well is an exploratory oil well located in the Gulf of Suez. It was drilled to a depth of 11,800 feet using the BAHRI-1 rig and subsequently plugged. Investments in the operation reached $14.722 million.

The MATR-1X well, another exploratory well, was drilled in Zeitco's Eastern Desert concession, to depth of 7,041 feet. Drilling was conducted using the TANMIA-1 well, at a cost of $2.593 million.

Zeitco's production numbers were at 119,437 barrels of crude oil, 744 barrels of condensates, and 6,310 barrels of oil equivalent of natural gas.

Zeitco is jointly owned by British oil company Dana Petroleum and the Egyptian General Petroleum Corporation (EGPC). Dana Petroleum operates primarily in the Middle East and Africa as well as the U.K's North Sea.

Petrozeit to Use 'Walkaway' Seismic Surveying

Geol. Mohamed Mahmoud Al-Gezeiri, Assistant Chairman for Exploration and Board Member at Gebel El Zeit Peroleum Company (Petrozeit), has confirmed that the company is in the process of introducing the Walkaway Seismic Surveying technique into its operations in the coming period.

The practice, according to Geol. Al-Gezeiry, will allow Petrozeit to overcome the complications of seismic surveying.

The Assistant Chairman was commenting on the company's drilling plan for the 2011-2012 fiscal year, which he claims is focused on boosting production through new discoveries and thus serving the national interest.

Petrozeit's production was at 22,089 barrels of crude oil for the month of May.

Al-Gezeiry went on to state that Egypt's petroleum sector is a leader in all areas, whether it be upstream, downstream or agreements, adding that it is necessary for the sector to have a cooperative and complimentary relationship with other ministires and sectors in the country, so as to relieve pressure from the sector and achieve the growth that is required in the coming period.

Sea Dragon Ventures Further in Kom Ombo

Canadian Operator Sea Dragon Energy Inc. announced that the Al Baraka-16 well has discovered oil in a separate fault block from the main Al Baraka field and tested oil from the deeper Kom Ombo "C" sand pay. This discovery has the potential of more than doubling the current field production.

This development well was successfully drilled to a total depth of 7,590 feet in the basement. The well is located on Al Baraka development lease on a separate fault block, immediately southwest from the main Al Baraka field. The well encountered oil shows in the Six Hills F1, Kom Omb "C" and Kom Ombo "A" sands. Cores were cut in the Six Hills F1 and Kom Ombo "A" sands. Core and petrophysical analyses show 60 feet of oil pay in the Kom Ombo "C", 18 feet in the Six Hills F1 and 4 feet in the Kom Ombo "A".

The Kom Ombo "C" was selectively perforated in the interval 6,610-6,767 feet and tested with Nitrogen lift at a rate of up to 530 barrels of oil per day. This is the first commercial oil discovery in the Kom Ombo "C" sands where oil shows were observed in other wells previously drilled on the concession. The forward plan is to place the well on an extended production test to establish a stabilized production rate, map the extent of the pay and develop a plan for future step out wells.

The West Al Baraka-2 (WAB-2), the second oil discovery on the Kom Ombo concession is currently awaiting hydraulic fracture stimulation (frac). The frac program will be carried out by mid-June to determine the commercial viability of this discovery.

Faris-1 is an exploratory well located 4.5 km south of Al Baraka oilfield, 4.3 km south of AB-16 discovery and 5.5 km northeast of the WAB-2 discovery. The well is proposed to be drilled to a total depth of 6,700 feet into the basement to test a large separate fault structure. The primary objective of this well is to appraise the deeper Kom Ombo "C" sands updip from AB-16 with the secondary objectives being the shallower Six Hills and Abu Ballas Formations.

Success at Faris-1 will open the Kom Ombo "C" sands play, as several follow up prospects and development locations have been identified.

Current production from the Al Baraka field is averaging approximately 500 barrels of oil per day gross.

The Kom Ombo concession is located onshore in the southern part of Egypt some 1,000 km south of Cairo. It contains the Al Baraka oilfield, producing light oil from multiple reservoirs and an exploration area of 11,400 km^2.

Sea Dragon has a 50% working interest and is a joint operator of the Kom Ombo Concession with Dana Gas owning the remaining 50%.

Al Amir SE-12 is a development well located in the southeastern area of the field was spud on April 25, 2012. The well was targeting the Shagar and Rahmi reservoirs at a depth of approximately 9,320 and 9,400 feet respectively. The well was drilled to a total depth of 10,200 feet in the Upper Rudeis and logged. Interpretation of the drilling and logging information indicate the well crossed a fault resulting in the absence of the Shagar and Rahmi reservoirs. The decision was then made to plug back to 3,700 feet and sidetrack the well updip to the northeast. Sidetrack operations are currently ongoing and the well is expected to reach total depth in approximately 20 days.

Current production from the Al Amir SE and Geyad fields is approximately 9,700 barrels of oil per day Cumulative production from the NW Gemsa Concession has now exceeded 8.2 million barrels of 42 degree API Crude oil.

The NW Gemsa concession is located onshore on the west side of the Gulf of Suez, some 300 km southeast of Cairo. Two main oil fields are producing light oil, the Al Amir SE field along with the Al Ola extension to the south and the Geyad field to the north.

Sea Dragon has a 10% working interest in the NW Gemsa Concession with Vegas at 50%, as operator and Circle Oil PLC with 40%.(MBendi)

Tullow hits Oil Offshore Ivory Coast

Italian oil operator ENI has announced a sizeable new discovery of natural gas in its Area 4 drilling site offshore Rovuma in Mozambique. The Coral-1 exploratory well revealed a discovery estimated by the company to be between 7 and 10 trillion cubic feet of natural gas. ENI labeled it a "giant new gas discovery."

The well is located 65 km away from the Capo Delgado coast, and 26 km from ENI's Mamba South 1 discovery. It was drilled in the southern portion of Area 4, to a depth of 15,974 feet, and encountered 75 meters of natural gas in a single high-quality Eocene sand. A production tests is planned to be conducted on the Coral-1 discovery.

"This discovery is particularly significant since it confirms a new exploration play, which is independent of those drilled so far in previous Mamba wells," a statement from ENI claimed.

The discovery raises the overall potential of ENI's Mamba complex in Area 4, as the company now estimates recoverable reserves in the complex to be in the region of 47-52 trillion cubic feet of natural gas.

The explorer is looking to drill an additional five wells in Area 4 in order to more accurately determine the upside potential of the site.

ENI is the operator of Area 4, holding a 70% participating interest. The other partners are Kogas (10%), Galp Energia (10%), and ENH (10%).

Libya to offer New Production Sharing Contracts

Libya, the holder of Africa's major oil reserves; will offer new production-sharing agreements to foreign oil companies on enhanced conditions to available contracts. The country's Minister of Oil and Gas, Abdurahman Benyezza said that this won't come about this year.

He also said that the country isn't presently arranging to modify or adjust the terms of existing contracts with international oil companies, but there may be a procedure to balance the terms of new and existing contracts in the future.

"At the moment we are working on the [contract] models. We'll have to study and see where we can improve; production-sharing agreements will be the main type of contracts of course. New ones will not be [offered] this year. Whether existing contract holders will also be offered the same terms as newcomers has yet to be decided. We are not in a process to change [existing] agreements at this time. But in the future existing terms will be evaluated, not to create inequality of contracts. Libya intends to invest $10 billion on raising oil and gas production capacity from existing fields and $20 billion on new exploration in the next decade". Mr. Benyezza said.

Libya now pumps more than a million oil barrels a day and is seeking to raise its production to two million barrels a day within the next three to five years.

Anadarko Makes Sizeable Gas Discovery in Mozambique

Anadarko Petroleum Corporation has announced a substantial new discovery of natural gas in its Area 1 drilling site offshore Rovuma in Mozambique. The Atum well revealed a discovery estimated by the company to be between 10 to 30-plus trillion cubic feet of natural gas.

The well was drilled by the Dolphin Drillship (UDW Drillship) to a depth of 12,665 feet in around 3,285 feet of water, and encountered 92 meters of natural gas in two high-quality Oligocene fan systems. This discovery is associated with the latest Golfinho discovery located 10 miles northwest in Offshore Area 1.

Anadarko's President and CEO Al Walker stated "With this latest discovery at Atum and a successful upcoming appraisal program, we believe the total estimated recoverable natural gas resource in Mozambique's Offshore Area 1 is between 30 and 60 Tcf, and the current upside for total gas in place for the discovered reservoirs on the block is approaching 100 Tcf. We still have additional exploration opportunities that could expand the resource potential further".

American Anadarko Petroluem owns a third (36.5%) of the Rovuma field, followed by Mitsui of Japan with 20%, with two Indian oil groups owning 10% each and, Cove Energy Mozambique Rovuma Offshore with 8.5%. Mozambique's state oil company owns a 15% stake in Rovuma.

BP and Serica Make Progress in Namibia Oil Search

British Petroleum (BP) and Serica Energy have announced progress in their joint 3D seismic surveying process currently underway in Namibia. BP joined Serica in its search for oil offshore Namibia in Serica's blocks in the Luderitz basin in March.

The two companies reached an agreement whereby BP would acquire a 30% stake in the license by taking on the costs of the 3D seismic program, which is to cover 4,150 sq km, while Serica holds a 55% interest and remains the operator.

BP also has the option of acquiring an additional 37.5% stake pending the drilling and testing of a new well in the license.

Serica had earlier commenced a 3D seismic survey in its acquisition offshore Namibia. The Polarcus Nadia 10-streamer seismic vessel, contracted with Polarcus Seismic, was mobilized from Tanzania to Namibia to undertake one of the biggest seismic surveys to ever be conducted offshore the country.

Data acquisition is in progress, but the process is not expected to be concluded before the end of the summer.

The license was awarded to Serica in December 2011, and after covering 1,500 sq km in June, the company has fulfilled its contractual seismic obligations.

Tony Craven Walker, Chairman and Interim Chief Executive of Serica stated:

"Although we have met with some weather delays we are very pleased with the progress of seismic operations to-date. Within six months of the licence award Serica has completed the seismic acquisition obligations required during the first four year period of the licence, a record achievement. The survey, one of the largest to be undertaken off Namibia, continues with results expected later this year following which, with BP, we will be looking to making a drilling decision.

Offshore Namibia remains one of the few under-explored regions worldwide with very large resource potential. With the rapid build up of operations Serica has demonstrated its ability as an Operator and its commitment to Namibia. We look forward to completing the survey and moving to the drilling phase."

Further Gas Discoveries in Tanzaina

Norwegian oil and gas giant Statoil ASA and Exxon Mobil Corp have announced a new large discovery of natural gas in the Statoil-operated Block 2 license in Tanzania. The Lavani well, located 80 km off mainland Tanzania revealed a discovery estimated to be around 3 trillion cubic feet of gas in place.

The Lavani well was drilled using the Ocean Rig Poseidon (UDW drillship) to a depth of 7,875 feet (2,400 meters) of water, encountering 312 feet (95 meters) of high quality basin sandstone with high porosity and high permeability.

Statoil's executive vice president for Exploration Tim Dodson stated "The result from Lavani, which is only 16 kilometres south of our recent Zafarani discovery, confirms the high potential in Block 2. We are also pleased to announce that the recently drilled Zafarani sidetrack added another 1 Tcf of gas in place. This is in addition to the up to 5 Tcf announced in February. The results so far mark an important step towards a possible natural gas development in Tanzania. The Lavani discovery demonstrates how Statoil's strategy of focusing on high-impact opportunities is paying off and supports the company's ambition for international growth."

The Lavani discovery is the seventh high-impact discovery made by Statoil over the last 14 months. The other high-impact discoveries are Zafarani in Tanzania, Skrugard and Havis in the Barents Sea, Johan Sverdrup (formerly Aldous/Avaldsnes) in the North Sea, and Peregrino South and Pão de Açúcar (non-operated) in Brazil.

Statoil operates the license on Block 2 on behalf of Tanzania Petroleum Development Corporation (TPDC) and has a 65% working interest, with ExxonMobil Exploration and Production Tanzania Ltd. holding the remaining 35%. Statoil has been in Tanzania since 2007, when it was awarded the license for Block 2.

Statoil is the operator for two significant off-shore blocks in the East Africa region; Block 2 in Tanzania and Area 2&5 in Mozambique, both with water depths estimated around 1,000 to 3,000 meters. Tanzania is bequeathed with various energy sources including biomass, natural gas, hydropower, coal, geothermal, solar and wind power.

In addition to the Lavani prospect, oil exploration and development company Ndovu Resources (Aminex) also provided an update on a natural gas discovery it had made onshore Tanzania.

The Ntorya-1 well in the Ruvuma basin in the south of the country, discovered in Cretaceous sandstone interval, is currently being subjected to flow tests to determine its commercial value.

Ruvuma is jointly operated by Aminex, which holds a 75% interest, and Solo Oil, which holds the remaining 25%

Exxon Mobil to Develop Giant Alaska Field

Exxon Mobil is moving to finally develop the giant, remote Thomas Point oil and gas field in Alaska located East of Prudhoe Bay. The development of the field was mandated by a court settlement between the company and the state, placing time constraints and deadlines and obligating the company to return the acreage to the state if these deadlines are not adhered to in the development process.

The settlement also requires the company to employ Alaskans in the development project, which employs more than 1,000 people.

The long-standing dispute over the field, which was discovered by Exxon in 1977, stems from allegations that the oil supermajor has been 'warehousing' the field, preserving its resources for later use and damaging the economic prospects of the state in the process. Exxon's activity in the field has been minimal until recently.

Exxon Mobil submitted several development plans to the Alaskan Division of oil and gas in recent years, but the process of developing the field has been stalled until recently. This constitutes approximately 25% of proven recoverable gas reserves in the North Slope.

The company has already started drilled two initial wells, an injection well and a production well, spending over $1 billion. The wells were drilled with the aim of reaching a reservoir in the Beaufort Sea.The agreement stipulates the company must drill a third initial well once they have been completed.

The Point Thompson field houses substantial reserves of gas, estimated to be around 300 million barrels of oil and condensates and 8-9 trillion cubic feet of natural gas. The field is difficult to develop, however, owing to its high-pressure, high temperature nature, which necessitates the usage of a procedure known as gas cycling for the production of natural gas condensates

Exxon expects to produce 200 million feet of natural gas and 10,000 barrels of condensates from Thomas Point by the year 2016. The produced hydrocarbons will be transferred to a central processing facility, at which hydrocarbon will be recovered and distributed via the trans-Alaska pipeline.

Venezuela-Guyana Border Dispute Rekindles over Oil Exploration

Venezuela's Democratic Unity Table opposition party has condemned oil exploration conducted by oil company Exxon Mobil in the Essequibo region which lies at the country's border with Guyana.

The opposition accused the Caracas government of a 'weak' response to a transgression of Venezuelan sovereignty.

"(We) firmly reject the concessions granted by the Guyana government in Venezuela's Atlantic waters," the opposition's Democratic Unity coalition said in a statement. "In the face of the activation of the concessions in the area, the government of President Hugo Chavez should address the issue immediately."

The activities of Royal Dutch Shell have also sparked anger amongst the opposition in Venezuela.

Exxon has been awarded the 17 million acre concession by the Guyana government in the region, restarting the old dispute between the two Latin American nations over the oil and mineral-rich region.

"ExxonMobil and Shell have had an active exploration license offshore Guyana for several years," Exxon Mobil spokesman Patrick McGinn said in an emailed statement. "Exploration is a process that takes many years and has multiple phases. Currently, we are evaluating next steps in the Stabroek Block's exploration."

Spanish company Repsol, Canadian company CGX Energy, and UK oil firm Tullow are all engaged in exploration activity offshore Guyana as well.

The Guyanese government has responded by rebuffing the condemnations and accusations of the Venezuelan opposition.

Guyanese Natural Resources Minister Robert Persaud said that Guyana officials view the stance of the Venezuelan opposition as political posturing motivated by coming presidential elections. He added that "there is not a single rig or piece of equipment in the concession now,"

The region is claimed by Venezuela as part of its territory due to claims that it was cheated out of it in the 1899 border-drawing process.

Last year, Caracas expressed concerns following a Guyanese claim with the United Nations clamoring for a larger share of the continental shelf, in order to secure offshore hydrocarbon resources.

Statoil Makes 100m to 200m Barrel Discovery in Mizzen, Canada

Norwegian oil giant Statoil has announced a discovery in the range of 100m to 200m barrels of recoverable oil equivalent in the company's Mizzen prospect in the Flemish Pass basin, offshore Newfoundland and Labrador, Canada.

Erik Finnstrom, senior vice-president of Statoil's Exploration North America, said "We have proven there is a petroleum system in the area and that the Mizzen discovery has potential to create value for Statoil."

"Our focus is to define the resource potential of the Flemish Pass basin by continuing to test high-impact oil prospects on our land holdings and to continue to build this area as a core exploration region for the company," he added."We are now assessing the discovery to determine how and when it can be economically developed."

Statoil first discovered oil in Mizzen in 2009 via the Mizzen O-16 well, with an initial flow rate of 6,290 barrels per day of 22 degrees API crude.

The company was then granted a license by the Canada-Newfoundland and Labrador Offshore Petroleum Board, and announced the 100m-200m barrel discovery after drilling an appraisal well in late 2011. Both wells were drilled by the Transocean rig Henry Goodrich.

Statoil is to drill two new wildcat wells in the Flemish Pass basin by the end of 2013, with a possibility of other wells being drilled in the basin in 2014 and beyond.

Oil firm Petro-Canada drilled in Mizzen without meeting success, before Statoil took over the prospect in 2008. Statoil is the biggest operator of the Mizzen field, holding a 65% stake, while Husky Energy holds the rest.

Statoil operates and holds interest in several exploration, production, and development blocks and licenses offshore Newfoundland.

Iraq to Conduct 5th Round Energy Auction

The Iraqi Oil Ministry has decided to organize a 5th round auction for its energy sector, focusing on fields that are rich in natural gas, after the recent 4th round auction failed to attract the desired amount of investment.

"Of course, we will prepare for a fifth round, and we have more than 60 blocks ready for bidding," Iraqi Oil Minister Abdul Kareem al-Luaibi announced to reporters. "We will start, God willing, during the next months to prepare the data packages."

The new auction will present contracts designed to be more attractive for investors, in the hopes of developing Iraq's energy sector in order to compete with neighboring Saudi Arabia, the biggest oil producer in the Middle-East.

The previous auction round was concluded at the end of May with subpar results, as only 3 of the 12 blocks offered were taken up by bidders. The only major oil company to make a move for the offered fields was a group led by Russian company Lukoil and including Japanese firm Inpex Corp, which won a lease for the 5,500 square-km Block 10 in the Muthanna and Dhi Qar provinces in the south of the country.

The two other blocks to be taken up were won by Kuwait Energy and Pakistan Petroleum.

"We have to say we didn't expect this weak turnout from the companies, but we acknowledge terms for the contracts were tough," the head of the legal section of Iraq's oil ministry contracts and licensing directorate Sabah Abdul-Kadhim commented.

It is believed that the allegedly steep terms and conditions offered by Baghdad in the auction dissuaded investors from participating. Other factors rumored to have contributed to the tepid investor response to the auction include political and security instability in Iraq and in neighboring Syria.

Another possible factor is believed to be tensions between the Iraqi government and large oil companies such as Exxon due to the companies' signing of contracts with the Kurdistan Regional Government, which Baghdad views as an incursion on its sovereignty.

Iraq holds a sizeable portion of proven global hydrocarbon reserves, but war and political instability have prevented its petroleum sector from achieving its potential.

OPEC to Maintain Production Levels

The Organization of Petroleum Exporting Countries (OPEC) decided to keep oil production levels in member states at their current rates of 30 million barrels per day, after a meeting of the group last month in Vienna addressing declining global prices and the Iran embargo.

The meeting revealed tensions between Saudi Arabia, the world's biggest oil-producer and the only country with significant swing production capacity, and Iran, which faces a European Union (EU) oil embargo.

Saudi Arabia raised production in recent months to compensate for falling demand for Iranian crude resultant from the embargo, the Kingdom's production rate reaching 9.9 million per day in the month of May.

This had contributed to an overall increase in global production, which hit 31.6 million barrels per day, but OPEC members came to an agreement to keep production at 30 million barrels per day in Vienna.

Venezuelan Oil Minister Rafael Ramirez stated: "We think that given the economic situation, above all in Europe, there is a serious threat that prices might fall drastically and so our policy is to defend the production ceiling agreed in December of 30 million barrels a day."

The increase in production had led to higher inventory stockpiling, causing many to fear a crash in global oil prices. Saudi Arabia identified the price of $100 per barrel as adequate for all parties, but other countries viewed at as a price floor below which their economic prospects darkened.

"I am afraid of this fall, anything below $100 is very painful for Libya," said Libyan Oil Minister Abdulrahman Ben Yazza.

OPEC currently includes the twelve major global oil exporters: Saudi Arabia, Iraq, Iran, Venezuela, Kuwait, The United Arab Emirates, Algeria, Libya, Angola, Ecuador, Nigeria, and Qatar.

Crude Prices in Decline in Asia

Crude oil prices witnessed a steady decline in the month of June in Asia, owing to market fears regarding the Eurozone crisis and the U.S. economy, as prospects for the global economy continue to fluctuate.

Light Sweet crude fell 13 cents to $83.14 per barrel towards the end of the month following worries triggering by rising borrowing costs for the ailing Spanish economy. It decreased again to reach $80.56 per barrel as of June 21 due to disappointment over the lack of stimulus measures by the American Federal Reserve, as well as an unexpected rise in U.S. inventories.

Brent North Sea crude also lost 13 cents to reach $95.63, and fell again to $92.11 as of June 21, indicating a downward trend in crude prices in Asian markets.

Borrowing costs on Spanish 10-year bonds reached 7% at one point, the highest it has been since the inception of the Euro, reminding markets that the Eurozone economy was still highly volatile.

In a report, Philip Futures stated: "Spanish bond yields reached euro-era highs, reminding investors that the region's economy remains stressed."

The U.S. economy also displayed worrying signs, as unemployment projections remained at a high %8 for the rest of the year and the Federal Reserve failed to provide the stimulus measures hoped for and anticipated by markets. U.S. crude stockpiles also reached higher levels than those anticipated, hitting 2.86 million barrels, much higher than the forecasted 1.1 million.

"The lack of fresh Fed stimulus, the downgrade to the US outlook and an unexpected rise in US inventories took their toll on the price," IG Markets reported.

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ERC Secures $3.7 Billion in Investments

Egypt based EFG Hermes has partnered with InfraMed, a leading infrastructure fund in the MENA region to invest $100 million in the Egyptian Refinery Company.

A landmark $3.7 billion refining project developed by Cairo based private equity firm Citadel Capital, ERC is aimed at helping Egypt halve its diesel import needs, resulting in over $300 million in additional direct benefits to the state annually and spurring job creation.

Egyptian Fund Management Group said that the investment was made through InfraMed's wholly owned subsidiary Infra-Rey Holding into Orient Investment Properties, a holding company with postion in ERC. This equity injection represents an effective ownership of 15.6% in Orient and in turn, 7.5% in ERC.

Besides Egypt's EFC Hermes, the InfraMed is supported by 4 key institutional investors Caisse des Dépôts et Consignations, Cassa Depositi e Prestiti, the European Investment Bank, and Caisse de Dépôt et de Gestion in Morocco. This project marks EFMG and InfraMed's first investment in Egypt.

Mr. Karim Moussa MD of EFG Hermes said that it demonstrates EFMG's outstanding ability to originate, analyse and execute deals for InfraMed in Egypt, even during periods of market volatility. "In partnership with InfraMed, we are supporting Egypt's energy sector through a key investment in ERC a project developed by Citadel Capital and which reached financial close on June 14th 2012."

Mr. Moussa said that Egypt is in need of substantial investments to build and upgrade its infrastructure. The financial close of ERC is a major milestone for the development of the country's energy sector. InfraMed's investment in ERC underlines its strong commitment to Egypt.

Mr. Bakr Abdel Wahab director of EFG Hermes said that "This transaction demonstrates our ability to originate and execute large and complex infrastructure deals in Egypt and the region. Further, it reinforces our position as a leading infrastructure player and investor, capable of partnering with key financial and industrial sponsors."

Egypt Pays Extra to Secure Summer Energy Demands

Egypt's military rulers have secured record supplies of fuel worth at least $1.2 billion for the summer months, paying trading houses such as Vitol and Glencore above market prices to satisfy demand as political instability deepens.

Fuel shortages provoked public anger earlier this year. But trying to avoid a repeat is proving costly as uncertainty about Egypt's move to democracy has frightened off many traditional suppliers, leaving trading houses as the dominant players.

"(The premium) is considerable - if the threat is real enough ... maybe 25 percent," said one trader with a trading house that supplies fuel to Egypt, adding that the final contract details were still being settled.

Egypt is following a similar path to debt-stricken Greece, which is surviving on oil supplies from the same traders who take on the risk of dealing with countries in crisis or at war in return for hefty price premiums.

Last month, Egypt's generals have ordered the dissolution of the Islamist-led parliament and effectively curbed the powers of the next president.

In May, Egypt tendered to buy record volumes of diesel and gasoline before the presidential elections, apparently wary about the risk of renewed civil unrest after last year's revolution.

Instability has also made it difficult for Egypt's fuel suppliers to obtain letters of credit from major banks, which led to queues of vessels being held up in Egyptian waters at the start of June.

Delays, which incur demurrage fees of hundreds of thousands of dollars, have become common and are further testing Egypt's troubled financial system and threatening its faltering economy.

Diesel, or gasoil as it is called in the industry, is mainly used to power heavy machinery, run agricultural and military vehicles, and generate electricity, demand for which rises steeply during the hot summer months.

Trading sources told Reuters that Egypt was negotiating with traders on the final details of contracts to supply 36 cargoes of diesel and 12 cargoes of gasoline over the next three months.

"In terms of cargo volumes, this year their requirements are flying through the roof," said a London-based trader.

At market prices, the diesel cargoes would be worth over $920 million and the gasoline another $330 million, but Egypt has agreed to pay big premiums, traders said.

A typical diesel cargo of 30,000 tonnes is worth over $25 million at current prices and even a 5 percent premium would mean a jump in the final bill of $1.25 million.

"It is all about risk versus reward, and clearly the reward is outpacing all of the risks," said a Dubai-based trader.

He added that some oil majors could not participate in the tenders because of a high level of risks and complications with letters of credit from banks. "Big majors who need all the paperwork are out, and trading houses are in," he said.

In the diesel tenders, Vitol and Glencore were expected to win the lion's share of contracts, traders said.

Swiss-based Vitol has won a deal to supply Egypt with 12 cargoes of diesel to the port of Suez over the next three months, while Glencore will be among the main suppliers of 24 diesel cargoes to the ports of Alexandria and El Dekhalia on the Mediterranean.

French oil major Total's Geneva-based trading arm and China's Petrochina were also said to have won shares of the Mediterranean diesel supply contract.

In gasoline, Glencore, Total and trader BB Energy will supply cargoes to Suez at premiums to regional quotes of around $50-$60 a tonne, which would represent a 6-7 percent premium to current market prices.

Total, BP and Socar will supply gasoline to Alexandria at premiums of above $30 a tonne with one cargo priced at a premium of $52 a tonne, traders said. (Reuters)

Renewable Energy

Great Potential for North Africa's Future of Renewable Energy

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

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

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

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

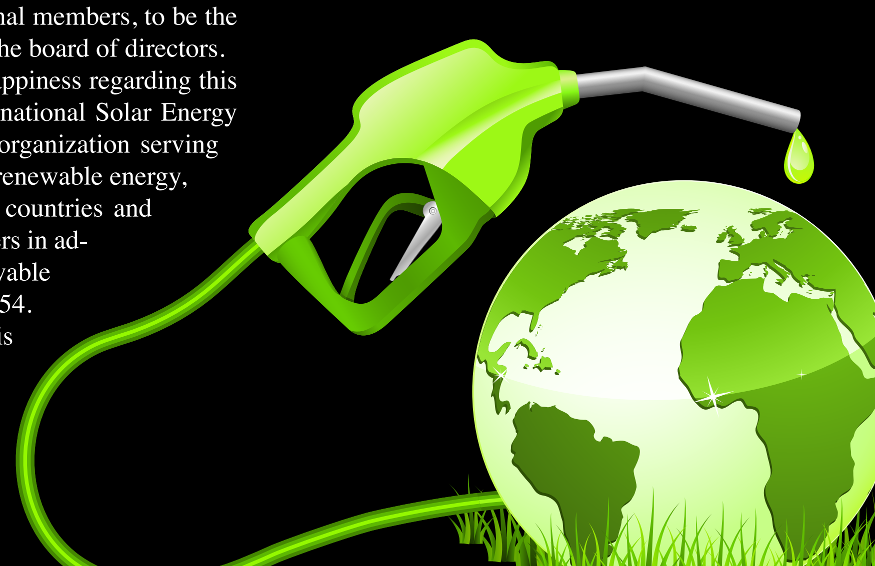
International Solar Energy Society Appoints an Egyptian Director

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

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

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

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

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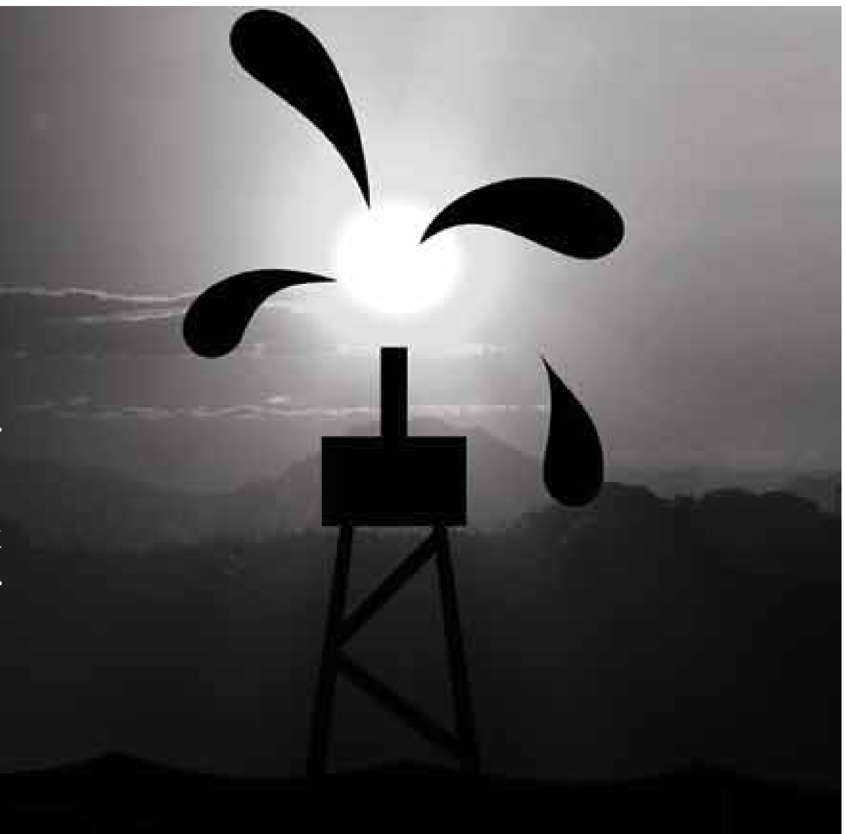

With an incipient new ministerial cabinet, the petroleum sector awaits a new leader, and purview to every individual in the industry is the multitude of stumbling blocks hampering the efficient functionality of the Egyptian petroleum sector. Indeed this sector is one of the few organs of the economy that have persevered during the previous 16 months; it too suffers substantially dysfunctional bureaucracy.

By Mohamed El-Bahrawi

Individuals from every corner of in the sector aspire for genuine reform, a notion that currently resonates throughout the entire nation. Ergo, the upcoming minister has a tremendously difficult task as his obligations will extend far beyond those of his predecessors. The Egyptian identity in itself is at an evolutionary stage, and the seemingly apathetic and lethargic attitudes that once characterized, if not dominated, the mentality of most Egyptian workers is being gradually replaced by a sincere desire to become more self-aware, righteous, productive and most importantly, protective of their rights as citizens and workers.

In such a state of transformation, the new leader will have to come face to face with strong tide of change, which necessitates readjusting some of the archaic practices that have long curbed the realization of the sector's full potential.

It behoves the forthcoming minister to move away from the orthodox practice of nepotistic appointments to the industry's key positions; such choices should be based on competence and merit, rather than loyalty, friendship or any other personal relationship.

A glimpse of Foreign Investors' aspirations

Several chairmen of veteran petroleum companies operating in Egypt have proposed suggestions exclusively to Egypt Oil & Gas that they believe would render the sector more efficient and hence increase its overall productivity.

When asked about the top three priorities that should be addressed by the new ministry, Mr. Jeroen Regtien, Chairman of Shell Companies in Egypt, commented that it is for "the new government and new minister to determine their own agenda and priorities, "but proposed several suggestions that the new administration might want to consider.

At the top of Mr. Regtien's list is the issue of clarity. He advocates, "creating clarity around the investment climate for oil and gas to ensure that top quality companies continue to invest in Egypt's future."Like most industry experts Mr. Regtien realizes that onshore"producing fields are depleting and discovering new sizable easy reserves is becoming more difficult as the 'easy oil and gas is gone'."

He further elaborates that due to the aforementioned reasons "companies like Shell are looking for other resources such as unconventional and/or enhanced oil recovery techniques." These resources necessitate "new technology, new ways of working, large investments and a different type of license agreements which accommodate long development and production periods."

Developments of offshore deepwater targets, he adds, "require novel ways of incentivising the investor…[as]the current terms and conditions don't take account of the cost of offshore exploration and development and therefore stand in the way of economic development."

Another issue emphasized by Mr. Regtien is "moving towards a deregulated gas market, while protecting the most economically vulnerable parts of society." He explains that doing so "would allow operators to sell all or part of their gas entitlements on the open market…[which] would result in increased development of Egypt's gas resources as gas fields that are currently stranded could be developed, while reducing the country's subsidy burden and addressing the emerging demand/supply imbalance."

Lastly, Shell's esteemed chairman reiterated a call that has long been echoing in the sector, which is "streamlining the EGPC, EGAS and Ganope." such that the speed of decision making and response to operators' requests significantly improve and rules and regulations are not weakened but simplified [and made more transparent to all]. Examples of policy areas that should move significantly faster are license extensions, bid rounds and contract renewals."

Dana Petroleum's Country Manager, Mr. Nick Dancer, also voiced several suggestions that he believes should rest at the forefront of the new minister's list of priorities. He firstly highlighted the issue of the EGPC's outstanding debts, stressing "timely payment from EGPC to the foreign investors for the petroleum products produced under their concession agreements."

Another point of great significance underlined by Mr. Dancer, one that has been subject to constant debate, is the Production Sharing Contract (PSC) regime; whether it's the most suitable and efficient type of agreements model at this point in time.

Illustrating his point, Mr. Dancer states that "the Gulf of Suez has seen a dramatic decline in exploration, and the recent bid rounds have seen a poor level of take up by the industry." Therefore, he poses the question of whether "the Ministry [would] consider some radical initiatives, breaking away from the PSC environment, to allow better terms or a form of tax relief on failed exploration, to encourage a higher level of activity?"

The pricing of natural gas is also an issue that was raised by Mr. Dancer. He proposes the removal of "fixed gas prices from concessions and allow for more market driven pricing, which would enable many sub-commercial offshore gas discoveries to be commercialized."

The issue of fixed gas pricing has recently been remedied by new the terms and conditions of EGAS' most recent bid round. However, altering the industry's pricing schema to become market-driven rather than price-driven is a major impediment that necessitates deep structural change to the extant system as much as it requires a change in the mindset of those assessing the technical specs proposed by investors.

Public sector hopes and concerns

This side of the industry suffers from a variety of problems, most of which stem from the rampant disorganization and lack of communication between the various bodies regulating the sector.

A high-ranking source in the EGPC, who preferred to remain anonymous, underlined the importance of "unifying the regulatory terms governing relations between public-sector companies and the EGPC through barring the practices of preferential treatment by the EGPC that vary from one company to another." Moreover, he stressed the revision of the current agreements to ensure a fair distribution of income, thus preserving national interest from exploitation.

The government, he continued, should also "encourage domestic investment in the upstream part of the industry, which is dominated by foreign investors, through providing special incentives to Egyptian investors level the playing field in this highly competitive market."

In addition, he placed great emphasis on having a strong regulatory body that rigorously oversees the industry's technical and financial movements in order eradicate the mentality of corruption that has festered during the administration of the old regime.

Geologist Mohamed Mahmoud Al-Gezeiri, Assistant Chairman for Exploration and Board Member at Gebel El Zeit Peroleum Company (Petrozeit), stated that "Egypt's petroleum sector is a leader in all areas, whether it be upstream, downstream or agreements, adding that it is necessary for the sector to have a cooperative and complimentary relationship with other ministries and sectors of the country, so as to relieve pressure from the sector and achieve the growth that is required in the coming period".

Rashid Petroleum Company (Rashpetco)'s Assistant Chairman for Exploration and Board Member Dr. Haidar Saad Othman, relayed his hopes that, regardless of the identity of the new Minister, the debt owed to foreign companies must be restructured and repaid in accordance with a schedule, so as to raise investment in the sector and keep investors from seeking more lucrative options elsewhere.

The Egyptian petroleum industry, like any other in the country, has its fair share of impediments. The incoming minister of petroleum will inherit these impediments, along with a fair share of unrealized potential, and will be tasked with fulfilling said potential in spite of the obstacles at hand. The shackles that once strained the organic development of the sector are gradually loosening, however, raising the probability of an auspicious future not just for the petroleum sector, but for the country's economy as a whole.

Staying Above the Fray:

Why the new minister must sidestep the political power plays

The dominant theme in Egyptian politics has become the political struggle between the Muslim Brotherhood and the Supreme Council of the Armed Forces, and all other factions have either rallied under one of the two banners or faded vaguely into the background. It is the job of the new minister of petroleum to keep these circumstances as irrelevant as possible to the sector.

By Ahmed Maaty

Every day, the features of post-revolutionary Egypt's political arena become just a little clearer. The immediate aftermath of Hosni Mubarak's fall from power consisted of a period of uncertainty in which no one truly understood the capabilities, allegiances and intentions of the political actors in place, and to some degree even the identity of the most significant actors was up for debate.

But as Egypt moved from crisis to crisis and from face-off to face-off, the Egyptian public was subjected to a rollercoaster ride of events, in which the noise pollution gradually faded into the background and the true dialogue that always ran between the lines came gradually but starkly to the fore. Today, it is almost impossible to argue that what is happening on the Egyptian political scene is anything other than a struggle between the Muslim Brotherhood and the Armed Forces, the only two players that truly matter, triggered by a simple conflict of interests.

In this context, the new minister of petroleum will face the tall task of steering the sector through the political storm, a mission made all the more difficult by the fact that he will be working under the authority of one or both of the parties involved. The ministry must keep its focus fixed on maintaining operational stability within the sector and sidestepping the political struggle as much as the situation allows. This course of action should be backed by the philosophy that a functional petroleum sector is in the interest of both the Brotherhood and the army, whether they choose to continue jostling for control or establish the uneasy quasi power-sharing structure the country seems to be heading towards at the moment.

As Egypt concluded its first true presidential elections, the two major forces have reversed authorities in a twisted dance of power. The military leadership has reclaimed legislative authority for itself after the dissolution of parliament and the issuing of a supplement to the constitutional declaration, while the Brotherhood has succeeded in clinching the presidency via the election of prominent Brotherhood member Dr. Mohamed Mursi and with it the executive authority. The roles remain ambiguous as the Supreme Council of the Armed Forces (SCAF) is not authorized to pass legislation unless the President (Mursi) approves it, while the President's powers are severely curtailed owing to the aforementioned supplement and the amount of executive authority it retains for the military.

The Muslim Brotherhood does not appear to be in the mood for playing the role of window-dressing for a highly militarized state. Fielding a candidate for the presidency despite pledging not to do so (and winning), as well as publicly rejecting all of the military's attempts to retain any form of political or legal power with passionate rhetoric, the Brotherhood gives off the impression of a group hell-bent on reaching true power after over 80 years of existence in the opposition.

The points of contention seem to be on their path to resolution one by one (if President-elect Mursi's decision to swear his oath in front of the Supreme Constitutional Court as demanded by the constitutional supplement is any indication), but the fact remains that competition for control and influence between the military and the Brotherhood is highly likely in the coming period, even if a relatively stable status quo is achieved to serve as a context for such competition. The Muslim Brotherhood has given every indication that they are looking to rule Egypt, and they are therefore unlikely to settle for anything less in the long-term.

The Egyptian army has held a rather unique place in the structure of the Egyptian state at least since the revolution of 1952, and this has included significant economic activity in several sectors included ones entirely unrelated to the military, as well as clout both official and unofficial in state institutions across the spectrum. The supplement to the constitutional declaration reveals that the army's intention is to fully preserve its special privileges and unique access to and influence and authority over other state institutions; the military leadership has effectively placed itself and its forces outside the jurisdiction of civilian institutions including the presidency, as well as providing itself with immunity from all forms of oversight by such institutions. It is a resounding irony that Egypt's commander-in-chief will not have the constitutional right to declare war without the approval of his generals.

In fact, it could be argued that the SCAF is attempting to make the most of unique historical circumstances in order to expand its reach, or at the very least legally and constitutionally legitimize its special standing. Although rule over the country would not appear to be among the SCAF's goals, the erection of legal and authoritative walls around the Egyptian military institution and the militarization of the state as a means of preserving interests necessarily entails an encroachment on the jurisdiction of the civilian authority.

The struggle will thus extend to the ministerial cabinet, which the President now has jurisdiction over, whereas prior to the elections the cabinet was formed by the military council. This would appear to be a zero-sum victory for the Brotherhood, but the facts reveal more complex machinations at play. While the President is to appoint the new cabinet, the military holds substantial sway in the very institutions which cabinet members govern. This is particularly true when it comes to the ministry of petroleum, which a sector of the economy that is of substantial interest to Egypt's Armed Forces.

The simplest form of authority the army exerts over the petroleum sector comes in the form of a simple but absolute veto over its proceedings. The wheels of the petroleum sector turn when bid rounds are issued, offers are received, and agreements are struck between the state and investors willing to work on the development of the country's resources. This entire process can be interrupted indefinitely by the absence of a military permit, a legal necessity in order for bid rounds to be conducted. The military is not formally required to provide any form of timeline for granting a permit, nor is it required to justify in detail any refusal to do so.

Needless to say, having this power grants the army significant control over the sector. For whatever reasons, should the military leadership decide that a complete halt of activity in the sector would be convenient or beneficial, it has the ability to realize such a scenario. While one cannot speculate regarding the intentions or priorities of any given faction, the fact remains that it is within the army's power to damage the economic interest and thus the success of the next government, a government which will be led by the Brotherhood and the performance of which will reflect

> **"While the President is to appoint the new cabinet, the military holds substantial sway in the very institutions which cabinet members govern. This is particularly true when it comes to the ministry of petroleum, which a sector of the economy that is of substantial interest to Egypt's Armed Forces."**

directly on public opinion regarding the group.

The issue of military permits is already one that frustrates foreign companies seeking a smoother, more transparent investment process, as well as government officials in the sector who are met with uncertainty and unnecessary hurdles when attempting to attract investment. Should it be used for political wrangling, or to block any particular step for political reasons, the issue would be exacerbated.

The latest political developments also place further control over the fate of the petroleum sector in the hands of the army's top brass. Following much talk of educating the new Islamist-dominated parliament regarding the petroleum sector, parliament was dissolved and legislative power taken by the SCAF. Petroleum agreements require legislative approval in order to enter into effect, and while the SCAF is most unlikely to need much education on the matter, the power to approve or reject agreement heaps yet more authority into the lap of the Generals, authority which could be exercised for political purposes now that the institution of the Armed Forces has become an active political player.

It is unclear for how long the SCAF is supposed to hold onto legislative powers pending parliamentary elections, or when (or if) the elections will be held. If the time-span is short and the legislative authority is handed to civilians in the space of a few months, this point will matter little, but as it currently stands, the SCAF is the formal legislative branch of government and is thus responsible for approving agreements.

Formal authority exerted over the petroleum sector by the army may or may not be used with the aim of striking political blows, but that is not the only interest the military holds in the sector. The military has holdings in state-owned Tharwa petroleum, which engages in upstream exploration and development activities, as well as several renewable energy projects in partnership with foreign investors. It is also difficult to neglect the fact that retired army officers are often hired in key positions in Egyptian petroleum companies. While accusations of corruption or conflict of interest would be highly unfair, it is nevertheless a notable actuality given the amount of loyalty the military is known to enjoy in its servicemen even in the wake of their service. The military's hand in the sector is thus not limited to oversight, but extends to indirect influence and economic interest.

> **"What the Muslim Brotherhood is unlikely to do is appoint a petroleum minister (if the decision is in reality solely their own) from outside a certain sphere of high-profile personalities within the sector."**

The Muslim Brotherhood's bid to rule Egypt will doubtlessly take into account the petroleum sector as well, as it is one of the engines of the national economy and a valuable economic and political asset in the Egyptian power game. The unpredictable Brotherhood may thus attempt to wrench the sector from the army's grip, or at least contest the military's ample presence within it.

The Brotherhood's eagerness to take advantage of the petroleum sector will be particularly avid owing to the economic magnitude of the sector and the importance it represents to the country, but for all their political savvy, the Brotherhood have little experience in this area and may end up doing more harm than good. Any attempt to radically change the fundamentals on which the sector function, be it in pursuit of overly populist policies or render it more inviting to penetration by the Brotherhood, may result in disaster. The possibilities include wholesale changes of high-ranking staff based on Brotherhood loyalty, sudden, radical change in the agreements model currently employed in Egypt, or insistence on uncompetitive and unreasonable terms for foreign investors in the name of protecting the national interest.

What the Muslim Brotherhood is unlikely to do is appoint a petroleum minister (if the decision is in reality solely their own) from outside a certain sphere of high-profile personalities within the sector. In reality it would be highly impractical and risky to appoint a Brotherhood figure for the post, and so the minister is expected to be a familiar face.

This person will thus be highly familiar with what the sector needs in order to thrive. The new minister must then be extremely wary of the political obstacles discussed above, and how to navigate them safely without either antagonizing the major forces or compromising the sector's stability and development.

The new ministry must place its focus on non-partisan, non-biased, apolitical economic development, and must have a clear vision for what needs to be done in order to achieve growth, pressing through with it regardless of the conflicts or interests surrounding the sector. Some of the impediments will be beyond the minister's control, but early success will go a long way in dissuading interference in the sector's workings, and a distinct and explicit unwillingness to participate in the political game will help. The best thing the new minister can do about politics is to avoid them like the plague.

ProServ Egypt: Interview with
Mr. Ahmed Hashem, Managing Director

ProServ has been providing a wide range of quality services in the Egyptian petroleum sector for 6 years. Mr Ahmed Hashem, Managing Director of ProServ, discusses the company's activities and the reasons behind the success it has managed to achieve thus far.

Please give a briefing of the company's history and its successes in Egypt

We succeeded in entering the oil & gas market 6 years ago and managed to achieve our Mission and Vision; we establish a wide network that enables us to gain new clients through our offices in Egypt and abroad. We have the largest client list in the region.

All of our latest projects and current ones are done to the highest standards of satisfaction to meet and exceed our client's expectations.

Our professionalism and experience caused us to be granted the highest international certificates such as TRACE (Anti Bribery compliance solution), FCPA (Foreign Corrupt Practices Act), ISO 9001, ISO 18001, ABS, E.I.F.F.A and FIATA.

Most of our international registrations are renewed directly and free of charge based on our achievements and work professionalism.

We manage to bring new blood (new foreign companies) to the Egyptian market by International Round Tenders.

The Group now holds 5 S.A.E companies, each company has its own certificates and registrations with the most professional team to keep us on the right track which makes us provide our clients with a huge business bouquet satisfying all their needs.

We work on projects with major companies in the Gulf Area and Europe.

We succeed in securing the highest benefits, compensation and salary levels in the field to both our temporary and permanent employees. With 1,200 employees (1,100 site employees and 100 office employees) we manage to control the field salaries benchmark.

What services does ProServ provide to oil companies in Egypt?

We have a wide range of services which include: Drilling Consultancy, Manpower, Catering, Work Permit, Logistic Services, Oil & Gas Training, Sea freight & Clearance, Engineering & Inspection services (ABS CERTIFIED), Tele-Communication

How does ProServ work to tailor services to the specific needs of different companies?

We established 4 companies to meet all of our clients' needs and requirements and due to our market experience we provide each client with its applicable work services bouquet; each company has its own qualified and certified team which empowers our group hierarchy and organization leading us to always get the correct and accurate feedback to maintain the right track to follow. We achieved this by bringing together a strong knowledge base and dedication to our client's satisfaction. We have highly motivated staff eager to provide our clients with reliable and integrated services of the highest quality that usually exceed expectations. We bring expert on-site management and outstanding technical resources, uncompromising emphasis on training and development for all our team members, unparalleled commitment to quality and execution and most of all genuine care and passion for our client's welfare.

Does ProServ focus primarily on the provision of onshore or offshore services? Why?

We mainly focus on the provision of offshore services as it's more challenging and needs more experience and highly skilled labor which is our work motive. Regarding onshore projects, we don't work as service providers, but we work as a drilling contractor and on turnkey projects.

Is ProServ looking to expand into new fields of service in the near future?

We have already established new subsidiary companies working in new fields while at the same time helping our main scope of work in the oil & gas field; we have:

- Proserv. for Consultancy Services
- Proserv. for Logistics Services
- Prolog for Shipping and Trading – PST
- Proserv. for Maritime & Engineering Services – PME
- Pro – Communication & Integrated Services – PCI

Prolog for Shipping and Trading (PST): Provides its services to customers owners of the goods and cargo to and from all over the world at the highest levels of service. Managing import and export shipments between the Egyptian ports and those all over the world, services include forwarding FCL and LCL consolidated cargo.

Proserv. For Maritime & Engineering Services (PME): Conduct all kinds of Inspection & Quality services within Egypt, Inspections include Non Destructive Testing (NDT), Destructive Testing , Advanced NDT services. Boilers & Pressure Vessels which include pressure vessels inspections in accordance with ASME codes and standards including power boilers, industrial boilers, organic fluid heaters and a range of technical services to pressure vessels. Welding Services which includes repair welding and specialized welding services, develop welding procedures, welding inspections according to codes and standards and welding with post weld heat treatment equipment. Marine Engineering Services provides services for docking and undocking including ship repairs, external hull blasting and painting, under water hull plate repair, pipelines works, propeller repair and hydraulic system inspections and repairs. Technical Training which includes NDT level I & level II courses in 5 NDT methods certified by NDT level III inspectors, Preparation for NDT level III in 5 NDT methods, Preparation of AWS CWI, API preparation courses, Radiation Safety program courses and Boiler operation and maintenance training courses.

Pro – Communication & Integrated Services (PCI): A specialist services company, providing leading International Communications Solutions to enterprises, governments and telecommunications operators, with a proven track record in the satellite, & communications services industry spanning some twenty years.

What other countries does ProServ operate in?

ProServ operates in the Gulf area, North Africa and Europe.

What HSE credentials does ProServ hold?

We are registered and certified from most of the governmental Oil & Gas sectors based in our HSE Manuals, day to day plan which had been sent to them to review and approve.

We also gained ISO 9001, ISO 18001, ABS certified IOSH Managing Safety and NASP

Our entire on-rig safety officers have a valid OSHA and NEBOSH certificates to guarantee safety rules and regulation

ProServ Client List

Our clients list contains some of the largest companies in the World:

Oil & Gas Sector
- ROWAN Egypt
- ROWAN RDC Arabia
- Noble Drilling
- Atlantic oil field services
- STENA Drilling Ltd.Co
- Sinotharwa Drilling Co.
- Petrobel
- Shell
- HESS Egypt
- Shiv-vani
- DP world

Mining Sector
- Capital drilling for mining
- BARAMINCO for mining

Maritime & Engineering Sector
- Alexandria Container & Cargo Handling Co.
- Faromar SRL.
- Cemex Assiut
- Siemens

Forwarding, Clearance and Shipping
- Fridal
- Hagrybota
- El Gazira for Marble

Tele – Communication
- Alkan

Mobil SHC 600 & Mobil SHC Gear Product Launch

On the 6th of June, Exxon Mobil Egypt celebrated the launch of Mobil SHC 600 oil series and Mobil SHC Gear in the Four Seasons Nile Plaza hotel. The new products were introduced in Egypt by Exxon Mobil in order to meet the evolving requirements of the industrial sector.

Representatives of key players from all major industries in Egypt, ranging from cement and steel and petroleum to lighter industries such as food, were present at the event to witness the inauguration of Exxon Mobil's new products. The company believes the new series of products holds unprecedented benefits able to service a myriad of industries, driving growth of the national economy.

The company was keen to highlight the advantages afforded by the new range of products. During on-stage presentations, Exxon Mobil representatives touted the Mobil SHC 600 Series as a provider of superior functionality in intense service applications at high and low temperatures. Furthermore, the SHC series, it was claimed, offers higher low-temperature fluidity, better thermal and oxidative stability, enhanced bearing wear protection, and a multitude of other high performance benefits.

A major element in the company's promotion of the Mobil SHC Gear lubricants was its clear exhibition of reduced energy consumption. According to Exxon Mobil, energy efficiency falls by up to 3.6% using the new products, which can be attributed to a higher viscosity index and low traction coefficient. The product series also has great seal compatibility and displays oil life that is up to 6 times longer than standard industrial oil.

The products were released in Europe four months ago, and have garnered a reputation for reducing production costs, increasing profitability, fostering safety and boosting energy efficiency. Exxon Mobil is centering the products on the concept of sustainability, which essentially consists of a balance between environmental protection, economic growth, social responsibility and energy efficiency. The company identified the latter as being particularly crucial in Egypt in the coming period owing to the alleged inevitability of oil price liberalization.

Mr. Mohamed El-Assar, ExxonMobil Egypt Industrial and Marine Sales Manager stated that the latest generation of Mobil SHC 600 Series will leverage this success and continue to be recognized by major equipment builders for delivering enhancements in key areas while maintaining its excellent and balanced performance overall.

According to Mr. Al-Assar, The key to industrial productivity is keeping critical bearings and gears turning, and choosing the correct lubricant can help maximize productivity and reduce machine downtime. He ensured that ExxonMobil constantly commits itself to supporting development in all industrial areas through its genuine efforts to satisfy customers' needs and offer important innovations in lubricants manufacturing.

The general sentiment prevalent throughout the event was a sense of pride on the company's part regarding its innovative approach to the world of industrial oil and lubricants. Exxon Mobil is looking to replicate the success it has achieved in Europe with the SHC series here in Egypt. If it succeeds, the echoes of said success will be felt across multiple industries.


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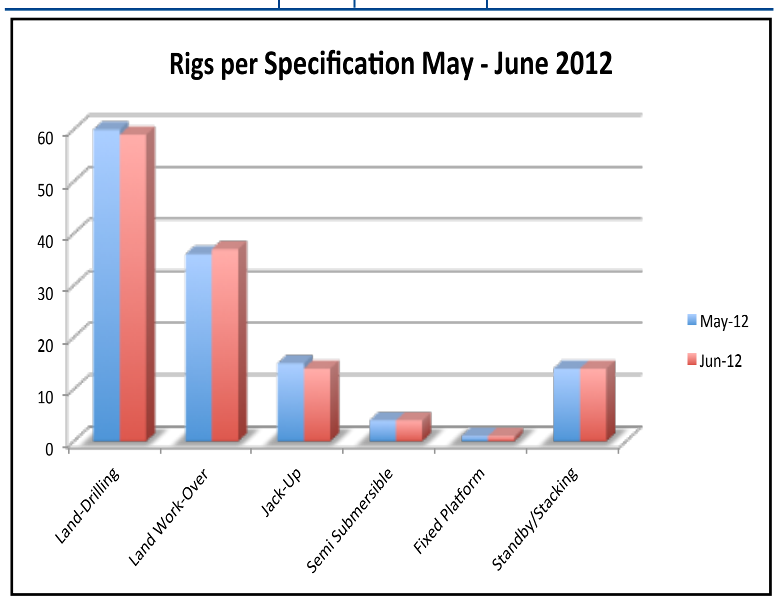
Egypt Statistics

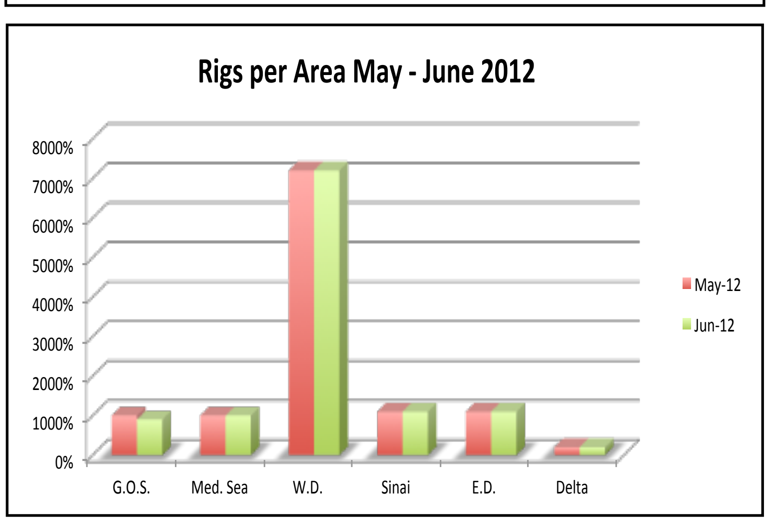
EGYPT OIL&GAS
RESEARCH & ANALYSIS

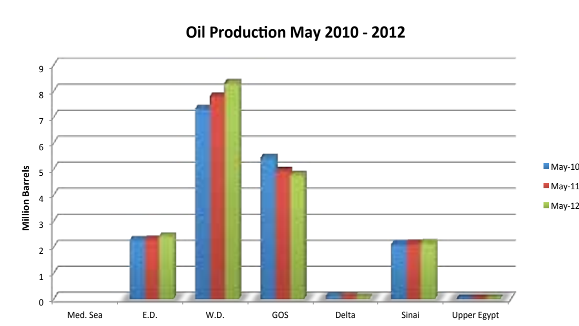
	Oil			Equivalent Gas			Condensate			Liquefied Gas		
	Barrel			Barrel			Barrel			Barrel		
	May-10	May-11	May-12	May-10	May-11	May-12	May-10	May-11	May-12	May-10	May-11	May-12
Med. Sea				23207321	22701964	23179107	1601306	1422008	1265371	406131	453804	419890
E.D.	2269946	2290422	2403789									
W.D.	7316617	7793830	8305776	6454821	6989643	7192321	1674026	1785232	1647741	577086	614790	583473
GOS	5434233	4938520	4775714	104643	357321	208036	59463	80197	57393	139520	206232	171355
Delta	129719	102479	58004	2536607	2296607	1698571	206585	196422	142514	112290	100598	95558
Sinai	2116704	2138772	2161164	56429	26786	536	50022	33399	35892	82863	68777	87420
Upper Egypt	15803	23539	19353									
Total	17283022	17287562	17723800	32359821	32372321	32278571	3591402	3517258	3148911	1317890	1444201	1357696

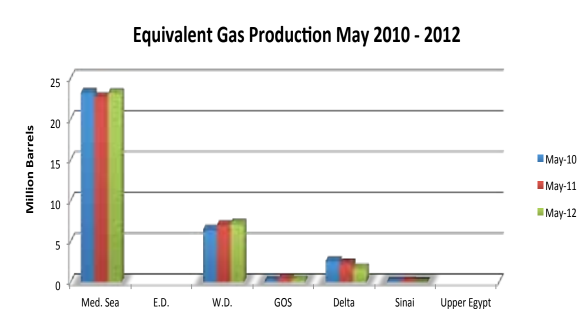
Table 1 Egypt Rig Count per Area – June 2012

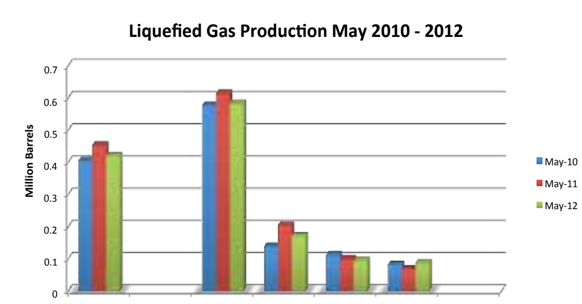
Area		RIG COUNT Total	Percentage of Total Rigs
Gulf of Suez		9	8 %
Offshore	9		
Land			
Mediterranean Sea		10	9 %
Offshore	10		
Land			
Western Desert		72	63 %
Offshore			
Land	72		
Sinai		11	9 %
Offshore			
Land	11		
Eastern Desert		11	9 %
Offshore			
Land	11		
Delta		2	2 %
Offshore			
Land	2		
Total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

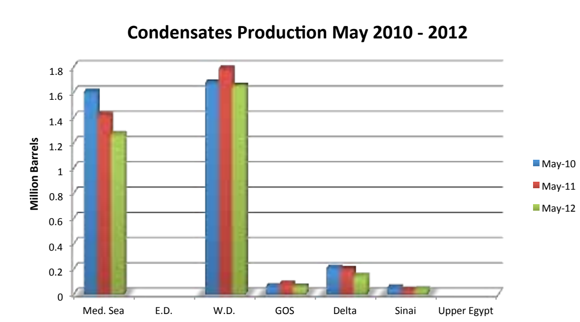


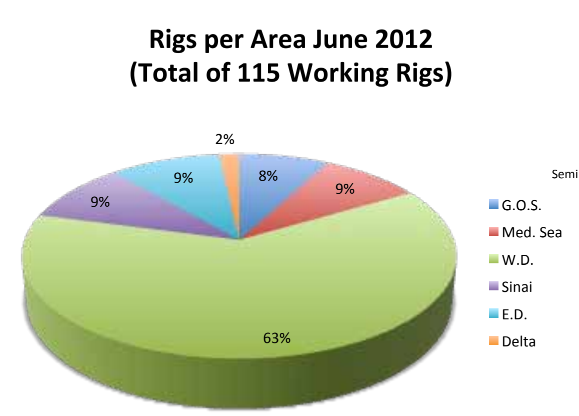


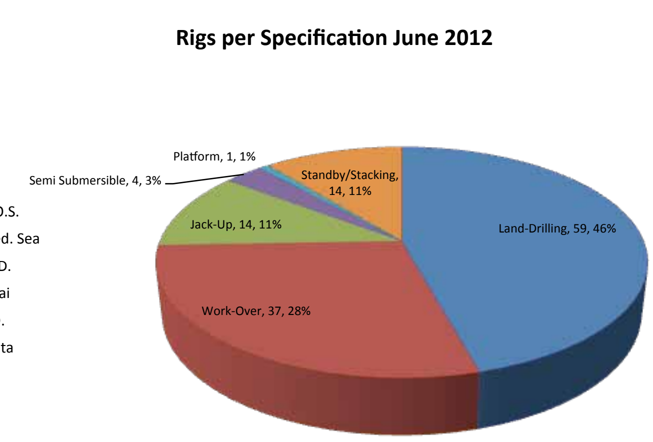


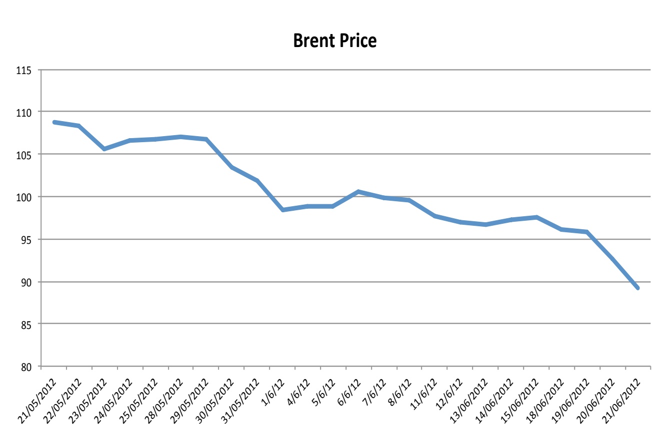


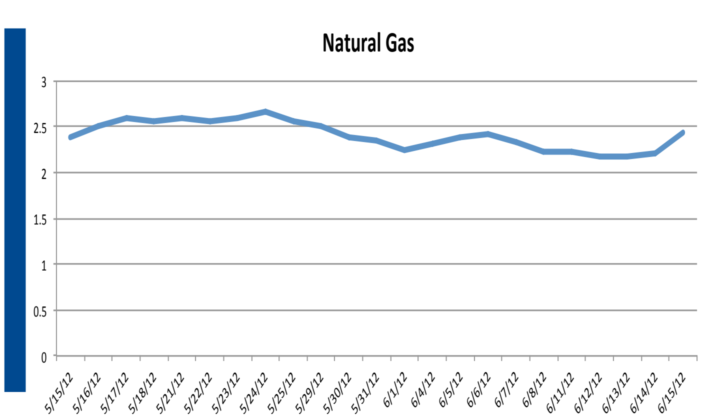


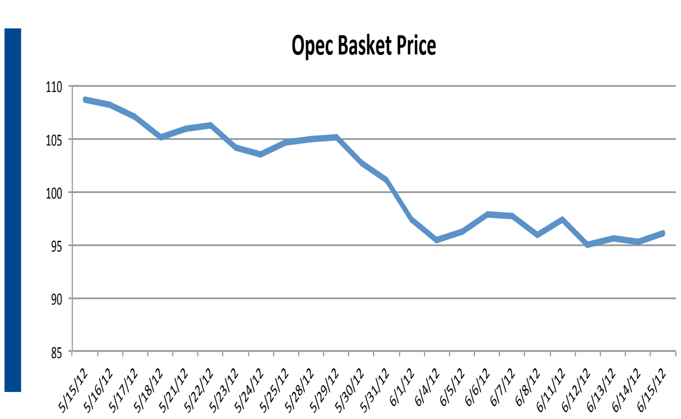


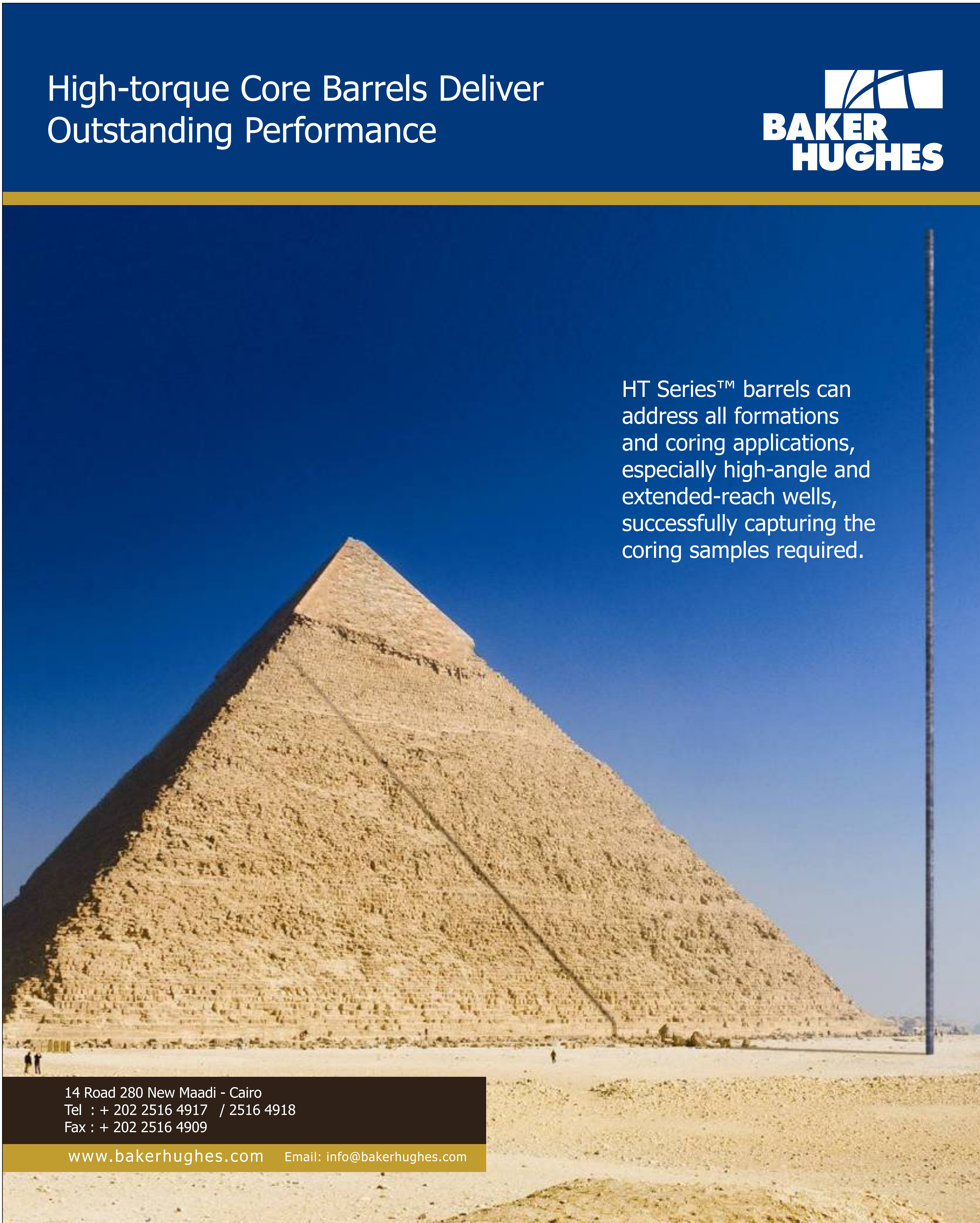








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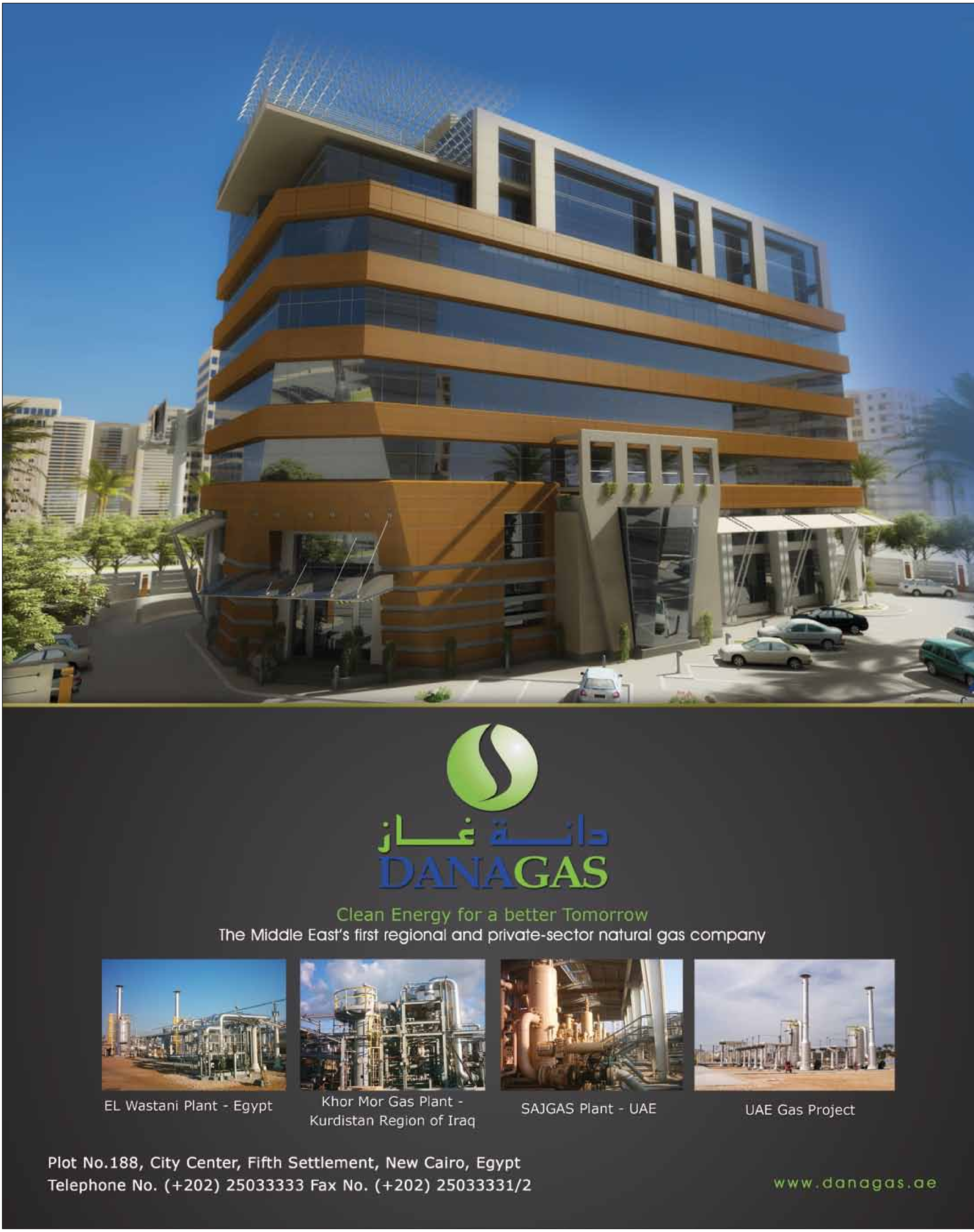
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