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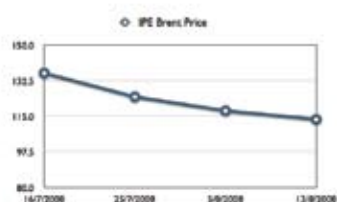
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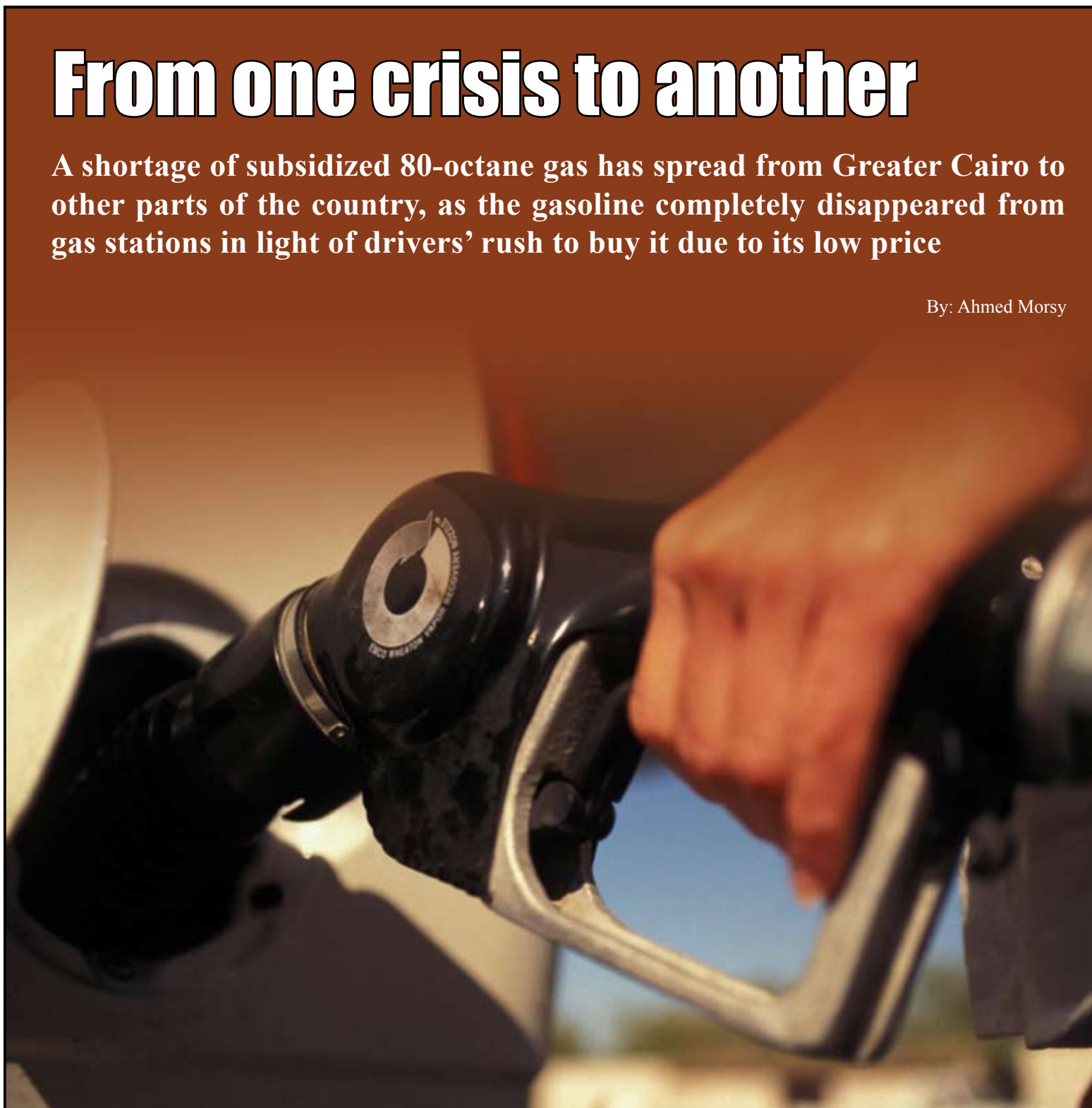
LAST MONTH'S OIL PRICES



From one crisis to another

A shortage of subsidized 80-octane gas has spread from Greater Cairo to other parts of the country, as the gasoline completely disappeared from gas stations in light of drivers' rush to buy it due to its low price

By: Ahmed Morsy





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Ups, downs and a \$79-billion loss

Since the beginning of this year, oil prices have been heading to unprecedented increases. 2008 is considered the year of records, in the background of the early months of price increases!

The sudden ups and downs have caused a status of turmoil in the market. After the unparalleled price increase reaching a peak of \$147.27 a barrel on 11 July, oil prices have sharply fallen to nearly \$113 a barrel.

Crashing crude oil prices are set to cost OPEC (Organization of the Petroleum Exporting Countries) a potential \$79 billion in lost oil export revenue this year, and almost \$100 billion in 2009, according to a U.S. government's energy forecasting agency.

Last month, OPEC had been forced to lower its forecast for global oil demand growth. That was the fifth reduction this year, after cuts in July, June, May and February.

The 13-member group also said higher OPEC production, easing political tension and a stronger US dollar indicated a weaker outlook for the oil market.

"The softening economic situation has led to a further slowdown in oil demand growth... Oil demand will rise by 1 million barrels per day this year, 30,000 bpd less than the previous forecast," announced OPEC in the report.

According to the Energy Information Administration (EIA), net oil export earnings from OPEC are projected to hit a record \$1.172 trillion this year; a 75% increase on the \$61 billion the group earned last year, despite the sobering predictions.

Through the first seven months of 2008, OPEC member nations have already raked in around \$642 billion from oil exports, with Saudi Arabia accounting for the biggest share at \$191 billion, reported the EIA.

OPEC expects the demand for its crude to average 32.05 million bpd in 2008, lower than the group's production in July of 32.64 million bpd.

"With current Opec production well above the expected demand for OPEC crude, there is potential for a sharp build in crude oil inventories," said the organization.

The end of 2008- oil agenda is unpredictable; factors threatening the market stability are never controlled and I believe that more surprises are yet to come!

Yomna Bassiouni
Managing Editor

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Fahmy signs an E&P agreement in the Eastern Desert

The Egyptian Minister of Petroleum Eng. Sameh Fahmy signed an oil exploration and production agreement between Ganoub Al Wadi Petroleum Holding Co. (Ganope) and the Syrian Anwar El Akad Sons Corp. (Oil United Company), in the area of North East Esh El Malaha, located in the Eastern Desert.

The agreement, signed at the beginning of last month, covers an area of 138 km², with spending commitment of \$12 million and drilling of seven wells, in addition to a 2D seismic survey for 100 km² and a 3D seismic survey for another 100 km². The signature bonus counts for \$2 million.

Eng. Sherif Ismail, Chairman of Ganope clarified that, since the company's establishment, five years ago, the number of exploration agreements, awarded to International companies reached about 10 contracts, covering an area of 232 thousand km², accounting for 35% of Ganope's operation areas, with total spending commitment of more than \$282 million.

This is in addition to drilling 46 exploratory wells, resulted from four international bid-rounds offered throughout three years, starting from 2003 to 2006. However, a new bid-round is offered this year, which will consequently attract more new agreements, as planned.

(MoP)



BP's Taurt field on production phase

BP Egypt, on behalf of its joint venture partner, Gulf of Suez Petroleum Company (GUPCO), announced the beginning of gas production from the Taurt field, located in Ras El Bar concession, 70 kilometers offshore in the northeast of Port Said, West Nile Delta.

The parties to Ras El Bar Offshore Concession agreement are BP Egypt (operator 50%) and IEOC, the affiliate of ENI in Egypt (50%).

Andy Inglis, BP's Chief Executive of Exploration & Production, said "Taurt is another major project delivered successfully. It will contribute to BP's production profile for the next decade and beyond. Egypt is an important growth area with further potential."

Hesham Mekawi, President of BP Egypt highlighted that "Taurt is BP's first subsea development in Egypt and also the first of what we plan to be a program of subsea developments, its successful delivery represents a new milestone in recovery of gas from the Mediterranean Sea."

The Taurt project is an offshore development with a Subsea Production System (SPS), two subsea wells, and a 70 kilometer pipeline and control umbilical back to upgraded facilities at the existing West Harbor processing plant.

The main contractors of this field are Genesis for the engineering and project support, ENPPI for the onshore modifications design, PetroJet for the onshore modification and subsea structure construction, PMS and Allseas for the offshore pipeline installation, Cameron for the SPS supply, Aker Solutions for the umbilical supply, Sonsub for the offshore construction, Five Ocean Services for the umbilical installation.

(BP Press Release)

Plexus and Shell Egypt sign contract for Wellhead Systems

Plexus Holdings PLC has agreed with Shell Egypt to supply, subject to completion of relevant contract terms, the Company's proprietary POS-GRIP High Pressure/High Temperature (HP/HT) exploration rental wellhead systems in the Egyptian Eastern Mediterranean Sea. The value of the contract is estimated at £750,000 with revenues anticipated to commence in 2009.

Shell Egypt will utilize Plexus' POS-GRIP 15,000 psi, HP/HT 18.75 inch single stack surface wellhead technology for exploration activities in the Egyptian region of the Mediterranean Sea. This is the Company's second agreement with a Shell operating company and second contract win in the Northern African region, illustrating that it is fulfilling its objectives of strengthening its international market penetration and developing POS-GRIP as a new industry standard for wellhead design.

Plexus CEO Ben van Bilderbeek said, "We are naturally delighted to have secured our second contract win in Northern Africa, and to further strengthen our relationship with Shell. Plexus' strategy is to increase the exposure of



our unique wellhead technology in the international arena."

He added "Our rental-supply model provides an excellent opportunity to do this, effectively creating a shop window to showcase the POS-GRIP method of engineering, and prepare operators for the use of elastically deformed wellhead designs in the mainstream production wellhead market. Over time the Directors of Plexus expect POS-GRIP designs to become the wellhead technology of choice among leading oil and gas corporations."

(Reuters & Rigzone)

International auction for exploration in the Mediterranean

Egypt is preparing to launch an international auction for gas and oil exploration projects in seven new areas in the Mediterranean, reported Cairo-based Al Ahram daily.

These areas' gas reserves represent 81% of the Egypt's confirmed gas reserves; the paper reported citing a report by the Egyptian Natural Gas Holding Co. (Egas).

The current fiscal year is expected to witness the launch of 14 projects to develop and start production at new oil and gas explorations with total investments of about \$3 billion, highlighted the report.

These projects will add a daily output of more than one billion cubic feet of gas and 1,300 barrels of petroleum condensates and with total reserves of 5.8 trillion cubic feet of gas and two million barrels of condensates, said the report.

(Al-Ahram)

Apache hits double

Apache Corporation reported that the Heqet-2 appraisal well in Egypt's Greater Khaldia area is producing approximately 2,100 barrels of oil per day from the Jurassic Safa formation.

Apache also said the Umbarka-174 well tested approximately 4,300 barrels of oil per day from 46 feet of perforations in the Alam El Bueib (AEB) 3D sand in a 40-year-old field also located in the Greater Khaldia area.

The Heqet-2 was drilled to a total depth of 14,700 feet, about one-half mile from the Heqet-1 discovery drilled in the Faghur Basin in 1991. The new well is about 66 miles southwest of Apache's large Qasr gas and condensate field and 66 miles east of the Libyan border.

"Using improvements in fracture stimulation technology, we have turned a marginally economic play into a potentially significant oil accumulation. We are planning four wildcats targeting Jurassic oil pools in the Heqet and Neith South areas, and we are studying other ways to increase productivity through fracture stimulation. Heqet-2 is a good example of the opportunities to be found across Apache's 15 million acres in Egypt," said Apache President and CEO G. Steven Farris.

The Heqet Safa oil accumulation is estimated to be about 835 acres. The prospective area of the Jurassic oil

play fairway associated with the Faghur Basin is estimated to comprise approximately 830 square miles, mostly within Apache-operated concessions.

Oil produced in Heqet Field and nearby Kalabsha and Neith Fields is found in Jurassic-aged sands below 14,000 feet that were sourced from nearby Jurassic-aged shales and coals buried within the Faghur Basin. The Faghur Basin has much cooler temperatures than the Shushan Basin, the location of the Jurassic Qasr field, Apache's largest field; thus, a large portion of the Faghur Basin is oil-bearing, as opposed to the higher-temperature, gas-bearing Shushan Basin.

The Umbarka-174 was drilled to a total depth of 11,306 feet to develop AEB-3D reserves in an independent three-way fault closure of approximately 150 acres located northeast of the Umbarka field's main AEB-3D accumulation. Apache is planning to drill five additional AEB wells in the Umbarka area.

The Umbarka field, which was discovered in 1968, has produced a total of 33 million barrels of oil. Since taking over operation in March 2001, Apache has drilled 137 wells in the field and increased production from about 1,100 barrels of oil per day from five wells to the current level of 15,000 barrels per day. A waterflood development of approximately 7,300 acres in the Upper Bahariya formation produces approximately 70 percent of the field's current output.

(Apache Press Release)



Petrofac secures further gas plant project

Petrofac, the international oil & gas facilities service provider, has secured a further award from Khalda Petroleum Company (KPC), through which Petrofac is to provide engineering and procurement (EP) services for an additional gas train that should convert to a lump-sum engineering, procurement and construction (EPC) contract on a pre-agreed basis, within the next two to four months.

This will be KPC's fifth gas processing facility (SGT5) to be built at Salam in the Western Desert area of Egypt and adjacent to the ongoing third and fourth Salam gas train facilities (SGT3 & SGT4) which are already being executed by Petrofac.

The award will include Front End Engineering and Design (FEED), EP services and procurement of long lead items. The initial award will facilitate fast-track execution of SGT5 by making best use of Petrofac's current mobilization in the region and as a result the new train is expected to come on stream towards the end of 2010.

Commenting on the award, Maroun Semaan, Chief Executive Engineering & Construction, said "We are delighted to have been awarded this contract. As with many of our FEED and EP contracts we anticipate being mandated to undertake a later construction project. Such contracts enable customers to access Petrofac's expertise before commissioning major work and demonstrate our ability to service energy facilities throughout their life cycle."

"KPC is very pleased to award the fifth Salam gas processing train to Petrofac. The addition of SGT5 will bring KPC's total gas processing capacity in the Western Desert to 810 million cubic feet (MMcf) of gas and 31,000 barrels of condensate per day, including access to gas processing at Shell's Obaiyed plant," said Warren Ford, General Manager and Managing Director commenting on the award for KPC.

Ford added that, "Gas production from SGT5 before the end of 2010 is made possible through utilization of Petrofac's EP experience from SGT3 & SGT4, the significant construction resource mobilization in place, and full application of the lessons learned in SGT3 and SGT4 construction."

With SGT3, SGT4 & SGT5, Petrofac are now involved with the addition of some 300 MMcf of gas processing capacity per day for KPC and the KPC shareholders; Apache Corporation and the Egyptian General Petroleum Corporation.

(Petrofac Press Release)

VetcoGray challenges its projects in the Suez Gulf

VetcoGray has applied its latest technology to overcome unique challenges, reduce project costs and risks, and successfully convert an exploration well to full production service at Agiba Petroleum Company's West Ashrafi hydrocarbon facility in Egypt's Gulf of Suez, announced the company in a statement.

The project marks the first time that VetcoGray has converted a mud-line exploration system to an SG-1 wellhead subsea system for production duty. The newly converted well entered service in last April.

"The new conversion system removed the need for Agiba Petroleum to re-enter the reservoir from a new wellhead, as this had proven difficult during the exploration phase. This solution therefore removed significant cost and risk from the project," said Willie Bryson, VetcoGray's Product Line Manager for Tree on Mud-line.

"When the West Ashrafi well conversion was first envisioned, a number of technical challenges were identified that could have affected the viability of the project," he added. "VetcoGray worked closely with our customer to complete a feasibility study, which concluded that all of the challenges could be overcome. VetcoGray subsequently executed the engineering and construction of the conversion system, and supported the final installation through our Global Services division."

Additional challenges for the project include the distance between the beach-mounted topside equipment (umbilical termination and hydraulic power units), and the master control station, located a kilometer away. A separate communications and power system was used to achieve the subsea communications, while fiber optic communications were utilized between the HPU/TUTU and the MCS.

"Our primary concern was making sure the project went according to plan and that we were able to get the new system on stream smoothly," said Marco Solca and Mohamed Mokhtar, Project General Managers at Agiba.

Enrico Salardi, ENI-Project Manager, Offshore Egyptian Developments, added, "Thanks to the strong teamwork among the project participants, this was accomplished."

(Rigzone)

AMOC announces 5.8% profit-increase

Egypt's Alexandria Mineral Oils Company (AMOC) made a net profit of LE 917.9 million (\$173 million) in the financial year ended June 30, 2008.

According to the Egyptian Stock Exchange, this represents a 5.8 percent increase compared to last year's profit.

The government sold a 20 percent stake in the oil products company in September 2005 and has been trying to sell a further 50 percent to a strategic investor. The company's net profit in the previous year was 867.4 million.

(Egypt News)

RENEWABLE ENERGY

Voltaix raises \$12.5 million for Semiconductors and Solar Cells

Voltaix, a provider of materials that enhance the performance of semiconductor chips and solar cells, announced that it has received \$12.5 million in financing from Intel Capital, the global investment arm of Intel Corporation. The company said it will use the investment to accelerate manufacturing capacity.

Voltaix manufactures electronic chemicals and gases used in 'front-end' semiconductor manufacturing processes. The company is also a supplier of CVD precursors for production of advanced photovoltaic cells.

"We have provided critical materials for semiconductor and thin film solar applications for more than twenty-five years," said John P. de Neufville, President of Voltaix and an early contributor to amorphous materials research. "We believe that thin film solar cell production, particularly products that can support Building Integrated Photovoltaics (BIPV), is poised for significant expansion. This financing will help enable us to construct a state-of-the-art manufacturing facility to meet growing demand for thin film energy technologies."

"Materials innovation is critical to enabling new capabilities in semiconductor device manufacturing," said Arvind Sodhani, President of Intel Capital and Intel Corporation Executive Vice President. "Our financing of Voltaix is part of Intel Capital's manufacturing strategy to foster innovation around integrated circuit manufacturing and complementary cleantech areas such as thin film photovoltaics."

According to Deutsche Bank estimates, production of thin film photovoltaics (using amorphous silicon, CdTe and CIGS technologies) will increase more than four-fold between 2007 and 2010. Yole Development estimates that the market segment for thin film photovoltaics will reach \$6.7 billion by 2015.

(Clean Edge News)

Hydrogen produced by "Mimicking Photosynthesis"

MIT researchers discovered a way to create energy by mimicking the photosynthesis process that green plants acquire their energy from. Prof. Daniel G. Nocera and former MIT graduate student Alan F. Heyduk invented a hydrogen-producing compound, where they also use a catalyst and small amounts of light.

The process is referred to by some as photosynthesis in a beaker. It could provide a cheap, clean future energy source (in addition to the many hydrogen producing methods available). It essentially creates a molecule to replace a leaf. Nocera explains, "Our strategy is to use the energy of sunlight to drive reactants uphill to energy-rich products, thus harnessing the sun's energy to create a renewable energy source in the future."

"In the leaf, sugar and oxygen are energy-rich products. In our beaker, the sought-after fuels are hydrogen and a halogen, produced catalytically from the photochemical splitting of hydrohalic acid," Nocera said.

(The Green Optimistic)

Spain opens up as a big electric car market

Spain announced its intention to put 1 million Electric Vehicles (EVs) on their roads by 2014 as part of the government's plan to hunker down on decreasing energy use, making it a prime place for EV auto makers to target. The plan is expected to gain approval from the Council of Ministers, and be carried out this year. They're starting just in time, since 2010 will be a banner year for the EV.

According to Miguel Sebastian, Minister of Industry, Business and Tourism, "Electric vehicles are the future and the driver of the industrial revolution." I think he might have the Industrial Revolution confused with the green movement – but, we'll let that slide... Electric vehicles are certainly part of the future, but so are effective mass transit and a mind shift away from owning three vehicles per family. This is a great eco-friendly and economically-friendly move.

While the plan will cost some \$381 million, it is expected to save about 6 million tons of oil over three years, an important, nearly \$8 billion savings for a country that has spent, according to Sebastian, nearly \$26.5 billion on oil in the past year alone.

(Eco News)





TAQA targets \$60-billion investments by 2012

Abu Dhabi National Energy Co. (TAQA) plans investments worth \$60 billion by 2012, said a top company executive.

"We aim to attract \$60 billion of investments by 2012, which means growth of 25% each year," TAQA's Chief Executive Officer, Peter Barker-Homek told a conference call.

TAQA plans to invest \$20 billion both in North America and Europe and a further \$20 billion between Pakistan, India and the Middle East.

"For our downstream operations we are looking to expand in Morocco and India and are currently looking at Saudi Arabia, Europe and North America," added Barker-Homek.

Moreover, TAQA will invest \$1.46 billion over the next three years to boost output from its North Sea operations.

By 2012, TAQA aims to produce 250,000 barrels a day globally for its upstream operations, by bulking up its European operations.

The company said its second quarter net profit for 2008 grew 154% to \$128 million on acquisitions.

TAQA will reshuffle its portfolio so that its upstream and downstream operations will each equal 40% the company's production while midstream will contribute 20%, highlighted Barker-Homek.

The company's purchase of Shell U.K. Ltd. and Esso Exploration & Production Ltd.'s assets in six oilfields in the North Sea will contribute 40,000 barrels a day of oil, or recoverable reserves for between 10-12 years, said Barker-Homek.

Doug Fraser, TAQA's Chief Financial Officer clarified that the company has liquidity worth of about \$4 billion. "We are prepared to execute any acquisitions this year," said Fraser, without specifying what acquisitions TAQA was eyeing.

(Rigzone)



StatoilHydro hits its 5th discovery in Algeria

StatoilHydro has, together with its partner Sonatrach, made a fifth discovery in the Hassi Mouina licence in the Sahara desert in Algeria.

The existence of gas was confirmed in the exploration well TNKW-1 in the southern part of the licence.

Alf Henry Meland, the Head of Exploration in Algeria commented on the new discovery, "This is an interesting discovery and shows that there is a resource potential in the Hassi Mouina licence."

The Hassi Mouina licence was awarded in June 2004, and includes four blocks within an area of 23,000 square kilometers in the Gourara basin.

The area is located in the western part of the Sahara in Algeria, northwest of the In Salah gas field, where StatoilHydro holds a 31.85% interest.

StatoilHydro has a 75% interest in Hassi Mouina, whereas the partner Sonatrach holds the remaining share. (StatoilHydro Press Release)

Dana Gas and Crescent Petroleum establish a \$40-million JV in Kurdistan



Gas Cities a joint venture (JV) between Dana Gas PJSC, the Middle East's first and largest regional private-sector natural gas company, and its partner Crescent Petroleum, announced

that the 461 million square foot site of the Kurdistan Gas City has been officially assigned by the Kurdistan Regional Government (KRG), for development by Gas Cities LLC, following extensive surveys that have been completed on potential sites within the Kurdistan Region of Iraq.

The Kurdistan Gas City is a major new sustainable and synergistic gas-utilization industrial complex to be built over an area of 461 million square feet, designed to promote private sector investment in a variety of gas-related industries to further benefit the country's citizens through mass training, job creation in the many tens of thousands, and the promotion of general economic activity.

The Kurdistan Gas City will include industrial, residential and commercial components in an integrated city, with an expected initial investment in the basic infrastructure estimated at \$3 billion, preparing the land for possession by prospective residents. This initial investment will in turn facilitate further foreign direct investment exceeding \$40 billion (AED 147 billion) during the operations phase. The Gas City is being structured to hold over 20 varieties of world scale petrochemical and heavy manufacturing plants, and hundreds of Small and Medium-sized Enterprises (SMEs), served by state-of-the art civic facilities.

Hamid Jafar, Executive Chairman of Dana Gas, explained the ramifications of this achievement by saying, "The Kurdistan

Gas City is an enormous step forward in Dana Gas' strategy across the Middle East, North Africa and South Asia (MENASA) Region. At this time, we have the KRG and Prime Minister Barzani to thank for welcoming Crescent Petroleum and Dana Gas into the Kurdistan Region of Iraq, as we work towards strengthening the Iraqi economy and bettering the livelihood of the Iraqi people."

The Kurdistan Gas City is the first in a series of "Gas Cities" that are being developed across the Middle East, North Africa and South Asia (MENASA) region by Gas Cities LLC, a joint venture company that has been established by and between Dana Gas and Crescent Petroleum. The Kurdistan Gas City is projected to generate direct and indirect job opportunities for nearly 200,000 Iraqi citizens in infrastructure, industrial projects, support services and other business activities.

Meanwhile, pursuant to the service agreements signed in April 2007 with the Kurdistan Regional Government, construction is more than 80 percent complete on 180 km of natural gas pipeline and two LPG plants, carried out jointly by Dana Gas and Crescent Petroleum in the Kurdistan Region of Iraq to supply, process and transport natural gas to fuel urgently needed local electricity generation. The project is employing Iraqi contractors, professionals, skilled technicians and labor in phases of construction stages to maximize local content and economic benefit. The entire project is on track for first gas supply of 150 million cubic feet per day in the coming weeks, rising to 300 million cubic feet by early 2009.

The gas supplied to the two new power plants under construction in Erbil and Sulaymaniya, will generate 1,250 MW of electricity, for the benefit of over 4 million Iraqi citizens in the Kurdistan Region and the rest of Iraq. The project involves a total investment of \$650 million - the largest single private sector investment in Iraq for decades.

(Dana Gas Press Release)

Eni Holding snags 20% interest in HOEC



Eni Holding, a wholly owned subsidiary of Eni SpA, announced the successful results of its mandatory open offer for 20% of the shares of Hindustan Oil Exploration Ltd (HOEC). As a result of the offer, Eni Holding will become the largest shareholder of HOEC with a 47.17% interest.

The mandatory offer opened on July 2, 2008 and closed on July 21, 2008. It was well-received with an approximately 1.5 times over-subscription and validly tendered shares were accepted on a pro-rata basis.

The aggregate consideration amounts to 3,765.8 million Rupees equivalent to approximately 57 million Euro.

In accordance with Indian takeover rules, Eni Holding had to make a mandatory cash offer to acquire up to 20% of the share capital of HOEC pursuant to the acquisition of Burren Energy Plc, resulting in the indirect acquisition of 27.17% interest HOEC.

Eni considers its investment in HOEC as a means of participating in India's fast-growing upstream sector and intends to contribute with its industry experience and expertise to assist HOEC in growing its business. Eni also reserves the right to seek board representation that is commensurate with its shareholding following the completion of the offer process.

(Eni Press Release)



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Title stays home



Egyptian teenager Mohamed El-Shorbagi wins the World Junior Men's Squash Championship

After defeating local hero Nicolas Mueller in a 67-marathon semi-final, second seed Mohamed El-Shorbagi went on to upset Pakistan favorite Aamir Atlas Khan in the final of the World Junior Men's Squash Championship in Zurich, only to ensure the prestigious title would remain in Egyptian hands for the third successive time.

It was a dramatic climax to the 15th staging of the biennial World Squash Federation Championship, held for the first time in Switzerland. A record 163 players from 37 countries entered the individual championship which reached its final in Zurich on August 1st. The event was followed by the World Junior Men's Team Championship, from 2 to 7 August.

Khan, a semi-finalist both in 2004 and 2006 and ranked 24th; the highest-world-ranked player in the field, was a firm favorite to win the title. The 18-year old reached the final without dropping a game. Victory would have made him the first Pakistani to lift the title since his legendary uncle Jansher Khan, the record eight-time senior World Open champion, in 1986.

But El-Shorbagi was also hungry for success and survived both his opponent and the naturally partisan crowd to topple Swiss star Nicolas Mueller in five games less than 24 hours earlier.

The 17-year old from Alexandria, who celebrated a career-high world ranking of 60, started badly but returned with full force before celebrating victory after 75 minutes in a 2-9, 9-3, 10-8 and 9-4 score line.

"This is a very special moment," said the ecstatic teenager afterwards. "I am very happy to be here and share it with my mother and father. I was 8-5 up in the third game and had to make a big push. This was once-in-a-lifetime opportunity and I knew it. The last two titles were won by Egypt, and there was a lot of pressure on me to win too," added El-Shorbagi. He is based in the UK, where he trains with British squash supreme Jonah Barrington. "Aamir and I will probably have to play each other again in the team match. It will be another hard match and I need to go away and prepare for it."

Egypt leads the way with seven teenagers through to the last 32, led by second seed El-Shorbagi who cruised to the final beating the Czech Republic number one Roman Svec 9-2, 9-6, 9-4, South African Reinhold Hergeth 9-3, 9-1, 9-3, and Malaysia's Ivan Yuen 9-3, 9-5, 9-1.

El-Shorbagi follows the now 20-year old world number four Rami Ashour as winner of the title. He is the latest in a distinguished line of former Egyptian champions including Ashour, Karim Darwish, Ahmed Fawzy and the country's first winner, in 1994, Ahmed Barada twice in 2001 and 2002.

Olympic glory

As the Beijing Olympic Games kicked off last month in China, the world's attention was focused on the most prestigious sports event in the world



China did its best, and succeeded, to present itself to the world as it hosted the opening ceremony for the Olympic Games with an epic display of fireworks and choreography as world leaders watched, with the attendance of 91,000 people at the so-called "Bird's Nest" national Stadium in Beijing. Among those present were U.S. President George W. Bush and Russian Prime Minister Vladimir Putin.

In preparation for the Olympics, China has invested more than \$40 billion for infrastructure, including new venues and upgrades to the Beijing's transportation system. The opening ceremony solely cost \$20 million.

President Bush's appearance marked the first Olympics where a U.S. president has attended the Games outside of the

United States.

The ceremony's storyline and scenes covered 5,000 years of Chinese history. People, objects and events in the production included the Great Wall, opera puppets, astronauts and achievements in music and science.

Film director Zhang Yimou helped to produce and create majestic and epic imagery. In one part of the ceremony, athletes floated around a globe, while leading Chinese artists sang the theme song "One world one dream".

The cast consisted of approximately 15,000 people. In a nation where the number eight is the luckiest number, the ceremony began at 8pm on the eighth day of the eighth month of 2008.

In the last Olympic Games held in Athens 2004, the Egyptians claimed five Olympic medals after 20 years of absence from the medal table; gold in wrestling, silver in boxing and three bronze medals for boxing and tae kwon do. Back then, nobody expected Egypt to win any medals. Hopes were pinned only on one weightlifter; Nahla Ramadan, who in actual fact failed to meet those expectations.

Egypt took part in the Games with a 177-strong delegation, including 100 male and female athletes. They took part in handball, volleyball, fencing, wrestling, boxing, equestrian, modern pentathlon, tae kwon do, Badminton, synchronized swimming, Judo, table-tennis, athletics and swimming.

Supreme control

For the fourth successive time and the fifth in their history, Ahli attained the Egyptian Super cup title to show off his supreme control

Egyptian league holders Ahli beat the wounded Zamalek 2-0 to claim their fifth Egyptian Super cup title in the Cairo Stadium. The win was the second in a week as they triumphed a week earlier over their arch-rivals Zamalek after a 2-1 win in the CAF Champions League in the first match of the groups phase.

Despite the win, the Egyptian champions already missed a handful of key players, including Mohamed Abu Treika, Emad Meteb, Gilberto, Emad El-Nahhas and Ahmed Fathi, while Zamalek missed Gamal Hamza, Shikabala, Mohamed Abul Eala, Ahmed Ghanem Sultan and Abdel Haleim Ali.

Egypt captain Ahmed Hassan, playing his second game with Ahli, gave the lead for the Red Devils two minutes into the second-half when Mohamed Barakat made up for his fluke by setting up Hassan with a slick through pass that the latter tucked in at the far post.

One minute later, Stuchlik then ruled out Junior Agogo's goal for an offside, and almost immediately the Tunisian defender Wissem El Abdi was given his marching orders. El-Abdi picked up his second yellow card for hitting Hassan without the ball.

Ahli picked up their game late and grabbed a second goal through dead-ball specialist and former Zamalek midfielder Moetaz Eno who pounced on a clearance from Zamalek defense

and volleyed home from the edge of the area to double the score one minute from the final whistle.

However, Hollman refused to admit his second straight defeat with Zamalek, as he pointed finger at refereeing once again. "The referee killed us, I cannot believe he is registered by FIFA," Hollman said in the post-match conference.

"This referee should go back to his country by bus after his awful performance today. He was not focused on the game at all. We had a clear penalty in the second half, and we had a valid goal disallowed after that," he added.

"I can tell you that my contract with Zamalek will only last one month, if things remained like that. We lost two games only because of refereeing."

The triumph boosted the tally of Ahli's titles and gave more confidence to the player to start the new season with a new championship. They won the title in 2003, 2005, 2006, 2007 and finally in 2008. While Zamalek won the Egyptian Super cup only twice in 2001 and 2002.



No date for Tiger return

Tiger Woods says he does not expect to pick up a club again until next year

The world number one underwent knee reconstruction surgery earlier the summer having defied medical advice to win the U.S. Open.

The injury has ruled him out for the rest of the season including this month's Ryder Cup at Valhalla and it could be some time yet before he is ready to return to action.

"As far as swinging a club, that is not going to happen until next year," Woods said in his monthly newsletter. "I just do not have a choice.

"We simply do not know what type of swelling there would be or if there would be any residual effects the next day once you start wheeling and dealing on the knee. Everyone's body reacts differently. I could putt right now but I'm not going to do it."

Woods initially suffered the injury during last year's Open

at Carnoustie and had two lengthy spells on the sidelines before returning to win his 14th major title at the U.S. Open.

The 32-year old said his rehabilitation is going well, but admits there is no timetable regarding a possible comeback.

"I do not know what the doctors are going to tell me about playing golf down the road," he said. "I am taking it day-to-day, week-to-week. All I'm doing every day is looking forward to my next day.

"I am a lot more mobile, which is really nice," he added. "The big thing is I have started my rehab and can ride the (exercise) bike. I cannot ride it hard - just motion - but am getting in two or three sessions a day."

"Initially, I probably lost about 10 pounds because I was not working out. All of that was muscle. I have put about two pounds back on, but I'm still pretty light. I am eating mostly raw and organic foods that provide the most nutrients."



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Mazut floats on the Nile!

Large quantities of mazut leaked into the Nile River, last July, after a main oil pipeline of the Helwan Cement Company (HCC) ruptured, near the districts of Manial and Helwan, resulting in highly polluting the water and causing three water refineries to suspend operations. Through the involvement of petroleum service organizations, such as PESCo, the spill was absorbed

By: Yomna Bassiouni

The spill, which covered an area of two kilometers and was spotted at different locations, resulted of a leak when the National Petroleum Pipelines attempted to separate an unused pipeline from one currently in use, said a senior member of HCC to Daily News Egypt.

Immediately after the leak, authorities interfered in order to stop the spread of the mazut spot (a heavy low quality fuel oil used in generating plants and similar applications) minimize the resulted damages and clean up the Nile. As a mean to avoid the spill from spreading, floating barriers, sand walls, iron fences and rice hay were released to absorb it.

The leaked oil was first channeled to an inland waterway reserved to absorb rain water. However, when a water refinery in Kafr El Elw, Helwan poured water into the waterway, the level of the oil-stained water rose and overflow in the Nile.

State Minister for Environmental Affairs Maged George said that the oil spot remained in Helwan and spread along 2 km. The minister said chemicals were used to dissolve it, reported Al-Masry Al-Youm.

Omar Abdel-Aziz Mehanna, HCC Chairman clarified that the company has no responsibly of this leak, stating that it occurred when Misr Petroleum Pipelines Company tried to separate an unused pipeline supplying HCC with mazut from one which is currently in use. He further added that his company has already filed a police report about the incident, emphasizing that it has already been harmed by the consequences of the spill.

"HCC would like to clarify that the pipeline, which is 600 meters away from the plant, does not belong to the company and that the company is by no means responsible of this accident," stated HCC in a statement released two days after the incident. "However, as a responsible corporation, the Helwan Cement plant supported local authorities in cleaning up the area of Kafr Al-Elw in Helwan by providing pumps, trucks and fire-fighting equipment." The company has denied any responsibility for the leak.

Shamel Hamdy, the First Undersecretary of the Ministry of Petroleum declared that water refineries stations in the areas of Manial and Helwan were not affected and did not suspend their operations, except for the Kafr El Elw. Investigations are currently held to determine the reasons behind this leak, added Hamdy.

PESCo active on the scene

In the contest to control the spread of the mazut leak, Petro Environmental Services Company (PESCo) was instructed by the Egyptian General Petroleum Corporation (EGPC) to assist with the clean-up of the spilt oil. According to the Egyptian Pipeline Company, the spill counted for approximately 20 tons of heavy fuel oil.

The spilt oil shown to PESCo was at the waste water channel outlet leading into the Nile River. Upon first inspection the amount of oil at the entrance was approximately 5 meters wide, 20 meters long of varying thickness.

The polluted areas were divided into three operational areas,

1. Area (A) Entrance to the Nile,

2. Area (B) Waste water channel on the Nile side of the road bridge

3. Area (C) Waste water channel on the opposite side of the road bridge from the Nile

Area (C) was divided into eight zones, approximately 50 meters each, the zoning started at the road bridge (C1) leading away from the road bridge towards the factories (C8).

Area (A) had some small remaining patches of oil that were entrapped in scrap pipes, and old tanks, upon removal of this debris the area was quickly cleaned.

The Egyptian Pipeline Company (EPC) was helpful and all efforts were made to coordinate as follows:

1. PESCo installed booms to prevent oil reaching the Nile or cleaned areas.
2. EPC removed the water grass and debris using cranes.
3. PESCo removed the oil from the water using weir skimmers, rice straw, and sorbent material.
4. EPC removed all waste.

Is river water safe?

Technically, the spill was totally removed from the affected areas, yet the questions remains; is the river water safe now? According to officials and authorities, all water refinery stations are currently operating and everything is back to normal. However; some water and environment experts disagree. Ecologist Samer El-Mufti told Al-Ahram Weekly Newspaper that the oil spill would take up to one month or even more to dissolve, and current analysis shows very high rates of water pollution in the affected areas. The dissolution of the slick depends on its size and the water cycle, added El-Mufti. He noted that both the color and smell of the water have changed, which is likely to affect the living organisms in the river. El-Mufti revealed that the size of the leak is worrisome, adding that this is the first of its kind in the River Nile and that the wind could help spread the unseen particles of the pollutants to other areas.

On the other hand, Hussein El-Atfi, official spokesman for the Ministry of Irrigation and Water Resources, gave assurances that the leakage had not affected the quality of drinking water. El-Atfi claimed that the speed of Nile water has broken down and already flushed away

the oil spill to the Mediterranean. "The quality of Nile water has shown improvement since the leak," contended El-Atfi.

Area (A) Water edge / Pipes and debris



Area (B) had medium to heavy contamination that was further complicated by the presence of water grass.

Area (B) Flood Water exit from area Nile Side



AREA (C) Zone 1 - Heavy contamination, further complicated by the presence of water grass and debris.

Area (C1)



AREA (C) Zone 2 - 6 - Heavy contamination, further complicated by the presence of grass and debris

Area (C2)



Area (C3)



AREA (C) Zone 7- Medium contamination further complicated by debris and grass
AREA (C) Zone 8 - Light Contamination complicated by debris

Area (C 7 - 8)





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From one crisis to another



By: Ahmed Morsy

A shortage of subsidized 80-octane gas has spread from Greater Cairo to other parts of the country, as the gasoline completely disappeared from gas stations in light of drivers' rush to buy it due to its low price

Although the Egyptian Minister of Petroleum Eng. Sameh Fahmy denied on national television any plans to reduce the production of 80-octane and diesel or to increase the prices of fuel, taxi drivers as well as private car owners queued in front of gas stations across Cairo as the congested city suffered a shortage of 80-octane and diesel fuel; a crisis that reached its peak the last two months.

The government hiked prices for other fuel grades last May between 32 and 57 percent. More and more taxi drivers as well as private car owners are resorting to 80-octane (LE 0.90 per liter) after the price hikes of gasoline 90 and 92, where the former increased from LE 1.30 to LE 1.75 per liter and the latter from LE 1.40 to LE 1.85 per liter. As a result, the queues sometimes block the streets, leading to traffic jams, especially in streets where government buildings, like ministries, are located. Consequently, the Ministry started to sell quotas of 80-octane gasoline at gas stations located in main streets instead of side and narrow streets in order to avoid any traffic jam.

“The consumption of 80-octane increased by 50 percent compared to last year”

According to statistics issued by the Ministry, the consumption of 80-octane increased by 50 percent compared to last year. Moreover, the Egyptian General Petroleum Corporation (EGPC) announced ear-

lier that the sales of 80-octane have increased by 17 percent, with a rate of 6.5 tons per day compared to year 2007.

The available amounts of 80-octane gasoline would not be reduced due to the measure taken by the Ministry; the First Undersecretary of the Ministry of Petroleum told daily newspaper *Al-Masry Al-Youm*. “We will only change the stations selling the 80-octane gasoline, but the quantities will not be reduced and might be increased.”

From his side, Mohamed Abdel-Gawad Akil, Chairman of Assiut Oil Refinery, the sole refinery that produces 80-octane gasoline, said the crisis did not appear in Upper Egypt so far and the refinery increases production annually to meet demand.

On the other hand, owners of some gas stations mix 80-octane gasoline with 90-octane gasoline to benefit from price differential, which caused the crisis.

In a related development, Interior Minister Habib El-Adly issued strict instructions to security bodies to square up to those who manipulate with 80-octane and 90-octane gasoline. Security campaigns have managed to abort attempts by some gas stations not to sell 15,000 liters of gasoline. The campaigns also stopped the sale of 14,000 liters of adulterated gasoline.

“I have to stay in queues for two hours or more, and sometimes I do not even find fuel for my car,” said Hussein Soliman, a taxi driver. “It is really hard to find 80-octane now, and we can not afford to use gasoline 90,” he added.

Some drivers hopelessly took matters into their own hands and started mixing 80-octane with gasoline

90 as compromise.

The crisis of 80-octane petrol disappearance goes on in Alexandria, Gharbia and Damietta. Cars queues stretched before gas stations in all cities and districts. In addition, some gas stations in Tanta, Mahalla and Kafr Al-Zayat witnessed many quarrels between owners of gas stations and vehicles. Some gas stations were closed for fear of clashes with drivers.

The government alleges that the deficit in Alexandria is attributed to the existence of three million summer visitors, but it could not justify why the same problem did not happen last summer or why did the same crisis take place in Gharbia, Damietta and Luxor and other governorates.

The diesel also escalated the crisis. Eng. Abdul-Aleem Taha, Executive Chairman of the EGPC attributed the crisis to the unjustified increase in the demand for diesel in the wake of false rumors that the government intends to raise its rate.

“The stations’ quantities sufficient for a full day are withdrawn in six hours, which threatens the spread of the black market,” he said.

The EGPC, he added, had increased the quantities of diesel it pumps in the market by 10% and Cairo alone had received 1,000 tons daily increase, asserting that the reserves are in their safe rates without shortages.

He pointed out that the daily consumption nationwide reaches 30 thousand tons. On the contrary, owner of a gas station chain said the Corporation’s supplies had gradually went down for two months until reaching half.



Booming increase in the phosphate market

Since the initiation of the Abu Tartour phosphate project in Egypt three years ago, no fruitful production or achievement were made as planned, leading to an enormous economic loss and a wide public opposition blaming the government for this failure! However, the current unparalleled alternations dominating the phosphate market worldwide has brought lights of hope

By: Yomna Bassiouni

Unprecedented price increase

Since the announcement made by the Chinese authorities, the largest exporter of phosphate worldwide, to partially decrease their exportation level, phosphate prices have been heading to unprecedented price increase for the first time, reaching \$360 a ton from only \$40. China attributed the reason behind this decision to the country's industrial development which necessitates large amounts of phosphate

As a result of this decision, most of phosphate importers have searched for alternative producers than China to secure their needs. Egypt comes on the list as one of the richest mining places. Since then, the Egyptian authorities have received lot of international requests, which would recover the immense loss and scandal of Abu Tartour Phosphate Project.

Abu Tartour project to be reformed

Last March, the Egyptian Minister of Petroleum Eng. Sameh Fahmy revived once again the old topic of Abu Tartour failure.

The Abu Tartour Phosphate Project lies in the desert about 50 km west of El Kharga and 650 km south of Cairo. The project consisted of two main production activities; the mine and the beneficiation plant. The Government invited prospective offers for either leasing the mining project and the construction of a chemical/fertilizer complex or leasing the mining project only. The phosphate deposit covered an area of about 1,200 km², of which a tenth had been explored geologically. Exploration indicated about 715 Mt of estimated reserves with an average seam thickness of 3.5 m. In 2004, the license for exploration was restricted to an area of about 14 km² with estimated reserves of about 65 Mt of fresh phosphates and about 20 Mt of oxidized phosphates, which could be extracted by open pit mining.

This project, since it was signed in 2005, has not met the expected production level or lured any economic profit as planned, which led to a public protest against the government and the ministry of petroleum.

However, after a long peaceful period of time, the project is back under sport, raising once more the public speculations and concerns. Fahmy announced during a People's Assembly session that reforms are to be executed in order to revive the Abu Tartour project. In the context of this recovery plan, infrastructure will be used to produce phosphate and to set up a project for producing phosphoric acid and phosphate fertilizers, thus generating revenues for covering workers' wages without burdening the State budget. Moreover, new companies will be established to utilize the raw materials in this zone, such as cement and limestone.

The Abu Tartour Phosphate Project is a promising project especially after phosphate price increased from \$17 per ton in 2004 to \$100 this year, said Fahmy in the session.

Fahmy asserted that the Ministry's main targets are the development program of Abu Tartour Phosphate Project, and future production plans to reach the optimum designed capacity of the project and benefit from the infrastructure. The Ministry reported that the Abu Tartour Phosphate Project has achieved a surplus of LE35 million (\$6.36 million) for the first time in 2007. It is expected to double this year and reach about LE70 million (\$12.73 million).



phosphate Project, and future production plans to reach the optimum designed capacity of the project and benefit from the infrastructure. The Ministry reported that the Abu Tartour Phosphate Project has achieved a surplus of LE35 million (\$6.36 million) for the first time in 2007. It is expected to double this year and reach about LE70 million (\$12.73 million).

Egypt's phosphate lures more investments

Serving the Ministry's plan, many phosphate exportation requests were sealed. In April 2008, India, the largest phosphate consumer worldwide, requested the exportation of Egyptian rock phosphates for use in fertilizer industry in India. The request came during a meeting between the Egyptian Minister of Trade and Industry, Rachid Mohamed Rachid and the Indian Minister for Chemicals and Fertilizers and Steel, Shri Ram Vilas Paswan.

Shri Paswan also requested Rachid to export low grade rock phosphate to India which could be used for the manufacture of SSP.

In May 2008, Egypt's Orascom Construction Industries (OCI) announced its intentions to invest \$800 million in the phosphate fertilizer industry.

"We are investing \$800 million in phosphate fertilizers," Nassef Sawiris, Chief Executive Officer, told Dow Jones Newswires on the sidelines of the World Economic Forum on the Middle East.

"That is a top priority for us now to enter the phosphate fertilizer business," Sawiris said.

He further added that the location of the investment will depend on the optimum availability of phosphate mines.

"We are going to create some competition between five countries Morocco, Algeria, Tunisia, Egypt and Jordan," he said.

"The country that is going to give us the best access to phosphate mines will get the plant," he added.

The Ministry of Petroleum studies the possible phosphate potentials in more locations, among which Al Wadi Al Gadid (The New Valley); officials have reported that a study has been done on the situation of investments in the Al Wadi Al Gadid Phosphate projects. Investors are being assessed on their interest in projects to produce phosphoric acid and phosphate fertilizers.

Conclusion

Although the tremendous changes in the phosphate market worldwide opens new doors for Egypt to flourish this industry, good planning and strategy should be taken into consideration. Some experts argue that the economic profit attained from phosphate exportation is a short-term one! In 10 years from now, the country will run out of this vital raw material, thus it is more profitable to utilize it locally to develop the country's industrial sector.

Other experts affirm that the economic value of phosphate would be much higher if the phosphoric acid gets extracted from phosphate. As a matter of fact, the economic profit obtained from the exportation of a raw material is much lower than exporting it in a full-product format.

Maybe a new door has been widely opened to flourish the country's phosphate market, yet right strategies should be made to avoid any future losses.



Change of tack

The cancellation of E Agrium fertilizers plant in Ras Al-Bar did not quench the local community's fears

By: Mohamed El-Sayed

After months of conflicts and debates, the Higher Council of Energy put an end to the controversial construction of E Agrium fertilizers plant in the governorate of Damietta. Having met earlier last month, the council, headed by Prime Minister Ahmed Nazif, decided to cancel the project which caused public outcry because of its potential negative environmental effects on the Ras Al-Bar Island. "The E Agrium plant has been cancelled in light of the tourist nature of Ras Al-Bar area which is located in a unique place...at a point where the River Nile meets the Mediterranean," a statement issued by the council said.

"The decision came to put into effect President Hosni Mubarak's instructions that the opinion of the local community in Damietta be taken into consideration before the plant is constructed," the statement pointed out. The council also decided that no industrial projects would be allowed in the area previously earmarked for E Agrium's plant. "Priority will be given to tourist projects which better suit the

nature of Ras Al-Bar," the statement added.

The council's decision came as a response to the recommendations the parliamentary fact-finding committee came up with a couple of months ago. "The committee recommended that the project be relocated to another industrial zone. It also emphasized that the governmental procedures (regarding the project) were sound and properly done, and that there were no administrative, procedural, or financial violations," the statement pointed out, in a clear reference to the allegations that government bodies violated the law by granting a license to the company to construct its plant in this area. The council said this decision came to "maintain the country's interests, and to avoid any negative economic or financial effects on the Egyptian economy and the investment atmosphere in the country."

According to the statement, the project will be relocated to another area bordering Ras Al-Bar Island. After months of negotiations between top government officials and E Agrium officials, the E Agrium's shares will be acquired by Mobco, another fertilizers government-owned company, to enable Agrium to go ahead with its plans on the area earmarked for Mobco.

To avoid any possible opposition to the project in the future, taking into consideration that the plant will be built in an area adjacent to the old site, the council decided to build a state-of-the-art environmental observatory in

Damietta Port to monitor negative emissions that might come out of the plant. "The observatory will be supervised by the Ministry of Environment and the environment administration in Damietta governorate," the statement highlighted.

The decision, in fact, was not cheerfully received by the local community in Damietta, taking into account that the site of the Agrium plant was only moved a stone's throw from the old site. News reports had it that opposition parties and civil society organizations described the decision of the council as "vague", stressing that Damietta has enough petrochemical projects that already pollute the surrounding nature. "The project of E Agrium was namely cancelled. However, it is still existent," said a member of the opposition party in Damietta.

Governor of Damietta, however, welcomed the cancellation decision. "It is a victory to the people of Damietta who peacefully protested against the construction of the plant," Governor Mohamed Fatahi El-Baradi commented on the decision.



Muzzling Iran



Sagadrill 2 South Pars project
StatoilHydro image bank

The U.S is mounting economic pressures on Iran to coax it into stopping its nuclear program

As Western countries exert more pressures on Iran to suspend its nuclear activities, the U.S administration managed to commit many oil companies to stop investing in the Iranian oilfields. StatoilHydro, the Norwegian National Oil Company, has become the latest big oil company to commit not to invest in Iran as a result of the American pressures.

StatoilHydro, which is mostly owned by the Norwegian government, has been assessing a big oil-field in Iran before it announced earlier in August that it would not make any investments in Iran at that time. The Norwegian company had been in talks with Iranian oil officials over the development of one of the biggest oil discoveries in recent years. "We have been evaluating our investment deci-

sions, having informed the authorities in Norway and the European Union (EU) and discussed the issue with the U.S, our view is that this position is in the best interests of shareholders and the company,” said Helge Lund, StatoilHydro’s Chief Executive.

Lund added that StatoilHydro would soon be reducing its involvement in the South Pars gas project. The company would transfer control to Iran’s national oil company by early next year as the project comes on stream, according to Lund. According to the terms of agreement between the Iranian government and StatoilHydro, the latter had a 37.5 per cent stake in the investment and construction phase of South Pars project. However, the company did not own the gas produced, being paid as a service contractor and its involvement will end when it has regained its costs.

The Norwegian company’s decision, in fact, came after the U.S State Department warned in July that it would review StatoilHydro’s activities in Iran to see whether it violated Iran Sanctions Act that prohibits investments of

more than \$20 million in the country’s oil and gas sector. Observers argue that the oil company did not want to anger the American administration, simply because it has ambitions to expand its business in America, especially in the Gulf of Mexico.

European companies have always been walking a tight rope; they planned to keep a foothold in Iranian oilfields, but at the same time, they did not want to harm their relations with the U.S. StatoilHydro move, as a matter of fact, followed similar decisions by major western oil companies like the French Total and the Dutch Shell. All the three companies saw the risk of

investing in Iran’s oilfields would be too high, especially in case of a U.S-led military strike against Tehran.



Oil affected by Russian-Georgian turmoil

A sudden Russian-Georgian war might cause havoc in oil markets

At a time, when people around the world were glued to TV screens to watch a dazzling Olympic Games opening ceremony in the Chinese capital Beijing, news reports about ongoing clashes between Russian and Georgian forces in Ossetia in the Caucasus region began to flood screens. Fighting between the two countries erupted when Georgia launched an overnight assault on South Ossetia, which has had de facto independence since the end of a war in 1992.

As the fighting continued, the US and European leaders stepped up efforts to end the war between the two countries. The American President George W Bush criticized Russia’s response. “I said this violence is unacceptable,” Bush said after he met Russian Prime Minister Valdimir Putin at the opening ceremony of the Olympic Games in Beijing. He added that “I was very firm with Vladimir Putin. Hopefully this will get resolved peacefully.”

Bush urged Moscow to stop bombing immediately, saying it marked a dangerous escalation. On his part, the US Vice-President Dick Cheney said Russian aggression “must not go unanswered”. He added that the continuation of violence against Georgia would have serious consequences for Russia’s relations with the US, as well as

the international community.

As Egypt Oil & Gas was going to press, EU diplomats have been heading to Moscow for talks with Russian leaders.

French Foreign Minister Bernard Kouchner said he was seeking a “controlled withdrawal of troops” from the conflict zone. Kouchner, heading a European Union delegation, was attempting to persuade both Georgia and Russia to resort to a ceasefire and withdraw troops. At the same time, a Council of Europe delegation headed by Sweden’s Foreign Minister was heading to Georgian capital Tbilisi for talks.

While many European diplomats said that Russia has crossed several red lines by striking at Georgia, Putin maintained that “Russia’s actions in South Ossetia are totally legitimate”.

According to Russian officials, the death toll in fighting stood at 2,000, however, Georgian officials said that on their side, 129 people had been killed and 748 injured. The United Nations Refugee Agency (UNHCR) has called on the parties to the conflict to grant safe passage to civilians trying to escape the war zone. The UNHCR estimates that between 10,000 and 20,000 people have been displaced within Georgia, including South Ossetia, while Russia has said that a further 30,000 people have fled north into the Russian province of North Ossetia.

Politics aside, the war caused crude oil prices to



jump by more than a dollar on fears that the conflict could disrupt supplies in the Caucasus region. Many observers argued that the military conflict in Georgia is the key factor in pushing up oil prices this month. As a result, US light and sweet crude were up \$1.16 at \$116.36 a barrel, while London’s Brent crude gained \$1.45 to \$114.78 after prices had fallen in the second week of August after it hit a record \$147.27 in July.

Although Georgia is not an oil producer, the country is a key transit point for crude and gas exports coming from the region. For example, British Petroleum (BP) has a 30% stake in the Baku-Tbilisi-Ceyhan oil pipeline, the world’s second largest, that runs from Azerbaijan through southern Georgia into Turkey. This pipeline can transport as much as 1.2 million barrels of oil a day. Although the pipeline had not been damaged by the fighting, oil importers’ are bracing themselves for the worst, taking into consideration that transporting oil through the region is designed to make the West less dependent on supplies from Russia.





G-Force Perforating System gets the job done while providing peace of mind

Halliburton continues perforation success

By Larry Roach, Daniel Dorffer, Clint Quattlebaum-Halliburton Energy Services.

Halliburton's G-Force® Precision Oriented Perforating System provides operators with peace of mind, giving them the confidence of knowing that their perforations are placed exactly as planned within the wellbore using the force of gravity to orient perforations.

Use of the G-Force Perforating System assures the operator that the wellbore limitations that can cause poorly oriented perforations of other perforating systems will not be part of the equation. The G-Force system is comprised of an internal orienting charge tube assembly within the outer gun carrier, which allows perforating in any azimuthal orientation, regardless of the gun's position relative to the casing in which it sits. The guns can be deployed on wireline, slick line, jointed pipe or coil tubing.

The technology was first used in Norway (SPE 103244), and was designed to improve the efficiency and reliability of perforating on specifically oriented phases. Prior to the advent of the G-Force Perforating System, orientation was achieved using external fins or eccentric subs which forced the fins to the high side of the well in order to orient the placement of the perforations. This method was not always reliable or consistent, causing torque and drag problems due to the friction that was created.

As Halliburton engineers evaluated the problem a basic concept was introduced that if a rotating device was placed inside a protective environment it would overcome adverse well factors that significantly decrease job success.

With the G-Force technology the force of gravity is harnessed and used to position the shaped charges within the gun body. Since the orientating mechanism is incorporated inside the gun assembly wellbore trajectory and configurations have no affect upon the orientation as long as an appropriate amount of deviation exists.

The first tubing conveyed G-Force system in the Northern Gulf area of the Middle East totaled 10,383 feet of 4-5/8" G-Force Perforating System loaded at zero degrees phasing. The perforation orientation was in the maximum stress direction, which in this case was to the high side of the high angle/ horizontal wells to reduce the potential for sand production.

Over 15 wells totaling almost 26,000 feet of perforations have used the G-Force Perforating System and have achieved their goals

as the guns were properly oriented according to the game plan and sand production was avoided. Several objectives were sought with the use of the G-Force Perforating System; a) there was a need to reduce the potential for sanding, while b) there was also a need to drain away from nearby aquifers above the reservoirs. Sometime in the future there may be the need to re-perforate existing liners when they become plugged with sand.

However, the gains in production are not only related to the use of oriented perforation but also from increased reservoir drainage with the horizontal well technologies. Horizontal sections ranging from 600 to 2,600 feet have been perforated to date, and it appears the production rates have jumped in the longer perforated intervals up to three-fold increases initially before leveling off to some degree.

The G-Force Perforating System is a viable option for anyone utilizing a deviated well, and can be beneficial to those who want to perforate in a specific manner. A similar application as the Northern Gulf comes from Angola where the operator once more chose this system to prohibit sand production.

"The customer's perforation/completion technique creates the demand for the system. It is a possible solution for any deviated well, and an optimum product for customers who choose to perforate their wells on oriented planes," says Clint Quattlebaum, Halliburton senior technical professional – Perforating Services.

The G-Force Perforating System is designed for wells with 25 or more degrees of deviation, with an azimuthal accuracy rate of +/- 5 degrees. With this degree of precision more of the reservoir can be accessed and the challenges facing horizontal wells minimized, or eliminated. While also providing the operator with increased recovery rates, the ability to minimize water contact, and minimize sand production.

The technology behind the G-Force Perforating System is especially beneficial in poorly consolidated formations, where oriented perforating has been extremely effective as a method to prevent sand production without the costly inclusion of complex sand control completions. To determine the most advantageous design for perforations to prevent sand production, one must develop an accurate reservoir stress model of the well to aid in the planning for the optimal perforating orientation and completion method. It is imperative that the perforation orientation, phasing

and shot density be properly planned in order to minimize the effects of differential pressures and induced stresses on the perforation tunnels during production.

The current stress regime in an area in the Caspian Sea is in a reverse fault condition where the horizontal stresses actually exceed the vertical stress ($SH_{max} > SH_{min} > S_v$). As the reservoir depletes, there is a possibility that the localized stress around the wellbore could transition into a normal stress regime ($S_v > SH_{max} > SH_{min}$) due to the increased effect of overburden and the surrounding pressurized formations. In regions where high stress contrasts exist, orienting the perforations in a preferred direction may provide a more effective means of controlling sand production than the effects of shot density and phasing alone. For example, in a horizontal well in the North Sea, perforations aligned in the vertical plane were much more stable than perforations in the horizontal plane.

Predicting how the stresses around the wellbore will behave over the life of the field will play a critical role in determining the best perforation strategy for sand prevention in areas such as this.

The G-Force Perforating System is compatible with Halliburton's live well intervention systems such as the AutoLatch™ Connector, Ratchet Connector and Modular Gun System. It is just one of many systems from the Halliburton Perforating Solutions product line that has maintained an unequalled success and safety record while staying in the forefront of perforating technology.

In addition to the G-Force Perforating System, other options for configurations and completion optimization in Halliburton's Perforating Solutions arsenal include the "extreme overbalance" applications known as PerfS-tim™, POWR*PERFSM, PerfConSM, StimGun™ and modular gun systems.



Sigma Guard EHB



Resistant for many chemicals plus potable water and sea water

With unparalleled levels of experience and expertise in coating technology and many decades of investment in research and development of coatings, no company is better placed than Sigma Coatings to answer the very specific and demanding challenges of the protective coatings industry.

We aim to develop, manufacture and distribute the finest products and to deliver them around the world with the best customer service. We will work closely with you

- An economical two-coat epoxy tank coating system with good chemical resistance
- Easy-clean gloss finish for fast turnaround and cargo sequencing
- Ideal for carriage of clean petroleum products
- Certified for carriage of aircraft fuel, drinking water and foodstuffs
- Twenty year proven track record

to assess the performance required from the coating and deliver solutions that are tailored to the exposure conditions, application requirements, surface preparation options, lifetime and budget. Sigma Protective coating has developed an unrivalled high- solids Epoxy protection

system with good chemical resistance.

Today's shipping environment calls for flexibility, when it comes to cargoes. With so many chemical and petroleum based products now transported by bulk carrier in very large quantities, it is more than ever important to protect cargo tankers used for this purpose with a coating that can offer a high level of chemical resistance, and at the same time speed turnaround times by being easy to clean for rapid cargo sequencing.

Sigma Guard EHB is a high solids epoxy tank coating system resistant to many mild chemicals and clean petroleum products. It is high solids content gives excellent coverage, and applied at its recommended two-coat thickness totaling 250 microns forms an excellent protective layer for the steel substrate, with very low levels of cargo absorption. Its gloss finish resists cleaning, allowing for minimal turnaround times.

The Sigma Guard EHB system has been certified for

RESISTANCE OF VARIOUS TANK COATINGS				
Product	Phenolic Epoxy	OCL Epoxy	Sigmaguard EHB Epoxy	Zinc silicates
Aliphatic hydrocarbons	+	+	+	+
Benzene, toluene	+	+	+	+
Xylene and higher aromatics	+	+	+	+
Crude oils 70°C	+	+	+	+
Methanol (fuel grade)	+	+	-	+
EDC	+	+	-	+
Caustic soda	+	+	+	-
Vegetable oils & acids (restriction on acid value)	+	<100	<20	<5
Ammonia solution 25%	+	+	-	-
Oxygenated petrol	+	+	+	+
Sea water	+	+	+	+

+ = resistance - = not resistant

Indication reference only, for complete resistance see Cargo Resistance List

the carriage of drinking water, dry foodstuffs and aviation fuels, and represents an ideal choice of tank coating for multi-cargo vessels carrying clean petroleum products.

Known and trusted in service for many years, it provides effective and economical all-round protection, suitable for both new build and maintenance application.

Properties of sigmaguard EHB					
clean oil product resistance	curing	Abrasion resistance	Cargo absorption	High solids	Economical
Excellent	Quick	Excellent	Low absorption fast release &	two coats of 125 dft each	Represents excellent value for money



What is Storage Virtualization?

Part I

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

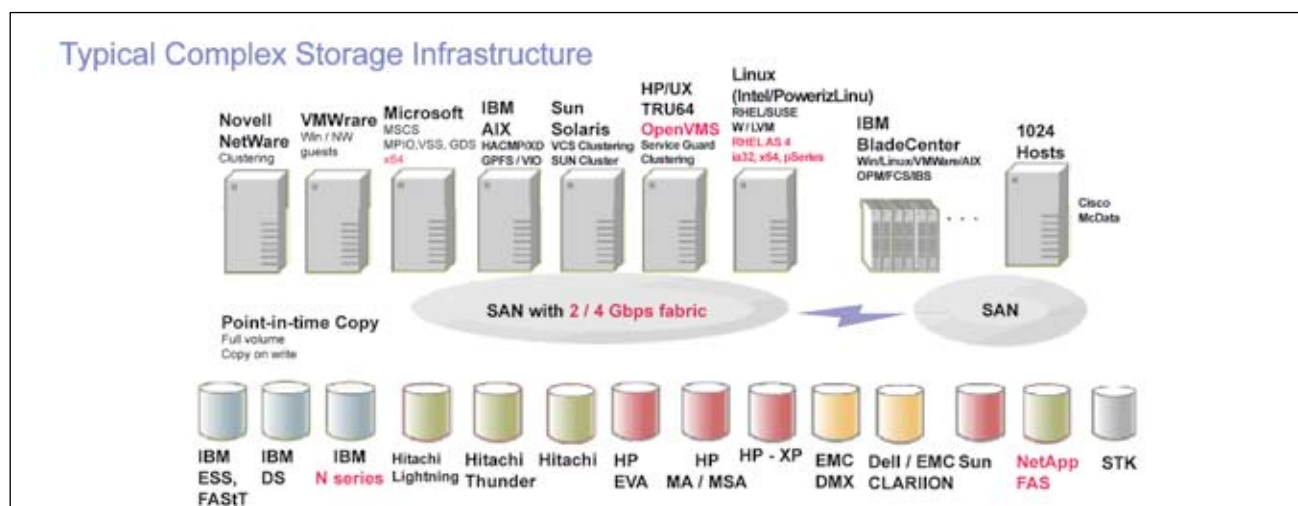
As discussed before in the previous episode "How to select Mid Range Storage ?", Fiber Channel Storage category selection is a critical process that needs proper sizing in order to have the best fit solution and gain the intended benefits of SAN Storage Solutions.

What if you find out that your storage infrastructure does not fit your performance needs anymore or that you have an old storage array and you want to integrate it into your new storage infrastructure without any application downtime? What about data migration, can it be online? What if you made that decision for different vendors and now your infrastructure have multiple boxes from different vendors? The only way to answer all these questions and overcome storage complications lies in two words "Storage Virtualization".

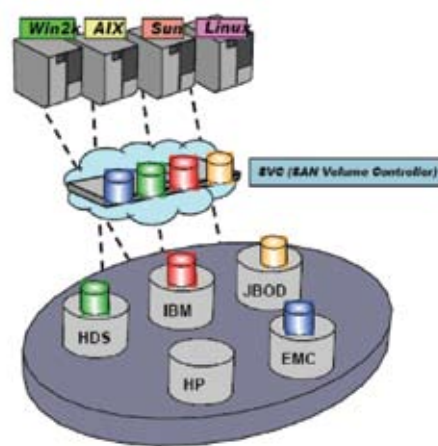
Storage Virtualization has passed through a long way over the past seven years. After a false start in 2001, several vendors disappeared; many others repositioned themselves to focus on the Small and Medium Business (SMB) space, where others reinvented themselves with completely different products. With the SAN Volume Controller (SVC) product, launched in July 2003, IBM nurtured the market, in spite of the fact that many in the market did not even want to say the V-word anymore. IBM persisted and has successfully demonstrated the potential of storage virtualization and the real Return on Investment (ROI) that customers would have. The gain that IBM had was huge by penetrating and prevailing different locations worldwide, where customers were suffering from performance problems or having storage complexity and then SVC has come to solve all their problems.

SVC is a mature, enterprise-proven product that has demonstrated Investment Protection to its customers. Moreover, SVC and its in-band architecture can indeed scale to handle the largest, most stringent enterprise SAN environments. By doing so, IBM has led the market where others have only slowly followed. The company's efforts have in fact changed the market, and now it is filled with solutions for storage virtualization. But, a casual glance at the success of the other solutions in this market is telling; HDS has successfully brought USP to market. HP and Sun resell the controller-based HDS solution, EMC is carrying invista, and Dell still has no offerings, where all of the other solutions are still in their infancy when customers are counted. The bottom line is IBM has paved the way to show customers the value of virtualization to the point that the V-word is back in the vocabulary of all storage vendors who have rapidly tried to deliver solutions to the market over the past few years. But, the truth is none of these solutions come close to the success and maturity demonstrated by IBM's SVC.

The value of storage virtualization is unquestioned. It provides a forum to perform storage management in a consistent fashion even while the underlying physical storage is heterogeneous. It is a key building block for the next generation data center that will focus on delivering a variety of services. From our experience, we believe that IBM gain till now is a shadow of what it is to come, as IBM ties storage virtualization to other efforts, such as server



blades and server virtualization delivering the values of the coming decade.



The Storage Management Nightmare

It is no secret that the job of the storage administration has gotten a lot harder over the past decade. Much of the reason for this can be traced back to five fundamental challenges that exist in most enterprise data centers.

Challenge-1: Rapid Capacity Growth

IT departments are being asked to store more information longer. Solution would be by adding low performance, high capacity SATA disks or using more disks in Fiber Channel Loops that are all against system stability and proper performance. Alternative would be by adding a new storage array to the infrastructure that will end up by multiple arrays which need more professional IT staff to manage while keeping high risk. Storage Virtualization would be the only possible right solution in order to keep up with the ever increasing capacity requirements with Always On-Line infrastructure. Storage virtualization will not be optional in the next generation data center.

Challenge-2: Poor Storage Utilization

Inflating this data growth is the fact that the deployed storage capacity is not readily accessible to the hosts that need it. Current storage practices over-provision disk for running out of capacity are high and over-provisioning reduces the need for repeated provisioning in the future. Hence, the typical storage utilization rates in most enterprises run in the 25-40% range. Today, low utilization creates more burden than ever before by consuming precious expensive power, and creating unnecessary heat. Storage provisioning is a normal operation for SVC.

Challenge-3: Tiered Storage

Storage administrators are being asked to wring

costs out of their infrastructure by ensuring that the data is stored on the most cost-efficient media possible. Typically, the value of data decays over time. Therefore, it does not make sense to store seldom accessed information on the highest cost storage systems and media. To cut costs, storage administrators must create tiers of different types of storage based on performance and cost per capacity (\$/TB) metrics. They must continually ensure that the data is stored on the most efficient storage available, redistribute data among storage types (FC Disks, SATA Disks & Tape) i.e. On-Line Storage, Near-Line Storage & Off-Line Storage, and ensure that protection practices such as replication are consistently maintained across tiers. In fact, migrating data is disruptive, and then breaks many complex relationships between replicas and data protection systems. This makes storage tiers extremely complex if not impossible, unless you have SVC, then you will not face any of these problems.

Challenge-4: Non-Disruptive Data Migration

In today's world, IT systems are expected to be constantly operational. However, storage administrators are often required to take storage offline in order to migrate data between arrays or change the storage infrastructure. In fact, storage administrators are expected to perform technology refreshes, vendor/equipment swap outs, and re-configuration activities as part of routine data center and storage maintenance. These actions prevent applications from accessing data and thus increase application downtime. The cost of downtime can dramatically impact a corporation's bottom line and its reputation. Therefore, storage administrators need a way to perform storage changes and data migrations between arrays and different types of storage media while still maintaining continuous availability for the applications and their data.

Challenge-5: Data Protection and Disaster Recovery

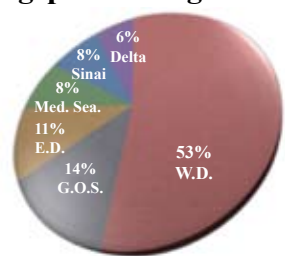
Managing a Disaster Recovery solution is not an easy job. The management of snapshots, backup, replication and mirroring technologies imposes a tremendous level of administrative complexity on the storage organization. Storage administrators must now protect each application and its data and cope with the delicate differences between the variety of heterogeneous storage array vendors and products. Furthermore, DR and data protection compound the already critical storage management problem. An administrator now can cope with managing two copies of the same data across two locations while ensuring its consistency.



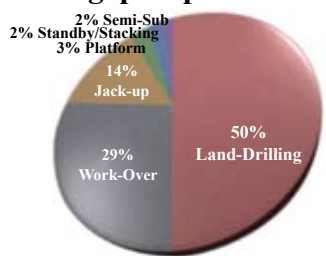
Table 1 Egypt Rig Count per Area -August 2008

Area	RIG COUNT		Percentage of Total Area
		Total	
Gulf of Suez		20	14%
Offshore	20		
Land			
Mediterranean sea		11	8%
Offshore	11		
Land			
Western Desert		74	53%
Offshore			
Land	74		
Sinai		11	8%
Offshore			
Land	11		
Eastern Desert		16	11%
Offshore			
Land	16		
Delta		8	6%
Offshore			
Land	8		
Total		140	100%

Rigs per Area August 2008



Rigs per Specification



Source: Egypt Oil & Gas

Table 2 World Oil Supply¹ (Thousand Barrels per Day)

		United States ²	Persian Gulf ³	OAPEC ⁴	OPEC ⁵	World
2007 October		8,500	23,569	24,766	36,063	85,343
November		8,578	23,227	24,435	35,860	85,112
December		8,659	23,876	25,087	36,602	85,485
2007 Average		8,457	23,109	24,277	35,421	84,440
2008 January	E	8,624	24,990	25,129	36,505	85,258
February	E	8,625	24,219	25,359	36,667	85,385
March	E	8,664	24,230	25,372	36,895	85,499
April	E	8,717	24,143	25,294	36,612	85,259
May	PE	8,879	24,611	25,739	36,990	86,046
2008 5-Month Average	PE	8,703	24,239	25,379	36,735	85,492

¹«Oil Supply» is defined as the production of crude oil (including lease condensate), natural gas plant liquids, and other liquids, and refinery processing gain (loss).

² U.S. geographic coverage is the 50 States and the District of Columbia. Beginning in 1993, includes fuel ethanol blended into finished motor gasoline and oxygenate production from merchant MTBE plants. For definitions of fuel ethanol, oxygenates, and merchant MTBE plants.

³ The Persian Gulf countries are Bahrain, Iran, Iraq, Kuwait, Qatar, Saudi Arabia, and the United Arab Emirates.

Production from the Kuwait-Saudi Arabia Neutral Zone is included in Persian Gulf production.

⁴ OAPEC: Organization of Arab Petroleum Exporting Countries: Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, and the United Arab Emirates.

⁵ OPEC: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

E=Estimated data. RE=Revised estimated data. PE=Preliminary estimated data.

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

Source: EIA

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

	Egypt	Libya	Sudan	Other	World	OPEC ¹	Persian Gulf ²	North Sea ³
2007 October	609	1,740	500	2,492	73,726	32,798	21,118	4,170
November	609	1,740	520	2,517	73,434	32,648	20,833	4,082
December	609	1,740	520	2,524	73,913	33,339	21,434	4,064
2007 Average	637	1,702	464	2,505	73,050	32,174	20,672	4,114
2008 January	609	1,740	520	2,533	73,991	33,220	21,538	4,004
February	609	1,740	520	2,556	74,176	33,375	21,763	3,980
March	609	1,740	520	2,525	74,286	33,595	21,768	3,975
April	609	1,718	520	2,549	73,901	33,313	21,682	3,924
May	609	1,700	520	2,574	74,481	33,688	22,148	4,053
2008 5-Month Average	609	1,728	520	2,547	74,169	33,440	21,781	3,988

¹ OPEC: Organization of the Petroleum Exporting Countries: Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates, and Venezuela.

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

Production from the Kuwait-Saudi Arabia Neutral Zone is included in Persian Gulf production.

³ North Sea includes the United Kingdom Offshore, Norway, Denmark, Netherlands Offshore, and Germany Offshore.

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

Source: EIA

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

	France	German	Italy	United Kingdom	OECD Europe ²	Canada	Japan	South Korea	United States ³	Other OECD ⁴	OECD ¹	World
2007 October	2,128	2,664	1,748	1,742	16,083	2,308	4,793	2,208	20,455	3,572	49,419	NA
November	2,063	2,547	1,724	1,779	15,846	2,410	5,206	2,350	20,708	3,482	50,000	NA
December	1,825	2,429	1,694	1,664	14,876	2,291	5,661	2,362	20,869	3,516	49,574	NA
2007 Average	1,937	2,467	1,678	1,764	15,275	2,332	4,972	2,207	20,698	3,456	48,940	85,542
2008 January	2,047	2,515	1,603	1,696	15,382	2,316	5,339	2,365	20,114	3,456	48,895	NA
February	1,978	2,506	1,647	1,806	15,341	2,389	5,851	2,340	19,782	3,453	49,155	NA
March	1,869	2,410	1,546	1,676	14,700	2,346	5,067	2,258	19,732	3,312	47,415	NA
April	1,992	2,512	1,597	1,822	15,366	2,213	5,031	2,091	19,768	3,571	48,039	NA
2008 4-Month Average	1,971	2,485	1,597	1,748	15,193	2,316	5,316	2,264	19,851	3,427	48,366	NA

¹ OECD: Organization for Economic Cooperation and Development.

² OECD Europe consists of Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom.

³ U.S. geographic coverage is the 50 States and the District of Columbia.

⁴ Other OECD consists of Australia, Mexico, New Zealand, and the U.S. Territories.

NA=Not available.

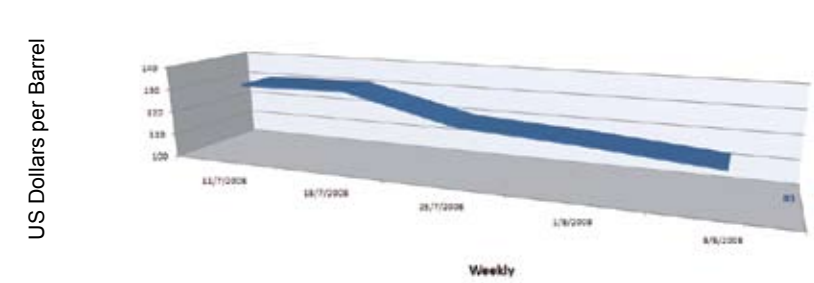
Revised data are in **bold italic font**.

Notes: The term Demand is used interchangeably with Consumption and Products Supplied.

Source: EIA

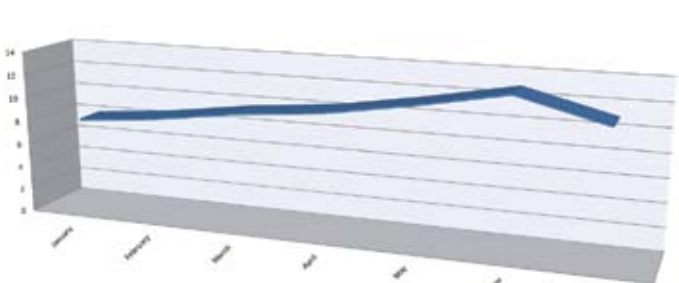


Fig 1 Egypt Suez Blend Price



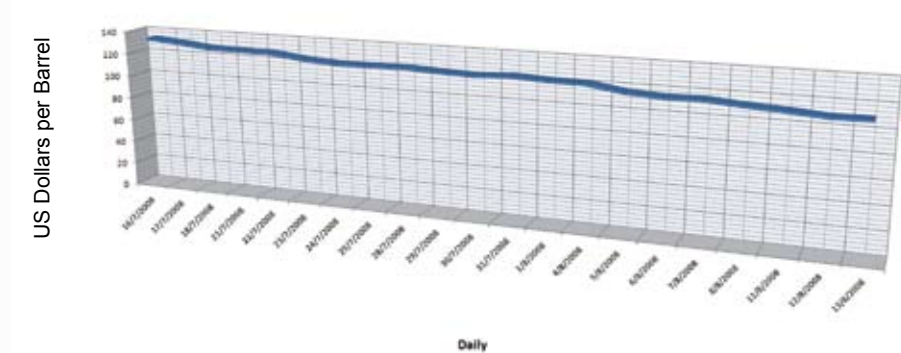
Source: Egypt Oil & Gas

Fig 2 Natural Gas Price



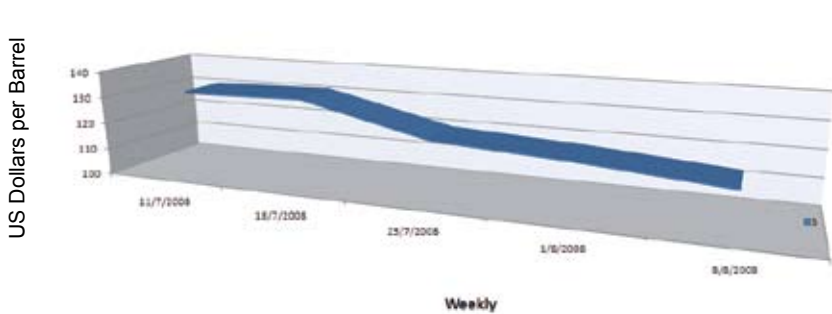
Source: Egypt Oil & Gas

Fig 3 OPEC Basket Price



Source: Egypt Oil & Gas

Fig 4 IPE Brent Price



Source: Egypt Oil & Gas

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

	Algeria	Canada	Mexico	Soudi Arabia	Russia	Former U.S.S.R	United States ¹	Persian Gulf ²	OAPEC ³	OPEC ⁴	World
2007 October	345	704	371	1,440	428	-	E 1,840	2,326	2,780	3,112	7,994
November	347	694	364	1,440	424	-	E 1,886	2,268	2,725	3,058	8,038
December	349	752	379	1,440	423	-	E 1,828	2,316	2,776	3,109	8,069
2007 Average	342	728	396	1,440	426	-	E 1,783	2,313	2,769	3,096	7,959
2008 January	350	729	366	1,440	421	-	E 1,783	2,325	2,790	3,131	8,011
February	352	688	368	1,440	421	-	E 1,830	2,330	2,796	3,138	8,019
March	353	700	367	1,440	420	-	E 1,847	2,332	2,800	3,142	8,042
April	355	709	370	1,440	418	-	E 1,880	2,333	2,802	3,142	8,059
May	356	699	371	1,440	419	-	PE 1,908	2,335	2,805	3,147	8,141
2008 5-Month Average	353	705	368	1,440	420	-	PE 1,850	2,331	2,799	3,140	8,055

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

Source: EIA

Table 6 International Stock Prices Mid-July 2008 - Mid-August 2008

International Stock	High	Low
Schlumberger [SLB] NYSE [US Dollars]	106.08	92.28
Halliburton [HAL] NYSE [US Dollars]	48.91	43.28
Exxon Mobil [XOM] NYSE [US Dollars]	84.38	76.60
Atwood Oceanics [ATW] NYSE [US Dollars]	50.04	38.48
Weatherford [WFT] NYSE [US Dollars]	41.08	36.34
Shell [RDSA] NYSE [US Dollars]	73.86	67.61
Apache [APA] NYSE [US Dollars]	116.56	103.73
Baker Hughes [BHI] NYSE [US Dollars]	85.97	75.64
BJ [BJS] NYSE [US Dollars]	31.40	26.03
Lufkin [LUFK] NYSE [US Dollars]	93.71	84.94
Transocean [RIG] NYSE [US Dollars]	147.97	125.46
Transglobe [TGA] NYSE [US Dollars]	3.77	4.54
BP [BP.] LSE Pence Sterling	535.00	506.75
BP [BP.] LSE Pence Sterling	1146.00	1050.00
Dana Gas [Dana] ADSM US Dollars	1.88	1.67
Caltex [CTX] ASX Australian Dollars	12.80	11.57
RWE DWA [RWE AG ST] Deutsche-Borse Euros	77.28	73.37
Lukoil [LKOH] RTS [US Dollars]	96.20	76.20

Source: Egypt Oil & Gas

Average Currency Exchange Rate against the Egyptian Pound (July / August 2008)			
US Dollar	Euro	Sterling	Yen (100)
5.289	8.242	10.419	5.065
Stock Market Prices (July / August 2008)			
Company	High	Low	
Alexandria Mineral Oils [AMOC.CA]	73.22	66.27	
Sidi Kerir Petrochemicals [SKPC.CA]	19.91	15.87	



El Hindi triumphs in Petrosport Championship

Fifth seed Wael El Hindi emerged triumphant against fourth seed Karim Darwish in Petrosport International Squash Championship, held in August 2008

Despite being held for the first time, Petrosport International Squash Championship, under the auspices of the Egyptian Minister of Petroleum Eng. Sameh Fahmy, is considered as the fifth Super Series event of the year, according to Professional Squash Association (PSA).

The Championship inauguration came to a magnificent climax at the Sky Club, when fifth seed El Hindi emerged triumphant after four games in the final match of the eight-day event against fourth seed Darwish to win the \$140,000 PSA Super Series Platinum event title, and the first Super Series trophy of his career.

In spite of the fact that 12 Egyptians lined up in the first round of this 32-man contest, only one was predicted to reach the final. But, following the shock exit of second-seeded Frenchman Gregory Gaultier in the first round, and the disappointing early retirement of Egyptian favorite Amr Shabana, the world number one, in the semi-finals against El Hindi due to a leg injury, it was a dream 'hometown' climax that was presented to the packed final crowd.

El Hindi, 28-year old, took a two-game lead then overcame a third-game fight back by Darwish to record a dramatic 11-8, 11-5, 5-11, 11-9

victory after 67 minutes.

"In the first two games I was playing rather well, and especially moving so well, and I could smell the pressure on him," the new champion said.

"And every time I was looking at him, I knew I was getting stronger and stronger, and that I was doing the right thing. But again, as I did so many times in my career, when I found myself at 2/0 up, I thought I was probably going to win the match, and lost my way," explained El Hindi.

"I had so many conversations with Jonah (Barrington) about that problem. And he advised me to just relax, take it point by point and do not get excited. And at 8/8 in the fourth, that is exactly what I did, I said to myself, let's take one point at a time, and it worked, and I ended up with the biggest win of my career."

Like El Hindi, Darwish was also celebrating his maiden appearance in a Super Series final. But the 26-year old could not hide his disappointment at the result, "I am so disappointed. I played well all week, but tonight, I just could not play my game. There was so much pressure on me, he was more relaxed than I was, and he deserved to win."

Richard Graham, the recently-installed Chief Executive of the PSA, was also witnessing his



first major Tour event in Egypt, one of the leading countries for the sport. "This was a stunning final, and I would like to congratulate Wael and Karim for the great show they gave us tonight... I hope this is an event where will be coming to for many years to come," Graham commented on the event.

The Petrosport triumph also marked a sensational week for the British squash legend Jonah Barrington. The former record six-time British Open champion not only coaches El Hindi, but also fellow Egyptian Mohamed El Shorbagy, the 17-year old who has been entitled the World Junior champion in Switzerland, four days before the beginning of Petrosport International Squash Championship.

Events and Conferences

China Power Oil & Gas

2-4 September 2008
Pazhou Complex - Guangdong Province, China
Organized by: Pennwell
Phone: +44 (0) 1992 656 647
URL: www.chinapoweroilandgas.com

China Power Oil & Gas is an energy industry conference that examines the challenges and strategic and technical opportunities facing China's energy industries. The future of energy in China is a global issue and one that involves the world's oil, gas and power companies. This conference and exhibition will particularly focus on power generation, transmission & distribution, oil & gas fuel sources and transit, plus the all-important topic of energy efficiency.

Deepwater Asia Pacific 2008

10-12 September 2008
Guangzhou, China
Organized by: China Decision Makers Consultancy
Phone: 86 21 6840 7631
URL: www.deepwaterap.com/

With the theme of "Perform on the New Stage with Technical Innovation and Cooperation", this event will connect National Oil Companies, International Oil companies and Oil service companies to explore the latest development of Exploration and Production in offshore oil and gas, especially the deepwater sector. Special discussions will be made on China's offshore oil E&P strategy.

The 3rd Asia LNG Summit 2008

24-26 September 2008
Shenzhen, China
organized by: Global Leaders Institute
Phone: +86 21 5236 0030 ext 6096
Fax: +86 21 5236 0029
URL: www.lng-summit.com

The Asia Region's immense demand of LNG has helped Asia LNG Summit (ALS) as one of the region's dynamic energy events.

As one of the using form of nature gas, LNG (Liquefied Natural Gas) is earning more and more favors in international energy market. There will be more than 100 billion US dollars to be invested in global LNG development in next decade, which makes LNG investment one of the investing trends in the world. Global LNG market has been rising at an average annual rate of 7.5%. The growth has occurred mainly in the Asia Pacific region, which accounts for two thirds of world LNG imports.

Asia LNG Summit forges a face-to-face international conversation platform unceasingly for industry elitist. This conference offers critical insights into the Asia-Pacific LNG demand, the global LNG production & supply capability, the development of LNG trading & LNG shipping, LNG pricing and risk management as well as technical trends and downstream development, etc. It acts as an excellent platform for global communication and networking.

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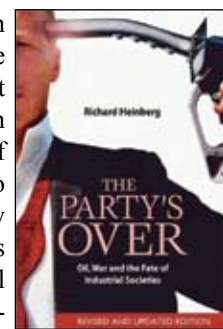
The Party's Over: Oil, War and the Fate of Industrial Societies

Author: Richard Heinberg

Publisher: New Society Publishers

The world is about to run out of cheap oil and change dramatically. Within the next few years, global production will peak. Thereafter, even if industrial societies begin to switch to alternative energy sources, they will have less net energy each year to do all the work essential to the survival of complex societies. We are entering a new era, as different from the industrial era as the latter was from medieval times.

In *The Party's Over*, Richard Heinberg places this momentous transition in historical context, showing how industrialism arose from the harnessing of fossil fuels, how competition to control access to oil shaped the geopolitics of the twentieth century and how contention for dwindling energy resources in the twenty-first century will lead to resource wars in the Middle East, Central Asia and South America. He describes the likely impacts of oil depletion and all of the energy alternatives. Predicting chaos unless the United States-the world's foremost oil consumer-is willing to join with other countries to implement a global program of resource conservation and sharing, he also recommends a "managed collapse" that might make way for a slower-paced, low-energy, sustainable society in the future.





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