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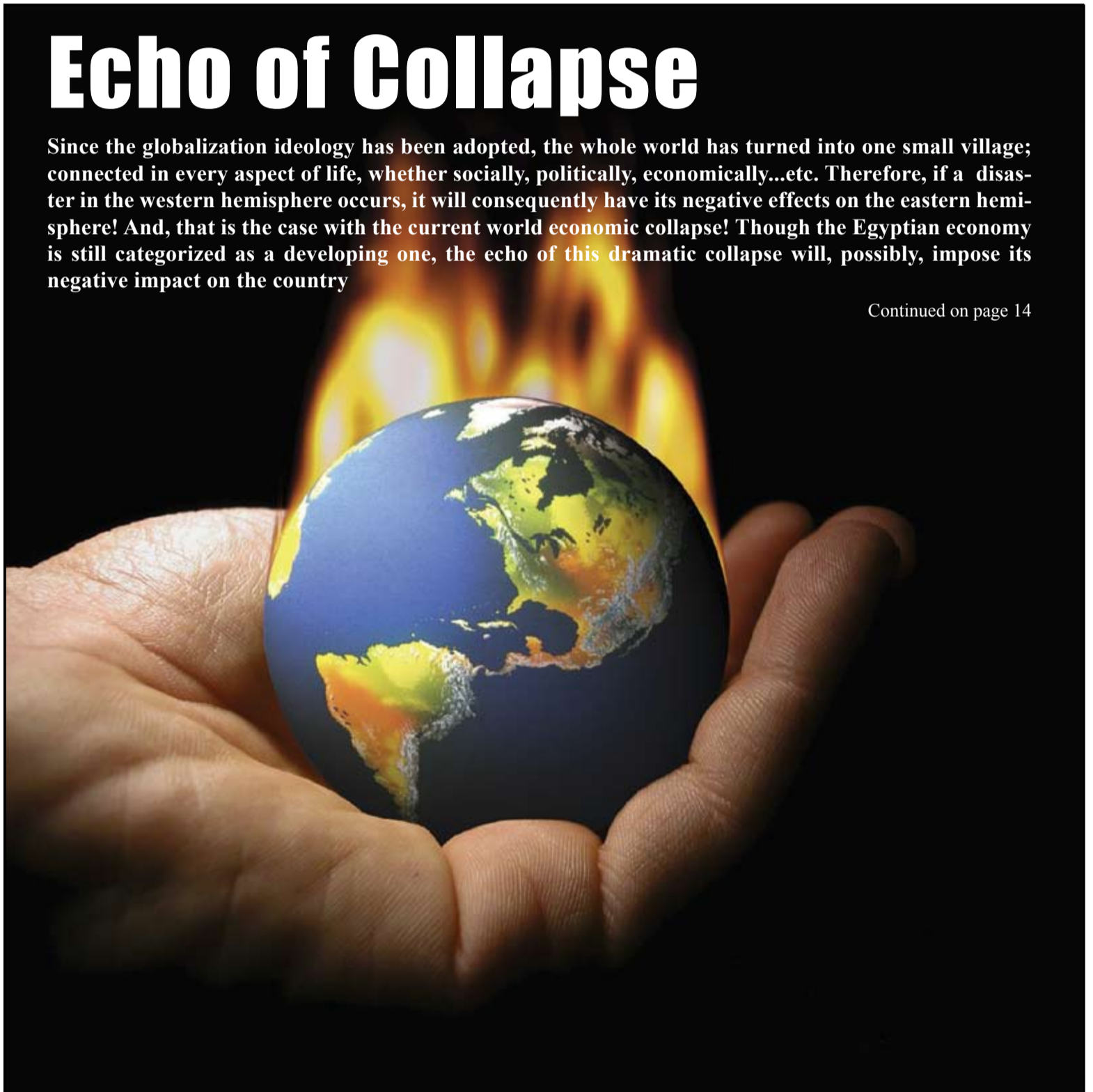
LAST MONTH'S OIL PRICES



Echo of Collapse

Since the globalization ideology has been adopted, the whole world has turned into one small village; connected in every aspect of life, whether socially, politically, economically...etc. Therefore, if a disaster in the western hemisphere occurs, it will consequently have its negative effects on the eastern hemisphere! And, that is the case with the current world economic collapse! Though the Egyptian economy is still categorized as a developing one, the echo of this dramatic collapse will, possibly, impose its negative impact on the country

Continued on page 14





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The toughest test

Last February, when oil prices hit unprecedented increases, crossing the \$100 a barrel, and even reaching the \$147 in July, experts and analysts expected that oil prices would further increase and exceed the \$200. However, with the current global financial crisis and the panic attacking the petroleum sector as oil prices dropped by more than half; oil prices went below the \$70 last month.

The Organization of Petroleum Exporting Countries (OPEC) is facing the toughest test to control this high-speed drop and resume the market equilibrium.

Adjustments and production cuts are playing the key roles to solve this critical situation. Most analysts expect OPEC to announce a production cut of at least one million barrels a day, which count for more than 1 per cent of the world oil supply.

“OPEC will have to decide how far it can ignore the global economic crisis and pressure from consuming countries,” wrote researchers at the Center for Global Energy Studies, a London consulting group founded by Sheik Ahmed Zaki Yamani, a former Saudi oil minister, according to an article published by the International Herald Tribune. “The real danger is that a big cut will send prices soaring again, putting the global economy at even greater risk.”

Chakib Khelil, OPEC’s President, said last month that an output cut was “obvious” and suggested the group might meet often in coming months for further adjustments. The decision over this cut is expected to be announced during the emergency meeting held in Vienna.

However, it is a double-edged weapon; OPEC’s problem lies in having no exact figures of the fall rate of the demand, it cannot conclude whether the production is too much or too low, thus a production cut can make the crisis worse! This is a tough choice to make!

Yomna Bassiouni
Managing Editor

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Circle Oil confirms Al Amir SE-1 ST discovery

Dana Gas achieves 3rd discovery for 2008



Dana Gas, the Middle East's first and largest regional private-sector natural gas company, announced a gas and condensate discovery in its Egyptian concessions, marking the third discovery in the company's \$170-million drilling campaign for 2008.

The Al Tawil-1 exploratory well commenced drilling on September 5, 2008 and reached a total measured depth of 3,163 meters in the Qawasim formation. The well is located in the West Manzala concession, approximately 15 km south of Dana Gas's El Wastani gas processing facilities.

The Al Tawil-1 well encountered 34 meters of net hydrocarbon pay in the Qawasim sandstone reservoirs with excellent porosity and permeability. Upon testing, the well flowed at a daily rate of 23.5 million standard cubic feet of gas and 1,027 barrels of condensate (totaling approximately 5,000 barrels of oil equivalent per day).

The added recoverable reserves, resulting from the successful drilling of the well, are currently estimated at 90 billion cubic feet of gas (16 million boe), in addition to 4 million barrels of associated condensate, which represent an increase of 20% to the current reserves of Dana Gas in Egypt. Plans are underway to determine the optimum development scheme for the new discovery. Additional exploratory wells targeting similar objectives will be drilled in the West Manzala and the West Qantara concessions in 2008 and 2009.

Ahmed Rashid Al Arbeed, Executive Director of Upstream at Dana Gas, commented on the new well, "This is an important discovery which proves the high potential of the Qawasim formation resulting in significant reserves addition to the company. The exploration program in Egypt has been very successful so far, and we are looking forward to more discoveries before the year's end."

Al Arbeed added, "We are very excited about the results in Al Tawil-1, as they significantly enhance the economics of the ongoing drilling project. Additional seismic interpretation and drilling activities are being planned for the remainder of 2008 and throughout 2009 to increase the proven reserves and production rates as part of the exploration and development plans for the area."

Meanwhile, Hany Elsharkawi, Dana Gas Egypt Country Director, said that Dana Gas had recently completed a successful well workover program in the Kom Ombo concession in Upper Egypt. "A hydraulic fracturing of the Al Baraka-1 well and additional perforations in the Al Baraka-2 appraisal well have resulted in a significant increase in the production rates of Al Baraka oil field," he explained.

Elsharkawi noted that Dana Gas was the first and only oil producer in Upper Egypt, and expressed his expectations of a positive impact on the local community as a result of the Company's success in the area.

Dana Gas is currently also leading a consortium to build and operate the Gulf of Suez Gas LPG Plant, in partnership with the Egyptian Natural Gas Holding Company (EGAS) and the Arab Petroleum Investment Corporation (APICORP).

(Rigzone)

Circle Oil Plc announced that the Al Amir SE-1 sidetrack well has been drilled in the onshore North West Gemsa Concession in Egypt.

The Company has confirmed a discovery in the Kareem Formation sandstones, with the well testing 41 degrees API oil and gas at sustained rates of 3,388 bopd and 4.25 MMscfd using a 64/64" choke. The well, which had been sidetracked after operational difficulties, is currently being completed as a potential producer.

A full technical evaluation of all the results is underway to permit forward planning as a precursor to further assessment of the resource. An Assessment of reserves has not yet been completed.

The North West Gemsa Concession partners include Vegas Oil and Gas (50% interest and Operator), Circle Oil plc (40% interest) and Premier Oil plc (10% interest).

The NW Gemsa concession covers an area of over 400 square kilometers and lies about 300 kilometers southeast of Cairo, in a partially unexplored part of the Gulf of Suez Basin. The concession agreement includes the right of conversion to a production license of 20 years, plus extensions, in the event of commercial discoveries.

David Hough, CEO of Circle, said, "This discovery is excellent news. It is particularly pleasing combined with our gas production start-up in Morocco and our recent successful fund raising. These events leave the Company in a very strong position. They give us the option to bring the Al Amir SE-1 ST well into production quickly with infrastructure approximately 6 kilometers away and will also allow us to carry out our ambitious plan to drill 15 wells over the next 24 months on our North African licenses. It is indeed a busy and exciting time for Circle."



(Circle Oil Plc Press Release)

RWE to double its gas output

RWE Dea, a subsidiary of German utility RWE, said it planned to begin gas production in Egypt and Algeria within five years and would double its overall oil and gas output during the period.

"We hope to have gas (production) in Egypt and Algeria in 2012 and 2013," Juergen Schober, who heads new projects in North Africa and the Middle East for RWE Dea, said at the Africa Upstream 2008 oil conference in Cape Town.

Schober added that the company wanted to double production to 200,000 barrels of oil equivalent per day by 2013.

(Upstream Online)

Saipem secures \$830-million offshore deals

Saipem has scooped up three new offshore drilling contracts in West Africa and Egypt worth around \$830 million.

The contracts are for the charter of Saipem's Scarabeo 7, Scarabeo 3 and Scarabeo 6 drilling rigs.

The first contract, from Eni, will use Saipem's Scarabeo 7 off the coasts of West Africa for three years, with work starting in the fourth quarter of 2011.

Scarabeo 7 is a fourth-generation semi-submersible rig capable of operating in water depths of up to 1500 meters and drilling to depths of up to 8500 meters.

The second contract, from Addax Petroleum, extends its charter of Saipem's semi-submersible Scarabeo 3 rig for use off the coast of Nigeria, for a period of two years.

Scarabeo 3 is a second-generation semi-submersible rig capable of operating in water depths of up to 500 meters and drilling to depths of up to 8000 meters.

The third contract, from Burullus Gas Company, is for the extension of its charter of Saipem's semi-submersible Scarabeo 6 rig, for use in the Egyptian waters for one year.

This contract will begin in the first quarter of 2010.

Scarabeo 6 is a third-generation semi-submersible rig capable of operating in water depths of up to 780 meters and drilling to depths of up to 7500 meters.

(Upstream Online)

Rowan in rig supply deal for Shell Egypt project

Rowan Companies, Inc. has received a letter of intent from Shell Egypt for the new Tarzan Class jackup, J. P. Bussell.

The commitment is for two wells that are estimated to require 20 total months to drill, and contains options for three additional wells. Drilling should begin during the third quarter of 2009 and the two-well assignment is expected to provide Rowan with approximately \$111 million of drilling revenues. The option wells are at mutually agreeable day rates and would require an estimated 30 additional months to drill.

The J. P. Bussell is currently at the Company's Sabine Pass, Texas facility for final outfitting, and is scheduled for completion in early November 2008. The rig should commence operations in the Gulf of Mexico soon thereafter.

Danny McNease, Rowan Chairman and Chief Executive Officer, commented, "This commitment underlies our continued confidence in the strength of the global drilling market, and provides a further testament to the quality of Rowan's equipment and personnel. We are dedicated to increasing value for our shareholders over the long-term and believe that the continued execution of our strategic plan to expand and diversify our drilling operations throughout the world gives us the best opportunity for doing so."

(AP)



HSBC LEAD arranges financing for two new offshore jack-up rigs

HSBC announced that it has arranged a \$500 million financing of two high performance offshore jack-up drilling rigs to be built in Singapore for the Egyptian Offshore Drilling Company S.A.E. (EODC).



HSBC acted as initial mandated lead arranger and sole book runner as well as facility agent, security agent, onshore/offshore account bank and insurance advisor. HSBC also arranged financing by Japan Bank for International Cooperation (JBIC) and is providing the performance guarantee for the rig builder. In addition to HSBC, the commercial lenders' \$230 million tranche includes Bank of Alexandria (Intesa Sanpaolo) and Credit Agricole Egypt SAE as mandated lead arrangers, National Societe Generale Bank (NSGB), Banque Misr, BNP Paribas Egypt and British Arab Commercial Bank Ltd as senior lead managers.

EODC said the purchase of the two jack-up rigs as part of a wider strategy to increase the number of Egyptian owned rigs and to support the Ministry of Petroleum's extensive drilling and exploration program to increase Egypt's oil and gas reserves and production. EODC recognised the valued support of the experienced HSBC team and professionalism of the participating financial institutions.

The project is sponsored by Egyptian national oil and gas companies, the Egyptian General Petroleum Corporation (EGPC), Egyptian Natural Gas Holding Company (EGAS), Ganoub El Wadi Petroleum Holding Company (GANOPE) and their Japanese partner in the project, Toyota Tsusho Corporation, and is required to meet Egypt's growing oil and gas offshore drilling and exploration program.

Commenting on the landmark deal, Mounir El Zahid, Managing Director, HSBC Bank Egypt SAE, said, "The deal stands testimony to HSBC Bank Egypt's sound track record in local syndicated debt financing and project finance capabilities". Helmy Ghazi, Head of Structured Finance, HSBC Bank Egypt, added, "The completion of this sizeable transaction reaffirms HSBC's ability as well as its continued commitment to the development of the Egyptian hydrocarbon industry via innovative financing solutions. We are very proud to contribute to the sector's growth by arranging this loan facility."

Will Rathvon, Global Head, HSBC Project and Export Finance, highlighted, "This transaction is an ideal example of HSBC's global reach: HSBC is acting as mandated lead arranger through its offices in Tokyo, London and Cairo and through our presence in each of the relevant locations have been able to ensure that the financing of this important project has been achieved smoothly and efficiently."

HSBC Project and Export Finance has been involved in a number of recent ground breaking transactions, including:

- Egyptian Methanex Methanol Company S.A.E. (EMethanex), a \$950 million project to develop a greenfield methanol project located at Damietta on Egypt's Mediterranean coast (Financial Adviser).
- First Nippon Export and Investment Insurance (NEXI) supported Yen 64 billion Samurai Bond for Petroleos Mexicanos S.A. (Pemex) for oil exploration and production in the Gulf of Mexico (MLA)
- Fujian Refining and Petrochemical Company Ltd, a \$5bn expansion to become the first fully integrated refinery and petrochemicals project involving a Sino-foreign joint venture (Financial Adviser).
- Ras Girtas Power Company, a \$3.3bn financing for the construction of an independent water and power plant in Qatar (Financial Adviser and MLA).

RENEWABLE ENERGY

Hydro boosts investment in Ascent Solar

Hydro invested \$15 million in the US solar energy company Ascent Solar. The purchase took place as Hydro exercised a call option issue, increasing the company's ownership share from 26.5 to 35 per cent.

Hydro is the largest owner in Ascent and has subscribed to capital increases in Ascent on two previous occasions. Including the latest share purchase, Hydro has invested a total of \$63 million in Ascent Solar.

"Ascent has developed a unique technology for the production of super thin and flexible solar cell modules that are well suited for integration in building systems. As Hydro is a major supplier of building systems in Europe, the partnership with Ascent is strategically important," said Einar Glomnes, Head of Hydro's Solar Business Unit.

In addition to its investment in Ascent, Hydro is also, with a share of 18 per cent, the largest industrial owner in NorSun, which opened a plant for the production of silicon ingots and wafers in Ardal, Norway, in June this year.

Hydro is also participating in the project HyCore, which is developing a new and energy efficient form of solar grade silicon. HyCore, is a joint venture together with Umicore of Belgium, and has its main office in Porsgrunn, Norway.

Taqa to acquire "green" firms

The Abu Dhabi National Energy Co (Taqa) plans to acquire multiple renewable energy firms as part of plans to make 50 per cent of its operations "green" by 2023.

"We are currently looking at two [renewable energy] firms, one European and one North American," Taqa's Chief Executive Peter Barker-Homek told Emirates Business. While declining to name the acquisition targets, Barker-Homek said that the two firms in question have been hit by the lack of ready project finance due to the global credit crunch.

Last June, Taqa signed a strategic partnership with France's Theolia to work on renewable energy projects in Morocco. By mid-2010, around seven per cent of Taqa's operations will be classed as "renewable"; a program of global acquisitions will see this figure rise to 50 per cent between 2018 and 2023, Barker-Homek said.

"Renewable" energy includes power from solar, wind, tidal and geothermal sources. Barker-Homek does not include nuclear technologies in this definition but confirmed that Taqa is in negotiations over the planned GCC nuclear power program, which could be launched as early as 2018.

GE Energy receives more than 1GW of orders for 2.5xl wind turbines

GE Energy recently announced it has received more than one giga-watt of commitments for its 2.5xl wind turbine over the next year and a half. According to the company that represents enough clean, wind-generated electricity to meet the needs of more than one million German households.

To meet the growing demands of Europe's wind power industry, GE Energy also announced the evolution of its wind turbine manufacturing facility in Salzbergen, Germany. GE Energy reports that the Salzbergen site will allow the company to focus additional resources on meeting the strong demand for wind energy in Europe.

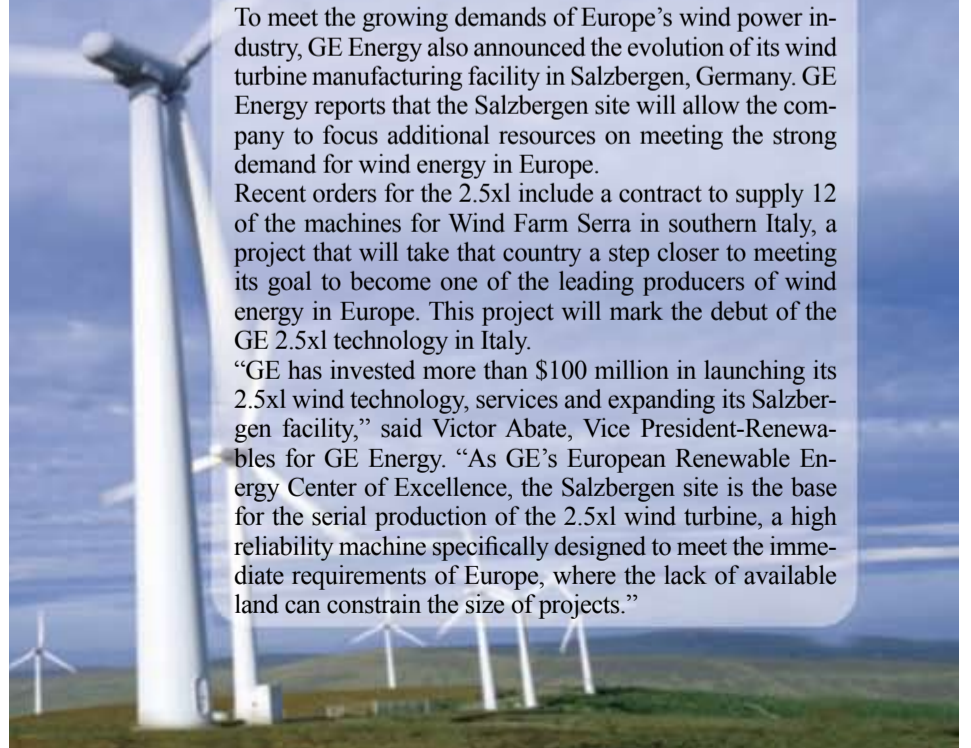
Recent orders for the 2.5xl include a contract to supply 12 of the machines for Wind Farm Serra in southern Italy, a project that will take that country a step closer to meeting its goal to become one of the leading producers of wind energy in Europe. This project will mark the debut of the GE 2.5xl technology in Italy.

"GE has invested more than \$100 million in launching its 2.5xl wind technology, services and expanding its Salzbergen facility," said Victor Abate, Vice President-Renewables for GE Energy. "As GE's European Renewable Energy Center of Excellence, the Salzbergen site is the base for the serial production of the 2.5xl wind turbine, a high reliability machine specifically designed to meet the immediate requirements of Europe, where the lack of available land can constrain the size of projects."

Cartoon

By Ramy Ameen

Unprecedented decrease of oil prices





Occidental Petroleum to develop Abu Dhabi fields

Occidental Petroleum Corporation signed a preliminary agreement with Abu Dhabi National Oil Company (AD-NOC) to appraise and develop Jarn Yaphour and Ramhan oil and gas fields in the Emirate of Abu Dhabi. Oxy will operate both fields and hold a 100 percent interest in newly created concessions.

"We are pleased to have been chosen to develop these fields in Abu Dhabi," said Ray R. Irani, Chairman and Chief Executive Officer of Occidental. "This is an important step in the implementation of our growth strategy and in our relationship with the Emirate of Abu Dhabi. The development of these two fields provides an exciting opportunity to create value for the people of Abu Dhabi and for our stockholders."

The Jarn Yaphour field is located onshore near the capital city of Abu Dhabi. Development activities at the field will commence immediately and first production from the field is expected in 2009. Gross production from the initial development is anticipated to be around 10,000 boepd.

The Ramhan discovery, located in very shallow water near the Abu Dhabi refinery, was tested in 1992 and flowed at a combined rate of 1,750 barrels of oil and 14 million cubic feet of gas per day from one well.

Appraisal activities will commence immediately and, if technically and commercially successful, production from the Ramhan initial development is also expected to be in the 10,000 boepd range. First production from the field could commence as early as 2011.

Total capital investment in both development projects is expected to be in the range of \$500 million over the next three to four years. In addition to the initial field developments, this investment will include further field appraisal activities to determine the full upside potential of each area.

(Rigzone)



StatoilHydro boosts Dagny discovery's size



StatoilHydro has been upgrading the size of the Dagny discovery in the North Sea in order to contain an average of 130-170 million barrels of oil equivalent after the drilling of a sidetrack well has been completed.

The Dagny discovery is located around 10 kilometers northwest of the Sleipner West field. A considerable oil column has been confirmed below the gas in the Dagny structure in the North Sea. The sidetrack drilling was performed at a water depth of 119 meters by the Transocean Winner drilling rig and is the fourth exploration well in production license 048. The license was awarded in the third licensing round in 1977.

Including the Ermintrude find the total recoverable volume is estimated at 180-240 million barrels of oil equivalent.

The reason behind the sidetrack drilling was to delineate the Dagny discovery in order to determine the oil/water contact.

"This is a very exciting discovery which confirms that there is still a chance of finding larger volumes of oil in es-

tablished areas such as Sleipner," said Tim Dodson, Senior Vice President for StatoilHydro's Exploration Activities on the Norwegian continental shelf (NCS). "These are positive contributions to reaching our goal of maximizing the potential on the NCS."

The appraisal wells on the Dagny structure confirm that Dagny and Ermintrude, which was confirmed in 2007, have identical pressures and are located in the same structure. A joint development of Ermintrude and Dagny phased in to the Sleipner field is being evaluated.

Gas was confirmed in the Dagny discovery as early as in 1978. A creative exploration organisation presented the idea that there might be an oil column below the gas.

"It is encouraging to see that the organization's new ideas in mature areas can lead to such good results," added Dodson.

(StatoilHydro Press Release)

RWE hits more oil discoveries in Libya

RWE Dea announced that its exploration success has reached a total of six discoveries in Concession NC 193. The well G1-NC 193 encountered oil in the Upper Satal Formation at a depth of 4631 to 4661 ft.

RWE Dea's New Field Wildcat G1-NC193 tested oil with a quality of 33.8 degrees API at a net rate of 426 bbls/day. This discovery, located in the eastern vicinity of the previous B1 discovery, where already two appraisal wells have been drilled, is the latest in a string of eight during the last two years; six in Concession NC 193 and two in Concession NC 195.

Further appraisal wells are scheduled to delineate the cluster of now six discoveries in concession NC 193 with a view towards bringing them on-stream as early as possible.

The concession NC 193 was awarded to RWE Dea in 2003. Libya is one of the key regions of RWE Dea's upstream business, where the Company has been operating since June 2003. RWE Dea's license acreage in Libya covers a total of more than 40,000 square kilometers over seven concessions combined.

(RWE Dea Press Release)

Addax joins the Kurdistan petroleum arena

Addax Petroleum Corporation has acquired a 33.33 per cent interest in the Sangaw North Production Sharing Contract (PSC). The Sangaw North license area is operated by Sterling Energy plc and is located approximately 80 kilometers southeast of the Corporation's Taq Taq field.

"We are pleased to expand our activities in the Kurdistan Region of Iraq to include the highly prospective Sangaw North license area. Given our successful drilling campaign at Taq Taq, we intend to assist our partner to expedite exploration drilling. We believe that exploration success at Sangaw North would offer attractive synergies with the development of Taq Taq for the benefit of all the people of Iraq and our shareholders," said Addax Petroleum's Presi-

dent and Chief Executive Officer, Jean Claude Gandur.

The Sangaw North PSC covers a gross area of approximately 121,600 acres (492 km²). Petroleum exploration activity to date includes field studies and the acquisition of 310 km of 2D seismic which is expected to be completed this month. The Sangaw North license area contains a large surface anticline, a number of surface oil seeps and the operator is targeting to spud an exploration well in mid-2009.

According to the terms of acquisition, the consideration from Addax Petroleum comprises the reimbursement of Sterling's past costs as well as funding the seismic campaign and the drilling of the first exploration well. This reimbursement is funded from the Corporation's existing financing facilities and the future costs will be included in the Corporation's 2009 capital budget which is expected to be funded entirely from the Corporation's funds flow from operations. The Corporation continues to have substantial funding capacity within its existing financing facilities.

(Oil Voice)





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Racism victim

Mido has spoken out against racism in a DVD for the Show Racism the Red Card Charity, titled Islamophobia

the Middleborough striker Ahmed Hossam (a.k.a Mido) has spoken at length for the first time in the documentary DVD about the racist chants from Newcastle fans in last season's Tees-Tyne derby, when he was abused by supporters signing he had "a bomb", in the 2-2 draw at the Riverside, in which he scored Boro's first goal.

The DVD features some of the biggest names in football, managers and schoolchildren from Thornhill School in Sunderland speaking about the effects of the 9/11 and 7/7 attacks on the everyday lives of Muslims. The anti-racism charity, Show Racism the Red Card has used the alleged incident in its new documentary about Islamophobia.

Speaking of the abuse he received in last August match, Mido said, "There is no reason at all to hear this abuse in our life or in football. I was very frustrated, yet happy that I scored; we are all well together wherever you come from, whatever your color or religion."

The DVD, which the charity hopes will be made available in all schools, was launched last month at Newcastle United's St James's Park.

The Middleborough Manager Gareth Southgate spoke on the film of his surprise at the chants from Newcastle fans, "You should not judge people because of their religion. It is whether they are good or bad people. We have got two or three Muslim players with us now and it is not something that is even mentioned within our dressing room or club."



Going through

Alongside Cameroon, Ivory Coast, Ghana and Nigeria, Egypt was seeded first for the African third stage 2010 World Cup and Africa Cup of Nations qualifying groups

After a comfortable 4-0 win against Djibouti in the last game of the second round last month, Egypt topped Group 12 with 15 points, three ahead of second-placed Malawi, who advanced as one of the eight best second-placed teams.

The seeding was solely based on FIFA's latest rankings, where the five nations came as the continent's best ranked teams. The 20-qualifying teams from the second round will be drawn in a five-group third stage with each of the first seeds leading a group. The third stage is to be played next year.

While the winner of each group will qualify to the 2010 World Cup, the first three teams will make it to the 2010 African Cup of Nations, held in Angola.

Cameroon, Kenya, Benin, Nigeria, Ghana, Gabon, Algeria, Ivory Coast, Morocco, Rwanda, Tunisia, Burkina Faso, Mali, Sudan, Zambia, Togo, Malawi and Egypt are the 18 teams to go through.

Angola, host of the 2010 Nations Cup, was unable to qualify due to the complex qualifying system, since they were not one of the best runners-up.

Another big name among the 26 teams that has failed to go through to the second group phase of qualifying is DR Congo. It made eight consecutive appearances at the Nations Cup before failing to make it to the finals in Ghana this year.

First win of golf season

Zach Johnson turned around an overnight deficit to win the Texas Open by two shots after firing a final round of 64



AT&T Classic. But, he sealed the win with a five-foot putt to give him his first win of this season.

The 2007 Masters Champion had seven birdies and a bogey for a six under par score, finishing on 19 under overall to secure his first victory of 2008.

Korea's Charlie Wi, who had a nine-under 61, tied with Mark Wilson and Tim Wilkinson for second on 17 under.

Defending Champion Justin Leonard came up short in his bid for a fourth title as he carded a 66 to finish 11 under.

Meanwhile, overnight leader Rory Sabbatini slipped to 12 under after hitting a two-over-par 72.

"This has not been the best year for me," said Johnson, who had only one top-10 finish coming into the event. "It has been a long time coming. I have been working on my putting over the last six weeks with my teachers and it really paid off this week."

Johnson started well with a birdie at the first, but immediately he cancelled it out by conceding a bogey at the second.

He made up for that disappointment with three consecutive birdies starting at the sixth and he picked up another at the 10th.

Johnson led by one shot after the 14th and he came to the 18th tee needing just a par to clinch his first win since the 2007

Jankovic hits 3rd straight WTA title

World number one Jelena Jankovic won her third WTA title by beating Russian Vera Zvonareva 6-2 6-4 to triumph in the Kremlin Cup

The Serb defeated the home favorite in one hour and 21 minutes to add to her series of victories in the China Open and the Porsche Grand Prix in Germany.

"I feel really emotional winning my third event in a row here," the 23-year old said. "I feel great as the world's number one and really enjoy it. It was very tough to win as Zvonareva never gives up. She forced me to play my best tennis to win."

Playing her sixth final of the season, Jankovic started the match with an immediate break for a comfortable 2-0 lead and then broke again to take the opening set in 33 minutes.

In the second, Jankovic produced two more breaks but Zvonareva, ranked ninth, broke back to level on both occasions.

But, in the ninth game, Jankovic managed to make the deciding break, going on to wrap up the match and take her ninth career title.

The Serb's victory means she will retain her world number one status, having overtaken Serena Williams last month.

The American was forced to pull out of the Russian tournament with an ankle injury.

On the other hand, Igor Kunitsyn ended fellow Russian Marat Safin's hopes of a first title in three years with victory in the Kremlin Cup



final on Sunday. Safin went into the Moscow final ranked 31 places higher at 40 in the world and with a 3-0 head-to-head record.

But, Kunitsyn came through 7-6 (8-6) 6-7 (4-7) 6-3 for his first ATP title.

Safin was looking for his first tournament win since the Australian Open in 2005, having lost to another Russian, Nikolay Davydenko, in Moscow two years ago.

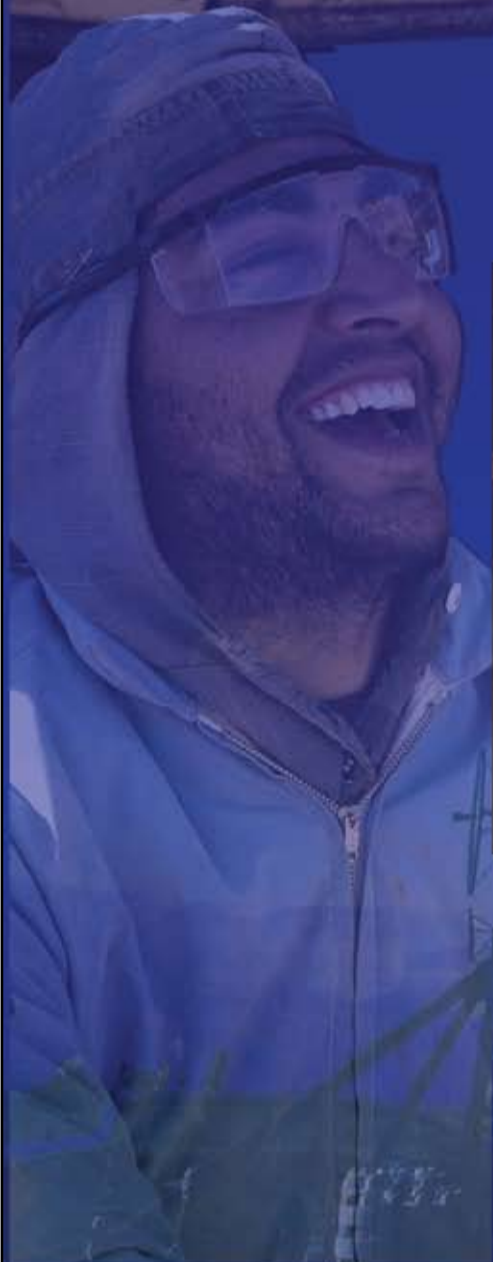


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Back to Iraq

After years of Egyptian absence from Iraq, Egypt sent its Minister for Foreign Affairs Ahmed Abul-Gheit to Iraq for the first time in nearly two decades in a sign of a growing Arab acceptance of the country's Shiite-led government. It was the first visit to Iraq by an Egyptian foreign minister since former Iraqi president Saddam Hussein invaded Kuwait in 1990

By Mohamed El-Sayed

Abul-Gheit, who held talks with Iraqi Prime Minister Nuri Al-Maliki and other leaders, said his visit was aimed at helping Iraq face its "many challenges," including extremism, violence and sectarian hatred. "We hope that peace and security will prevail in Iraq," he said. Egypt's top diplomat added that Egypt was ready to open a new embassy and help with the reconstruction of Iraq's oil industry. He added during his landmark visit to Baghdad that the timing was the right one for the two countries to promote bilateral ties.

Accompanying Abul-Gheit was Minister of Petroleum Eng. Sameh Fahmy. Iraq said that it has called on Egypt to collaborate in rebuilding the country's oil industry after Cairo announced it was ready to re-establish a diplomatic mission in Baghdad.

Iraqi officials asked their Egyptian counterparts to send oil industry representatives to discuss the possibilities of "rehabilitating the infrastructure and cooperating in areas of drilling, pipelines and other facilities."

Cairo has had no official diplomatic representative in Iraq since the July 2005 abduction and murder of its charge d'affaires in Baghdad Ehab El-Sherif by Al-Qaeda.

The visit came on the heels of a call issued by Al-Maliki last April appealing to Sunni Arab states to help stabilize Iraq by living up to pledges to forgive his country's debts, erasing war reparations and reopening embassies in Baghdad. The move by

Arab governments came, as many observers believe; counterbalance the growing Iranian presence in neighboring Iraq.

Fahmy, who met with Iraqi Oil Minister Hussein Al-Shahristani, said that both sides agreed on enhancing cooperation in the fields of oil and gas. The Egyptian Minister added that the meeting concentrated on practical steps that would make it easy for "Egyptian firms to develop Iraqi oil companies." He highlighted that Egypt formed a delegation of oil companies to probe petroleum projects in Iraq. The Egyptian delegation will have talks with Iraqi officials on rehabilitating the oil infrastructure in Iraq. Besides the projects on developing oilfields, refineries, pipelines and production pads, the Egyptian companies will also seek prospecting operations in Iraq, according to Ministry of Petroleum officials.

Iraq and Egypt have agreed to rehabilitate the country's oil infrastructure under a deal through which Egyptian firms will actively working in the country for the first time since the 2003-U.S. invasion. "The Ministry of Oil has struck deals with several Egyptian foreign

firms to revive the country's oil sector and extend help in areas of digging, extension of pipelines and construction of oil installations," a statement issued by the Iraqi Oil Ministry said.

According to Fahmy, the two countries have reached a deal on strategic cooperation in petro-industries. Under one of the deals, Egyptian firms are to rehabilitate natural gas installations in Bayji, north of Baghdad. Bayji is the site of the largest Iraqi refinery complex with a capacity of more than 350,000 barrels a day. The Egyptians are also to build 20 filling stations in the country and hold training courses for Iraqi oil personnel.

Upon his return to Cairo, Fahmy held a meeting with Prime Minister Ahmed Nazif to review the outcome of the visit. "Iraqi officials are interested in furthering cooperation between the two countries in all fields," said Fahmy following the meeting. He

announced that two Egyptian companies, Tharwa and the Egyptian General Petroleum Corporation (EGPC) would take part in excavation activities in Iraqi oilfields.

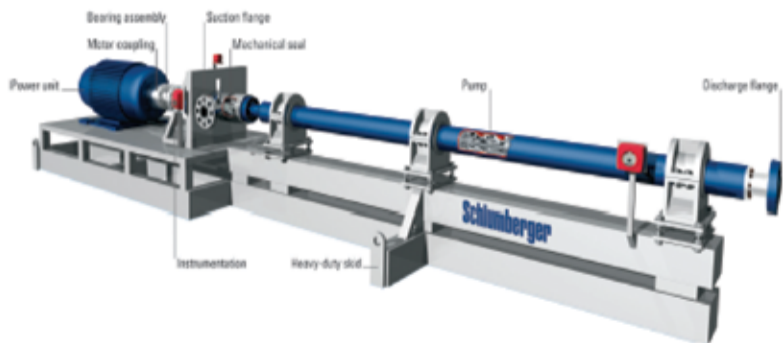
According to news reports, the Egyptian delegation traveling to Iraq will include first secretaries of the ministry, executive chief of the EGPC, head of the Holding Natural Gas Company, and heads of oil services companies, Enppi, Petrojet, digging companies, Maritime Petroleum Services, Gasco in addition to other companies.

"Egypt has a wide expertise in oilfields, as we have many companies that successfully implemented 43 projects in 13 Arab countries and in Venezuela," Fahmy said. "This maximizes our companies' opportunities in winning international tenders due to be announced by the Iraqi oil ministry," he pointed out.



Iraqi Oil Minister Hussein Al-Shahristani

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Oil in disequilibrium

The turbulence in oil markets in the past couple of months was, perhaps, a shock for many speculators. It was only a few months ago that oil traded at \$147 a barrel. Today, it trades around \$70 a barrel (if not less), a fall of more than 50%

Back in July, around the time the oil price peaked to unprecedented levels, commentators raised many alarms: The world is running out of oil; world demand for oil is high and only going to get higher still in the years and decades ahead; and most of the world's cheap oil has already been discovered.

In spite of the fact that it was already clear the global economy was slowing, and therefore oil consumption would consequently slow, no one was really giving heed to this fact. Speculators and oil analysts were predicting higher and higher oil prices. To their dismay, it fell to as low as \$70 in October as the global financial crisis struck world economies.

The sharp decline in oil prices led OPEC countries to think about cutting supplies in order to keep the black gold at a reasonable price. This move led prices to relatively rise above \$71 a barrel on speculation that OPEC could cut production.

OPEC said in mid-October that it would hold an extraordinary meeting earlier than expected in the last

week of October – instead of November – to discuss the global financial crisis and its effect on the oil market. “The threat of an OPEC cut at its meeting has lifted oil,” argued London-based Analyst David Evans. “Oil has been in a tailspin as worries of a full-fledged recession intensify. We believe that oil prices have hit their lowest and could only go higher from here,” he said.

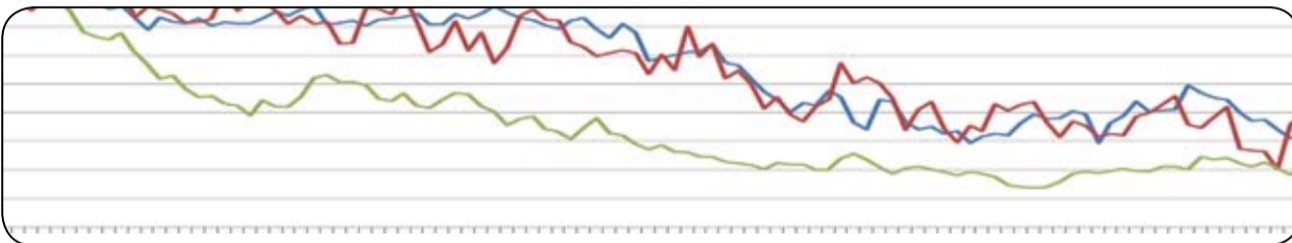
According to Gordon Brown, Prime Minister of the United Kingdom (UK), which pumps about 40 per cent of global crude supplies, was expected to order a substantial cut in oil output. “There will be a reduction in production at the next extraordinary meeting of OPEC, and it will have to be a substantial one to get the balance right between supply



and demand,” he said. “If it has to be 1.5 million barrels per day, or 2 million barrels per day, that’s what it will be,” he added.

Brown added that OPEC wanted oil prices to remain stable throughout the first half of 2009. The fall in demand, he argued, was being driven by lower consumption in big markets like the US, with global demand having fallen by 3 million bpd. “We want a stable price per barrel – neither too high, nor too low, between \$70 and \$90,” he said.

Skyrocketing oil prices in the past few months has led member countries of OPEC to significantly increase their daily output in an attempt to keep prices at a reasonable limit. OPEC then blamed the rise on speculators.



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Echo of Collapse

Since the globalization ideology has been adopted, the whole world has turned into one small village; connected in every aspect of life, whether socially, politically, economically...etc. Therefore, if a disaster in the western hemisphere occurs, it will consequently have its negative effects on the eastern hemisphere! And, that is the case with the current world economic collapse! Though the Egyptian economy is still categorized as a developing one, the echo of this dramatic collapse will, possibly, impose its negative impact on the country

By Rasha Azab

Described as the worst since the 1930s, most governments have been reconsidering the needed measures to secure their vital sectors, including the petroleum one, and confront this major threatening crisis. The collapse of mega financial associations in the United States of America (USA) was the beginning of a wide financial crisis all over the world, causing the collapse of stock markets in Europe, Asia and the Arab World.

The energy industry has been negatively affected since then and suffering from a state of instability. This year has witnessed unprecedented ups and downs in oil prices; from the historical increase of \$147 a barrel in last July to less than \$75 last month. Despite the expectations that oil price would reach the border of \$200, it went down by half. Panic is gripping producers as the speed of the decline has stunned oil-rich governments that have become dependent on high prices.

The Organization of Petroleum Exporting Countries (OPEC) has called for an emergency session in Vienna to find a way to stop the price drop at a time when oil consumption is falling markedly in industrialized countries.

The impacts on the Arab World

Focusing on the Arab Region, the main oil and natural gas supplier worldwide, many economic experts and analysts believe that there will be no major drawback on the economies of the Gulf countries due to their rich treasury. However, the governments are implementing new measures to control the threats of this financial crisis.

Saudi Arabia and the United Arab Emirates (UAE) poured up to \$10 billion into their banking systems to boost liquidity as Gulf Arab policymakers prepared to discuss a joint response to the global crisis.

The Saudi Central Bank made deposits worth up to \$3 billion with banks struggling to cope with the turmoil while the UAE Minis-

try of Finance funneled 25 billion dirham (\$6.8 billion) into the system as part of a 70-billion-dirham rescue facility.

Similarly, Kuwait's leader, Sheikh Sabah al-Ahmad al-Sabah, urged parliament and the government to push through reforms to help move the economy away from reliance on oil exports.

Kuwait's central bank, which cut its benchmark interest rate last month, said it had shifted its priority away from fighting inflation to boosting confidence in its banking sector.

In Qatar, Sheikh Fahd Bin Faisal Al-Thani,

Qatar Central Bank (QCB) Deputy Governor said banks in Qatar remained stable in the face of the global financial crisis with the apex bank ready to provide liquidity to banks if needed.

Is the Egyptian petroleum sector threatened?

As a matter of fact, most companies operating in the Egyptian petroleum sector, whether Exploration & Production (E & P) or services, are multinational corporations. And, in order to execute their operations and activities in





the country, they receive funds and loans from international banks to financially cover their projects' expenses which count for millions of dollars. For instance, the drilling of one well could worth \$200 million-investment.

As a result of the world financial crisis, a general belief assumes that these companies will reduce the volume of their investments in the country to cope with the present deficit. However, the reconstruction plan of the petroleum sector, implemented eight years ago by Eng. Sameh Fahmy, the Minister of Petroleum has been of a great added value, which prevents the collapse of this crucial sector. The Minister has reformed all the exportation strategies, whether short, medium or long term ones, so that the local demand tops the Ministry's list of priorities. Such reformations have taken into consideration the possible threats of the unrestrained exportation deals on the country's strategic resources.

Since the year of 2000, the number of agreements sealed exceeded the 151 deal for explo-

ration and production. According to the terms of these agreements, the operator has to abide to definite terms which set the schedules for the

E&P activities and necessitate a minimum of \$6 billion as investment regardless the international economic or political circumstances.

The signed agreements secure, to a great extent, a state of stability in the Egyptian petroleum sector and diminish the negative aspects of the world financial crisis in the country in general. The Ministry has taken its measures to confront the crisis and keep its oil and gas production rate at its normal levels, out of harm's way.

As an attempt to soothe the public concerns and worries amid OPEC's announcement to cut down the production by approximately 50 per cent, the Egyptian Natural Gas Holding

Co. (Egas) revealed that it has increased its gas reserves to 76 trillion cubic feet compared to only 36 trillion in year 2000.

They Said...

In recent weeks, financial market turmoil intensified throughout the world and credit markets froze, causing a chain reaction resulting in non-financial companies experiencing difficulty in financing normal business operations

U.S. Treasury Secretary Henry Paulson

We need to rebuild the whole world financial and monetary system from scratch

French President Nicolas Sarkozy

Borrowing, bank lending, official development aid, foreign direct investment and workers' remittances - all may be compromised by a deepening financial crisis

FAO Director-General Jacques Diouf

There are no precise numbers yet about the impact of the financial crisis on developing countries, but when industrialized countries face a crisis, fewer people work and fewer remittances are sent to developing countries

**Josef Schmidhuber, Senior Economist,
FAO's Global Perspectives Unit**

Developing countries have been making real progress, so this is a real setback. The one piece of good news from the last eight years is that the world has made real progress against poverty, and the U.S. has been quite good in this area

David Beckmann, President of Bread for the World



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Flow rate high at Suez Gemsa

Britain-based Circle Oil and Premier Oil have struck oil and natural gas in their onshore North West Gemsa Concession in Egypt

By Ahmed Morsy

Circle Oil Plc declared that Circle Oil Egypt Ltd (COEL), its wholly owned subsidiary, has confirmed a discovery in the Kareem Formation sandstones, with the well testing 41 degrees API oil and gas at sustained rates of 3,388 bopd and 4.25 MMscfd of gas using a 64/64' choke. The well, Al-Amir SE-1, which had been sidetracked after operational difficulties, is currently being completed as a potential producer.

The drilling has commenced later than scheduled due to late delivery of the drilling rig. As previously announced in January 2008, the exploration well is targeting the Nubia Sandstone at a prognosed depth of 12,870 feet.

A full technical evaluation of all the results is underway to permit forward planning as a precursor to further assessment of the resource. An Assessment of Reserves has not yet been completed.

The agreement, which was subject to ratification by the Egyptian General Petroleum Corporation (EGPC) and the Ministry of Petroleum, will result in Circle Oil holding a 40% interest in the concession, while Vegas Oil and Gas, operator with a 50% interest and Premier Oil plc 10%.

The NW Gemsa concession covers an area of over 400 square kilometers and lies about 300 kilometers southeast of Cairo, in a partially unexplored part of the Gulf of Suez Basin. It includes the Al Amir-1 well which discovered oil in April 2005. This well flowed 787 barrels of oil per day on test.

The concession agreement has recently entered its second phase of three and is valid for a further two and a half years. It has the right of conversion to a production licence of 20 years, plus extensions, in the event of commercial discoveries.

As part of the agreement Circle will contribute towards the cost of the Amir SE-1 exploration well which targeted the Nubia Sandstone at a depth of 12,870 feet. The Nubia Sandstone is a well known producer within the Gulf of Suez Basin and in the area of the proposed Amir SE-1 exploration well, it is approximately 1200 feet thick. The drilling rig contract was due to be concluded and the well was scheduled to commence drilling in early February 2008. The structure is a partial dip and fault closure and has an operator estimated potential of 100MMBO in situ based on the present outlined closure area.

David Hough, CEO of Circle, said, "This discovery is excellent news. It is particularly pleasing combined with our gas production start-up in Morocco and our recent successful fund raising. These events leave the Company in a very strong position. They give us the option to bring the Al Amir SE-1 ST well into production quickly with infrastructure approximately 6 kms away and will also allow us to carry out our ambitious plan to drill 15 wells over the next 24 months on our North African licenses. It is indeed a busy and exciting time for Circle."

On the other hand, the Al-Amir SE-1 is able to sustain production rates of 3,388 barrels of oil and 4.25 million cubic feet of gas per day, Thompson Financial reported.

Commenting on the farm-in agreement previously before the phase of production Hough said, "This is another exciting farm-in for Circle Oil bringing with it the opportunity to develop a lasting relationship with a progressive Egyptian Oil Company. If successful, it will allow fast track appraisal



and development of the field into an existing infrastructure. This is in line with our stated strategy which we are pursuing vigorously in order to further enhance Circle's position."

Circle Oil is an international oil & gas exploration and development company with a growing portfolio of assets in Egypt, Morocco, Tunisia, Namibia, Oman and Panama. The company listed on AIM in October 2004.

Circle has the largest license holding of any company in Oman. In addition to Block 52, the company also has an ongoing exploration program in onshore Block 49.

Worldwide, the company is active in exploration in the Owambo Basin, Namibia; in the Caribbean Sea, offshore Panama; the Rharb Basin, Morocco; the Ras Mamour Permit in southern Tunisia and Grombalia Permit in northern Tunisia.

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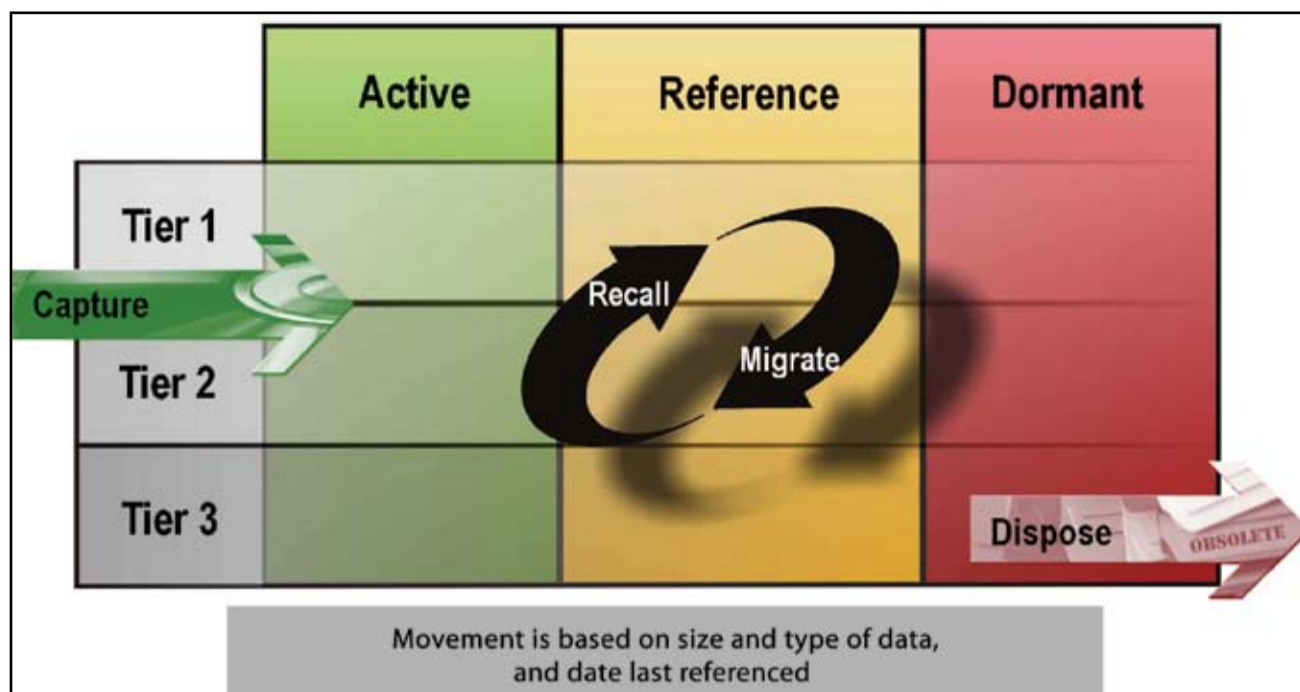


The Truth about Tape

Part I

IT Over the last few decades, the IT industry has been the battleground for a number of heated debates concerning the future of technology. One of the most interesting debates revolves around “Tape versus Disk” that has raged for years. Disk defenders have claimed that tape is dead for many years, while tape defenders claim that tape is strong and growing up, neither dead, nor dying like foot soldiers in the Civil War

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



It is time to call a truce

Both technologies; Disk and Tape, are still “alive and well”. The reports of the death of tape of “Disk-Only systems vendors” have been greatly exaggerated. Both disk and tape will exist in the data center for many years. The roles that disk and tape partake continue to evolve and are complementary. Let’s take a look at some of the myths that have circulated to prove that tape technology is a dying media type.

Myth #1: Tape is old technology... and old technology must be dead

Highlighting the early history of tape, the first commercially available tape drive, the IBM model 726, was introduced 55 years ago, in 1952. It used a 12-inch movie reel to store 1.4 megabytes of data and transferred data at 7.5 kilobits per second. So, is tape old? Perhaps, but it has had time to grow, evolve and be improved to become a reliable high performance technology. Today’s tape stores nearly a terabyte of data at speeds over 100MB per second. One might think that most modern technology has been developed recently...correct? Hardly! The early 1950s was an active time for computer manufacturers.

A little bit about disk history

Some believe that disk drives came into scene much later than tape; however, only four-year gap between the two technologies. The first commercially-available disk drive appeared in 1956. IBM called this disk RAMAC (Random Access Method of Accounting and Control) which was 24 inches in diameter, had 50 platters and could hold about 5 megabytes of data. It rotated at a blazing rate of 1200 RPM. Compared to today’s technology, this disk was big, slow and expensive. The RAMAC system weighed about a ton, required a forklift to move it around, and you could lease it for about \$3,500 a month. In the context of today’s standards, the early tape and disk drives were old technology, but there are other older technologies have also continued to evolve.

Myth #2: Tape cannot be improved any further

There are some believes that tape can no longer be improved and its technology has reached the limit. However, some points should be considered before taking for granted these perceptions. The first tape reel had a storage capacity of 1.4 megabytes of data. Today’s LTO-4 cartridge can store up to 800 gigabytes of data in an uncompressed format in one cartridge. This means that the capacity of tape in an uncompressed format has been increased by 571,426 times, over the last 55 years!

The fifth and sixth generation of LTO drives will continue LTO’s history of doubling the capacity and increasing

performance with each new generation. Moreover, IBM has successfully tested in labs storing 8TB of data on a single cartridge and is working now on testing 100TB tape cartridge.

As for disks performance in this capacity race, today’s 1TB SATA drives are commonplace. These 1TB GB drives have increased the capacity of disk drives about 200,000 times over 51 years. This proves that increases in tape capacities have dramatically exceeded the pace of increases in disk capacities over the last 50 years.

Myth #3: Tapes failure

Every data center has experienced the failure of hardware or software components. Servers, disk systems and tape drives do fail as well. Hard disk drives are prone to failure, which is why the disk industry has invested a great deal of money in the development of better RAID solutions. Ask any road warrior about the reliability of their laptop and they will probably spend hours telling you stories about how the laptop was infected with a virus or just decided to stop working right before a critical presentation.

Those who worked in data centers at time when tape reels were round, not square, know better the problems with “round” tape operations. Tapes were manually threaded on tape drives. Tape vendors later encased the media inside square cartridges, thus preventing the media from being handled by operators. That helped to improve the operations and reliability greatly. Interestingly, the vast majority of tape-related backup problems are attributed to other sources than the tape hardware itself, such as system/software errors and human/administrative factors. Nevertheless, there have been numerous improvements in the magnetic media coating over the years since the days of reel-to-reel tapes. Today’s tape systems employ technology to provide outstanding data integrity characteristics. For instance, LTO technology uses servo tracking mechanisms and read after write verification that help ensure accurate reads and writes. In addition, LTO tapes use cartridge memory to store vital information to help maintain the viability of the system. Mean Time Between Failure (MTBF) for tape drives is calculated at the percentage of time that the drive is reading, verifying, or writing data.

All of these characteristics help provide LTO drives with an impressive MTBF of 250,000 hours at 100% duty cycle. The first generation of DDS drive, available in 1989, claimed a MTBF of 300,000 hours at a 12% duty cycle; that is 36,000 hours at 100% duty cycle. LTO drives are about 700% more reliable than the first generation of DDS.

Of course, critical data should be written to two cartridges and one ported to a remote location to ensure that the data can be retrieved when needed in the event of a dis-

aster. This removable portability is a key attribute of tape technology, which is not possible with disk to be treated as removable media.

Myth #4: Nobody buys tapes anymore

Some claims that the tape market is no longer alive or active. Although some tape drives and tape cartridges have seen a decline in sales, this rule should not be generalized on the whole market. In fact, it is estimated that the tape market is over a \$4-billion industry and the midrange segment continues to see impressive growth. Over 1.5 million LTO tape drives have shipped. The total number of tape petabytes shipped continues to show consistent growth. A major supplier of tape cartridges shipped about 600 petabytes of tape storage worldwide in the first quarter of 2003. This number increased to nearly 900 petabytes in the first quarter of 2004. In the beginning of 2005, the supplier shipped almost 1300 petabytes, which jumped to over 1700 petabytes in the first quarter of 2006, reflecting a growth rate of about 36% every year. This rate has increased to approximately 51% throughout the last three years. This means that Data centers are continuing to buy tape as a critical component of the storage hierarchy.

If data centers consider discharging the utilization of tape, where will the existing data be stored? Do we just throw away the tapes? Not likely! They contain historical data that need to be kept for a number of reasons including customer service requests, performance analysis, or compliance. We could take all of the archived information on tape and copy it to disk. How practical is that? Let’s say we have 10,000 tapes. There are 6,000 LTO-2 tapes (which store 400 GB of compressed data) and 4,000 LTO-3 tapes (storing 800 GB of compressed data). That is equivalent to:

- 6,000 LTO-2 tapes x 400 GB = 2.4 million GB
- 4,000 LTO-3 tapes x 800 GB = 3.2 million GB

This is a total tape capacity of 5.6 million GBs. Consider the following:

- A fully-populated SATA disk storage system can hold 56 TB (or 56,000 GB of data). We would need to buy 100 of these fully-populated disk storage systems
- A high-performance disk array supports 332 TB of internal storage. We would need to purchase 17 of these fully-populated disk storage systems

You can replace your tapes with disk. It will take a lot of floor space – require dramatically increased power and cooling energy consumption and will cost a lot of money – but may make your disk salesperson very happy. This means that it is very expensive to replace tape with disk in medium-to-large data centers. Data centers will continue to use tape to store data.



British Airways announces FIRST upgrade for price of Club World

BRITISH AIRWAYS



British Airways is offering a free one-way upgrade to FIRST for customers purchasing a Club World return ticket departing from Cairo to London, USA or Canada.

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corde Room and the luxurious "Gold bar" at the Galleries First Lounge.

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1st place goes to Shell Marketing!

For the second consecutive year, Egypt Oil and Gas organized its Ramadan Petroleum Soccer Tournament 2008

Disclaimer

Egypt Oil & Gas appologizes for the printing mistake in the Event Section, issued last month

Shell Marketing



PICO Energy Petroleum Integrated Services, Smith, Hess, Ieoc, Halliburton, NPC, Gaz de France, Apache, Centurion, Dana Petroleum, Qarun, PICO International, Baker Hughes and Egypt Oil & Gas.

In the final ceremony, Eng. Hady Fahmy, EGPC Executive Vice President, Magdy Wedad, Managing Director of Pico Energy Petroleum Integrated Services, and Eng. Mohamed Fouad, the President of Egypt Oil & Gas Company, shared the players' joy and honored the winning teams and handled the medals and the awards to the players.

Halliburton



Following last year's overwhelming success, the Ramadan Petroleum Soccer Tournament enjoys now popularity amongst Football fans in the Oil and Gas field in Egypt. The tournament took place in the open-air Arena of the Cairo International Stadium, and expanded than last year to host 16 teams of the leading companies in the Petroleum sector.

The Official Tournament Sponsor was PICO Energy Petroleum Integrated Services and Ieoc was the Tournament Co-Sponsor, while the National Petroleum Company (NPC) was the Outfits Sponsor.

Title holders, Shell Marketing crowned again in the second edition of Ramadan Soccer Tournament 2008, and snatched the golden medals from Halliburton in a hard-fought final encounter after winning 2-1. The third spot was reserved for Ieoc after beating Pico Energy Petroleum Integrated Services 3-1.

During the 11-day tournament, 16 teams participated enthusiastically in order to reach the final stages. Each company registered for 10 players, of which 6 played including the assigned goalkeeper. The teams were: Shell Marketing, Shell Egypt,



Best Audience Award

Through a new tradition, a new award was added to the tournament's prizes, but this time for the audience. Four major companies' audience vigorously competed for this title; Apache, Baker Hughes, Gaz de France and PICO Energy.

With its exceptional ideas, costumes and

performance, Apache deserved the title of Best Audience. As demonstrated in the pictures, the company's spectators were very innovative in the way they supported their team, which contributed to make this year's tournament a very exciting one.





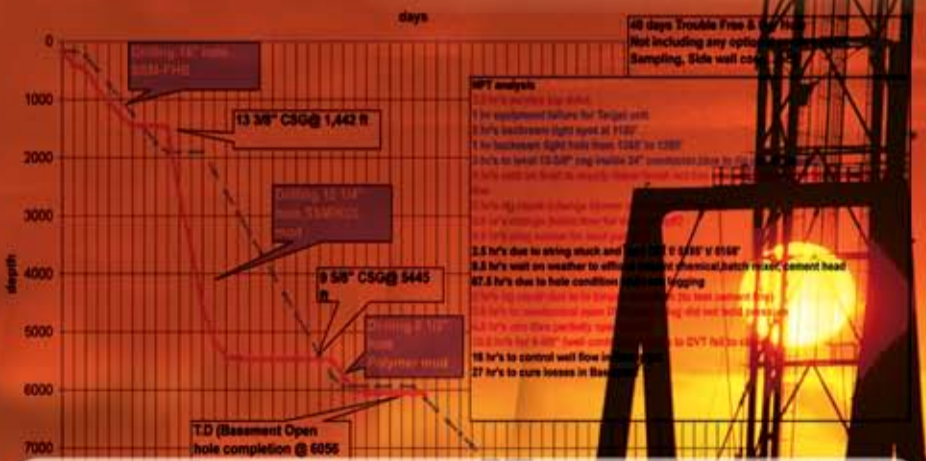
Drilling Fluids Technology

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



PICO ENERGY

Petroleum Integrated Services



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



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

IS Drilling Management

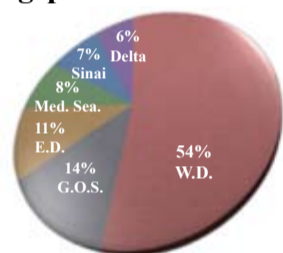
Pumping & Stimulation Services



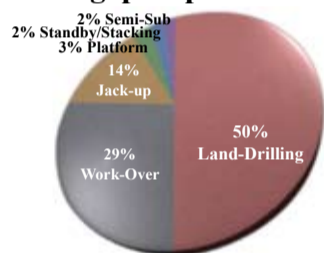
Table 1 Egypt Rig Count per Area -October 2008

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

Rigs per Area October 2008



Rigs per Specification



Source: Egypt Oil & Gas

Table 2 World Oil Supply¹ (Thousand Barrels per Day)

		United States ²	Persian Gulf ³	OAPEC ⁴	OPEC ⁵	World
2007 December		8,659	23,876	25,087	36,602	85,446
2007 Average		8,457	23,109	24,277	35,421	84,408
2008 January	E	8,624	24,990	25,129	36,505	85,188
February	E	8,625	24,219	25,129	36,667	85,312
March	E	8,664	24,230	25,355	36,895	85,466
April	E	8,717	24,143	25,364	36,612	85,149
May	E	8,879	24,611	25,282	36,990	86,164
June	E	8,665	24,687	25,830	37,201	86,022
July	PE	8,795	25,136	26,183	37,632	87,102
2008 7-Month Average	PE	8,711	24,433	25,554	36,932	85,778

¹«Oil Supply» is defined as the production of crude oil (including lease condensate), natural gas plant liquids, and other liquids, and refinery processing gain (loss).
² U.S. geographic coverage is the 50 States and the District of Columbia. Beginning in 1993, includes fuel ethanol blended into finished motor gasoline and oxygenate production from merchant MTBE plants. For definitions of fuel ethanol, oxygenates, and merchant MTBE plants
³ The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates. Production from the Kuwait-Saudi Arabia Neutral Zone is included in Persian Gulf production.
⁴ OAPEC: Organization of Arab Petroleum Exporting Countries: Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates.
⁵ OPEC: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.
 E=Estimated data. RE=Revised estimated data. PE=Preliminary estimated data.
 Revised data are in **bold italic font**.

Source: EIA

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

	Egypt	Libya	Sudan	Other	World	OPEC ¹	Persian Gulf ²	North Sea ³
2007 December	609	1,740	520	2,526	73,873	33,339	21,434	4,064
2007 Average	637	1,702	464	2,505	73,018	32,174	20,672	4,114
2008 January	609	1,740	520	2,515	73,910	33,220	21,538	4,004
February	605	1,740	520	2,532	74,085	33,375	21,763	3,980
March	601	1,740	520	2,499	74,206	33,595	21,768	3,975
April	597	1,718	520	2,495	73,791	33,314	21,682	3,924
May	593	1,700	520	2,519	74,339	33,688	22,148	4,051
June	589	1,740	520	2,522	74,259	33,866	22,214	3,686
July	606	1,740	520	2,550	75,099	34,271	22,636	3,920
2008 7-Month Average	600	1,731	520	2,519	74,245	33,621	21,966	3,935

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

Source: EIA

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

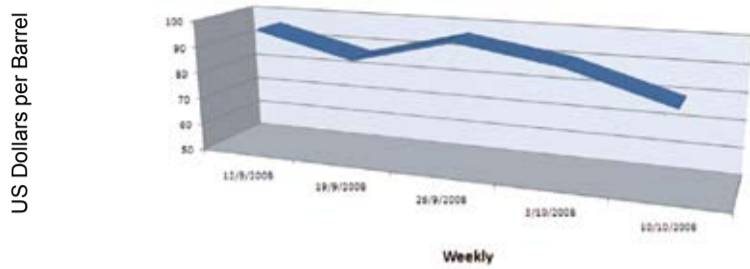
	France	German	Italy	United Kingdom	OECD Europe ²	Canada	Japan	South Korea	United States ³	Other OECD ⁴	OECD ¹	World
2007 December	1,837	2,417	1,717	1,663	14,905	2,341	5,692	2,369	20,719	3,625	49,651	NA
2007 Average	1,950	2,456	1,702	1,763	15,304	2,374	5,007	2,214	20,680	3,563	49,143	85,810
2008 January	2,060	2,504	1,626	1,695	15,433	2,356	5,369	2,372	20,114	3,484	49,129	NA
February	1,992	2,494	1,671	1,804	15,409	2,431	5,883	2,348	19,782	3,566	49,418	NA
March	1,882	2,399	1,569	1,674	14,770	2,313	5,022	2,266	19,732	3,422	47,525	NA
April	2,005	2,500	1,621	1,821	15,438	2,184	4,992	2,098	19,768	3,693	48,174	NA
May	1,851	2,310	1,609	1,620	14,460	2,300	4,448	2,181	19,729	3,601	46,718	NA
June	1,897	2,430	1,588	1,708	14,766	2,298	4,340	1,993	19,553	3,461	46,410	NA
2008 6-Month Average	1,947	2,439	1,613	1,719	15,042	2,313	5,003	2,210	19,781	3,537	47,886	NA

¹ OECD: Organization for Economic Cooperation and Development.
² OECD Europe consists of Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.
³ U.S. geographic coverage is the 50 States and the District of Columbia.
⁴ Other OECD consists of Australia, Mexico, New Zealand, and the U.S. Territories.
 NA=Not available.
 Revised data are in **bold italic font**.
 Notes: The term Demand is used interchangeably with Consumption and Products Supplied.

Source: EIA

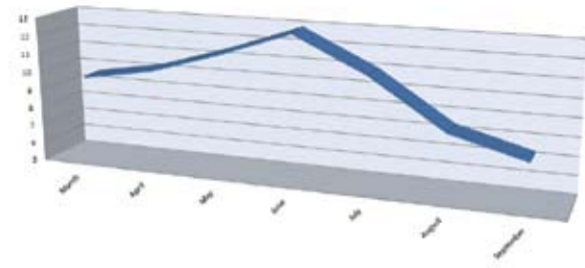


Fig 1 Egypt Suez Blend Price



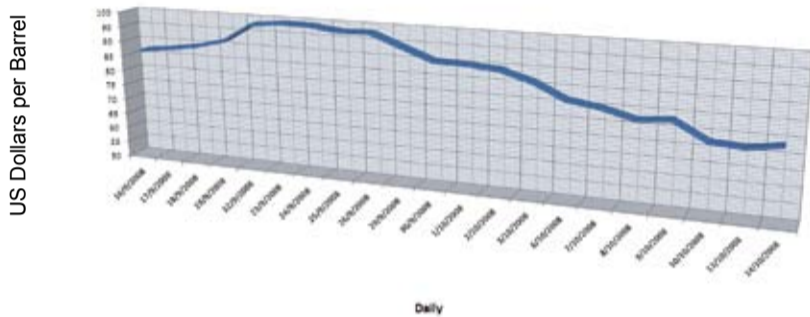
Source: Egypt Oil & Gas

Fig 2 Natural Gas Price



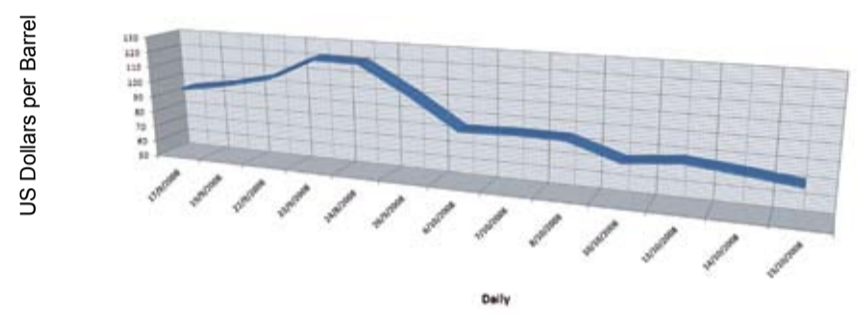
Source: Egypt Oil & Gas

Fig 3 OPEC Basket Price



Source: Egypt Oil & Gas

Fig 4 IPE Brent Price



Source: Egypt Oil & Gas

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

	Algeria	Canada	Mexico	Saudi Arabia	Russia	Former U.S.S.R	United States ¹	Persian Gulf ²	OAPEC ³	OPEC ⁴	World
2007 December	349	752	379	1,440	423	-	1,828	2,316	2,776	3,109	8,069
2007 Average	342	728	396	1,440	426	-	1,783	2,313	2,769	3,096	7,959
2008 January	350	729	366	1,440	421	-	1,783	2,325	2,790	3,131	8,017
February	352	688	368	1,440	421	-	1,830	2,330	2,796	3,138	8,022
March	353	700	367	1,440	420	-	1,847	2,332	2,800	3,142	8,042
April	355	709	370	1,440	418	-	1,880	2,333	2,802	3,142	8,060
May	356	699	371	1,440	419	-	1,908	2,335	2,805	3,147	8,125
June	358	686	372	1,440	423	-	1,810	2,345	2,837	3,180	8,031
July	359	688	374	1,440	423	-	1,884	2,372	2,853	3,206	8,159
2008 7-Month Average	355	700	370	1,440	421	-	1,849	2,339	2,812	3,155	8,066

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

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

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

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

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

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

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

Source: EIA

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

International Stock	High	Low
Schlumberger [SLB] NYSE [US Dollars]	90.71	54.40
Halliburton [HAL] NYSE [US Dollars]	37.62	17.69
Exxon Mobil [XOM] NYSE [US Dollars]	80.65	61.83
Atwood Oceanics [ATW] NYSE [US Dollars]	40.95	23.19
Weatherford [WFT] NYSE [US Dollars]	32.03	12.74
Shell [RDSA] NYSE [US Dollars]	63.60	44.65
Apache [APA] NYSE [US Dollars]	121.15	65.28
Baker Hughes [BHI] NYSE [US Dollars]	67.27	33.97
BJ [BJS] NYSE [US Dollars]	22.74	9.82
Lufkin [LUFK] NYSE [US Dollars]	84.17	46.19
Transocean [RIG] NYSE [US Dollars]	125.40	68.36
Transglobe [TGA] NYSE [US Dollars]	3.29	1.51
BP [BP.] LSE Pence Sterling	494.25	376.25
BP [BP.] LSE Pence Sterling	1158.00	727.00
Dana Gas [Dana] ADSM US Dollars	1.40	1.05
Caltex [CTX] ASX Australian Dollars	12.90	10.00
RWE DWA [RWE AG ST] Deutsche-Borse Euros	68.20	53.81
Lukoil [LKOH] RTS [US Dollars]	70.00	35.50

Source: Egypt Oil & Gas

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

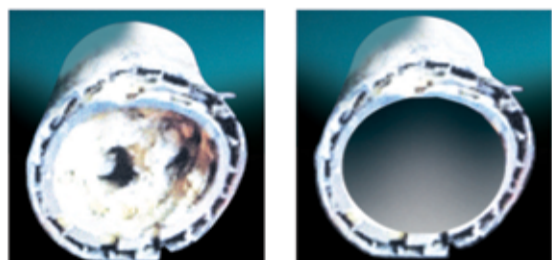
Currency	Rate
US Dollar	5.463
Euro	7.730
Sterling	9.795
Yen (100)	5.202

Stock Market Prices (September / October 2008)

Company	High	Low
Alexandria Mineral Oils [AMOC.CA]	67.35	57.50
Sidi Kerir Petrochemicals [SKPC.CA]	16.27	13.48



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