

The undisclosed cases of HSE failures in EGYPT

The petroleum sector is no far from this criticism and analysis, especially that questions have been raised; to what does the sector respect the HSE regulations? This article unearths the undisclosed cases of HSE failures

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Rashpetco deepens in the Mediterranean Area

Rashid Petroleum Company (Rashpetco) completed the drilling of a new development well, Saffron DO, in the West Delta Deep Marine block, in the area of the Mediterranean Sea.

In the context of the company's 2011/2012-development plan, Rashpetco drilled the well to a total depth of 6875 feet, through the Scarabeo-6 rig.

The cost of this drilling operation is worth \$15.24 million and was held over 125 days.

The Saffron DO is a gas producing well and its monthly production rate exceed 2,300,000 cubic feet.

Rashpetco is jointly owned by BG Group, which has a 40% shareholding, Petronas holds 10% and the remaining 50% is held by the Egyptian General Petroleum Corporation (EGPC).

SUCO develops the Ras Fanar field

Suez Oil Company (SUCO) drilled a new development well, RF-B13 in the Ras Fanar fields, offshore Gulf of Suez Basin.

The well was drilled to a total depth of 5110 feet. The investments of this drilling operation counted for approximately \$6 million.

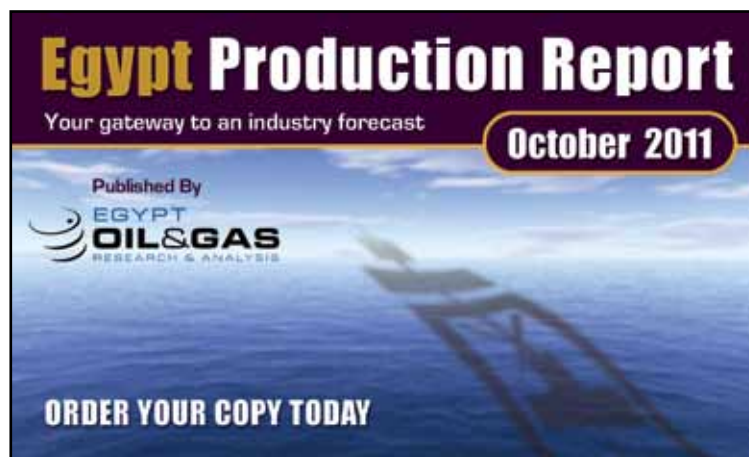
SUCO is the joint venture between the EGPC and RWE Dea. According to official figures, SUCO's total oil production in last September stood at 566,660 barrels.

Naftogaz invests \$5 million in the Western Desert

Naftogaz conducted a drilling operation at the company's Alam El-Shawish concession, in the Abu Gharadiq basin, east the Western Desert.

The company drilled a new development well HG-34/3, through the Sino-Tharwa rig ST-11, with total investments of \$5 million. The production rate of the well stands at 3000 barrels of oil per day (bopd).

This drilling activity is part of the company's plan for the fiscal year of 2011/2012.



Qarun develops Karama and Ras Budran fields

Qarun Petroleum Company (QPC) finished the drilling of two new development wells, Karama 10 and ERB-A-2, in the Karma Development Lease and the Ras Budran Block respectively.

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RWE explores the North Amyria block

RWE Dea completed the drilling of a new exploratory well, NEA-4X in the North Amriya Exploration Block, located in the Nile Delta Basin.

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NEW SECTION: Projects

Assil and Karam fields on the development track

P13

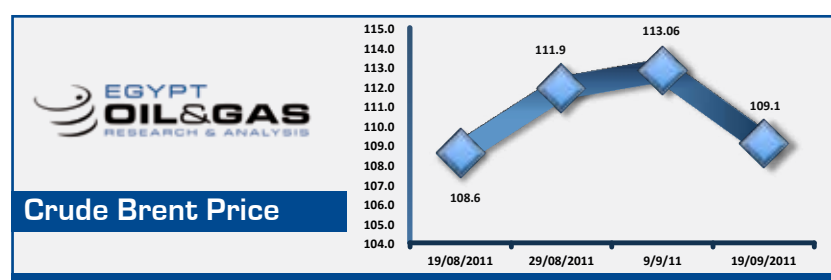
Libya's Auspicious Petroleum Future

The future of Libya now seems promising, resting in the hands of its National Transitional Council (NTC), which acted as the political 'face' of the revolution, and currently serves as Libya's interim government

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IBM celebrates A decade of technological excellence and innovation

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Official statement critically needed

Ignoring the continuous attacks on the Egyptian gas pipeline to Israel and Jordan without a single clear public statement from the government and/or the Ministry of Petroleum has unfortunately negative significance, in my opinion. How come such a strategic pipeline gets blown up several times with the same method and no one get arrested!

Over the past six months, this gas pipeline was exploded five or six times, which cause the Egyptian gas exportation whether to Jordan or Israel. The exportation to this latter has been under vigorous public attack and citizens are calling to terminate the Israeli gas exportation deal. Hence, what does the reaction of the government imply?

Personally, this shows that either the Ministry of Interior Affairs is losing control over this strategic pipeline or such blasts are in favor of the officials since negotiations with the Israeli side is reaching a dead end! Whatever interpretations are/will be made are damaging the investments of the Egyptian petroleum sector and threaten its credibility.

I would recommend that the Egyptian government or the Minister of Petroleum to explicitly announce their final decision concerning the gas exportation deal to Israel. The public has had enough of "we are still negotiating" and is waiting for a decisive action. Or at least, they should explain their different scenarios for this issue.

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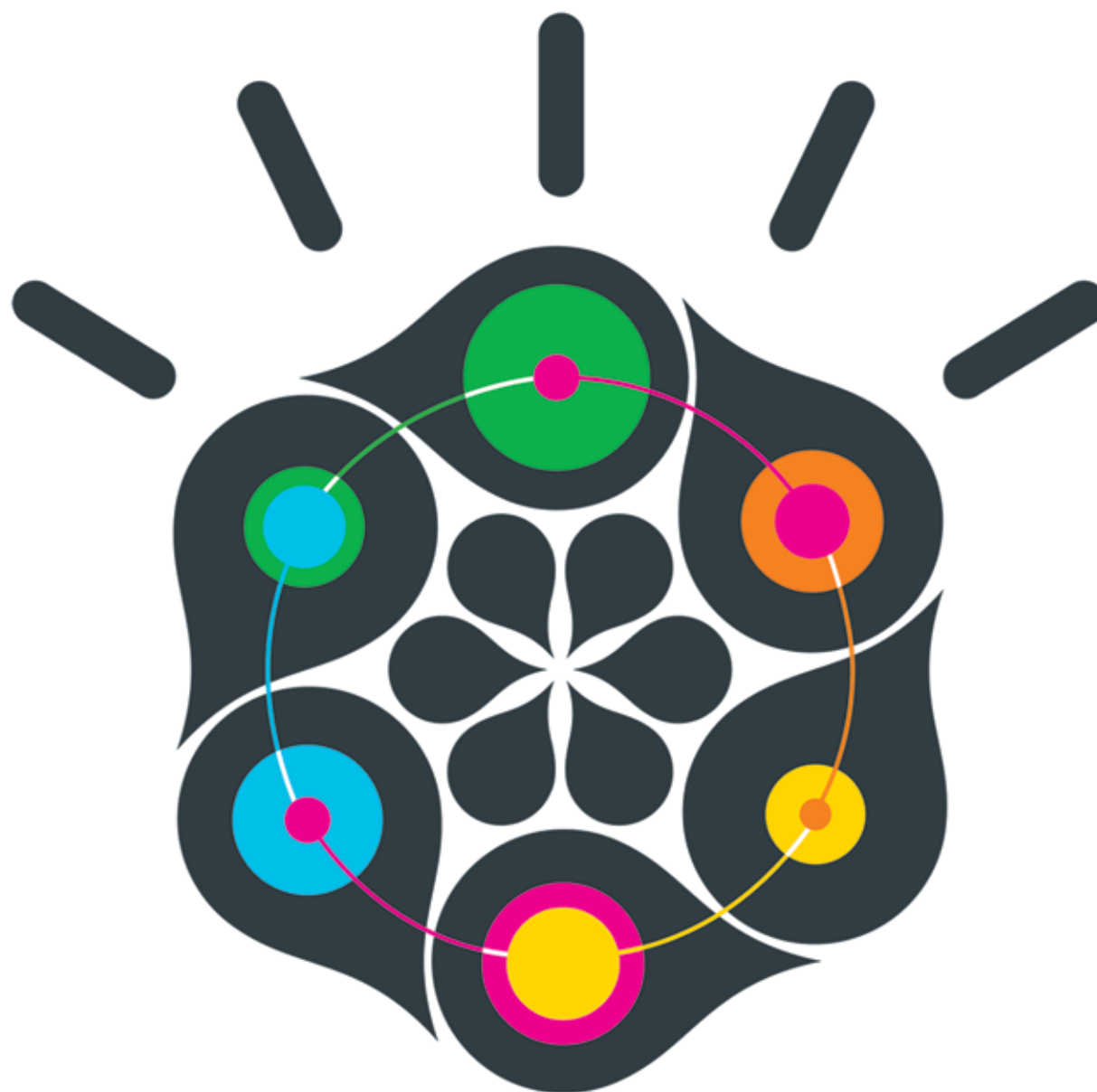
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Conversations for a Smarter Planet: 11 in a Series



Smarter resources to fuel a smarter planet.

Today, we can only extract about one-third of the oil in an existing reserve, leaving billions of barrels in reservoirs. That's unfortunate, since it can cost \$100 million to drill a single new well. Just a 1.5% increase in recovery from existing wells would yield enough oil for half a year's global consumption, lowering the cost of fuel—which would mean lower prices for travel, homes, food and consumer products.

Put simply, we need smarter oil and gas fields. And that means gathering and managing real-time data from across the entire production stream, in vast quantities. One oil field alone can generate the equivalent of 200 DVDs' worth of data per day. Making sense of all this information is critical for better decision making—about exploration, production and management.

Smarter exploration means integrating and processing geophysical and other relevant data to develop 3-D models of reservoirs. It means finding previously inaccessible oil and gas reserves embedded beneath difficult terrain or the deepest ocean waters. Repsol, in partnership with scientists from around the world, is using advanced

seismic imaging technology from IBM to reveal oil and gas deposits that traditional imaging techniques can't see.

Smarter production means capturing information about the volume and quality of oil and gas reservoirs before a new well is drilled. It means minimizing the drilling footprint and exploration risk while improving the safety and reliability of operations. One U.S.-based firm is using seismic data and rock physics inversion to create a comprehensive, integrated view of potential resources.

Smarter reservoir management makes use of sensors embedded across pipes, pumps and an entire field, generating data that can be compared against historical trends and applied to help optimize well performance. An intelligent field can even monitor itself while being run by a team of "virtual" experts around the world. Norway's StatoilHydro is linking real-time sensing capabilities in the field with collaborative analytics systems that increase the recovery rates of its oil and gas fields.

Let's build a smarter planet. Join us and see what others are thinking at ibm.com/think



Agiba active in the Meleiha Lease

Agiba Petroleum Company completed the drilling of a new development well in the Meleiha Concession, in the Western Desert.

The Meleiha-78 well was drilled to 6000 feet, with a total cost of \$700 thousand. The drilling of this crude

oil producing well is part of Agiba's development plan for the current fiscal year of 2011/2012.

It is worth mentioning that Agiba's total oil and condensates production exceeded 15 million barrels during the fiscal year of 2010/2011.

Qarun develops Karama and Ras Budran fields

Qarun Petroleum Company (QPC) finished the drilling of two new development wells, Karama 10 and ERB-A-2, in the Karma Development Lease and the Ras Budran Block respectively.

The Karma 10 well, located in the onshore Abu El Gharadiq Basin, in the Western Desert, was drilled to a total depth of 8000 feet, through the ECDC-49 rig.

The drilling operation of this oil producing well was worth \$1 million.

On the other side, QPC drilled the ERB-A-2 well, in the Ras Budran Block, in the Gulf of Suez area.

The well was drilled by the EDC-57 and showed production rate of 1,813,171 barrels of oil per month.

QPC invested more than \$15 million in this drilling operation, which is part of the company's development plan for the fiscal year of 2011/2012.

QPC is the joint venture between the American Apache Corporation and the EGPC.

Edison drills new exploratory well

Italy's Edison drilled the new exploratory well, WWER-3, in the West Wadi El-Rayan concession, in the area of the Western Desert.

The well was drilled to a total depth of 5419 feet, through the EDC-67 rig.

The drilling expenditure of this crude oil producing well cost \$4.119 million.

Edison operates the West Wadi El Rayan license, (with a 60% working interest, which is currently under long-term production test.

The Italian company holds also a

100% operated participating interest in the Abu Qir concession in the Nile Delta Offshore and a 20% participating interest in the Rosetta offshore production license. Total production from Abu Qir currently exceeds 33 Kboed; Rosetta gas production exceeds 400 MMscf/d and is entirely dedicated to the domestic market. Edison also operates in the offshore Nile Delta the exploration license of Sidi Abd El Rahaman (40% working interest).

More drilling updates from the Western Desert

Badr El-Din Petroleum Company (Bapetco) and Khalda Petroleum Company (KPC) drilled recently two new wells in their concession areas in the Western desert.

Bapetco, the jointly owned company between the EGPC and Shell Egypt, drilled the WAESC-1 exploratory well to a 9250-feet depth through the EDC-01 rig.

The total cost of this drilling

operation counted for \$2.374 million.

KPC, a 50-50 JV held by the EGPC and Apache, drilled a development well, drilled the development well, SWAG-2, to a total depth of 13000 feet and at an estimated cost of \$3.88 million.

Both drilling operations are part of the current 2011/2012 fiscal plan.

EGPC releases 15 blocks in International Bid Round 2011



The Egyptian General Petroleum Corporation (EGPC) announced its International Bid Round 2011 for 15 blocks, which are located in the Gulf of Suez, Western Desert, Eastern Desert and Sinai.

Twelve of the blocks on offer are located onshore, with the remaining three blocks located offshore in the Gulf of Suez.

The list of Western Desert blocks includes seven ones; NE Obayed, North Matruh, NW Gindi, South Ghazalat, N. Alam El Shawish, S. Abu Sennan and SE

Abu Sennan.

The Eastern Desert has three offered blocks; NW Gharib Onshore, SW Gharib Onshore and SE Gharib Onshore, while Sinai has two offered blocks; East Lagia and El Qa'a Plain.

The remaining three released blocks are located in the Gulf of Suez, which are NW Abu Zenima, E. Ras Budran Offshore and NE Issran.

The deadline for the submission of bids is January 30, 2012.

BORAPETCO invests \$4.295 in Western Desert

The Borg El-Arab Petroleum Company (BORAPETCO) drilled a new development well, OBAD-31, in the Western Desert.

The drilling operation, held by the EDC-55, had a total investment of \$4.295 million.

BORAPETCO drilled the well to 13,409 feet

Mediterranean Sea bolsters the Egyptian-Turkish ties

Egypt and Turkey eye to strengthen the mutual cooperation between the two countries in the energy sector, announced the Turkish Minister of Energy Taner Yildiz during his visit to Cairo, last month.

He highlighted that the Egyptian officials initially agreed to partner up with the Turkish side to explore for oil and gas in the Mediterranean Sea, reported the Hurriyet Daily News.

"Egypt and Turkey can work together on the fields of oil and [natural] gas, we evaluated this issue and need some more time [for further steps]. We can search together in the Mediterranean," said Yildiz, not giving details on the project while speaking to journalists. The minister also emphasized Egypt's experience in deep-water drilling.

The Turkish Minister described his visit as an "extreme-

ly fruitful", during which two memoranda of understanding on energy cooperation were signed with the Egyptian counterparts.

"One of them is about joint projects in third countries, the other regards electricity... Turkey is working on a master plan for electricity-interconnection in the southern and eastern Mediterranean countries including Syria, Lebanon, Jordan, Palestine, Egypt, Libya, Morocco and Algeria. Thus, an interconnecting system will be available for the southern Mediterranean region, as it is for the north," added Yildiz to reporters.

"We import natural gas from five countries and oil from 11. Egypt can be the sixth country that exports natural gas to Turkey," the minister said, adding that Egypt produces about twice the amount of energy Turkey consumes.

Energean Oil & Gas extends exploration permits in West Kom Ombo

Energean Oil & Gas announces that its subsidiary Aegean Energy Egypt Limited commences the 2nd Exploration Phase of West Kom Ombo Block Concession License ending September 2014.

During this new phase Energean will continue its exploration program across the block in the Upper Egypt region covering a total area of 23,640 Km2. The first step ahead will involve acquiring a high-resolution aeromagnetic survey over the entire concession area. Energean endeavors to assess the remaining 60% of the WKO block that is still unexplored. The results will be integrated to the existing model and Based on the results, Energean will acquire 2D seismic data in order to focus on future exploratory targets.

Energean has drilled in the previous phase two wells that cor-

relate well with the stratigraphy of the Al Baraka field. Therefore, closures in the deeper parts of the basin will be the focus of the 2nd exploration phase.

The Operator has managed to recently secure and holds a 90% working interest with Groundstar Resources Limited holding the remaining 10% carried interest through the 2nd exploration phase.

Energean Oil & Gas through its subsidiaries is a private international oil and gas exploration and production group of companies with a Mediterranean and North African Region focus with oil and gas assets currently operated in Greece and Egypt. Aegean Energy (Egypt) Limited – a subsidiary of Energean Oil & Gas – operates also the offshore East Magawish concession in the Gulf of Suez.



TransGlobe sums up Q3 operations updates



TransGlobe Energy Corporation provided a mid-quarter production and operations update for the West Gharib, West Bakr, East Ghazalat and South Alamein blocks during the third quarter of 2011.

During the third quarter, the Company has drilled thirteen wells resulting in twelve oil wells and one dry hole to date in the West Gharib block. The primary focus of the 2011 drilling program has been the development/appraisal of the Arta/East Arta and North Hoshia Nukhul pools where two drilling rigs have been drilling. Eight of the thirteen wells drilled in the third quarter were targeting the Upper Nukhul formation resulting in seven Upper Nukhul oil wells in the Arta/East Arta pools and 1 potential Upper Nukhul oil well in North Hoshia. Two drilling rigs are scheduled to remain in the Arta/East Arta area focused on the Nukhul formation for the balance of 2011.

Four wells were drilled by the third rig resulting in three oil wells and one dry hole in the Hoshia/West Hoshia area. The rig is currently scheduled to drill wells in the Hoshia and West Hoshia area into the fourth quarter.

West Gharib production averaged 11,685 Bopd in July and 10,868 Bopd in August.

Transglobe entered into a Sale and Purchase Agreement (PSA) on March 28, 2011, to acquire all the Egyptian assets of The Egyptian Petroleum Development Co. Ltd. (of Japan) (EPEDECO) for \$60 million plus or minus adjustments, effective July 1, 2010 subject to approval from the Egyptian Government. EPEDECO holds a 100% working interest in the West Bakr Production Sharing Concession (PSC).

The West Bakr PSC is located onshore in the western Gulf of Suez rift basin of Egypt adjacent to TransGlobe's West Gharib Concession and is producing approximately 4,000 Bopd gross (before the production sharing split with the Egyptian Government).

In last July, Transglobe received the governmental approval for the Safwa development lease, with a 20-year term and covers approximately 11,040 acres or 15 develop-

ment blocks.

In the East Ghazalat Block, the operator has proposed an initial development budget of \$2.6 million (\$1.3 million to TransGlobe) to complete and equip the existing four wells for production. Processing facilities will be rented for the initial production phase until facility design and construction has been completed. Facility design work is expected to commence following the next drilling phase in 2012. The operator is targeting first production to commence in December 2011. It is expected that the wells will initially be capable of producing 400-600 Bopd per well from the Bahariya formation, which could contribute an additional 800 to 1,200 Bopd of light (34° API) sweet crude to the Company by year-end. Production will initially be trucked to a sales pipeline approximately 95 kilometers north and west of the Safwa field.

Finally, the company entered into a PSA to acquire Cepsa Egypt's 50% operated working interest in South Alamein for \$3.0 million plus an inventory adjustment, effective on and subject to approval from the Egyptian Government.

El Paso South Alamein (El Paso SA), a subsidiary of Houston-based El Paso Corporation, holds the remaining 50% interest in the South Alamein PSC. Ancillary to this transaction is an agreement between TransGlobe and El Paso SA on a go-forward appraisal program in exchange for El Paso SA waiving its preferential right under its joint operating agreement with Cepsa Egypt. TransGlobe will assume operatorship of the South Alamein Concession upon closing of this transaction.

The current size of this exploration concession is 2,258 square kilometers. The concession includes an oil discovery well, Boraq-2X, which tested a combined 1,700 Bopd of 38° to 40° API oil from two Cretaceous zones. Initial work by TransGlobe will focus on appraisal and development the Boraq-2X discovery that includes drilling at least two appraisal wells and readying the Boraq-2X well for production. The Boraq-2X discovery is close to existing infrastructure, which should reduce development time and capital.

Dana Gas eyes production increase

Dana Gas drilled the South Abu El-Naga 2 development well, in the West Manzala Concession, onshore the Nile Delta.

The cost of drilling this oil-producing well averaged \$2.5 million. The well was drilled to a total depth of 8000 feet.

The Middle East's first and largest regional private sector Natural gas Company aims at increasing its production rates to 67 thousand barrels a day by mid 2012.

On May 3rd, 2011, Dana Gas announced its latest discovery at the South Abu El Naga-2 well, drilled as an appraisal of the previously announced South Abu El Naga Field in the West El Manzala Concession, which encountered 16.6 meters of net pay in the Abu Madi formation.

In addition, the well encountered 4.8 meters of net pay

in a good quality sandstone reservoir of the El Wastani formation, representing a new pool discovery. On test, the well produced 14.1 million standard cubic feet per day (MMscf/d) of gas with 718 barrels of condensate from the Abu Madi Formation, and 5.9 MMscf/d of dry gas from the El Wastani Formation.

"As our first discovery for 2011, the South Abu El Naga-2 well highlights our ongoing success in Egypt. Besides being a successful appraisal of the South Abu El Naga Field, it is the twenty-second new pool discovery as a result of the outstanding dedication of our exploration and drilling team in implementing the aggressive campaign launched in 2007. We will actively continue this exploration program throughout 2011," said Ahmed Al Arbeed, Dana Gas CEO in a statement.

RWE explores the North Amyria block

RWE Dea completed the drilling of a new exploratory well, NEA-4X in the North Amriya Exploration Block, located in the Nile Delta Basin.

The NEA-4X was drilled to a total depth of 10,000 feet, with an average cost of \$29 million.

RWE has been holding E&P operations in Egypt since 1974 and has been producing oil as operator in the Gulf of Suez since 1983. Over the years, RWE has succeeded in the operatorship and/or partnership in exploration and production of gas and oil in sites located in the Nile Delta and onshore in the Western Desert region. Currently, RWE holds operations in 15 onshore and offshore concessions, which cover a total area of 15,500 sq km.



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Shell: \$200 million-investment in SA shale exploration

Despite the tough opposition in this region, Royal Dutch Shell plans to invest \$200 million to explore for shale gas in South Africa's semi-arid Karoo region.

"If exploration efforts prove that shale contains commercially producible gas volumes, then South Africa could see production from this source within a decade," Jan Willem Eggink, General Manager Upstream Ventures for Shell's South African Unit, said in a news conference.

Shell has been confronted by a vigorous opposition from the farmers and conservationists at the Karoo region, as they are concerned about the negative impacts of hydraulic fracturing (fracking), during which millions of liters of water, sand and chemicals are blast at high pressure into underground rock in order to form cracks that would break free the gas and oil.

There have been lots of attempts by leading companies eyeing shale gas

in this South-African region, among which Petrochemical group Sasol, Anglo American and Falcon Oil and Gas.

Shell is the only company that received exploration permits in the Karoo region, up to 90,000 sq km.

"By drawing on potential abundant domestic gas supplies, you can meet rising energy demand while maintaining energy security," Eggink said. "South Africa could well have at least half of an estimated 485 trillion cubic feet of trapped shale gas, enough to be commercially viable and allow the country to become energy self-sufficient for decades to come."

Shell top official highlighted that Shell would not compete with farmers for scarce water resources and would likely truck in water initially before trying to pipe it by using the brackish water found deep underground. he further added, "Shell would also consider paying landowners for access to their land although no compensation policy was finalized yet".

Pazflor, the world's largest deepwater development, comes on stream in Angola

Total, operator of Block 17, announced that the giant Pazflor field offshore Angola has come on stream ahead of the initial schedule.

"Pazflor's start-up, several weeks ahead of schedule and within budget, is a remarkable achievement of the teams involved. The support and trust of Sonangol, our concession holder and partner, also made an invaluable contribution to our efficiency," said Yves-Louis Darricarrère, President Exploration & Production at Total.

The Pazflor field lies 150 kilometers off Luanda in water depths ranging from 600 to 1,200 meters and has estimated proved and probable reserves of 590 million barrels. The field will gradually ramp up to its full production capacity of 220,000 barrels per day over the coming months.

"Pazflor required a development effort on the same scale as the field. Paving a way with new technologies, the project showcases Total's expertise in highly complex environments. The project facilities have been designed and thoroughly tested in accordance with the strictest health, safety and environmental standards. This is another step in the ongoing saga of our deep offshore feats, begun right here in Angola. Deepwater developments are a core driver of our future production growth," added Darricarrère.

Pazflor comprises a vast subsea gathering network, the most complex ever built in Angola: 180 kilometers of lines tying in 49 subsea wells, 10,000 metric tons of subsea equipment and the giant Pazflor floating production, storage and offloading (FPSO) vessel. Held in position by 16 subsea mooring

connectors, with its 325 meters long, 62 meters wide and a weight of more than 120,000 metric tons, the FPSO is the largest in the world. It can store up to 1.9 million barrels of oil that is then exported to tankers via an offloading buoy. The associated gas is re-injected into the reservoir, but could also be exported to the Angola LNG plant once the latter becomes operational.

A key technical challenge was producing two very different grades of oil from four separate reservoirs. Producing the heavy, viscous oil from the three Miocene reservoirs, which account for two-thirds of the reserves, and the related flow assurance constraints, represented a major challenge. The gas has to be separated from the liquids on the seabed so that the viscous liquids can then be pumped to the surface. The design and installation of sub-sea gas-liquid separation units and pumps are a world first on this scale. The pumps were purpose designed and tested for Pazflor.

Total's wholly owned subsidiary Total E&P Angola operates Block 17, with a 40% interest, while Sonangol is the concession holder. The other partners are Statoil ASA (23.3%), Esso Exploration Angola (Block 17) Limited (20%) and BP Exploration (Angola) Ltd (16.67%).

Total has been present in Angola since 1953. In 2010, the Group's operated production in Angola averaged 460,000 barrels of oil equivalent per day (boe/d) and its SEC equity production amounted to 163,000 boe/d. Most of this production comes from blocks 17, 0 and 14.

Anadarko hits oil discovery offshore Ghana

Anadarko Petroleum Corporation announced a light oil discovery at the Akasa-1 exploration well on the West Cape Three Points Block offshore the Republic of Ghana.

the well encountered 33 meters of primarily high-quality, oil-bearing pay from four main Turonian-aged sand packages, similar to those found in the Jubilee and Mahogany East areas, said the company in a statement.

Samples recovered from the Akasa-1 well indicate oil of approximately 38 degrees API gravity.

Anadarko Sr. Vice President, Worldwide Exploration, Bob Daniels commented on the discovery, "The Akasa-1 discovery continues to build upon our partnership's successful West Cape Three Points program, enhancing the resource potential of this prolific area... After successful appraisal, we expect

the Akasa discovery along with previous discoveries at Teak to potentially anchor an additional development on the block."

The well was drilled to a total depth of approximately 3,920 meters in approximately 1,160 meters of water. The partnership plans to preserve the Akasa-1 discovery well for future use and plans further delineation in the area with appraisal activity at both Akasa and Teak.

Anadarko has a 30.875-percent working interest in the West Cape Three Points Block. Other partners in the block include Kosmos Energy (30.875-percent working interest and operator), Tullow Oil plc (26.396-percent working interest), Sabre Oil & Gas Holdings Ltd (1.854-percent working interest) and the Ghana National Petroleum Corporation (10-percent carried interest).

TWMA secures £1 million deal offshore West Africa

TWMA won its first offshore service contract in West Africa, which serves the company's target to expand its business in this important region.

The £1 million contract was awarded by AGR Petroleum Services, for a six-month period. the deal covers supply, installation and operation of an integrated drilling waste management solution.

"West Africa is a priority region for our ongoing internationalization plans and this landmark contract offshore Guinea provides a basis for us to continue expanding our waste management services in the region," commented Ronnie Garrick, Managing Director of TWMA. "Our ability to provide a complete solids control package to AGR and deliver short mobilization times for projects worldwide sets us apart from other companies. We are delighted that AGR has chosen to work with TWMA again and look forward to this latest campaign."

according to the terms of contract, TWMA will provide a range of solids control technologies to AGR for its drilling campaign in the Hyperdynamics' concession offshore the Republic of Guinea.

The drillship Jasper Explorer has been contracted by AGR, on behalf of Hyperdynamics, for this exploration project. It will leave Singapore where it is currently based for Conakry in Guinea later this month with drilling due to commence in August.

The service package, which includes cuttings dryers, centrifuges and pumps along with TWMA's

field proven CCDS cuttings handling, storage and transfer system has been deployed from TWMA's facilities in Aberdeen, UK, and Egypt.

"As we continue to strengthen and build relations in West Africa through a focused and dedicated resource for the region, we are confident of winning further new business for all our service lines," explained Garrick.

UK-headquartered TWMA provides complete waste management technologies and services to the global oil and gas industry. TWMA was formed in 2000 and it is currently present in the UK, Norway, Americas, North Africa and Middle East.



Total enters Kenya's exploration arena

Total announced its acquisition, through its Total E&P Kenya B.V. subsidiary, of a 40% interest in five offshore exploration blocks in the Lamu Basin, blocks L5, L7, L11a, L11b and L12, in Kenya.

According to the company's statement, the acquisition is still subject to the official approval of the Kenyan authorities. Total is expected to acquire a 20% stake from Anadarko Kenya Company, which will continue to be the operator with a 50% interest in the permits, a 5% stake from Cove Energy, which will maintain a 10% interest in the permits, and a 15% stake from Dynamic Global Advisors, which is selling all of its interest to Total.

"This transaction is part of a bold exploration strategy that consists in acquiring large stakes in high-

potential frontier plays," said Marc Blaizot, Total's Senior Vice President, Exploration. "Recent discoveries in offshore Mozambique and Tanzania offer a very promising outlook for these Kenyan permits."

The five blocks cover a total area of 30,500 square kilometers, located offshore the Lamu Archipelago in water depths of between 100 and 3,000 meters.

"A 3,500 square kilometres 3D seismic survey is currently underway. If the results are satisfactory, one or more exploration wells will be drilled once the survey has been completed," added the statement.

Total has been present in Kenya - one of its longest established host countries in Africa - since 1955 via Total Kenya, headquartered in Nairobi.

Saipem seals \$500-million new drilling contracts

Saipem announced the signing of offshore and onshore drilling contracts with Saudi Aramco and Total E&P Angola, worth \$500 million collectively.

The first contract was signed between Total E&P Angola, which granted Saipem a contract extension of the Saipem 12,000 drillship for two years, starting from August 2015. This drillship is classified as an ultra deepwater drillship that is capable of operating in water depths up to 12,000 feet in full dynamic positioning mode.

The second contract is an onshore drilling one, which was granted to Saipem by Saudi Aramco for the jack-up Perro Negro 7, for drilling activities in the waters of Saudi Arabia. The Perro Negro 7 is a jack-up rig that operates in water depths of up to 375 feet. This Saudi contract, due to start during the second half of 2011, has a three-year extension period.

Moreover, Saipem secured other onshore drilling contracts for 14 rigs in Algeria, South America and Ukraine.

Circle Oil awarded exploration permit extension in Oman

The Oman's Ministry of Oil and Gas approved the extension of exploration permits granted to Circle Oil for the onshore Block 49, ending in December 2012.

the Block 49 is considered as an unexplored area of Southern Oman that lies 700 kilometers south-west of Muscat. Circle Oil Oman Ltd. is the block operator with 100% working interest.

The international oil and gas exploration company is expected to complete an additional 2,500 line-kilometer of closely spaced 2D seismic survey and drill one exploration well, within this time frame.

According to a company statement, the seismic program is to be acquired in the south-eastern part of the permit, north-east of and adjacent to the 3D survey which was completed in 2010. This survey is intended to provide

a better understanding of the whole southern permit area, and outline potential additional drilling targets. It will complement the existing dataset, and cover an area with sparse coverage of legacy 2D lines. Acquisition parameters for the survey will draw on the experience obtained during the acquisition and processing of the 3D survey.

"The granting of the extension for Block 49 will allow Circle to further evaluate drilling opportunities within the southern area of the permit. In Block 52, the new seismic is of excellent quality and multiple closures, including some leads we mapped previously, have been firmed up as prospects. The interpretations coming from Block 52 seismic have allowed us to prepare a comprehensive farm-out package," commented Prof. Chris Green, Circle Oil CEO.

IEA: highest Saudi oil output in three decades

the International Energy Agency (IEA) announced that the total oil production of the Kingdom of Saudi Arabia in last august hit the highest record over the past 30 months.

The IEA monthly oil market report added that Saudi Arabia pumped 9.8 million barrels a day, which is 0.1 million barrels higher compared to July.

"Exports appear largely unchanged from July levels, with the increased volumes dedicated to meet higher demand for direct crude burn," the IEA said.

Saudi Arabia is the leading member of the Organization of Petroleum Exporting Countries (OPEC) and the world's largest crude exporter.

Total hits major gas discovery in Azerbaijan



Total revealed a major gas discovery from the Absheron X-2 well, in the Caspian Sea in the Absheron block offshore Azerbaijan.

"This discovery could be very significant in terms of resources," said Total's Senior Vice President Exploration, Marc Blaizot. "It is the result of Total's bolder exploration strategy aimed at exploring high risk/high reward prospects both in prolific and frontier basins particularly in high pressure, deeply buried reservoirs. Our geoscientists and drillers have all the skills to make other discoveries in similar environments like the United Kingdom, Brunei, Malaysia or Egypt where new permits have been recently awarded to Total."

Total EP Absheron is the operator of the Absheron license with a 40%

equity, while the remaining 60% are held by partners; SOCAR (40%) and GDF SUEZ (20%).

"The Absheron X-2 well has encountered more than 500 feet of cumulated net gas pays within high quality sands on the northern flank of a major 270 square kilometers

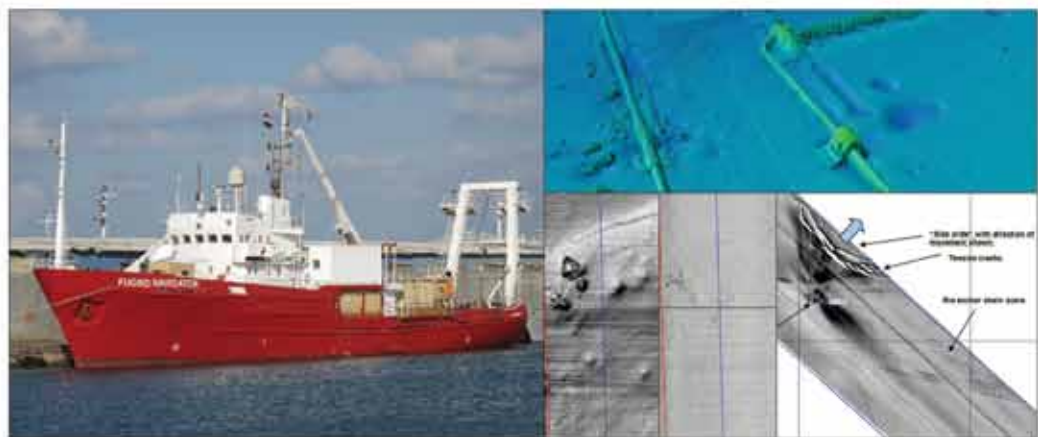
structure. Reservoirs are expected to extend over the entire northern part of the structure. The well's first results confirm a potential of several trillion cubic feet of gas and associated condensates," highlighted the company's statement.

The well, currently drilled to 6,550 meters-depth, will be tested in order to confirm the reservoir potential.

The french company has been present in Azerbaijan since 1996 and held a production rate of 13,000 barrels of equivalent oil per day in 2010 from the Shah Deniz field.

In addition, Total holds a 10% interest in South Caucasus Pipeline (SCP) Company, owner of the gas pipeline that transports the gas produced in Shah Deniz to the Turkish and Georgian markets.

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The high resolution multibeam echosounder and geophysical data revealed a seabed consisting of unstable soils and severe gradients and also identified and mapped telecoms cables and control umbilicals running across the site, critical information for route selection and design that would not have been identified by traditional survey methods using towed systems.

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Iraq to construct five new refineries

Iraq eyes to increase its refining investments through the construction of five new refineries, said Ahmed Al-Shamma, Iraq's Deputy Oil Minister at the Iraq Mining 2011 conference.

the total investments of the planned five refineries counts for approximately \$30 billion, according to a Bloomberg report.

The domestic refining capacity is expected to reach 900,000 barrels per day. the five refineries will be built in the regions of Kirkuk, May-

san, Nassiriyah, Karbala and Nineveh. The first four are already in the stages of design and engineering and are expected to add collectively 750,000 barrels a day. the fifth refinery, planned to produce 150,000 barrels a day, is designed for refining the heavy crude at nearby oil fields.

besides, the iraqi government plans to renovate the Basra Refining in order to add an extra 70,000 barrels a day to the country's refining capacity. the upgrade plan is expected to take place during the first half of 2012.

BP sells five Southern African marketing businesses

BP completed the sale to Puma Energy, the downstream subsidiary of Trafigura Beheer B.V, of its fuels marketing businesses in Namibia, Botswana, Zambia, Malawi and Tanzania, announced the company in a statement.

Puma Energy paid BP a total of \$296 million in cash, (before working capital and net debt adjustments), for its interests in BP Namibia (Proprietary) Limited (100% share), BP Botswana (Proprietary) Limited (100%), BP Zambia Plc. (75%), BP Malawi Limited (50%), and BP Tanzania Limited (50%).

Tanzania has now been completed successfully. We believe Puma Energy will be able to build on these good assets and develop them further. We are committed to developing and pursuing the significant growth potential of our businesses in South Africa and Mozambique," said Iain Conn, BP's Chief Executive for Refining and Marketing.

The sale of the assets, which does not include the refining and marketing businesses in South Africa and Mozambique, follows BP's strategic review of its southern African refining and marketing businesses last year.

Technip in the 2nd phase of Laffan project

Technip has been awarded the Front End Engineering Design (FEED) Contract by the Laffan Refinery Company, for the Phase 2 expansion of the refinery.

The Qatargas-operated company follows its target to increase the refinery capacity, which will serve Qatar's plan to meet all its Naphtha, Diesel, LPG and Kerojet requirements.

according to the terms of FEED contract, Technip's study should be finalized at the end of the first quarter of 2012.

"The new expansion project will double the existing capacity of the Laffan Refinery to 292,000 BPSD (barrels per stream day) and the facility will be fully operational by the first Quarter of 2016, playing a central role

in Qatar's new energy mix and its 2030 vision," said Salman Refinery, Laffan Refinery Venture Manager in a statement.

he added the new facility will be designed to meet Qatar Regulatory requirements as embodied in the environmental policy and international environmental standards. This refinery will be designed for zero flaring during normal operations. Laffan Refinery consists of such major units as Utility systems, Distillation units, Naphtha and Kerosene hydro-treaters, Hydrogen unit and Saturation gas plant.

the Qatari company will award the Engineering, Procurement and Construction (EPC) contract by the third quarter of 2012.

Foster Wheeler designs hydrogen production unit in Kazakhstan

Foster Wheeler AG announced that a subsidiary of its Global Engineering and Construction Group has been awarded a contract for the basic engineering design of a new hydrogen production unit, to be built at the Atyrau Refinery, in Kazakhstan Republic.

The refinery is one of the projects led by the leading national oil and gas company of Kazakhstan, KazMunayGas group.

The signing of this contract will enable Foster Wheeler to take part in the revamp and modernization plan of the Atyrau refinery.

The design of the new hydrogen unit serves the target of producing 24,000 normal cubic meters per hour (Nm³ /h) of pure hydrogen. The basic design package is scheduled for completion during the third quarter of 2011.

The main purpose of this project is to increase the oil conversion rate and production of all types of motor fuels to meet Euro IV and Euro V standards.

Foster Wheeler AG is a global engineering and construction contractor and power equipment supplier delivering technically advanced, reliable facilities and equipment. The company's Global Engineering and Construction Group designs and constructs leading-edge processing facilities for the upstream oil and gas, LNG and gas-to-liquids, refining, chemicals and petrochemicals, power, mining and metals, environmental, pharmaceuticals, biotechnology and healthcare industries. The company is based in Zug, Switzerland, and its operational headquarters office are located in Geneva, Switzerland.

Study: Solar PV investments to double in 2015

In a recent study by the European Commission's Joint Research Centre (JRC), the solar photovoltaic (PV) technology will witness an investment boost in the period from 2010 to 2015. the investments are estimated to double from the current average of €35-40 billion to exceed €70 billion in 2015.

The report showed that the production rate of solar PV stood at 23.5 GW last year, while the newly installed systems of solar PV in Europe reached an average of 17-19 GW.

"This brings cumulative capacity to over 29 GW and by the end of the year, European solar PV installations provided more than 70% of the total worldwide solar PV generation capacity," highlighted the JRC Report.

Throughout the past three years, the prices of solar PV module have dropped by 50% and are even expected to fall down as the "solar PV modules shifts from supply to demand-driven market".

One of the factors leading to price decrease is the drive of various countries to provide the needed mechanisms for installing the solar PV, while increasing the prices of energy.

the JRC Report recommended the reduction of silicon consumption per cell, the increase of thin-film manufacturing and introduction of concentrating PV (CPV) as means to support the growth of the Solar PV market.

GE commences a \$3-million wind turbine project

GE Global Research, the technology development arm of the General Electric Company, announced it has begun work on the first phase of a 2-year, \$3 million project from the U.S.

Department of Energy (DoE) to develop a next generation wind turbine generator that could support large-scale wind applications in the 10-15MW range.

"With the industry's desire for higher megawatt machines to maximize clean wind power opportunities in the U.S. and around the globe, new technologies will be needed to support larger scale wind platforms," said Keith Longtin, Wind Technology Leader, GE Global Research. "The key challenge will be delivering solutions that achieve the right scale and cost. Applying more than 30+ years of experience with superconducting magnets for MRI systems in healthcare, we're developing an innovative new generator technology that will deliver more power while at the same time helping to reduce the cost of wind power."

"For MRI systems, we're applying superconducting magnets to make lower cost systems with higher image quality," Longtin added in the company's statement. "For wind turbines, we want to apply them to generate more wind power at a lower cost of electricity. The applications are different, but the basic technology is the same."

Longtin explained that the innovative application of superconducting technology could enable significant improvements to the generator and make the elimination of the gearbox more economical. The keys are reducing the size and weight of the generator, while reducing speed and increasing torque. Utilizing superconducting technology reduces weight by virtue of the high magnetic fields that can be created by the superconducting field winding and the fact that the heavy iron in the superconducting generator can be reduced.

GE's superconducting machine design will employ a novel architecture and proven cryogenic cooling technology, resulting in an improvement in reliability of the complete machine. GE's proposed superconducting machine aims to have twice the torque density of competing technologies and will additionally reduce the dependence on the rare earth materials prevalent in all permanent magnet machines for wind. The larger power levels of these machines, coupled with their improved energy conversion efficiency leads to more favorable economies of scale (e.g., fewer towers for a given wind-farm output) that will help reduce the cost of energy produced by wind turbines.

The generator project will have two phases. Phase I will focus on developing a conceptual design and evaluating the economic, environmental, and commercial factors associated with it. Phase II will explore the potential commercialization of the technology. The Oak Ridge National Lab (ORNL) will be a key partner with GE on the generator project, helping GE to investigate and mitigate high-risk technology challenges associated with the project.

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The undisclosed cases of HSE failures in Egypt

Since most of the law violations and corruption cases have been brought to the surface after the Revolution of January 25th, every single sector in Egypt has been tightly monitored by experts to weigh the points of weakness and avoid any future drawbacks like before. The petroleum sector is no far from this criticism and analysis, especially that questions have been raised; to what does the sector respect the HSE regulations? This article unearths the undisclosed cases of HSE failures

By Shady Ahmed - Yomna Bassiouni

Despite the vigorous attempts made by the Egyptian Ministry of Petroleum to control such incidents and violations of the Health, Safety and Environment (HSE) regulation, many petroleum companies experienced financial and human losses due to cases of fire and offshore accidents. Unfortunately, most of the accidents occur as a result of employees' lack of HSE awareness at work, whether in offices, at fields, rigs ...etc.

Many petroleum experts believe that the HSE regulations in Egypt are just unapplied theories; which is a negative aspect that has been affecting the progress of the petroleum sector and disturbed a stable environment for foreign investments. The neglect of applying the HSE regulations leads to more dramatic outcomes. For instance, in case of fire, if it is not skillfully extinguished according to HSE rules, it would likely spread more and therefore, cause heavy losses of life, luggage, money, facilities...etc.

As a matter of fact, the oil and gas exploration and drilling operations are considered as one of the most hazardous work fields worldwide. Even with a strict implementation of the HSE laws, the E&P occupations are a favorable domain for disasters and accidents to take place. This profession is full of unexpected dangers that may sometimes be fatal.

"With the multiple occurrences of accidents, the Ministry should make stricter strategies that ensure the proper implementation of HSE laws in the petroleum sector," said a top official at a petroleum company. "One of the recent accidents was the gas leak off the Shams-4 field, operated by Khalda Petroleum Company and located on Road 77 from the Matruh Road. An explosive cloud was observed above the well and heads of the company lifted the state of high emergency, removed all vehicles and all possible heat sources in order to avoid any ignition due

to the gas leakage."

The source, asked to remain anonymous, added that the company's management provided firefighting trucks at the field area for any emergency and evacuated workers. He further highlighted that the company succeeded to professionally apply the right rules in such incidents, which was a major factor that avoided a catastrophe.

Currently, there is an intense call to activate the long-forgotten regulations of HSE and to implement firm penalties over any kind of violations as an attempt to restore a vital factor that can strengthen and stabilize the investments' environment in the Egyptian petroleum sector.

"Some oil and gas projects are surrounded by residents, schools, work institutions...etc., which require the realization of some measures to prevent any possible accident. With the continuous technological advancements, there are new techniques specialized in maintaining safety in any work place and monitor the eruption of any incidents," he clarified.

Another case of recent incidents took place last August, when fire erupted in the Tasks Department of the Salam Field for three hours, which resulted in the injury of two workers in addition to losses of facilities and equipment. According to the investigation, the company's inspection committee reported that a short circuit was the reason behind the fire. The company utilized three firefighting trucks to extinguish the fire, yet the financial losses exceeded \$1 million.

While conducting our research about the catastrophic incidents caused by lack of HSE awareness, some Egyptian petroleum officials praised the Egypt Oil & Gas attempts to raise awareness about this thorny issue among the petroleum employees.

During the second quarter of 2010, a

disastrous explosion took place in the Misr Petroleum Gas Station, located in a residential area of Cairo. The station was completely destroyed and it took several hours to extinguish the fire. Unfortunately, the station workers were not trained to use the safety equipment and did not even have the fire extinguishers adequate for such cases.

The list of explosions that endangered the residential houses surrounding the petroleum projects included the flare-up of a refining unit at the Alexandria Petroleum Company. The small-sized explosion was quickly controlled and abducted, however three technicians were injured.

Environmental Concerns

Explosions and fires are not the sole barriers threatening operations' stability; environmental concerns do affect the flow of work activities. In fact, some projects were opposed by citizens due to their fear of causing a possible negative environmental impact. For instance, the BP's Idku onshore gas processing plant, located in a town east of Alexandria and a hub for oil and gas companies, is opposed by the citizens who believe that such projects endanger their health and the environment they are living in. Although the British company received the necessary approvals from the military officials, the company awaits the final report from the Egyptian Environmental Affairs Agency (EEAA), to be ready in two to three months, which will evaluate impact of this project on the area.

Eng. Raafat Al-Beltagy, Vice Chairman for field Development at the state-owned Egyptian Natural Gas Holding Company (EGAS) told Al-Masry Al-Yom Newspaper that this project location was selected as it is the shortest distance from the offshore field and does not cross-existing pipelines by Rashid Petroleum Company (Rahspetco), which has been producing

gas in the area for some time.

BP's Idku gas processing project aims at bringing the gas produced offshore via pipeline to an onshore site, from which natural gas supplies can be delivered. "BP has discovered 5 trillion cubic feet of gas at its North Alexandria offshore concession and plans to start producing 900 to 1000 million standard cubic feet of gas per day by the third quarter of 2014, which is equivalent to 20 percent of Egypt's gas demand," reported Al-Masry Al-Yom.

Besides, the oil leak has also been another reason for anxiety among citizens. Back to mid 2008, approximately 20 tons of heavy fuel oil was released into the industrial wastewater channel at Tibbin. The amount of oil spilled was reported from Egyptian Pipeline Company. The cleanup procedure was held by the Petro Environmental Services Company (PESCO) in association with the Egyptian General Petroleum Corporation (EGPC), which worked hard to prevent the oil moving down the Nile River causing further contamination.

Strict measures needed

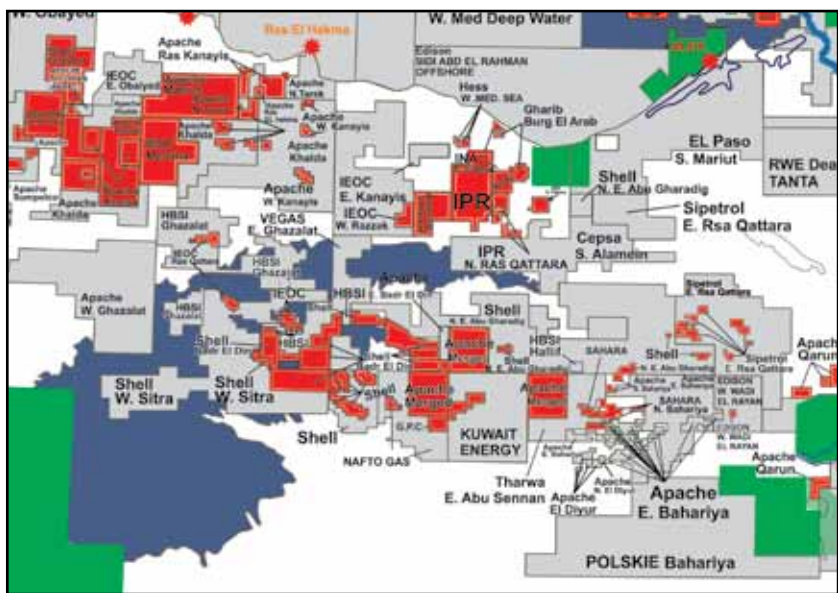
Any HSE accident is considered as a direct harm to the productivity of any petroleum company, regardless of the degree and size of the incident. Therefore, major petroleum companies have been eyeing efficient solutions to prevent such accidents to ensure a safe work environment and fruitful production. Through new technologies and firm implementation of HSE regulations, which should be set according to each project's requirements, are mandatory for any corporation.

In Egypt, the HSE regulations should be activated; from theoretical policies to employed rules and employees should be penalized in case of violating these rules.

Assil and Karam fields on the development track

One of the development projects in Egypt is the Assil and Karam, which are major Non-Associated Gas (NAG) fields in the Alam Shawish West Block, onshore Egypt in the Western Desert

By Osama El-Sayed, Projects General Manager for investments and JVs, EGPC



The Alam Shawish west block is located onshore Egypt in the western desert, approximately 300 km west of Cairo. The block includes seven discovered fields; Karam, Assil, Barq, Magd, Najm, Bahga, and Bahga SE. Oil deposits exist in all locations.

Production from the block commenced in December 2007, operated by VEGAS Oil and Gas de France Suez S.A. under the

the block following the farm-in by Shell are: Shell Egypt N.V. (40%), VEGAS (35%) and GDF (25%). On April 13th, 2010, Badr Eldin Petroleum Company (BAPETCO) became the operating company of block, which represents a significant contribution to BAPETCO's future production. BAPETCO is a joint venture between the EGPC and Shell,

JV PetroAlam. There are currently some 10 oil wells producing an average of 2000-3000 bopd; however production is declining. The oil evacuated by trucks to the nearest terminal and associated gas flared.

On January 14th, 2010, Shell acquired a 40% working interest in the block. The revised interests

each with an equal 50% stake.

Production from BAPETCO's existing assets is declining and ullage is becoming available in the existing BED-3 gas treating facilities equipped with gas dehydration and hydrocarbon dew pointing systems. BED-3 supplies sales specification gas to the Ameriya gas plant.

Concerning the Assil field, it is already producing through an existing temporary pipeline to BED-3 as part of the First Gas and Early Gas stages of the project, these stages have been completed on October 2010 (ahead of schedule) with gas production over 100 MMscf/d and with cost about \$13 million.

The Assil full field development also includes replacement of the temporary Assil pipeline. Although the Assil gas is rich in CO₂, it is low enough to process without the requirement of an amine plant.

On the other hand, the development program of the Karam field, which is rich NAG containing CO₂, is in the third phase that includes design and construction of a CO₂ removal plant (CRP), prior to further processing the gas and condensate at the ex-

isting BED-3 facilities to meet the export CO₂ specification for transmitted treated gas through the export gas pipeline to the Ameriya gas plant.

The target of this stage is to increase the gas production up to 200 MMscf/d in 2013 and with estimate budget of \$350 million.

The CRP shall tie into BED-3 production manifolds and some BED-3 utilities shall be extended / modified to support the CRP.

The Assil and Karam Development Project project contains

- Amine unit, including Amine drain system
- Heat Transfer Fluid (HTF) and Incinerator system
- Storage tanks (not part of the PERMANENT WORK)
- Chemicals injection skid
- Pipe interconnection and cabling works
- Well Hook-ups
- Karam Manifold
- 12" (changed from 14") Duplex St. St. Pipelines with total length 24 Km
- 12" Carbon Steel Pipeline with total length 12 Km
- 8" Duplex St. St. with total length 11.3 Km

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Libya's Auspicious Petroleum Future:

Al-Qaddafi 's Fall and the Arab Spring

Undoubtedly, it was a joyous moment when the Libyan rebels jubilantly celebrated their victory over Muammar Al-Qaddafi after finally seizing control of Al-Azizia compound in Tripoli, ending a horrid civil war that lasted over six months and a despotic regime that persisted over four decades. The future of Libya now seems promising, resting in the hands of its National Transitional Council (NTC), which acted as the political 'face' of the revolution, and currently serves as Libya's interim government

By Mohamed ElBahrawi



Libya's economy is largely based on its oil exports, contributing between 75% and 90% of total revenue. It is known for its copious oil resources, sitting on the largest proved oil reserves in Africa. Based on the British Petroleum's 2011 Statistical Energy Survey, Libya's proven reserves counted for 46.4 billion barrels at the end of 2010, which constitute 3.4 % of the world's oil reserves. Being a member of the Organization of the Oil Exporting Companies (OPEC), Libya is one of the major North-African oil suppliers to Europe as it enjoys a proximate strategic location and an abundance of oil resources.

Yet, during most of Al-Qaddafi's rule, Libya underwent a series of sanctions and embargos that impeded the development and growth of its oil industry. Al-Qaddafi's socialist-like nationalization programs in 1970s were heavily criticized by the west. He founded the National Oil Corporation (NOC), which was legally bound to Production Sharing Agreements (PSAs) with International Oil companies (IOCs). Moreover, the growing ties between AL-Qaddafi and the Soviet Union during the Cold War made the Western position even more stubborn. In 1992, the UN imposed further sanctions on Libya after

it was accused of bombing Pan Am flight 103 over Scotland, leading to Libya's political and economic isolation for most of 1990s.

It was not until 2003 that the UN began to gradually lift its sanctions off Libya, only after Al-Qaddafi complied to abolish his Weapons of Mass Destruction project. Progressively, foreign investment started pouring into Libya and every major oil producer raced for a piece of Libya's virgin resources. Leading companies such as ENI, OMV, Hess, Marathon, Occidental and Suncor started large-scale operations in Libya. Other producers such as Statoil, Total, Wintershall, Gazprom, Shell, RWE Dea and Woodside Petroleum also had their share, however on a smaller scale. For a brief period of time, Libya seemed to enjoy a healthy and steadily growing oil industry.

At the dawn of 2011, Libya was one of the earliest countries to revolt, an uprising that resulted in a brutal civil war forcing foreign companies to suspend all operations in Libya. From the earliest days of the revolution, the NTC was created to politically represent the interest of the revolution; a shadow-government that proclaimed itself the "only legitimate body representing the people of Libya and the Libyan state." During the civil war, the NTC strategically organized the rebel forces against Al-Qaddafi's army and quickly established a relationship with the West, calling for the recognition of its legitimacy by the International Community. The NTC was firstly recognized by France and gradually allied itself with NATO, which aided the rebel forces, both militarily and diplomatically, until their victory over Al-Qaddafi last month. Currently, the NTC enjoys the support of the international community and is recognized by 85 member countries of the UN as the legitimate representative of the Libyan people.

Sparing no time, significant efforts were initiated by the NTC to rebuild Libya's severely damaged oil industry. The competition among countries for post-Qaddafi contracts in Libya is expected to be heavily influenced by the level of support the NTC received from foreign countries during the revolution.

At the top of the list of the likely winners are the Geneva-based Trafigura, the Dutch-Swiss Vitol and the Cypress-based Gunvor since they supplied the Libyan rebels with the much-needed fuel during the war. Also companies such as ENI of Italy, Austria's OMV, Spain's Repsol, British Petroleum (BP), France's Total, Germany's Wintershall and Occidental Petroleum, ConocoPhillips, Amerada, Hess and Marathon of the United States are expected to have their share in the future Libyan petroleum industry.

Recently, Gazprom Chairman Alexey Miller


and ENI CEO Paolo Scaroni signed an agreement last month to reaffirm the agreements signed last February that would grant Gazprom a 50% share of Eni's working interest in the Libyan Elephant oil field project. The Italian company is expected to handover half of its 33% stake to the Russian firm. In fact, the two companies have been in strategic partnership deals since 2006. This recent agreement reflects the eagerness of major companies to strength their operations in the Libyan territories.

Conversely, countries that refused to recognize the legitimacy of the NTC during the revolution, like Brazil and Russia, even more the ones who supported Al-Qaddafi like China and Algeria are expected to have a difficult time obtaining contracts in Libya. Despite China's vast investment in Libya's petroleum infrastructure, its prospects of returning on Libya's good side are not so promising. The NTC is determined to act with favoritism against those who supported or contributed to Al-Qaddafi's side during their struggles.

Libyan experts in the petroleum field have expressed a great deal of optimism towards the future of the country's oil industry. According to the NTC's petroleum expert Ali Al-Tarhony, production rates are likely to rise during the coming weeks to reach 500-600 thousand barrels a day, and he expects Libya to reach its pre-revolution production rate of 1.6 million barrels a day within one year.

Wood McKenzie provides a more realistic assessment to the current status of the petroleum industry in Libya. The latest report estimates not less than three years before the country could get back to its pre-war production rates; depending on how quick it will take the NTC to restore the security and stability needed for foreign companies to operate. Moreover, the report indicates that it will take at least six months for the NOC to readjust before foreign companies could be brought back in to start the rehabilitation of the Libya's pipeline system and production infrastructure, which were severely damaged during the six-months war.


The future of the petroleum industry in Libya has never seemed more promising. Indeed, there are still challenges to face and obstacles to overcome, but the people of Libya have been unequivocal about their commitment to the rebuilding effort and for the first time. In the midst of the region's vehement changing winds, and given what Libya has experienced during the previous six months, it is quite evident that the only trajectory Libyans are willing to settle for is upwards.




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PeriScope

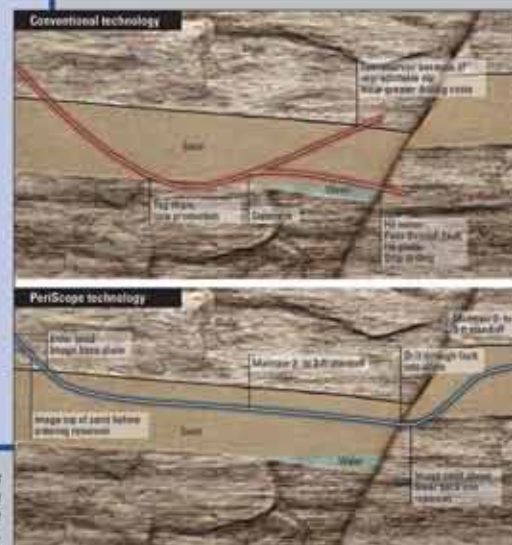
Directional, deep imaging-while-drilling service



Applications

- Maximizing production
- Precision placement of wells relative to reservoir boundaries
- Water detection and avoidance
- Refining reservoir models

The PeriScope® service ensures precise well placement to maximize production while minimizing drilling costs.

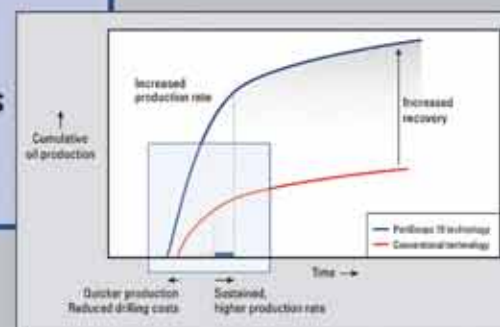


Benefits

- Increased production rates and recovery
- Access to reserves previously considered economically marginal
- Less water production
- Achievement of production objectives with less drilling
- Avoidance of drilling hazards
- More accurate reserves estimate

Features

- Unique directional measurements, highly sensitive to fluid and bed boundaries
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Increase net present value with enhanced production and reduced well construction cost.

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IBM celebrates A decade of technological excellence and innovation

IBM has founded its reputation over its long journey as the lead in the world of IT solutions and services worldwide. IBM Egypt has been an integral partner to the Egyptian Society and has led the technological development path in the country. Seizing the occasion of celebrating 100-year anniversary, Eng. Amr Talaat, General Country Manager, IBM Egypt shares with Egypt Oil & Gas his vision and IBM future plan

By Yomna Bassiouni



IBM is celebrating the 100-year anniversary of its founding on June 16, 1911, could you talk about this important event?

At IBM, we are very proud that in the span of a century, the company has evolved from a small business that made scales, time clocks and tabulating machines to a globally integrated enterprise with more than 400,000 employees and a strong vision for the future. IBM's Centennial is about making the world work better. IBM is exploring how the company has pursued progress in the last century in three ways: Pioneering the science of information, changing the way the world works, and reinventing the modern corporation. On June 16, 2011, IBM celebrated its 100th anniversary as a corporation. Of all the things we do to mark this moment, the fullest and most visible expression of our company will be a global Celebration of Service in which IBMers were encouraged to get out into our communities and devote their time and expertise to civic challenges and societal needs.

How do you describe IBM's services and development in the Egyptian society?

We are proud to be an involved and contributing part of the Egyptian economy since our establishment in 1954. Our office, with a skilled workforce provides IT solutions and services to a broad range of customers in different industries and market segments, building their IT infrastructure and assisting their business success. We have partnered with the Egyptian governments through out the years in most of the projects of national importance and through several strategic initiatives to serve the Egyptian society. We also have three delivery centers that serve our cli-

ents in Europe, Middle East and Africa.

Can you give our readers a brief about the IBM solutions for the petroleum sector?

IBM provides a portfolio of solutions for petroleum companies to help client increase oil recovery rates, extend and manage maturing fields, convert data into actionable knowledge, and make the changes the company need to become more profitable. IBM provides a set of solutions like:

- The intelligent asset management
- Integrated operations solution for upstream from IBM
- Integrated service management for chemicals and petroleum
- Location awareness and safety for chemicals and petroleum
- Smart manufacturing for chemicals and petroleum
- Turnaround optimization for chemicals and petroleum

What were IBM's major success stories in the petroleum sector globally?

From exploration and production to refining, manufacturing, and supply chain management, IBM has the technology and solutions to help organizations make smarter business decisions. IBM has multiplied and expanded its clientele base over time. The IBM global clients in the petroleum sector include: Shell, Nordic, KJO, The Egyptian Ministry of Petroleum, Bharat Petroleum Corporation and many others.

What does make IBM different than any other competitor?

At IBM, we strive to lead in the invention, development and manufacture of the industry's most advanced information technologies, including hardware, software, and services. We translate these advanced technologies into value for our custom-

ers through our full range of professional solutions, services, business consulting, cross-industry expertise, application development and maintenance, software testing and embedded software development services as well as our large investments in the R&D field. IBM wide experience has enabled it to position itself as the largest IT solutions provider in the Egyptian market.

How can IBM be a strong partner for the petroleum industry?

IBM has the technology and solutions to help the industry to make smarter business decisions. It has been and will continue to make significant changes in the way it develops and delivers its services, we are partnering with the clients to offer them consulting, training, and technical support services required to meet new business and market demands which help them to achieve their business objectives.

Has IBM been affected by the latest revolutionary changes, generally in Egypt and specifically in the petroleum sector?

IBM has always perceived the Egyptian market as a promising one. We believe that the breadth and wealth of Egypt's ICT market is still there, in addition to the great talent pool of youth in Egypt that has led the revolution. Thus, our continuous dedication to serve and revive the Egyptian economy reflects the way IBM perceives the Egyptian market and the way the company sees the value of the Egyptian talent pool especially after January 25th.

Also IBM enjoys a truly global reach and scale; services and products that deliver genuine value to clients wherever they do business.

Tell us more about the long journey of Amr Talaat at IBM?

I have been appointed Country General Manager, IBM Egypt since May 23rd,

2010. I have started my career at IBM in 1988 as a sales representative. Since then, I held various managerial positions in IBM Egypt including Business Partner Organization (BPO) Manager and Systems and Technology Group (STG) Manager. In 2005, I was named Terriorty Manager, IBM Egypt.

As for my academic background, I studied Engineering in Cairo University and acquired a Master degree of Science in Information Technology from Illinois Institute of Technology; in addition to MBA from ESLSCA University, France.

Based on your 24-years experience in the IT field, how do you evaluate the technological advancement/awareness in Egypt?

There is no doubt that the IT sector has witnessed a tremendous development in Egypt especially with the focus given by the government of Egypt that perceives the IT as indispensable factor to address organizations challenges, to improve processes and reduce cost. Every day, we are witnessing myriad smarter approaches in industries, cities and communities around the world. Forward-thinking leaders are creating tangible outcomes and benefits, and are learning how to make their parts of our planet smarter.

How do you see IBM in another 100 years?

In another 100 years, IBM will be working on making it existing products and processes more efficient for business as well as developing new innovations that can help the world become smarter, drive economic and operational improvements, and increase accountability.

Our Smarter planet vision could be just the right way to help us understand and solve some of our most complex problems using innovation and intelligence

Petronas holds annual corporate Iftar

Petronas PICL (Egypt) Corporation Ltd. held its annual Ramadan Corporate Iftar at the JW Marriott, with the presence of officials of the petroleum industry.

Aminul Rashid BM Zamzam, Petronas Chief Executive Officer welcomed around 200 guests to the gathering, including Minister Head of Chancery Shaiful Anuar Mohammad on behalf of the Malaysian Ambassador to Egypt, His Excellency Dato' Dr. Mohd Fakhruddin Abdul Mukti and representatives from the Egyptian petroleum authorities,

Ministry of Petroleum and joint venture partners.

Petronas has been engaged in Egypt since 2001, through the presence in involvement in the North East Mediterranean Deepwater Block awarded by the Egyptian government.

In line with the Malaysian company's objective to contribute to the well being of the local communities where they operate, Petronas has contributed to a development and training to help raise the level of professional skills of Egyptians working in the industry.





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Egypt Statistics

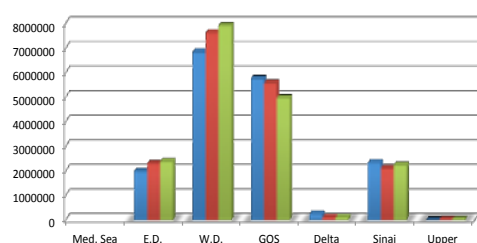
	Oil			Equivalent Gas			Condensate			Liquefied Gas		
	Barrel			Barrel			Barrel			Barrel		
	July-09	July-10	July-11	August-09	August-10	August-11	August-09	August-10	August-11	August-09	August-10	August-11
Med. Sea				24981964	26546400	22897321	1776630	1509904	1443131	399907	363920	365945
E.D.	1973366	2292542	2369405									
W.D.	6824993	7602392	7904491	6325893	7859800	7167857	1662476	1901947	1834694	517311	540362	572366
GOS	5754866	5571961	4975267	193571	644400	350000	73572	60311	82679	165941	140532	198708
Delta	229881	110926	109682	2326250	2953400	2120179	210961	208911	187225	83353	106094	89900
Sinai	2318706	2106372	2236764	94821	65000	4107	60582	45550	31096	90172	87994	89072
Upper Egypt	2844	20575	23026									
Total	17104656	17704768	17618635	33922499	38069000	32539464	3784221	3726623	3578825	1256684	1238902	1315991



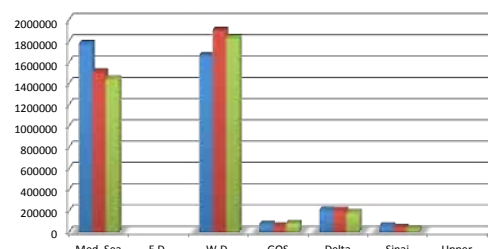
Table 1 Egypt Rig Count per Area -September 2011

RIG COUNT			
Area		Total	Percentage of Total Area
Area			
Gulf of Suez		11	10 %
Offshore	11		
Land			
Mediterranean Sea		9	8 %
Offshore	9		
Land			
Western Desert		68	61 %
Offshore			
Land	68		
Sinai		10	9 %
Offshore			
Land	10		
Eastern Desert		10	9 %
Offshore			
Land	10		
Delta		4	3 %
Offshore			
Land	4		
Total		112	100%

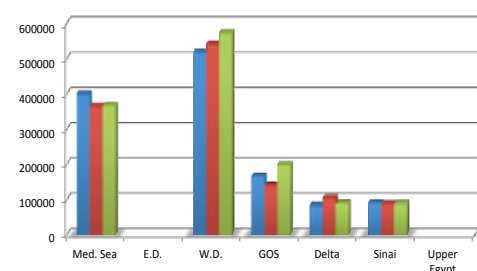
Oil Production August 2009 - 2011



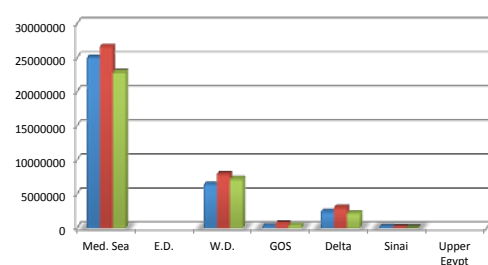
Condensates Production August 2009 - 2011



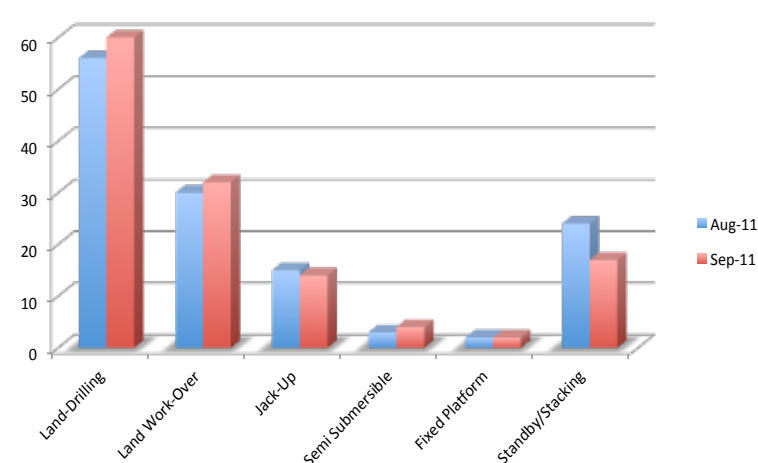
LNG Production August 2009 - 2011



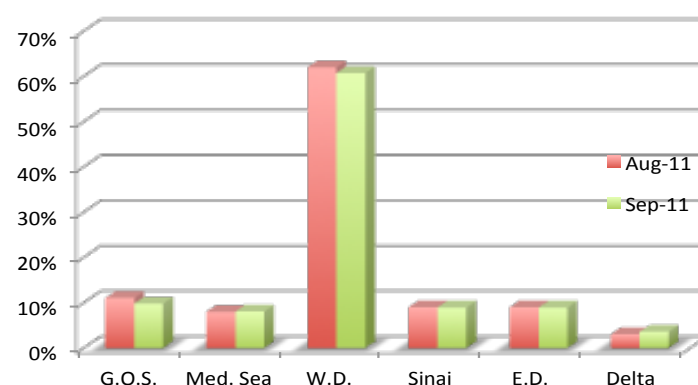
Equivalent Gas Production August 2009 - 2011



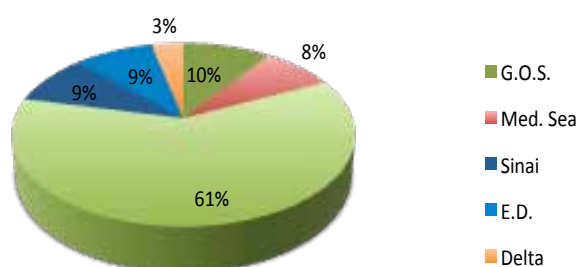
Rigs per Specofocation August - September 2011



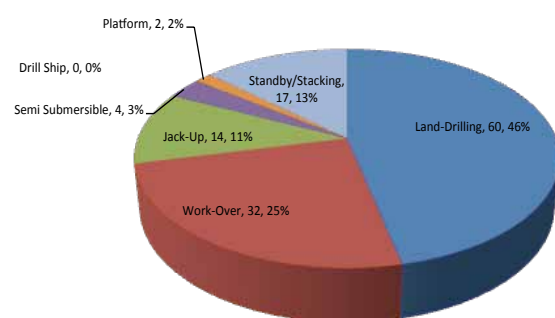
Rigs per Area August - September 2011



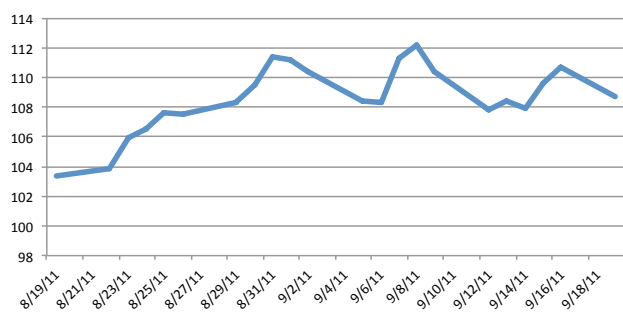
Rigs per Area September 2011 (Total of 112 Working Rigs)



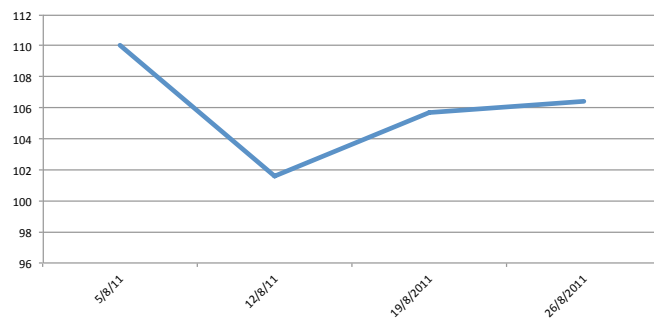
Rigs per Specification September 2011



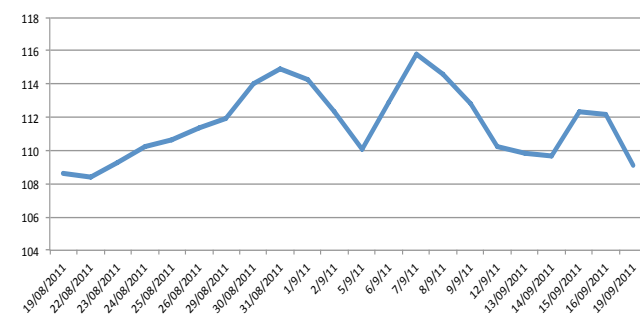
Opec Basket Price



Egypt Suez Blend



Brent Price



Egypt Production Report

Your gateway to an industry forecast

October 2011

Egypt oil & Gas Production Report 2011 will provide in-depth analysis of oil and gas production rates in Egypt. Mainly Clustered by region, the report presents each regions historical production, current production, proven reserves and a forecast projecting to 2025. Each region's main fields are analyzed to give a detailed description of production rates, capital costs and profit sharing agreements.

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Report Includes

- Liquids and gas production rates per area
- Forecasts of Liquids and Gas production per area
- Updated Egypt's proven reserves count
- Analysis of leading producers

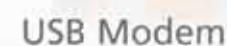
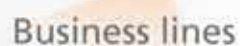
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