Egypt Oil & Gas Newspaper

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Mansoura's horizontal Success in Delta

Since its establishment in 2004, El-Mansoura Petroleum Co has been recognized by a series of oil and gas significant discoveries and known for its considerable achievements over the past five years, since it has commenced its operations, which is a short period of time. Eng. Ahmed El-Aidy, Mansoura Chairman recalls the early phases of El-Mansoura, calling himself the "Son of Delta"

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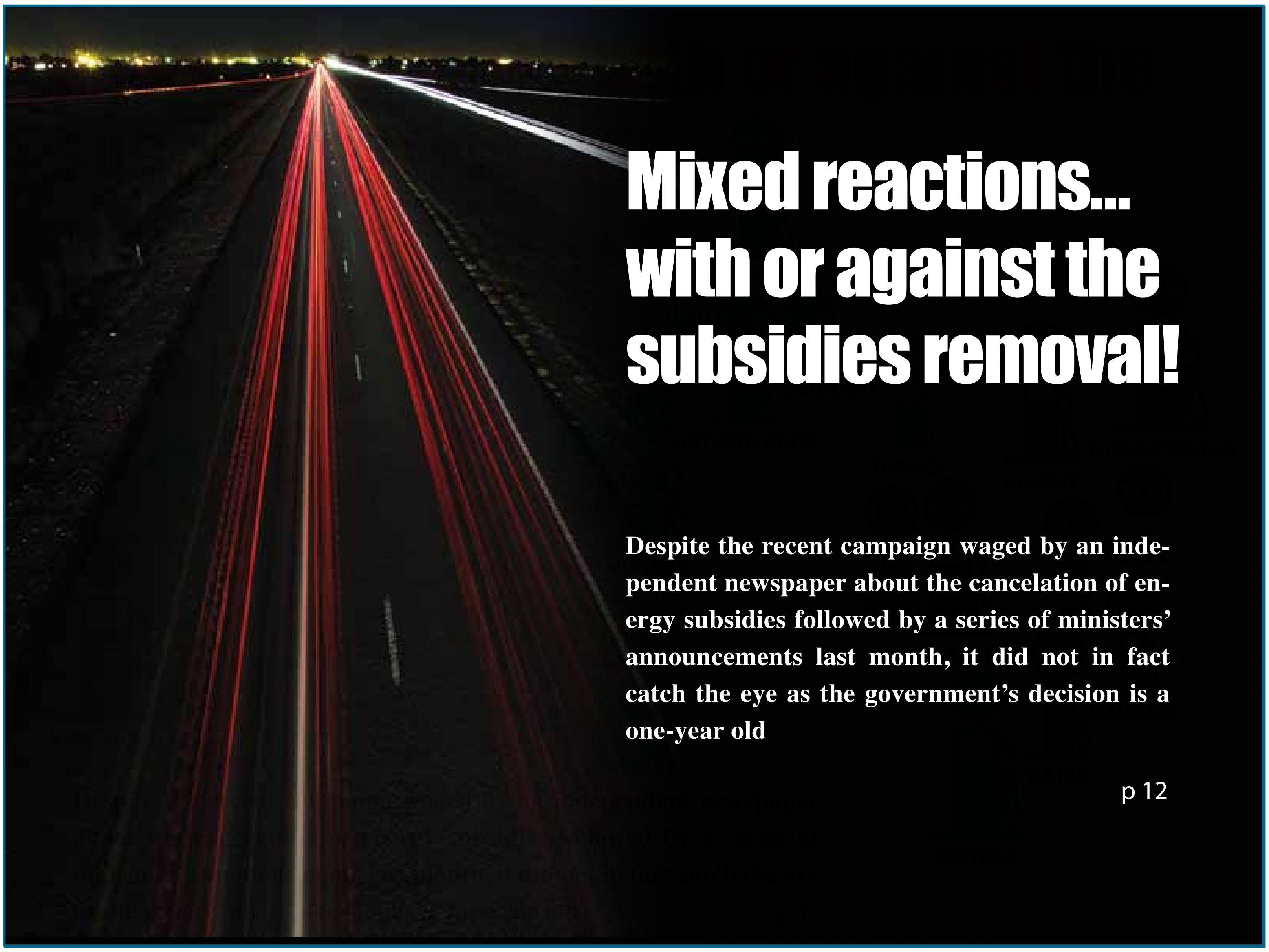
Weaker dollar leads to healthier oil recovery p 20

LAST MONTH'S OIL PRICES



Mixed reactions... with or against the subsidies removal!

Despite the recent campaign waged by an independent newspaper about the cancelation of energy subsidies followed by a series of ministers' announcements last month, it did not in fact catch the eye as the government's decision is a one-year old

p 12

New term... More expectations

Year after year, the influence of the National Democratic Party (NDP) on the Egyptian citizen gets more and more dominant. This is a fact though we agree or not; being the ruling party does have an indispensable role in shaping the government's strategies and plans.

Lot of ambiguity and speculations covered the period prior to the beginning of the 6th Annual NDP Conference (which is to commence on October 31, during the printing of this issue).

Under the theme of "For You", the NDP has prepared its agenda to tackle various internal and external issues, such as the development of education, health and comprehensive health insurance for all Egyptians, in addition to other papers dealing with citizenship, decentralization and women's empowerment.

According to NDP Secretary General Safwat El-Sherif, the NDP's annual conference will discuss Egypt's stance toward the repercussions of the world economic crisis for the country in light of major world challenges.

He added that Egypt's economic reforms; adopted by the NDP and sponsored by president Mubarak had spared the country serious negative consequences.

"The conference is due to send a clear message about our commitment to pursue economic, political, and social plans that contribute to the welfare of Egyptians nationwide," highlighted El-Sherif during the party meeting held earlier last month.

Although El-Sherif did not speak of energy or the oil and gas sector as one of the sensitive issues that should be tackled in the four-day conference, the announcements made by a number of ministers concerning energy prices and the gradual lifting of energy subsidies have attracted the public attention and raised a number of questions, hoping to be answered during the conference.

Over a short period of time between one announcement and another, the Minister of Electricity Hassan Younes, the Minister of Trade and Industry Rachid Mohamed Rachid and the Minister of Finance Youssef Boutros Ghaly clearly stated in different public occasions that the plan of gradual lifting of energy subsidies, announced last year, to be resumed after a temporary suspension due to the global economic crisis and new measures to be applied. According to the Ministers, subsidies to be abolished by the year of 2014, especially for some petroleum products, fuel and electricity.

I believe that those announcements should top the NDP's agenda this year as the oil and gas sector is considered as the backbone for all other sectors. In other words, if petroleum products are no longer subsidized and supplied to the Egyptian citizen at its real market price, then prices of all other goodies and services will definitely increase.

Whether or not I agree with the lifting of energy subsidies, I am like any other Egyptian citizen who will be directly affected by this new strategy. I feel we, as consumers, should be protected from the brutality of suppliers who seek higher profits on the expenses of ordinary citizens. A gradual increase in salaries in parallel with the removal of subsidies is a must so as to avoid the negative effects, which will have an impact on the Egyptian street.

What is the strategy to be applied in case of subsidies removal? What measures will be suggested by the NDP to save the Egyptian citizens? How would the party control prices of petroleum products? How would the Egyptian society react to such a sensitive decision? Where would the subsidies' budget be allocated? All the previous question marks should be answered and clearly clarified during the ruling party conference.

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Guest Column

BG's 20-year journey in Egypt

This year, BG Egypt celebrates 20 years of energy partnership with Egypt. As I look back at the achievements of the past 20 years, I am impressed by the size and number of the company's successes here in Egypt. These successes would not have been possible without the support of the government and people of Egypt, and that list is impressive indeed:

- The discovery of the Rosetta and West Delta Deep Marine (WDDM) concessions, with Rosetta coming on-stream in 2001
- The drilling of 16 consecutive successful wells in WDDM, a world-class performance
- First production from the Simian-Sienna field in 2003, constituting the longest subsea tie-back in the world at the time
- Then, of course, there is Egyptian LNG. A source of pride for the Egyptian people and for BG Group, the success of which has transformed Egypt into a major exporter of natural gas to Europe, the United States and Asia.

The past year alone is one of numerous more successes incorporating the completion of Phase V of WDDM continued development; the completion of the Sequoia project, which constitutes Phase VI of WDDM and Phase IV of Rosetta, both under-budget and ahead of schedule; and the winning of the North Gamasa Offshore concession. This new concession, along with El Burg Offshore and El Manzala Offshore, reflects BG Group's commitment to the future of Egypt.

As we continue to deliver on our contracts and sustain our production levels, we also look for new exploration opportunities to ensure that BG Egypt continues to be part of Egypt's promising energy story. Egypt, which has long been a core country of operation and investment for our company, remains a key source of potential growth.

BG Group's commitment to Egypt is reflected in our accounting for some 40 per cent of the country's total gas production. We are the largest British investor in Egypt with investments of over US$ 6 billion and one of the largest foreign investors in Egypt's natural gas business.

BG Egypt has long been involved in Egypt's sustainable growth and development. This year, for example, BG Egypt is launching a university linkages programme with Cairo University and with the American University in Cairo (AUC). The partnership with Cairo University is in collaboration with the British Council, and is designed to enhance the English and soft skills of geosciences students, which are essential for employability in a changing world. The AUC partnership is a petroleum and energy engineering endowment scholarship to support a new state school student every five years.

As an Egyptian myself, and as managing director of BG Group's business in Africa, the Middle East and Asia, I can clearly see that our success here is due to a committed, dynamic and beneficial partnership based on shared goals, which has built an equally successful business. As we celebrate 20 years of successful energy partnership with the government and people of Egypt, we look forward to many more.

Sami Iskander
Executive Vice President for Africa, Middle East and Asia
BG Group

BG celebrates its 20-year journey with a university linkage program

From left: Eng. Sameh Fahmy, Prince Andrew, Mr. Tim Blackford and Mr. Sami Iskandar

BG Egypt hosted a reception at the British Embassy today to celebrate 20 years of successful energy investment and partnership in Egypt.

The reception to mark the occasion was held in the presence of His Royal Highness Prince Andrew, The Duke of York. It was attended by Eng. Sameh Fahmy, Minister of Petroleum and jointly hosted by H.E. Dominic Asquith, British Ambassador and Sami Iskander, BG Group's Executive Vice President for Africa, Middle East and Asia.

Addressing the many guests, Sami Iskander said, "Here in this garden are people who have played key roles as BG Group's involvement in Egypt has grown, from our first offshore concessions in the Gulf of Suez in 1989 to our current position as one of the country's major foreign direct investors – certainly the leading British investor - and a major gas producer serving both domestic and export markets." This would have not been possible, Iskander said, without the strong support of the Egyptian government and people.

While recalling the company's contribution to Egypt's rapid development as a major gas producer both for domestic and export markets, Iskander looked forward to future growth opportunities including the next phases of development of existing concessions such as West Delta Deep Marine, and exploration of the North Gamasa offshore concession awarded to BG Egypt earlier this year.

Stressing BG Egypt's commitment to the future of Egypt and its young population, Iskander announced the launch of BG Egypt's University Linkages Program. "A key area both for Egypt and BG Group is strengthening employability skills and industry-academic partnerships. With this in mind, I am particularly delighted this evening to announce a BG Egypt Public School Scholarship with the American University in Cairo (AUC), and a partnership with Cairo University."

The cooperation with AUC is a scholarship to support one student to study in the department of petroleum and energy engineering. This scholarship will be awarded to a new state school student every five years. The partnership with Cairo University is in collaboration with the British Council, and is designed to enhance the English and soft skills of geosciences students, which are essential for employability in a changing world.

After congratulating BG for its distinguished contribution in Egypt, the Egyptian Minister of Petroleum said, "BG is one of the major gas producers in Egypt and a major key of success in the gas industry". Fahmy further highlighted, "The volume of investments of BG in the country over the past 20 years counted approximately for $6 billion… I am promising to keep our commitment to this unique partnership."

Describing the journey of BG in Egypt, the British Ambassador summarized it in three values, Partnership, Commitment and Responsibility. "The symbol here is very much in Edku… BG has a responsibility for the community in which it lives, the partnership it develops with that community and the investments commitment that it displays towards that community."

"You should be proud BG, they are a model of corporate responsibility, not just in Egypt, or the Middle East, but globally," added Asquith.

In the last speech, the Duke of Yorke said, "BG Group has grown remarkably in few years that I have known them since I have become the special representative of International trade and investment… whenever I come across BG, they are always extremely concerned about the balance of what they can do and what they can give, not only to the community, but also to the country which they serve."

Prince Andre further highlighted that, "there is something different, these people want to be a partner, they want to be able to deliver those natural resources to the people who own them in the most cost effective, the safest and the most ecologically sensitive way… when I came in 2005 for the inauguration of gas train in Edku, I was extremely impressed by the work they did to deliver that."

The Duke of Yorke concluded his speech by declaring, "BG goes from strength to strength and is doing an outstanding job in the Egyptian market".

Mr. Sami Iskandar

New rig for GUPCO

Geo. Mohamed Refaat Khafagy, President of the Gulf of Suez Petroleum Company (GUPCO) told *Egypt Oil & Gas* that the Gulf Co. for Petroleum Consultancy won GUPCO's tender to rent a rig in order to carry out some exploration operations in the Gulf of Suez for six months.

Khafaga added that the renting cost for this rig counts for $9 million. "We are renting the rig for six months from this Kuwaiti company… it is not the first cooperation between the two companies and the Gulf Co. did have many operations with several companies in Egypt such as Petzed."

The renting of the new rig is part of GUPCO's promising plans to develop its old/brown fields. It is worth mentioning that the budget allocated this year for the redevelopment of fields is worth $735 million.

GUPCO is a jointly owned by the Egyptian General Petroleum Corporation and British Petroleum (BP).

Sea Dragon completes Al-Amir SE #4

Sea Dragon Energy Inc announced the successful completion, testing and placement on production of the fourth well in the Al Amir S.E. Field in the North West Gemsa Concession.

The Al Amir S.E. #4 well tested 40 degree API crude oil and solution gas from the Kareem Formation at a rate of 5000 bopd and 7 mmscf/d using a 64/64inch Choke. The Choke size was decreased to 32/64inch for good production practices and the well was placed on production at a stabilized rate of 2580 bopd and 2.88 mmscf/d.

With the Al Amir S.E. #4 well now on stream, oil production from the NW Gemsa concession should soon exceed 7000 bopd.

The Kareem Formation in this well contained a gross pay section of 70 feet which is the thickest pay found in the Al Amir S.E. Field thus far.

The Drilling Rig has currently moved and commenced drilling the Geyad #2 appraisal well. The well was drilling below 2,000 feet towards its primary target in the Miocene Lower Kareem Formation expected at approximately 6,000 feet. This well is also planned to test secondary targets in the Pre-Miocene including the Nubia sandstones at 11,800 feet.

Commenting on the test results, Said Arrata, Chairman and CEO of Sea Dragon said, "Our continued success in exploiting the NW Gemsa Concession and ramping up production from the Al Amir S.E. Field is very exciting indeed. It reinforces our expectations for the significant upside this concession holds."

$900-million loan to the EGPC

The Egyptian General Petroleum Corporation (EGPC) launched syndication of a $900 million pre-export financing, the arrangers of the transaction said in a statement.

The loan will have a maturity of 42 months and will be used for general corporate and other purposes to be agreed, according to *Reuters*. The borrower under the facility is Petroleum Export III Ltd, while EGPC is the exporter.

The loan is being arranged by Bank of Tokyo-Mitsubishi UFJ and Morgan Stanley.

On the other side, the International Business Monitor Organization expects the Egyptian production of liquefied natural gas to whiteness a 13.4 percent decrease in the period between 2008 to 2018. The volume of LNG production would decline to 626 thousand barrel per day by the end of 2018, while the gas consumption rate would increase to 30.5 percent.

More from North Shadwan Concession

Beach Petroleum provided an operational update on its drilling activities in Egypt. In the Gulf of Suez's North Shadwan Concession, the NS 394-3 [Burtocal North] oil exploration well is drilling ahead at a depth of 2117 meters in the South Gharib Formation. The primary reservoir target is the Nubia Formation. Beach Petroleum holds 20 percent of shares.

The NS 377-3 oil field production well (Beach with 20 percent shares) is in the final stages of a pre-operational rig audit. The rig is on location and the conductor pipe has been installed. The well is to be an extended reach well drilled from an onshore location to intersect the offshore Kareem Formation oil pool 150 meters north of the discovery well.

Aminex drills ahead at South Malak-1

Aminex announced its latest updates on the South Malak-1 well, located in the West Esh el Mellaha concession, onshore Egypt.

After some mechanical delays, the well is now drilling ahead, currently deeper than 9,700 feet. The original target depth was approximately 9.000 feet but thicker than expected Miocene Rudeis and Nukhul sections were encountered and it is now expected that the well will be drilled to 11,000 feet or deeper. The potential sandstone reservoirs of the pre-Miocene Matulla and Nubian sands have yet to be penetrated.

Dana Gas reveals 86 billion cubic feet of gas

Dana Gas announced two significant gas discoveries, Faraskur-1 and Marzouk-2, in the Egyptian Nile Delta. Together, the two wells are expected to add 86 billion cubic feet (bcf) of gas to the company's Egypt reserves.

The Faraskur-1 discovery, which is alone expected to add up to 73 bcf to the company's Egyptian reserves, is located in the West El Manzala Concession. The well was spudded on August 31, 2009, reaching a total depth of 2,900 meters, on September 27, 2009. The well found 21 meters of gas in the Upper Abu Madi formation, and additional minor amounts in the Kafr El Sheikh and Lower Abu Madi formations. The Upper Abu Madi pay zone tested 12.2 million standard cubic feet per day (mmscf/d) of gas and 243 barrels per day (bbl/d) of condensate.

The Marzouk-2 well, also located in the West El Manzala Concession, was drilled to a total depth of 3,995 meters and found gas in three zones. The upper zone, within the Messinian Abu Madi formation, yielded a gas and condensate discovery with a net pay of 6.7 meters and tested 10 mmscf/d of gas. The lower two zones, in the Sidi Salim formation, yielded non-commercial quantities of gas. Despite the non-commercial gas rates achieved from the two lowermost layers these findings are important to Dana Gas's future exploration campaign in Egypt, as they prove the presence of an active hydrocarbon system in a formation where the company has determined the presence of several other prospects. The estimated reserves for the Abu Madi zone are 13.4 bcf.

Commenting on these new discoveries, Dana Gas Chief Executive Officer, Ahmed Al-Arbeed, said, "The discoveries at the Marzouk-2 and Faraskur-1 wells represent the eighth and ninth discoveries from our 2008–09 drilling campaign in the Nile Delta. The extensive planning that went into the drilling campaign is continuing to yield very positive results, boosting Dana Gas' production and profitability."

Dr. Hany Elsharkawi, President of Dana Gas Egypt,said, "For the tie-in of Faraskour-1, two main options are currently under consideration: to connect the well to the Wastani field to the northwest, by crossing the Nile river, or to connect the well to the new plant (Salma-Tulip) to the southeast, which is currently the subject of a feasibility study. As to Marzouk-2, the well has been temporary abandoned and will be completed later. It will be available for production as soon as the Development Lease is granted."

Fahmy: Upper Egypt Gas Pipeline reaches Sohag

The Egyptian Minister of Petroleum, Eng. Sameh Fahmy announced that the Upper Egypt Gas Pipeline has reached the governorates of Minya, Assiut and Sohag and will reach its final stage at Aswan before 2010.

Petrojet has been constructing the 930 km pipeline for the Nile Valley Gas Company (NVGC) in stages, most recently completing stages three and four. In the first phase of the project, NVGC took over a pipeline built by the government from Cairo to a power station located near Beni Suef. Stage two involved the construction of 150 km of pipeline extending from Beni Suef to Abu Qurqas. Stage three saw 136 km of 32 inch diameter pipeline laid from the governorate of Minya to Assiut at a cost of $75 million, while stage four involved the laying of 100 km of 30 inch diameter pipeline from Assiut to Sohag.

The final stage involves the laying of 408 km of 30-inch diameter pipeline from Sohag to Aswan, scheduled to be completed by 2010.

"The pipeline will have a major role in reshaping the investment map of the entire southern Egypt," said the Minister highlighting that the 930 km pipeline is worth approximately $9.3 billion investments.

Eni "may hold" gas projects

Italian oil major Eni SpA could shelve some natural gas projects because of low prices for the fuel, Chief Executive Paolo Scaroni told the *Wall Street Journal* in an interview.

Crude oil prices may be showing signs of recovery but natural gas prices will stay depressed for years, he said. The grim outlook could force energy companies to rethink some investments in new gas projects.

"Gas prices are going to stay low for a considerable time -- the next three to four years," he said. As a result, "we are looking much more carefully now at projects that were in the pipeline."

For example, poor economics may prompt Eni to shelve a plan to double capacity at a big liquefied natural gas plant in Egypt, Damietta LNG, Scaroni said.

He said he did not foresee the gap between oil and gas prices closing any time soon.

PGNiG sets up in Egypt

PGNiG inaugurated its branch in Cairo, last month. This opening reflects the company's plans and activities in this country. In Egypt, PGNiG SA will focus on primarily exploration for and subsequently the production of crude oil.

The reserves of this raw material under the license awarded to the Polish company are estimated at 22 million tons.

The Exploration License covers Bahariya (Block No.3) located in the Western Desert, approximately 200 km southwest of Cairo. The license covers an area of 4414.4 square kilometers and is considered as the largest foreign exploration license exploited by PGNiG.

In 2007, PGNiG won a tender for its exploitation. The commencement of production became possible upon the acceptance of the awarding of the tender by the parliament followed by the signing of the Exploration and Production Sharing Agreement between the Egyptian Government and PGNiG on May 17, 2009.

In accordance with the license, PGNiG is obliged to perform 1,350 km of 3D seismic surveys and drill two boreholes. If any deposits are discovered, they will be developed and drilled for oil. PGNiG SA is the only operator under the license and owns 100 percent of shares. The estimated cost of the exploration works in this area is $48 million.

The project for gravimetric research in the area covered by the license has already been prepared, while the work contractor selection procedure is currently in progress. The financial expenditure planned for 2009 is approximately PLN 10.5 million.

Next year's actions include field gravimetric works and the commencement of 2D seismic works. The expenditure planned for this period amounts to PLN 55 million.

Quotes

"The government plans to abolish the subsidies on petroleum products, fuel, electricity as well as others products by 2014 and will be supplied to citizens at their real cost with the exception of butane, which will be subsidized by a sum of cash to the beneficiaries"
Youssef Boutros-Ghali, Minister of Finance

"The total domestic consumption of natural gas represents 68 percent of the total production of the country"
Eng. Sameh Fahmy, Minister of Petroleum

"The government plans to resume its plan to eliminate subsidies for energy in factories during 2010"
Rashed Mohamed Rashed, Minister of Trade and Industr

"4.4 billion barrels is Egypt's reserves of oil and 77.3 trillion cubic feet of gas till the end of last July"
Eng. Sameh Fahmy, Minister of Petroleum

ExxonMobil hosts two integrated seminars

ExxonMobil Egypt hosted two major seminars for its partners in the cement and oil & gas sectors.

For the oil & gas sector, ExxonMobil Egypt took the opportunity to present its industrial family of lubricants and greases, including the highly successful Mobil Pegasus 805 and the newest in gas engine lubrication Mobil Pegasus 1005, both of which are premium gas engine oils used in heavy industry vehicles, many of which are used in the oil and gas sector. Mobil Pegasus 1005 is the next generation of Mobil Pegasus high performance engine oils designed to provide the highest levels of engine protection while maintaining superior performance, helping the industry to keep engines running longer and cleaner with improved reliability and increased productivity. The performance features of Mobil DTE 700 and 800 Series were also explained; DTE 700 and 800 are a range of premium turbine oils, which provide excellent equipment protection and help increase turbine operation reliability; enabling reduced downtime and extended oil charge life. Mobil DTE brand with its range of products have been the choice for turbine operators worldwide for more than one hundred years. During that period the company's scientists have maintained the strongest ties with turbine equipment builders and operators to ensure that the needs of new turbine designs are met or exceeded by its lubricants. Customers have relied on ExxonMobil lubricants for more than 130 years. Marketed in nearly 200 countries and territories worldwide, ExxonMobil products stand for performance, innovation and expertise. As the industry leader in synthetic lubricants, a full range of ExxonMobil products are available in the automotive, commercial and industrial business sectors. ExxonMobil recognizes that business success and social responsibility go hand in hand.

"It is with great pleasure that we are participating with our partners in this seminar. At ExxonMobil Egypt we believe in our responsibility to provide our partners with the latest technology and products to help their businesses prosper, and this seminar is the perfect opportunity for us to show what we can offer," said Khaled Soliman North Africa Field Marketing Team Lead, ExxonMobil Egypt.

In line with its efforts to support the cement industry, ExxonMobil Egypt offers a wide range of specialized lubricants and greases. For the cement sector, the company showcased Mobil Polyrex 462, and the Mobil SHC 600 Series. Mobil SHC Polyrex 462 is specifically designed to help improve equipment reliability by solving high temperature lubrication problems in a wide variety of applications. The exceptional combination of synthetic oils combined with a proprietary ExxonMobil polyurea thickener and a high performance additive system aim to provide a problem-free equipment operation. Mobil SHC 600 Series lubricants are supreme performance gear and bearing oils designed to provide outstanding service in terms of equipment protection, oil life and problem-free operation enabling increased customer productivity. These scientifically engineered oils are formulated from base fluids with an inherently high viscosity index and a unique, proprietary, additive system which enables these products to provide outstanding performance in extreme service applications at high and low temperatures, well beyond the capabilities of mineral oils. "This seminar has given us the opportunity to showcase ExxonMobil Egypt's products, all of which offer supreme levels of performance and have been tested under the most strenuous operating conditions. All of our lubricants have been designed to provide outstanding service in terms of equipment protection and oil life," said Ahmed El Sadek, Industrial & Marine Sales Manager, ExxonMobil Egypt.

Energy prices for non-intensive industries to be raised

Egypt will decrease subsidies on natural gas and electricity to non-energy intensive industries, the local press reported, raising prices 26 percent by the beginning of 2010, announced Amr Assal, Chairman of the Industrial Development Authority.

The move represents the continuation of a plan initiated by the Ministry of Investment in September 2007 to adjust energy price to approximate actual cost by the year 2010, reported the *Daily News Egypt*.

At the time, non-energy intensive industries received a one-year grace period, while industries deemed energy-intensive, ranging from petrochemicals, cement and fertilizers to glass and ceramics, were required to pay the higher energy prices immediately.

In fact, the grace period for non-energy intensive industries has run out. Based on the Prime Ministerial Decree No. 1795 (2008), those industries are defined as the industries requiring less than 50 million KW/Hr of electricity or 66 million cubic meters of natural gas per year.

The government has temporarily suspended its plans concerning the lifting of energy subsidies announced last year due to the current global economic crisis. The Egyptian economy has demonstrated sufficient stability to return to goals. The pursuance of long-term projects, such as restructuring energy subsidies, which make up about 70 percent of a total subsidy budget, remains a cornerstone of development plans.

Khalid Sekkat, Research Director at the Economic Research Forum, told the *Daily News Egypt* that the subsidy on diesel is noticeably absent from the restructuring effort. "While butane is largely limited to familial use, increasing the price of diesel would likely lead to dissatisfaction from all areas of the transportation sector."

Sekkat commented on Egypt's subsidy restructuring as part of a larger trend of liberalization that has accompanied efforts to further integrate the MENA region into the globalized world economy. "Outside of the Gulf, many countries rely heavily on subsidized energy and food. And many countries need to re-distribute subsidies to ensure they benefit the neediest without wasting government funds. Tunisia and Morocco devote similar percentages of their GDP to subsidies for basic necessities like energy and food. Tunisia recently restructured subsidies, and although this initially evoked protest, the effort has been deemed successful," he said.

Weatherford's 1st Hydraulic Fracturing Job

09/09/09, a remarkable date; where Weatherford Egypt successfully completed the first hydraulic fracturing job in Egypt, Middle East and North Africa; for Khalda (Apache Egypt).

The job was a big challenge as it was in one of the most critical areas in the western desert of Egypt.

Khibry is very well known of its tight formation (low permeability) with a relatively high frac gradient.

Weatherford accepted the challenge, did the data frac on the 8th Sept, followed by the main frac on the 9th of September, then smoothly pumped the program (total of 141000 Ibs of propant at 27 bpm) from the pad to the flush finished with 7 ppg which is above average for this area (max 6 ppg).

Our client is very happy with the overall performance and with the quality of our equipment and safety standards.

We are ready now to frac anywhere in MENA and ready to fly to give any of our clients more details about our frac capabilities.

It was an integrated service as well as we supplied the DST (through our completion department) and the well control valves through the well head equipment.

Another success story for Weatherford, where Well Services is **Now In Egypt**

Conflict or cooperation themes debated at Shell Energy Dialogues

An overview of the energy mix and how it will evolve mid-century, given the impacts of factors like population growth and economic prosperity, was the main issue discussed in the Future Energy Scenario forum hosted by Shell Egypt under the auspices of the Minister of Petroleum Eng. Sameh Fahmy, and in collaboration with the Egyptian Petroleum Association (EPA).

To help think about the future of energy, Shell has developed two possible Energy Scenarios: "Scramble" and "Blueprints". The scenarios suggest that nations will either be driven to conflict, fighting for finite resources – grabbing what they can when they can – or there will be greater international cooperation on a sustainable energy future.

Wim Thomas, Head of Energy Analysis Team in Shell's Global Scenario Group, presented what Shell believes are the plausible energy scenarios until 2050 and the implications of "Scramble" and "Blueprints" scenarios on the pace of global economic development and environmental change. Shell has undertaken to pursue the "Blueprints" scenario, which requires co-operation, collective effort, and willingness on the part of businesses, governments, scientists, academics and society as a whole, to ask the hard questions around the energy challenge and try to find answers to them.

"In our view, the "Blueprints" scenario offers the best hope for a sustainable future," said Thomas. "Sustainability is key for Shell – both in terms of business interests and in terms of the environmental and socio-economic climate in which it operates.

"We are convinced it is possible with the right combination of policy, technology and commitment from governments, industry and society globally to meet the energy challenge."

"Shell has a portfolio strategy approach and will ensure it is a successful business in either scenario. However, we have a clear preference to live and work in a world with the Blueprints outcomes of a more stable energy system and a more sustainable environment, this future offers a better pathway to provide enough energy for economic growth while managing greenhouse gas emissions," said Ahmad Atallah, Chairman of Shell Companies in Egypt. Following Mr. Thomas' speech, panelists Engineer Abdel Alim Taha, EGPC CEO, Eng. Mahmoud Latif, EGAS Chairman, Geo. Abo Bakr Ibrahim, EGPC Deputy CEO for Exploration, Geo. Rashed M. Rashed, EGAS Vice Chairman for Exploration and John McArthur, Operations Manager, Bapetco, discussed the energy scenarios and their possible outcomes for the future. The panelists concluded that there were no easy answers to the energy shortages that the world is likely to face, however, all agreed that Shell's "Future Energy Dialogues" created a helpful opportunity to discuss greater international cooperation.

Saudi Shaybah NGL Program awarded to KBR

KBR has been awarded a contract by the Saudi Arabian Oil Company (Aramco) to provide front-end engineering and design (FEED), and Project Management Services (PMS) for its Shaybah Natural Gas Liquids (NGL) Program at Shaybah field located in Saudi Arabia.

KBR will provide FEED and PMS services to develop the process design, layout, develop equipment and material specifications, prepare bid packages and develop an estimate for the construction for several projects related to the Shaybah NGL Program facilities. KBR will also assist Saudi Aramco in managing and directing the work related to other Shaybah Program projects. The Shaybah Program is designed to help meet the rising domestic demand for gas and feedstock for petrochemical projects. Work on the project is expected to begin in October 2009.

"KBR is committed to providing our client with quality FEED and project management services. Additionally, this award, along with our existing work at Ras Tanura and YANBU, signifies our continued commitment to support Saudi Aramco development programs," said John Quinn, President, KBR Downstream.

Iraq to drill 150 wells next year

Iraq revealed its plan to drill around 150 oil wells during 2010 which will increase the country's crude oil production by 250,000 barrels a day, Head of the State-Run Iraqi Drilling Company said.

Idris Al-Yassiri also highlighted that the IDC bought 24 rigs this year, which will bring the total number of rigs to around 53 rigs by the end of 2009. "We are planning to bring the number to 60 rigs in 2010."

Iraq, which holds the world's third largest oil reserves, desperately needs to increase its oil production, now standing at around 2.4 million barrels a day.

He did not say how much the IDC paid for buying these rigs but he said prices ranged between $12 million and $35 million a rig.

Eni hunts giant Iraqi oilfield in the First Round

Eni-led consortium (with Eni as Operator), U.S Occidental Petroleum Corporation and Korea Gaz Corporation have been awarded the license for the development of the Zubair giant field in Iraq, following a successful first round bid.

Considered as one of the largest Iraqi oilfields, the Zubair field produces 195 thousand barrels of oil per day (bopd).

According to the expansion plan of the field, the production is expected to reach a plateau level of 1.125 million bopd over the next seven years.

Moreover, the project includes the drilling of more than 200 wells, the construction of treatment facilities and the required collection network, as well as the refurbishment of the existing plants.

The service contract includes the participation of Southern Oil, Iraqi State Company with 25 percent share. This 20-year contract can be extended to a further five years.

The award of the explorative license for the Zubair field strengthens the long-term collaboration between Eni and Iraq, which dates back to the 1970s, and will allow Eni to further grow its production and reserves.

Eni is the leader in the Middle East region, where it operates in exploration, drilling, and in the engineering and construction sector.

Total starts LNG production in Yemen

Total announced that the Yemen LNG liquefaction plant started producing Liquefied Natural Gas (LNG) on October 15, 2009. Total is lead shareholder of Yemen LNG and holds a 39.62 percent interest, alongside the state-owned company Yemen Gas Company (16.73 percent), Hunt Oil Company (17.22 percent), SK Energy (9.55 percent), Korea Gas Corporation (6 percent), Hyundai Corporation (5.88 percent), and GASSP1 (5 percent).

The Yemen LNG project, which will have required an overall $4.5 billions investment, is the most important investment ever made in Yemen. It consists in supplying gas from Block 18, located in the Marib region in central Yemen, through a 320 kilometers dedicated pipeline to the LNG plant located at the port of Balhaf on the southern coast of the country. The plant started production with the first train while the construction of the second train is being completed. Total production capacity will reach 6.7 millions tons of LNG per year (Mt/y).

"The production start of Yemen LNG is the successful outcome of a cooperation between Total and its partners over the last decade. Since Yemen's gas potential was discovered, Total has supported Yemen in developing its gas industry and in becoming an LNG exporter," declared Yves-Louis Darricarrère, President of Total Exploration & Production. "Yemen LNG is also an important milestone in the fulfillment of Total's objective to reinforce the Group's position as a leading LNG producer."

Yemen LNG's first cargo is scheduled in the coming few weeks.

More IFC support in the MENA Region

IFC, a member of the World Bank Group, signed a $50 million financing agreement with Kuwait Energy Company to help the company accelerate the development and exploration of its oil and gas assets in Egypt and Yemen and to promote good environmental and social management in the region's oil and gas sector.

IFC's financing package consists of a $35 million reserve based facility and a $15 million income participation facility. The financing uses a murabaha structure, commonly used in Islamic finance transactions.

Kuwait Energy has also sought IFC's input on environmental, social and corporate governance best practices. Kuwait Energy and IFC have jointly developed a detailed environmental and social action plan to enhance the company's operations in Egypt and Yemen. IFC is also planning to conduct an in-depth corporate governance assessment for Kuwait Energy to help it prepare for a potential listing on an international stock exchange.

"We are benefiting greatly from IFC's expertise at this early stage of our company's growth", said Sara Akbar, Kuwait Energy's CEO, the only female top executive in the region's oil and gas sector. "IFC has executed a highly customized financing and are providing us valuable advice on environmental and social management".

IFC's funds will help Kuwait Energy develop a series of recent oil discoveries in Egypt and carry out additional exploration in Yemen. Egypt and Yemen have seen stagnating or dropping oil production in recent years and need companies such as Kuwait Energy to increase the production of oil and gas so that the sector can continue to provide jobs, foreign exchange reserves and government revenues in both countries.

"This transaction provides a unique opportunity for IFC to support a new class of local private oil and gas companies in the Middle East and North Africa that are expanding regionally and providing valuable jobs and revenues to governments", said Lance Crist, IFC's Global Head for Oil and Gas. "Kuwait Energy shares our commitment to setting new standards for environmental and social management in the region and we look forward to a long term relationship with them".

Jordan approves BP-NPC gas deal

Jordan's Prime Minister Nadir al-Dhahabi, the Council of Ministers approved the partnership agreements between the National Petroleum Company (NPC) and British Petroleum (BP) for the concession of the Al-Rishah gas field, including the agreements for amending the concession, execution, share remittance, and operation.

Khaldun Qutayshat, Jordanian Minister of Energy and Mineral Resources, said that under these agreements, the British company will participate in two phases. The first is the phase of exploration and evaluation for a period of three to four years that is extendable for one more year, during which the company undertakes to spend 237m dollars on exploration activities, including three-dimensional seismological surveying, drilling wells, and conducting studies.

Qutayshat added that the company would also pay $20 million as a grant to the government when the law endorsing the agreement goes into effect. In this phase, the NPC will continue with the production activities and the management of the field and will keep the production up to 50m cubic feet per day, which is the maximum capacity of the existing installations, while the NPC will share the revenues from selling gas with the government 50-50.

The energy and mineral resources minister noted that in light of the positive results of the exploration phase, BP will enter the second phase; that is, development and production, after it announced that the project is commercially viable, and will carry out comprehensive development of the field.

He said that the size of spending is estimated at between $8-10 billion and that the expected volume of production will range between 330 million and one billion cubic feet per day.

The concession period extends until the year 2046 unless it is extended for a maximum period of eight years until signing the agreements for selling gas, which will be produced during the period of development.

Nabil al-Sharif, Minister of State for Media Affairs and Communication said that this project is considered to be one of the important projects for Jordan. He added that once the company succeeds in reaching the targeted levels, this project would effectively contribute to achieving energy security and meeting Jordan's needs of this material, especially in the sectors of electricity generation and industry. The project will also allow the possibility of exporting this material if high levels of production are achieved.

Shell and Halliburton move forward in Libya

Halliburton announced the recent deployment of its new Hostile Sequential Formation Tester II (HSFT-II™) tool. This latest formation evaluation tool allows operators to evaluate formations at increased pressures and temperatures, up to 30,000 pounds per square inch (psi) and 450°F, respectively, and in boreholes as small as four inches. No other commercially available formation-testing tool is rated for such operating conditions.

In June 2009, Halliburton evaluated Shell's Rashda A1 well in Libya with its industry-leading high-pressure/high-temperature (HPHT) wire line logging suite and the newly introduced HSFT-II tool to acquire down hole formation pressures, at temperatures reaching 420°F, a first for Shell, and pressures of about 20,000 psi. Normally, in these hostile conditions, drilling would have been "blind," and the low-risk option would have been to set an intermediate liner to prevent formation damage, at considerable cost with associated nonproductive time.

With the new HSFT-II tool, five pressure points were successfully acquired, which revealed that the drilling operation could continue with minimal risk of a blowout, saving time and money. As operators continue to expand their operations into increasingly challenging down hole environments, Halliburton is keeping pace with their evolving demands by providing the technologies and expertise to help them optimize their assets while reducing nonproductive time, costs and risks.

"This capability is clearly demonstrated on the high-pressure/high-temperature job successfully completed in Libya for Shell," said Jonathan Lewis, vice president of Wireline and Perforating, a Halliburton product service line. "The Rashda A1 pressure data was successfully collected at the highest temperatures ever attempted by Halliburton and provided the customer with very valuable information in the most difficult of down hole conditions."

NEW CHALLENGES IN A CHANGING ENVIRONMENT FOR CONTINUED GROWTH will be discussed in the Plenary session of the MOC 2010 Conference which will be held in **May 2010, 18-20, in Alexandria.** The exhibition and conference, organized under the **High Patronage of The Petroleum Ministry of the A. R. of Egypt** are meant to be among the more important events in the Mediterranean area scheduled for next year. Moreover **MOC 2010 will celebrate its 10th Anniversary** and the organisers are planning new opportunities focusing on better services and more activities to increase business opportunities for s exhibitors and visitors.

" The world is going through difficult and turbulent times, and what seemed impossible just a few months ago in energy supply prices, is now a reality. What will the future bring in our field in the coming months? What will be the scenario once the difficulties are over sometime late 2009 or early 2010? How best to re-position investments, and plan for the recovery and the up swing after the crisis?" as H.E. Eng. Sameh Fahmy, the Minister of Petroleum of the Arab Republic of Egypt states in his welcome messages and the Egyptian Petroleum Sector is ready and willing to debate these themes and related topics towards the international audience that MOC event always attracted since the first edition which dates back to 2000. H.E. the Minister of Petroleum also underlines the strategical importance of MOC 2010 conference as a great occasion to plan the re-position of investments and prepare the recovery of the Oil and Gas Sector in the Mediterranean area by analyzing the opportunities that world economic crisis has brought about. **Egypt's four major oil and gas exploration companies - EGPC, EGAS , ECHEM and GANOPE - endorse MOC** since its birth **and the Egyptian Petroleum Sector** is inviting all operators in the oil and gas industry and authorities to gather in this international meeting to tackle promptly and effectively the challenges of the price crisis.

The exhibition is held alongside the 3 day conference and some of the most important international companies active in the oil & gas industry have already confirmed their participation, just to name a few: **BAKER HUGHES, BG, CAMERON, DREXEL, ECHEM, EDISON, EGPC, EGAS, EGYPTIAN DRILLING COMPANY, EGYPTIAN LNG, ENI, GANOPE, HALLIBURTON, PETROJET, PETRONAS PICL, SAPESCO, SEGAS, STATOIL, SINOTHARWA, WEATHERFORD,** etc. Today the exhibition has 92% of the area already sold out. It is expected to be sold out in a few days!

With an extremely high percentage of growth on the previous edition, 11% in general attendance, 25% in the number of exhibiting companies, 10% in the number of registered delegates attending the conference, the last MOC has gathered over 5.200 visitors and almost 200 exhibiting companies and the results of this event witnesses once again the importance of MOC for the offshore petroleum industry in general and mainly for the business and commercial relationships that bind the Northern and Southern shores of the Mediterranean Sea.

The MOC technical conference as well is a precious occasion to meet with the oil & gas top industry representatives and discuss with them the latest discoveries and opportunities in the market. If you wish to present your speech to MOC international audience, **guidelines and instructions for abstracts presentation are available on www.moc2010.org** , as well as the latest information about the conference agenda, the general programme and the exhibition of course!

For any information please feel free to contact the organisers:

Electronic tension prior to World Cup qualifier match

The escalating tension between Egyptian and Algerian football fans started from exchanging fiery statements between players till it has become an electronic warfare

By Ahmed Morsy

Is it only a game? It should be, but the World Cup qualifier between Egypt and Algeria is turning into a mini-war. Meanwhile, Egypt is lagging behind in the lengthy race for the single World Cup ticket, with Algeria superior in points and goal difference. The six-time African champions need to win the do-or-die match when they host Algerians on November 14 by a three-goal margin in order to guarantee a World Cup berth.

All of a sudden, an electronic warfare broke out between Egyptian and Algerian hackers after allegations that Egyptian hackers launched a cyber attack on the website of Algerian daily newspaper "Echorouk" which for sure shows full support for its football team Desert Warriors.

Echorouk newspaper published a story about the defacement, claiming that Egyptian hackers launched a cyber attack on the "chat forum" of the Algerian newspaper. In addition, in a warning statement posted on the hacked website, the Egyptian hackers said that the cyber attack on the chat forum of Echorouk daily "was a telling example for all those who dared challenge the Egyptians".

As a result, Algerian hackers immediately launched a counter-attack by hacking the website of the Egyptian Presidency and defacing the website of the Egyptian newspaper "Al-Ahram" causing major disruptions, according to the Echorouk newspaper. The Internet hacker calls himself "KADER11000 Algerian Hacker".

The hacker uploaded a video on YouTube for emphasizing his piracy actions stating that he revenged to Echorouk newspaper by ruining the website of the Egyptian Presidency and defacing the website of Al-Ahram for only one hour. Consequently, the Egyptian hackers came back by defacing the website of the Algerian National TV and Ennahar national newspaper. While the Algerian hacker replied by defacing the Egyptian Armed Forces website.

In a warning statement posted, the Algerian hackers said that the cyber attacks were a response for all those who dared challenge and tried to undervalue the Algerian hackers' skills claiming that it is easy to penetrate government websites due to loopholes. They increased the tension, which already existed among both parties' media and sports forums in addition to exchanging fiery statements between the two teams players.

All in all, it seems that both sides have failed to remember that sport is meant for leisure as is the internet. However, they have succeeded to prove that they are both sore losers who do not understand the concept that the true winner is the one who knows how to be a good loser.

Previously, the cold war started psychologically by swapping sarcastic statements between the players. The Algerians are seemingly convinced that they have already booked a place in the South Africa's finals, and now they are repeatedly gloating over it.

Why the hatred? Algerians and Egyptians have never warmed to each other. Their games have repeatedly been marred by brawls, none more violent than that of 20 years ago, when Egypt managed to claim a World Cup berth from -- who else? -- The Algerians.

Brian Oliver, writing recently in The Guardian, was in Cairo Stadium at that time in 1989, and described the scene, "There was so much trouble around the game. The build-up to the match

was hostile, as the two countries already had a healthy dislike of each other.

"The ground was nearly full already; more than 100,000 packed in with more than four hours to go. Algeria felt the referee had been biased after their 1-0 defeat, and when the final whistle went the officials were harassed and surrounded by the entire Algerian contingent, players, coaches, officials, then turned to the VIP area and heaved plants, dirt and earthenware pots into the seats. Worse was to follow. At a post-match reception, one of the continent's greatest football heroes, Lakhdar Belloumi, bottled the Egyptian team doctor, who was blinded in one eye."


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Mixed reactions... with or against the subsidies removal!

Despite the recent campaign waged by an independent newspaper about the cancelation of energy subsidies followed by a series of ministers' announcements last month, it did not in fact catch the eye as the government's decision is a one-year old

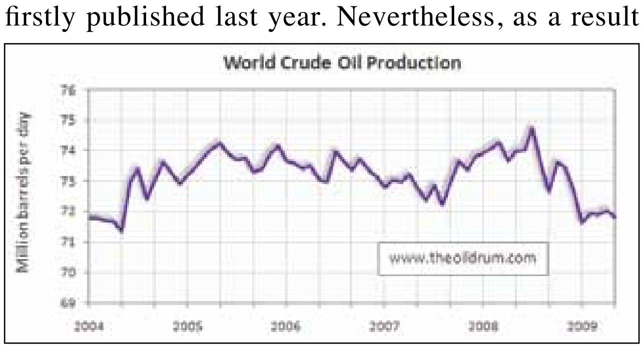
By: Ahmed Morsy
Tamer Abdel Aziz

The cancelation of energy subsidies is not a fresh governmental decision. The Energy Committee of the National Democratic Party (NDP) submitted a working paper during the annual NDP conference term last year, which included the country's plan to eliminate energy subsidies gradually from 2008 to 2013 and will be effective starting in 2014.

In addition, Eng. Rashid Mohamed Rashid, Minister of Trade and Industry, announced that the government is back to resume its plan to eliminate support for energy during 2010, added that the plan had been announced within the decisions of May 2008, which claims that the government to lift the subsidies gradually over a five-years period and so far, 20 percent of the energy subsidy in 2008 was cancelled, but due to the current global crisis, the government has temporarily suspended its plan in 2009.

Similarly, Dr. Youssef Boutros-Ghali, Minister of Finance, declared also last month that the government plans to abolish the subsidies on energy petroleum products, fuel, electricity as well as others products, by 2014 as they will be supplied to the Egyptian citizens at their real cost with the exception of butane pipes, which will be subsidized by a sum of cash to the beneficiaries. Furthermore, he declared that the government plans to resume its plan to eliminate subsidies for energy utilized in factories during 2010.

Dr. Ghali's declaration was the sparking plug for the media to thrash out the issue again after it was firstly published last year. Nevertheless, as a result of tackling the issue again, it raised mixed reactions of experts regarding the resolution and its pros and cons. Some supported the resolution because of its positive effects on the long and short terms, while others were against the decision since they focused on the low-income citizen who will be the most affected by such decision.



"Presenting the petroleum products at their real costs will lead to the rationalization of energy consumption of all kinds, which in fact suffers from severe wasting," a petroleum expert told Egypt Oil & Gas.

"The Egyptian citizen is known to be an extravagant consumer of energy products, especially oil and electricity since they are subsidized and he does not feel the real value of the subsidized products," he added.

The expert, who preferred to be anonymous, believes that a gradual increase in salaries in parallel with the removal of subsidies is a must so as to avoid the negative effects, which will have an impact on the Egyptian street. He also asked for customizing part of the amount appropriated to subsidize the energy to the wages of the workers after canceling the energy subsidies, especially low-income or to allocate of the remaining part to bridge the budget shortage.

"The removal of subsidies would reduce the burden on the government and provides new resources that can be directed to other pressing issues such as education, health and utilities. Moreover, the trend of most of the world is moving towards presenting goodies at their real costs."

While some opponents of the resolution said the biggest victim of this decision is the low-income citizen, adding that the government should not export gas to other countries to preserve it to the Egyptian consumer so as not to place the burden of the removal of subsidies on the citizen.

An official source at the Ministry of Finance, told Egypt Oil & Gas that the goal of the abolition of energy subsidies is to rationalize the consumption of energy, particularly that the world is now heading for the policy of rationalization regarding the consumption of fossil fuels to avoid emissions of carbon dioxide, known as the global warming phenomenon that occurs as a result of fossil fuel wastes.

"When the government decided to abolish energy subsidies, it aimed primarily at low-income citizens who are the focus of the subsidy plan," the official source explained. "The energy subsidies in the budget for 2008/2009 reached 70 billion Egyptian pounds and it will be reduced in the 2009-2010 budget to 52 billion Egyptian pounds, indicating that a large part of the subsidy does not reach the low-income citizens."

Asked how the low-income citizen will benefit from canceling the energy subsidies and raising the price of gasoline, he emphasized that the low-income people do not have cars, but as long as they got cars they will come out of the definition of low-income people.

He added that the support which was for petrol and was estimated in the 2008-2009 budget by nine billion Egyptian pounds will be directed to the public transport and frequented by the citizens, adding that in case of removing subsidies on the gasoline price, it will be two pounds and a half for the 90-octane gasoline per liter.

"The cancelation of the energy subsidies will come out with involving the private sector in several fields, including construction of gas and diesel stations, and then attraction of investments to the country intended to raise foreign exchange, high growth rates after reaching last year to eight percent as a result of such investments," he clarified.

He noted that the Cabinet decided earlier this year to set up an independent union for oil and gas affairs, and this device aimed at coordinating efforts between the private sector and consumers. Besides, the wages will be higher as a result of an increase in the rates of growth and competitiveness of companies in providing the highest quality petroleum products at an affordable price since the private companies seeks profit.

"In the case of rise of diesel and gasoline prices, the government here will work to regulate prices of basic goods… Pointing out that Egypt import 50 percent of petroleum products, which are estimated at 35 million tons worth large amounts of money. While there will not be a subsidy for the petroleum products, therefore it will pave the road to the private sector to import these products and sell them with their real prices. In addition, the government will control the profitability of those companies so as not to exceed 20 percent of the original price."

Weighing the pros and cons

Theoretically, any measure that keeps prices for energy consumers below market levels or for energy producers above market levels, or that reduces costs for consumers or producers, may be considered a subsidy. Energy is most commonly subsidized through price controls, which keep prices below the full economic cost of supply. They are most common for electricity and natural gas, but are still important in some countries for oil products. The extent of under-pricing is generally bigger in countries where the energy sector is state-owned and where a significant share of production is exported.

Generally, governments tend to intervene in energy markets by providing subsidies in order to reduce or maintain household prices for social reasons, or to protect national industries from foreign competition. However, previous experience has shown that subsidies can distort markets, be costly to manage, and are susceptible to abuse. Specifically, energy subsidies to fossil fuels can:

- Place a heavy burden on government finances
- Stunt the potential for economic growth
- Distort international trade
- Deter private and public investment in the energy sector
- Discourage energy conservation and hinder the expansion of distribution networks
- Impede the development of competing technologies that may be more cost-efficient and environmentally friendly.

On the other hand, the main arguments for energy subsidies are:

- Economic benefits - subsidies in the form of reduced prices are used to stimulate particular economic sectors or segments of the population, e.g. alleviating poverty and increasing access to energy in developing countries.
- Employment and social benefits - subsidies are used to maintain employment, especially in periods of economic transition.
- Subsidies are used to ensure adequate domestic supply by supporting indigenous fuel production in order to reduce import dependency.

Eng. Sameh Fahmy, the Minister of Petroleum, received a report from the Petroleum Affairs sector in the Petroleum Ministry on the indicators and results of the fiscal year 2008-2009, which stated that the petroleum sector achieved the highest economic growth rate compared to the country's different economic sectors and contributed by up to 17.5 percent in the rate of economic growth of the country higher than the 8.3 percent achieved in 2008. The report showed a double increase in the volume of the oil

The below table shows the distribution of subsidies budget in the fiscal year of 2008-2009, which counted for approximately 70 billion Egyptian pounds,

Product	Cost	Percentage
Gasoline	7 billion	13.4%
Diesel	24 billion	46%
Butane gas	11 billion	21%
Mazut	4 billion	6.9%
Gas	5 billion	9.6%

The below table shows the distribution of subsidies budget in the fiscal year of 2009-2010, which has been decreased to 52 billion Egyptian pounds,

Product	Cost	Percentage
Gasoline	9 billion	12.8%
Diesel	33 billion	47%
Butane gas	13 billion	18.5%
Mazut	7.5 billion	10.7%
Gas	8 billion	11.4%

sector foreign investment in the fields of exploring and development, from 33 to 67 percent of total investments of Egypt.

Furthermore, the report emphasized that despite the decrease achieved in the total value of the petroleum exports and imports, the petroleum sector succeeded in achieving a surplus in the petroleum trade balance stood at nearly $5 billion. The success of the sector in achieving the account of 64 petroleum discoveries, including 40 crude oil discoveries, and 24 discoveries of natural gas, resulted in the addition of new reserves amounted to about 468.5 million barrels of crude oil and condensates, about 3.4 trillion cubic feet of natural gas, raising the total reserve of Egypt's proven oil crude and condensate production to around 4.4 billion barrels and 77.2 trillion cubic feet of natural gas reserves in addition to the achievement of a record in the total of Egypt's production of crude oil, condensate and natural gas with some 81 million equivalent tons, reflecting an increase of 6.5 percent.

Environmental protection target

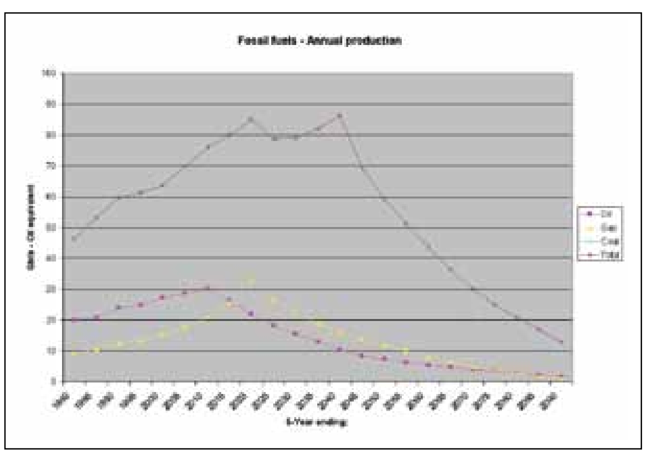
Many energy-subsidy schemes are harmful for the environment. Subsidies that encourage the production and use of fossil fuels inevitably have some harmful environmental effects. By encouraging higher consumption, they lead to higher emissions of air pollutants and greenhouse gases as well as other forms of environmental damage, such as water contamination and spoiling of the landscape. The Kyoto Protocol explicitly requires a reduction of subsidies that encourage greenhouse-gas emissions. But subsidies to fossil fuels can also have a beneficial impact on the environment. For example, encouraging the household use of oil products can reduce deforestation in poor rural areas otherwise dependent on firewood.

World leaders at the G20 meeting in Pittsburgh announced that they would phase out fossil-fuel subsidies in the medium term. The G20 (actually 19 countries plus the European Union (EU) and international financial institutions) accounts for 80 percent of greenhouse-gas emissions. The International Energy Agency estimates that poor countries, defined as those outside the Organization for Economic Co-operation and Development (OECD), spend $310 billion a year on such subsidies, mainly for petrol. But because the rural poor use little fossil fuel, these mainly benefit middle-income and higher-earning urban types. Rich countries also subsidize fossil fuels, by some $20-$30 billion annually. The IEA and OECD calculate that eliminating fossil-fuel subsidies would result in a 10 percent reduction in global greenhouse-gas emissions by 2050.

International side

The response to the American President Barack Obama's speech at the UN has been tepid, but buried in it was this nugget, "I will work with my colleagues at the G20 to phase out fossil fuel subsidies so that we can better address our climate challenge."

According to a recent analysis by the Environmental Law Institute, the U.S gave out $72 billion to oil, gas and coal companies between 2002 and 2008. Meanwhile, renewable energy received $29 billion worth of subsidies, though $16 billion of that

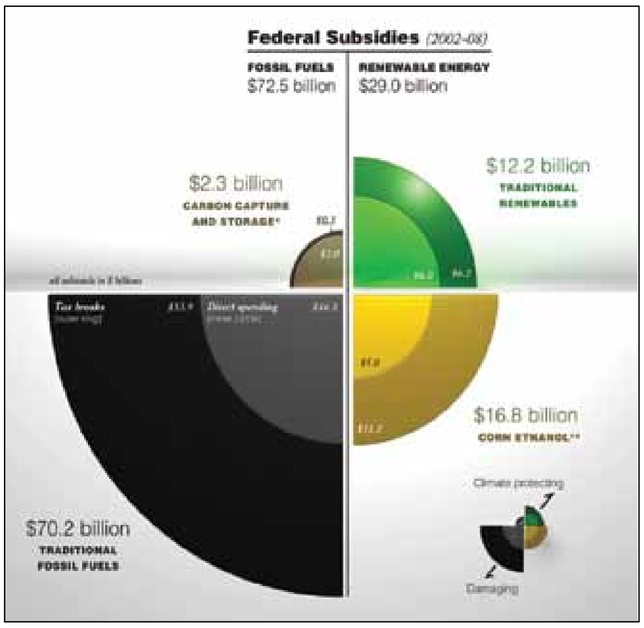


went to ethanol.

Eliminating the pollution that comes from fossil fuels is one of the administration's priorities. Scrapping subsidies is one way to go about it. Considering oil companies were making record profits last year, it will be hard for them to complain too loudly. And we can't picture many politicians coming out publicly in favor of subsidies for fossil fuels.

But, will Obama actually scrap fossil fuel subsidies? Indicators highly doubt it. The industry just would not allow it. It could easily be turned into an issue about jobs. Plus, energy prices would rise. No politician wants to be culpable for raising your energy bill and costing someone a job.

A recent study by the OECD shows that global energy-related CO2 emissions would be reduced by more than 6% and real income increased by 0.1 percent by 2010 if all fossil fuel subsidies in the industrial and power sectors were removed.



By eliminating hidden government subsidy costs, it would raise the price of a gasoline to about $5.28 per gallon making the typical fill-up of the average mid size 16 gal tank vehicle cost over $84 per visit.

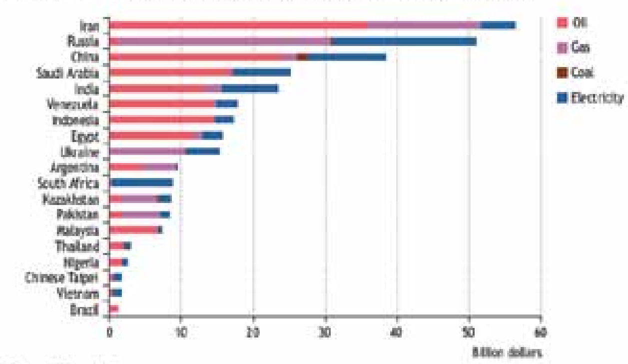
Today, the U.S imports more than 64 percent of its oil consuming a total of 22 million barrels per day. Of this amount, America generates 8.8 million barrels domestically with the remaining (13.2 million barrels) imported each day.

It is estimated Arab sovereign wealth funds owned over $3.8 trillion in assets at the end of 2008 and set to reach $14 trillion by 2018, equivalent to America's projected gross domestic product, gross domestic product (GDP).

The U.S dependency on oil from unfriendly countries that are either politically unstable or at odds with the U.S subjects the American economy to occasional supply disruptions, price hikes, and loss of wealth, which, according to a study commissioned by the U.S Department of Energy, have cost us more than $9 trillion present value over the last 30 years significantly increasing our trade deficit. Oil imports account for almost one-third of the total U.S deficit and, hence, are a major contributor to unemployment. For example, the accelerated development of biofuel, solar and wind energy industries could generate hundreds of thousands of domestic jobs, according to the U.S Department of Energy's $3 billion Energy Recovery & Tax Incentive Act 2009.

The President's remarks point to the fact that many countries provide billions of dollars in subsidies and tax breaks to aid coal, oil, and natural gas companies. The Environmental Law Institute estimates that from 2002-2008, the U.S spent $72 billion dollars in subsides to the fossil fuel industries.

Figure 1.1 • Energy subsidies by fuel in non-OECD countries, 2007

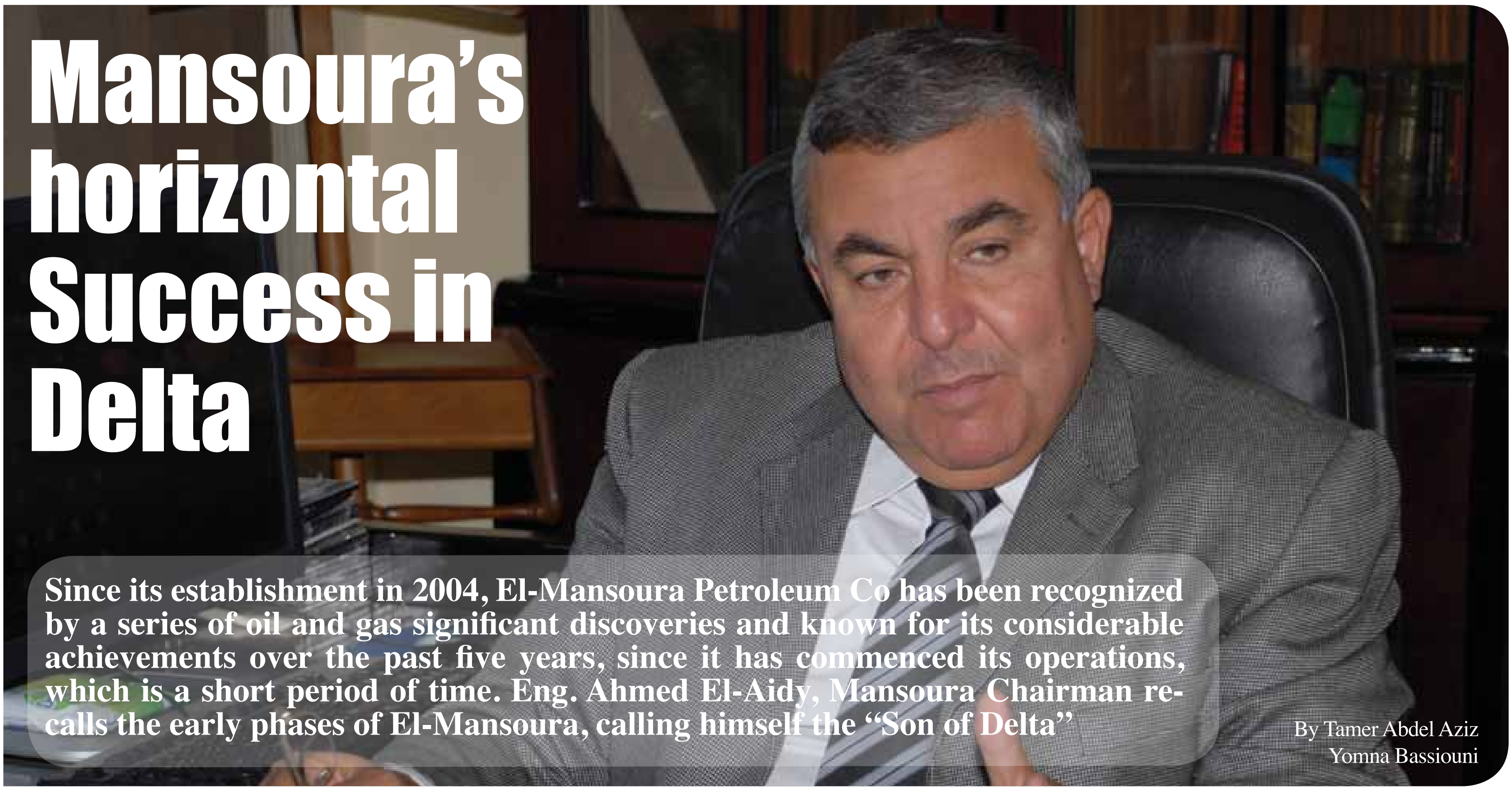


Source: IEA analysis.

In conclusion, ending subsidies for fossil fuels is a good idea but it should be coupled with policy that eliminates subsidies provided to all energy sources. Subsidies create complacency within the industry and direct money that could be used more efficiently elsewhere. The private sector investment in energy research is actually larger than many might think. True breakthroughs in energy technology take time but the private sector has been generating marginal improvements in efficiency for decades.

Eliminating subsidies for fossil fuels only to relocate the money in green energy industries is the wrong path. Wind, solar, and ethanol are not new ideas - the government's effort to subsidize or mandate chosen winners is bad policy that has persisted since the 1970s. Ethanol, for example, has been subsidized since 1978, originally with the promise that the industry would become viable within a few years, go off the dole and compete in the marketplace. But this has never happened. Instead, Congress passed a huge expansion of the ethanol mandate, essentially forcing Americans to use more of it even as it continues to be heavily subsidized.

Mansoura's horizontal Success in Delta



Since its establishment in 2004, El-Mansoura Petroleum Co has been recognized by a series of oil and gas significant discoveries and known for its considerable achievements over the past five years, since it has commenced its operations, which is a short period of time. Eng. Ahmed El-Aidy, Mansoura Chairman recalls the early phases of El-Mansoura, calling himself the "Son of Delta"

By Tamer Abdel Aziz
Yomna Bassiouni

In 2006, Melrose Petroleum Company acquired all the interest shares of Merlon Co. in one of the major agreements in the Egyptian industry, worth approximately $600 million. In the partnership of Melrose-Mansoura Co., the Egyptian government holds 80 percent of shares. As a matter of fact, Melrose bought the three subsidiaries of Mansoura, Qantara and El-Rawda companies.

What are the major landmarks of El-Mansoura since its establishment?

El-Mansoura has succeeded to achieve many oil findings in the Nile Delta, which is known to be a solely gas-producing area. This was one of the major attainments of El-Mansoura as oil was found for the first time in the field of El-Tamad in 2004 and the production started in February 2006.

In may 2006, oil was found in West Dekernes field and the production phase began a year and a half later, in December 2007. Moreover, there was a rehabitation and operational program for Qantara Field in October 2008. The number of drilled wells during that year counted for 150 exploratory and developmental wells and the total expenditure exceeded the $345 million in El-Mansoura concession.

What is the volume of El-Mansoura oil, gas and condensate production?

Uptill now, our average production of gas counts for 200 million cubic feet per day in addition to 10 million barrels of oil and condensate per day. These figures are achieved through the drilling at the fields of South Belkas (discovered in December 2002 and produced natural gas), South Batra (discovered in January 2003 in Southern area of El-Mansoura governorate) and Killala.

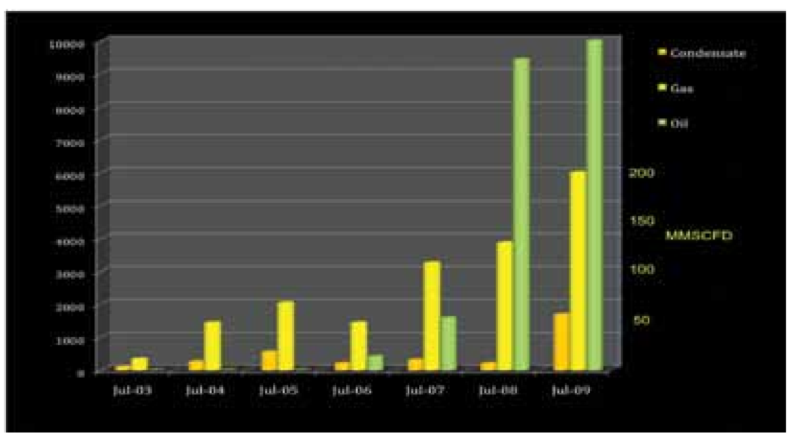
As for the oil production, the company produces oil from the fields of Tamad (discovered in 2004 and started production in 2006) and West Dekernes (discovered in May 2006 and started production phase in December 2007).

What are El-Mansoura recent discoveries?

Since 2006 and to the present time, the company hit three major gas discoveries, El-Zarka Field in 2006 in addition to the fields of North South Abo Zahra and South Killala. This latter field produces solely 100 million cubic feet of gas per day, which is half the company's daily gas production. This field is located in the Southern side of Kafr El-Sheikh, while the El-Zahra field lies in Dakahleya and the North South abo Zahra lies in the governorate of Damietta.

How challenging were the operations held by El-Mansoura in the Delta?

First, the difficulty of land depositions in this area hinders the drilling and production operations in the Delta. However, we did succeed to alter this obstacle to be in our favor through the utilization of state-of-the-art technologies and drilling techniques. As the best drilling method utilized in this area is the horizontal drilling. The implementation of this technique has been well studied to be suitable for the nature of Delta and guarantee the flow of production. To a great extent, El-Mansoura is a pioneer in the horizontal drilling, specifically in this difficult area, which has contributed to double the oil production as it suits The nature of oil layers in Delta.



Personally, the Nile Delta has a significant value for my 37-year career path; in the 1970s, I was selected to join the team that worked in the gas fields in the Nile Delta and achieved gas discovery for the first time ever in 1975. Currently, I am also ending my career in the same area through El-Mansoura operations. Although I spent 18 years of my life working in ADNOC, Abu Dhabi, I still fell I belong to the Delta. That is why I call myself "the Son of Delta".

Is the Nile Delta considered as a promising area in Egypt?

Compared to the Mississippi Delta, the area of Nile Delta is triple the size of the Mississippi, yet we do not have enough funds required to develop this promising area. However, in the context of the current available facilities, we did achieve successful discoveries in Delta, which indicates how promising this area could be. More investments are indispensably needed to boost the area.

Has El-Mansoura been severely affected by the current global economic crisis?

We were directly affected by this economic crunch. The Egyptian petroleum sector was affected as a whole. However, specific measures were taken to face this heavy burden to minimize the outcomes of the negative effects. We had to cut down this year's budget to the half, from $300 to $150 million. There were a series of high achievements and discoveries awaiting our company, however the declining oil prices and the slowdown of the international economy stood against the implementation of our plans for this year.

We re-set the list of priorities concerning the execution schedule for many projects. We had to postpone some, while decreasing the cost of some other projects. For instance, El-Mansoura used to conduct its operations through the utilization of four rigs, now we have only one rig.

When do you expect a recovery from this crisis?

In my opinion, a recovery can be felt by mid next year, depending on having the appropriate funding means along with a reviving development in the petroleum sector, on both international and local levels.

Is El-Mansoura's success limited to the figures of its oil and gas production?

Definitely not! We have paid great attention to our human resources as we first started the company's operations without a middle management. One of the company's targets is to develop this level of employees by recruiting students form the local Egyptian universities and offering them professional trainings to gain the needed skills to be qualified for petroleum job positions.

Currently, there are 619 personnel working in the company's headquarter and fields. This is the workforce behind the success story of El-Mansoura.

U.S.A and China: The rapport policy

The agenda of the next meeting of global climate change, scheduled next December in Copenhagen, focuses on negotiating global agreement for reducing greenhouse gas emissions meeting will include representatives from 200 countries who will gather in this capital. Many analysts in the international community believe that the U.S and China, the world's dominant producers of carbon emissions, should play a major role to set the agenda for global climate efforts

By Mostafa Mabrouk
Chairman Assistant for Economic Affairs, Ganope

Certainly, the road to Copenhagen is not rosy; they do not know what kind of questions they may face. The scope of opportunities that cooperation on clean-energy development could create a partnership between the two countries before December 2009, as they are responsible for about 40 percent of global emissions every year, therefore they are in deep trouble.

As proof, the U.S and China have large coal components to their economies. The U.S relies on coal for about 50 percent of its power, while China for about 70 percent of its power. Generally, burning coal generates a substantial amount of carbon dioxide emissions, so the questions should be, how to control, or specifically how to find ways to capture that carbon dioxide and render it innocuous in terms of climate change.

In fact, both countries have very complementary sets of capabilities in this field, in technology advancement side as well as the engineering one. Thus, if they can work together to develop this technology, test it and work out business models, then they can bring this work much more rapidly than either of any one can do alone. This cooperation would reflect the kind contribution they can make together toward addressing climate change. However, many suspect that Copenhagen meeting will get a final agreement on a new framework.

The U.S President Barack Obama is planning to meet with his Chinese counterpart Hu Jintao late this year in Beijing, with an international expectation of a possible official partnership between the two countries to be signed. The partnership will make Energy as its top priority since it is the core of each economy.

The problem lying in this partnership is that both countries have serious doubts about the long-term intentions of the other side. It is hard to find a high-level official or an intellectual in China who does not believe that sooner or later the U.S will try to slow down or stop China's rise. While in the U.S, there is a concern that if China reaches its full potential, it has on its agenda to marginalize the U.S and Asia relationship.

China has 220 local energy centers set up around the country, which serve the country's strategy to increase energy efficiency. However, there is no one at any of those centers who knows how to do an energy audit. It is just not a skill that they have mastered. On the other hand, the U.S has a lot of capabilities in terms of energy audits. They can train Chinese people at their centers and the cost will be little, but the payoff will be huge. The rapidity of the change and attitude on this issue of clean energy and the possibility to cooperate has been absolutely startling.

Potential of clean-tech partnership

The two countries have adopted aggressive programs to reduce oil imports, create new clean-energy industries and jobs, and generally improve the environment. Unless the two work together to provide the scale, standard, and technology transfer necessary to make a successful and promising yet expensive new clean energy technologies, momentum to curb global warming could stall and neither country will maximize its gains in terms of green jobs, new companies, and energy security. The risk is real, electric vehicles, carbon capture, and concentrated solar power, among other emerging "green tech" sectors, will need massive investment, infrastructure, and research to get off the ground. Since the Chinese and U.S governments, along with private investors, are currently pursuing all of these technologies, formally or informally, if both countries work as a group dedicated to climate change, this would boost the technologies and deliver benefits that would accrue to all nations. Clean energy solutions are critical for reducing the amount of harmful greenhouses gases produced not only by the two highest emitting nations but also by more countries worldwide. For instance, if the majority of vehicles become hybrids and battery - powered ones by 2030, they would generate 42 percent fewer emissions than if all cars continue to run on today's gas and diesel engines. But such reductions will not occur unless China and the U.S lay the groundwork to make it vital.

A farewell to crude oil

A global electric-car sector must start in China and the U.S, jointly creating an environment for automotive investors to scale their bets across both nations. Private companies in both countries will certainly compete to make the products, including electric-drive (or hybrid) vehicles, batteries, charging stations… etc. The two governments could pick matching cities in China and the U.S for electric vehicle pilots that could be used to collect standardized data on real electric–vehicle consumer adoption, infrastructure costs, and driving conditions that could be shared with companies in both nations.

This new sector will lead to a quick decrease in oil consumption; China imports about 50 percent of fuels used in vehicles, while the U.S imports around 80 percent. Such movement would also spark Europe into competing in a global electric vehicle industry.

Focusing on the solar power, a joint action by the U.S and China would create a brighter energy future through the usage of solar power plants. As an emerging technology, it requires technical progress and massive investments that only the largest economies can fund and support. The relevant technology uses sunlight to create and store steam power to drive turbines that transmit electricity on a larger scale. If clean concentrated solar power is scaled to generate 22 percent of total power in China and the U.S by 2030, it could create over half million-job opportunities in each country. Government subsidies have played a prominent role in the growth of solar power. Producers of renewable energy in the U.S receive tax credits for example, and Germany requires electricity distributors to pay market rates for electricity generated from renewable sources. Without such policies, the high cost of generating solar power would prevent it from competing with electricity from traditional fossil – fuel sources in most regions. But the sector's economies are changing. Over the last two decades, the cost of manufacturing and installing a photovoltaic solar – power system has decreased by about 20 percent with every doubling of installed capacity. The cost of generating electricity from conventional sources, by contrast, has been rising along with the price of natural gas, which heavily influences electricity prices in regions that have large numbers of gas –fired power plants. These regions include some states like California, Texas and the Northeast, as well as, Italy, Japan and Spain. The extent and speed of this emerging sector's growth will depend on its ability to keep driving down the cost of solar power. No single player or set of players can make that happens on its own.

There are other benefits to a joint action between the two super powers (i.e. China and the U.S) on clean energy besides reducing oil imports, cleaning up the air. It will not be easy for countries to work in common to make these technologies real. The challenges to cooperation are numerous. Companies in both countries will be wary about what information they share with partners and competitors. Real cooperation between the two countries on technology initiatives is limited.

Weaker dollar leads to healthier oil recovery

The last month witenessed an increase of oil prices, which exceeded the edge of $70 per barrel, reflecting some, regain of the previous session's losses associated with the beginning of global economic recovery and a weaker U.S dollar

By Yomna Bassiouni

According to recent data, the U.S crude for November delivery rose for approximately 62 cents to $70.19 a barrel. The contract closed $1.31 lower at $69.57 a barrel. While, London Brent crude gained 62 cents to $67.82.

"A weaker dollar is going to continue to help oil and the latest corporate results are supporting a lot of markets today," CMC Markets analyst James Hughes told Reuters.

Hughes urged caution over reading too much into positive headline numbers during the corporate earnings season as figures can be enhanced by expenditure reductions rather than increased revenue.

"I am still a little bit skeptical about these results but it looks like investors are going to look through that and are going to accept cost cutting earnings for now."

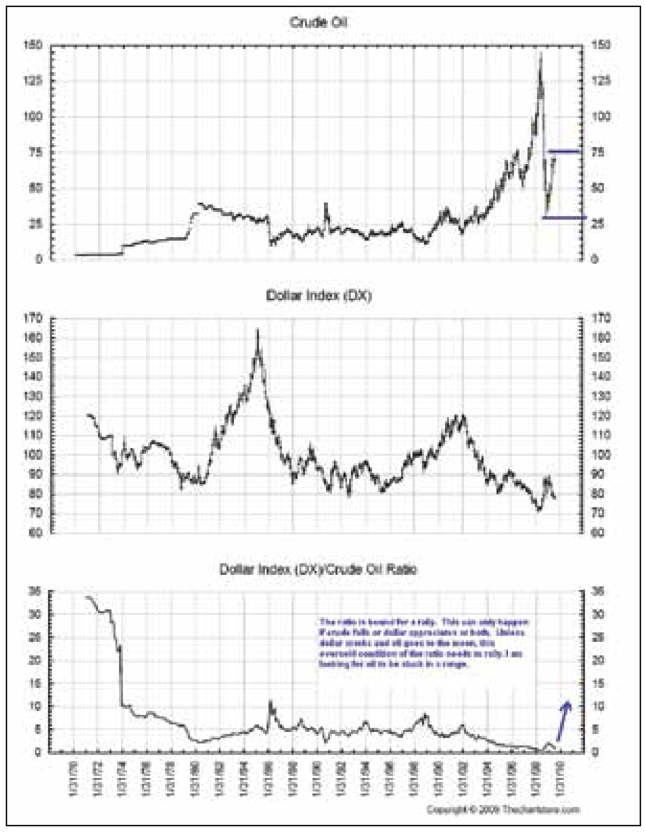
The swinging fall of dollar making it weaker supports oil because it makes commodities priced in the greenback cheaper for those holding alternative currencies.

Still, some analysts doubt whether oil will rise beyond the $75 mark, as the market remains well supplied and the global economic recovery, along with energy demand, remains fragile.

The Energy Information Administration (EIA) reported gasoline stocks leapt 2.9 million barrels in mid October, nearly three times the build that analysts had expected.

Distillate stocks, which include diesel and heating oil, rose by 700,000 barrels; more than double the forecast 300,000-barrel build.

"The road to recovery is unlikely to be as smooth as some expect and will come with a few bumps along the way. The hard data [factory orders, capital goods orders] have disappointed relative to the direction suggested by the new orders' components in the ISM manufacturing surveys," Harry Tchilinguirian, an oil analyst at BNP Paribas, said.

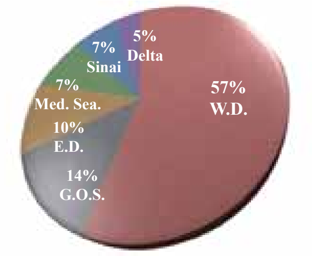



Drilling Fluids Technology
IS Drilling Management
Drilling Fluids Technology – DFT was founded by PICO Energy in 2007. DFT provides its customers with reliable customized and high quality engineering services implementing the best drilling fluids practices using the full fledge of OBM & WBM Chemicals and drill-in fluids. DFT team congregates the most experienced personnel within the Egyptian Market in the field of drilling fluids. The team collaborated for Managing & Operating DFT have rich local and international experience with many Operators in Egypt utilizing varieties of mud systems that led to a successful start in the Gulf of Suez of Egypt. DFT success is a function of performance and improving well integrity as well as enhancing the learning curve which adds to our reputation further diversity.
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.
DFT
PICO ENERGY
Petroleum Integrated Services
Down Hole Digital Services – DHDS founded by PICO Petroleum Integrated Services in 2008 to provide a comprehensive range of surface and down-hole tools and services to help you select the appropriate design for exploratory, development and work over wells applications. Supported by 30 years of experience in the oil field where PICO has proclaimed substantial and superior quality control systems that ascertained the utmost performance and reliability meeting client's expectations; DHDS are committed to provide the best value services for well surface evaluation and bottom hole testing analysis.
Pumping and Stimulation Services –P&S founded by PICO Petroleum Integrated Services in 2008 to provide stimulation treatments to maintain and improve the original permeability of the pay zone. Coiled tubing has a significant role in playing such improvement. Other services can be achieved such as Drilling with Coiled Tubing, OH/CH Logging, Artificial lifting, Well cleaning from scales/sand, Perforation and Fishing with Coiled tubing. Different sizes of Coiled tubing enable to reach the maximum benefit to stimulate the pay zone.
Down Hole Digital Services
Pumping & Stimulation Services

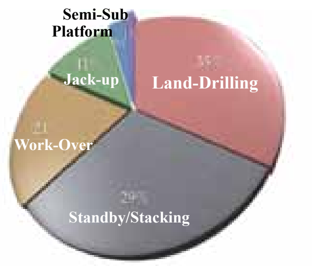
Table 1 Egypt Rig Count per Area -October 2009

Area		RIG COUNT Total	Percentage of Total Area
Gulf of Suez		20	14%
Offshore	20		
Land			
Mediterranean sea		10	7%
Offshore	10		
Land			
Western Desert		82	57%
Offshore			
Land	82		
Sinai		10	7%
Offshore			
Land	10		
Eastern Desert		14	10%
Offshore			
Land	14		
Delta		7	5%
Offshore			
Land	7		
Total		143	100%

Rigs per Area October 2009



Rigs per Specification



Source: Egypt Oil & Gas

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

		United States[2]	Persian Gulf[3]	OAPEC[4]	OPEC[5]	World
2008 December		8,483	23,348	24,191	34,420	**84,163**
2008 Average		8,514	24,386	25,410	35,724	**85,390**
2009 January	E	8,731	22,338	23,214	**33,319**	**83,121**
February	E	8,754	22,469	23,378	**33,224**	**83,492**
March	E	8,842	22,541	23,429	**33,189**	**83,515**
April	E	8,879	22,646	23,477	**33,451**	**83,902**
May	E	9,040	22,764	23,564	**33,554**	**83,360**
June	E	9,987	23,100	23,943	**33,792**	**83,714**
July	PE	9,007	23,433	24,324	34,169	84,515
2009 7-Month Average	PE	8,893	22,759	23,621	33,532	83,661

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

Average Currency Exchange Rate against the Egyptian Pound (September 2009 / October 2009)

US Dollar	Euro	Sterling	Yen (100)
5.478	8.064	8.797	6.081

Stock Market Prices (September 2009 / October 2009)

Company	High	Low
Alexandria Mineral Oils [AMOC.CA]	45.38	43.01
Sidi Kerir Petrochamicals [SKPC.CA]	12.55	11.65

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

	Libya	Sudan	Other	World	OPEC[1]	Persian Gulf[2]	North Sea[3]
2008 December	1,650	440	2,468	72,639	31,259	20,952	4,018
2008 Average	1,736	478	2,483	73,706	31,483	21,913	3,882
2009 January	1,650	450	2,468	**71,641**	**30,226**	20,002	3,919
February	1,650	460	2,459	**71,849**	**30,106**	20,094	4,005
March	1,650	470	2,510	**71,821**	**30,046**	20,136	3,988
April	1,650	480	2,446	**72,094**	**30,271**	20,206	3,821
May	1,650	480	**2,430**	**71,406**	**30,330**	20,280	3,523
June	1,700	485	**2,422**	**71,706**	**30,499**	20,547	**3,484**
July	1,700	490	2,417	72,421	30,797	20,811	3,630
2009 7-Month Average	1,664	474	2,450	71,848	30,327	20,299	3,765

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

Source: EIA

Table 3 World Natural Gas Liquids Production (Thousand Barrels per Day)

	Algeria	Canada	Mexico	Soudi Arabia	Russia	Former U.S.S.R	United States[1]	Persian Gulf[2]	OAPEC[3]	OPEC[4]	World
2008 December	350	668	364	1,353	420	_	1,607	2,262	2,726	3,010	7,681
2008 Average	357	676	365	1,434	422	_	1,784	2,339	2,808	3,088	7,922
2009 January	350	669	366	1,305	405	_	1,721	2,202	2,668	2,942	7,703
February	341	667	364	1,311	402	_	1,792	2,241	2,697	3,965	7,848
March	338	671	374	1,345	402	_	1,850	2,270	2,722	3,992	7,938
April	338	668	379	1,377	405	_	1,851	2,307	2,756	3,029	7,960
May	338	657	382	1,411	426	_	1,934	2,350	2,792	3,072	8,080
June	338	651	363	1,482	428	_	1,901	2,419	2,864	3,141	**8,048**
July	347	656	366	1,547	401	_	1,884	2,488	2,940	3,220	8,147
2009 7-Month Average	341	663	371	1,398	410	_	1,848	2,326	2,778	3,053	7,962

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

Source: EIA

Fig 1

Fig 2

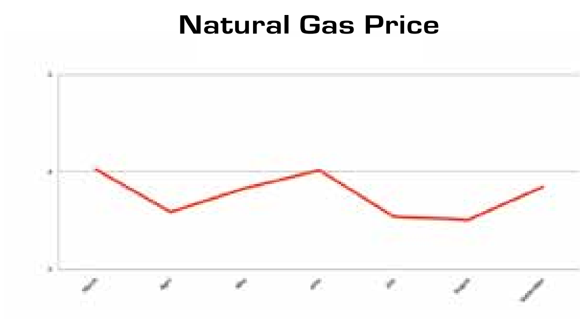
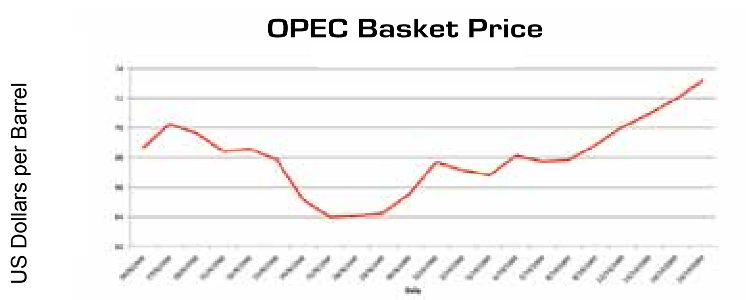


Fig 3



Source: Egypt Oil & Gas

Table 6 International Stock Prices Mid-September 2009 - Mid-October 2009

International Stock	High	Low
Schlumberger [SLB] NYSE [US Dollars]	66.04	59.48
Halliburton [HAL] NYSE [US Dollars]	29.19	26.74
Exxon Mobil [XOM] NYSE [US Dollars]	71.84	68.61
Atwood Oceanics [ATW] NYSE [US Dollars]	39.02	33.82
Weatherford [WFT] NYSE [US Dollars]	22.61	19.31
Shell [RDS.A] NYSE [US Dollars]	59.96	56.83
Apache [APA] NYSE [US Dollars]	99.91	90.99
Baker Hughes [BHI] NYSE [US Dollars]	46.21	42.37
BJ [BJS] NYSE [US Dollars]	20.79	19.29
Lufkin [LUFK] NYSE [US Dollars]	56.04	50.29
Transocean [RIG] NYSE [US Dollars]	90.29	83.19
Transglobe [TGA] NYSE [US Dollars]	4.29	3.43
BP [BP.] LSE Pence Sterling	561.10	535.20
BP [BG.] LSE Pence Sterling	1160.00	1056.00
Dana Gas [Dana] ADSM US Dollars	1.29	1.18
Caltex [CTX] ASX Australian Dollars	12.33	11.63
RWE DWA [RWE AG ST] Deutsche-Borse Euros	64.81	61.19
Lukoil [LKOH] RTS [US Dollars]	66.00	52.80

Source: Egypt Oil & Gas

Table 4 OECD[1] Countries and World Petroleum (Oil) Demand (Thousand Barrels per Day)

	France	German	Italy	United Kingdom	OECD Europe[2]	Canada	Japan	South Korea	United States[3]	Other OECD[4]	OECD[1]	World
2008 December	2,116	2,470	1,628	1,721	15,258	2,220	5,150	2,293	19,142	**3,572**	**47,636**	NA
2008 Average	1,986	2,569	1,639	1,710	**15,349**	2,260	4,785	2,175	19,498	**3,509**	**47,576**	**85,462**
2009 January	2,037	2,389	1,528	1,746	14,777	2,232	4,845	2,328	19,125	**3,297**	**46,605**	NA
February	2,049	2,613	1,585	1,701	15,067	2,221	4,716	2,490	18,706	**3,406**	**46,606**	NA
March	1,966	2,723	1,531	1,742	14,921	**2,154**	4,611	2,218	18,672	**3,365**	**45,940**	NA
April	1,847	2,475	1,531	1,710	14,400	**2,051**	4,226	2,241	18,471	**3,329**	**44,717**	NA
May	1,715	2,329	1,490	1,616	**13,682**	**2,133**	3,818	2,159	18,176	**3,355**	**43,323**	NA
June	1,865	2,363	1,545	1,694	14,550	2,177	4,064	2,109	18,762	3,429	45,090	NA
2009 6- Month Average	1,911	2,481	1,534	1,701	14,559	2,161	4,377	2,254	18,652	3,362	45,365	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