

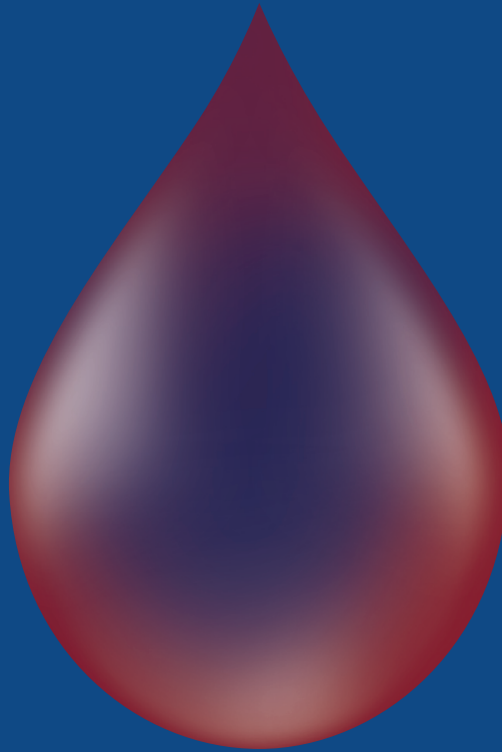


**Kingdom of Bahrain**



**الهيئة الوطنية للنفط والغاز**  
**NATIONAL OIL & GAS AUTHORITY**

# **NATIONAL OIL & GAS AUTHORITY**



**ANNUAL REPORT**

**2008**



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[www.noga.gov.bh](http://www.noga.gov.bh)



**الهيئة الوطنية للنفط والغاز**  
**NATIONAL OIL & GAS AUTHORITY**





**H.H.SHAIKH  
KHALIFA BIN SALMAN AL KHALIFA  
THE PRIME MINISTER**



**H.M.KING  
HAMAD BIN ISA AL KHALIFA  
THE KING OF THE KINGDOM OF  
BAHRAIN**



**H.H.SHAIKH  
SALMAN BIN HAMAD AL KHALIFA  
THE CROWN PRINCE & DEPUTY SUPREME  
COMMANDER**





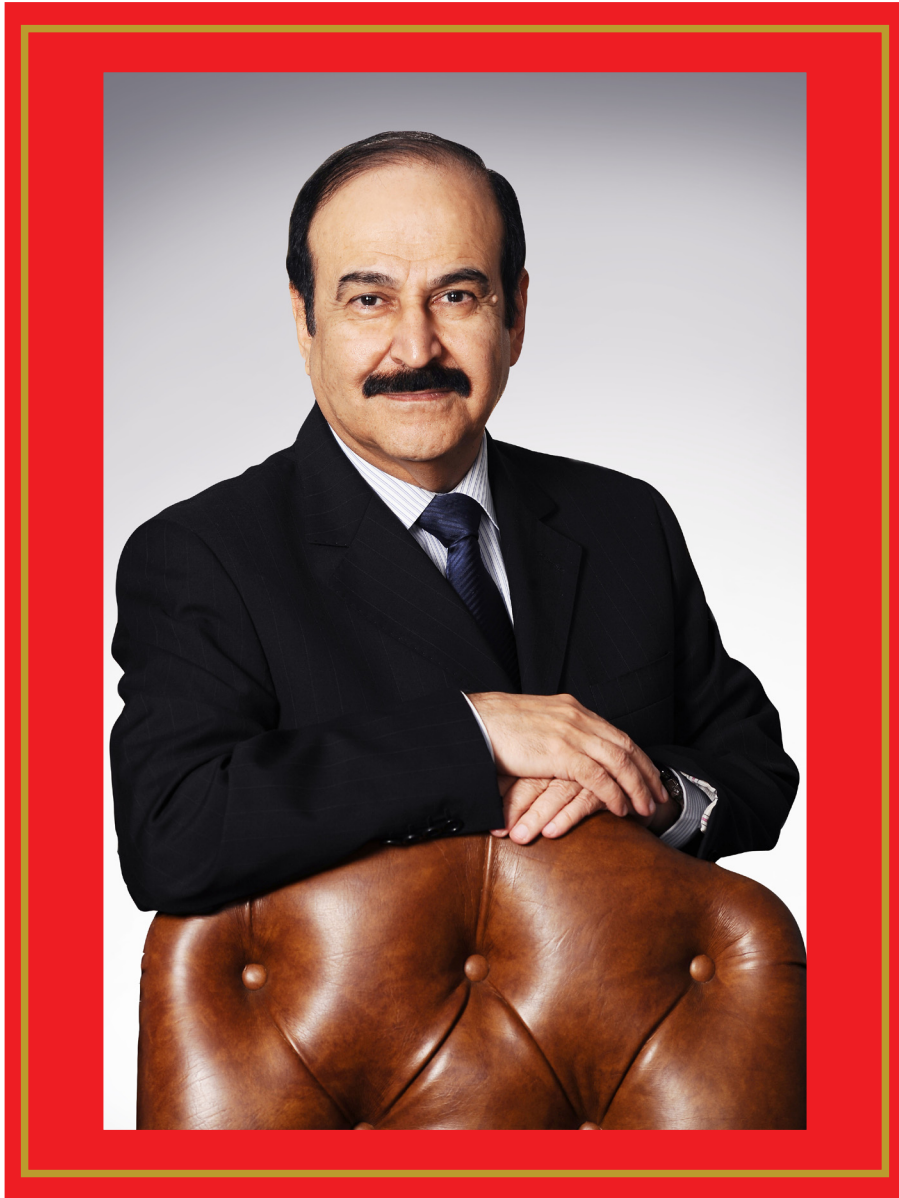
## **A statement by His Majesty the King (October 2008)**

**«We note with appreciation the positive developments being achieved in the oil and gas sector, which is the main tributary of our development process. This is reflected in a set of fundamental and integrated projects of exploration and search for petroleum in offshore and onshore areas and in the potential new discoveries of natural gas. Such projects are also expressed in upgrading our petroleum industry by modernizing the Refinery and by creating new downstream processes. The outcome of such projects will enhance our effort to further improve the standard of living of our citizens and to create new employment opportunities for our new generations.»**



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**Dr. Abdul Hussain bin Ali Mirza**  
**Minister of Oil & Gas Affairs**  
**Chairman of the National Oil & Gas Authority (NOGA)**

**Kingdom of Bahrain**  
**December 2008**



## Introduction

It gives me great pleasure to introduce this 4<sup>th</sup> Annual Report since the promulgation of Royal Decree No. 63, establishing the National Oil & Gas Authority. The report highlights the activities and achievements made during 2008, which reflect the leading role of the petroleum sector in the development process being witnessed by the Kingdom of Bahrain.

The report documents the various activities, strategic projects, exploration programmes, increase in petroleum resources, bilateral agreements and cooperation, as well as participation in, and hosting of, international conferences and exhibitions. The report also includes the relevant legislations, studies and reports issued during the year. It also records the production of oil and gas and the output of the petroleum companies operating under the Nogaholding Company.

A significant feature of 2008 was the promulgation of Law No. 2 for the year 2008 approving the Exploration and Production Sharing Agreements (EPSA) between the Government of Bahrain and both Occidental of the United States and PTTEP of Thailand. Another important event during the year was the finalization of offers for the development and, thus, enhancement of production of Bahrain Oilfield. The bidders to this project were shortlisted to 3 companies - Occidental, ExxonMobil and Maersk. Upon final evaluation, Occidental was awarded this task.

A project for deep zone exploration for gas was inaugurated within Bahrain Oilfield in an attempt to ensure meeting the local requirement for gas. Other significant accomplishments included signing a Memorandum of Incorporation for the establishment of the Banagas Expansion Company. During the year, His Majesty the King kindly ordered the allocation of a plot of land for constructing the Energy House, the headquarters of NOGA. A framework agreement was signed on this proposed project with Edama.

We believe that all of the achievements made during this year would not have been possible without the support, interest and backing received by the oil and gas sector from the Kingdom's political leadership and the dedicated efforts exerted by the members of the oil and gas sector. We pledge to continue our hard work to attain our ambitious objectives under the guidance of our devoted political leadership.

# Oil and gas sector in the Kingdom of Bahrain



الهيئة الوطنية للنفط والغاز  
NATIONAL OIL & GAS AUTHORITY



الشركة القابضة للنفط والغاز  
nogaholding

BNGEC  
التوسعة



جيبك  
GPIC



# Oil & Gas Sector Organization Chart & Government Participation

**National Oil & Gas Authority (NOGA)**

**Nogaholding Company**

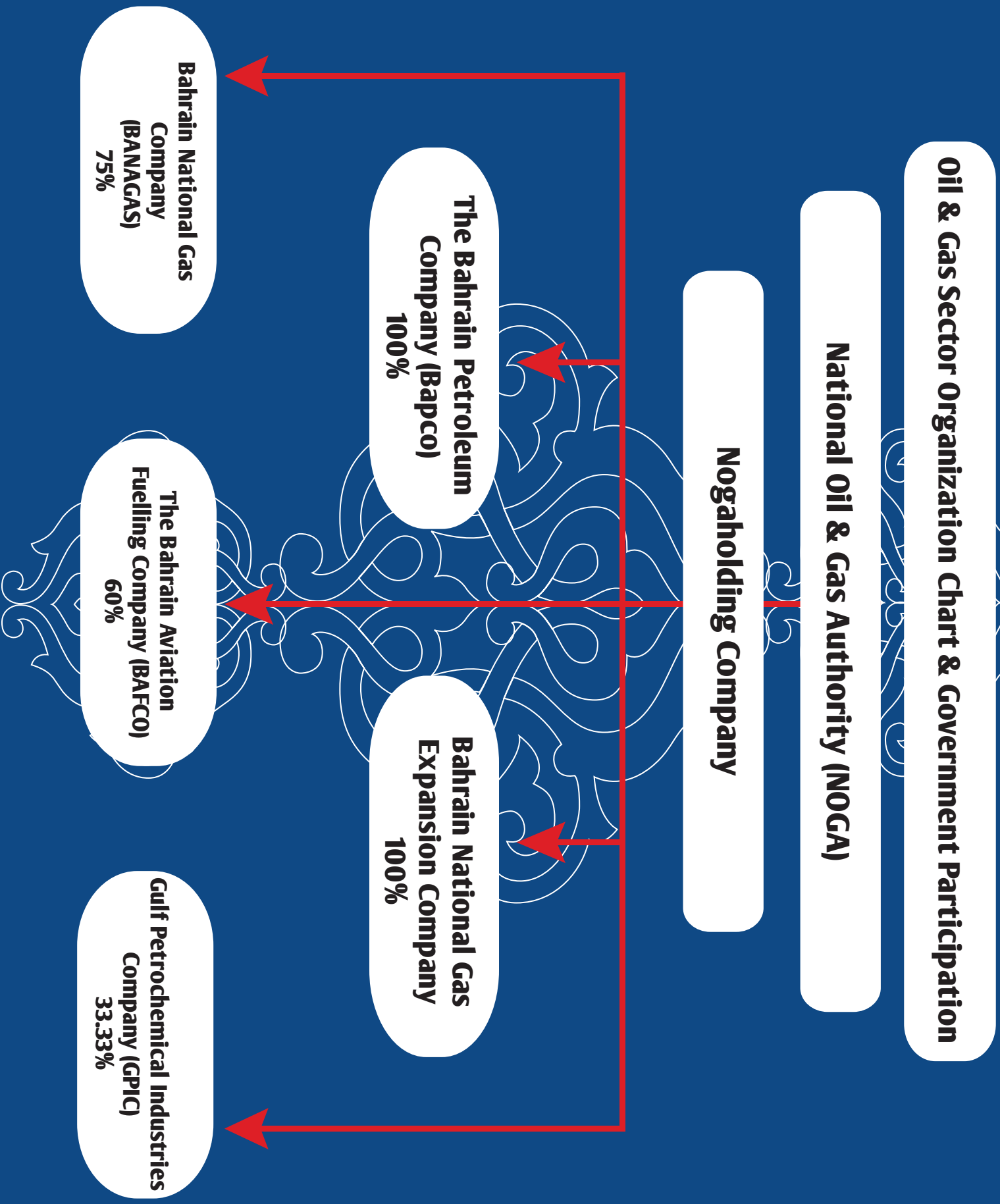
**The Bahrain Petroleum Company (Bapco)**  
100%

**Bahrain National Gas Expansion Company**  
100%

**Bahrain National Gas Company (BANAGAS)**  
75%

**The Bahrain Aviation Fuelling Company (BAFCO)**  
60%

**Gulf Petrochemical Industries Company (GPIC)**  
33.33%



# NOGA-Board of Directors





**H.E Dr. Abdul Hussain Bin Ali Mirza**  
Chairman



**Dr. Shaikh Mohammed Bin Khalifa Al-Khalifa**  
Member



**Mr. Ahmed Saleh Al-Noaimi**  
Member



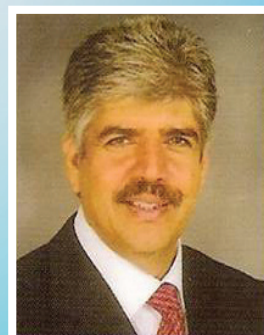
**H.E Mr. Rasheed Mohammed Al-Me'araj**  
Member



**Mr. Abdul Rahman Abdul Al Hussain Jawaheri**  
Member



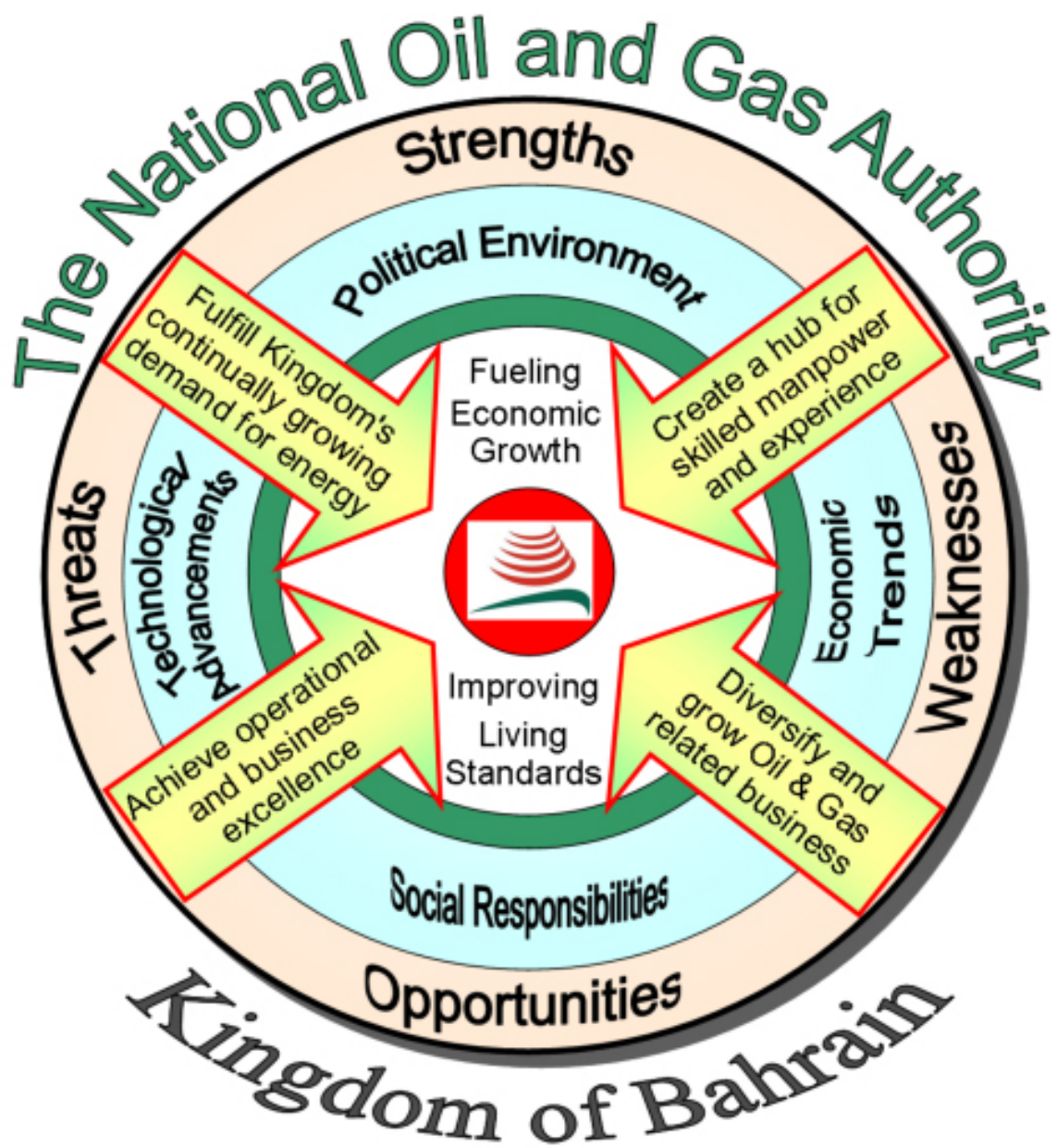
**Mr. Majeed Abu Al Qaseem Shafi'a**  
Member



**Dr. Mustafa Ali Mohammed Al Sayed**  
Member

# The Vision







## THE VISION CREATION OF THE FUTURE

The National Oil and Gas Authority (NOGA) is fully committed to delivering the 2030 National Economic Vision of the Kingdom of Bahrain and its 6 year strategic plan has been developed in alignment with that of the National Plan.

NOGA was incorporated in September 2005 to regulate, oversee and develop Oil and Gas and related industries in the Kingdom of Bahrain with the aim of:

- Providing general policies and strategic direction
- Securing sustained supply of Oil and Gas to meet existing and future requirements.
- Maximizing return and contribution for the growth of National Economy
- Effectively optimizing utilization of resources
- Promoting private investment
- Encouraging research and development
- Sustaining 'World Class' safety, health and environmental standards
- Ensuring compliance with Corporate Governance
- Developing leadership and human resources
- Promoting and supporting 'Best Practices'

NOGA's vision is to be the Oil and Gas leader fuelling economic growth and improving living standards. In conducting its business, NOGA is guided by its core values of transparency, integrity, fairness, creativity, professionalism, teamwork and respect.

The mission and vision of NOGA are in complete alignment with 2030 National Economic Vision, in that 'Fuelling economic growth' is vital for the achievement of the economic vision.

'Fuelling' in the context of NOGA's vision has two distinct implications. Firstly, provision of fuel/energy required for existence and development of manufacturing, power generation, water treatment, and other industries and secondly provision of the necessary funds from oil and gas revenues to fuel the development of other industries and sectors of the economy, which leads to realisation of the national aspiration of shifting away from an economy which is built on oil.



The second part of NOGA's vision 'Improving living standards' is the ultimate goal of the Kingdom and fuelling economic growth is the main driver for the achievement of this noble and important objective.

While the 2030 overarching vision aspires to enhance the Society, Economy and Government in the Kingdom, NOGA's mission is to reinforce the efforts and contribute in the enhancement of all the three areas.

Optimising utilisation of resources and sustaining world class safety, health and environmental standards are examples of the Authority's mission alignment with 'Society' related aspirations of the Kingdom.

NOGA's mission also links to the 'Economy' related National aspirations by maximizing return and contribution for the growth of National Economy and through securing sustained supply of oil and gas to meet existing and future requirements. Moreover, promoting private investment and developing leadership and human resources are also examples of such alignment. NOGA's role and responsibility towards enhancing 'Economy' does not end here as the Authority is committed to encouraging and supporting research and development which is the basis for shifting an economy based on oil to a knowledge based economy.

Improving business processes, organizational structures and outsourcing non-core tasks via promoting and supporting 'Best Practices' are all in synchronization with 'Government' related aspirations of the Kingdom.

These areas of links/alignment are further reinforced and supported by the Authority's policy objectives, sub-objectives and strategic initiatives.

The strategic initiatives developed by NOGA aim to achieve the following strategic objectives within the next six years:

- **Fulfill Kingdom's continually growing demand for energy**
- **Create a hub for skilled manpower and experience in Oil and Gas related business**
- **Diversify and grow Oil and Gas related business**
- **Achieve operational and business excellence**

**ONE**

# OIL AND GAS STATISTICS





## Oil & Gas statistics of 2008 Against 2007

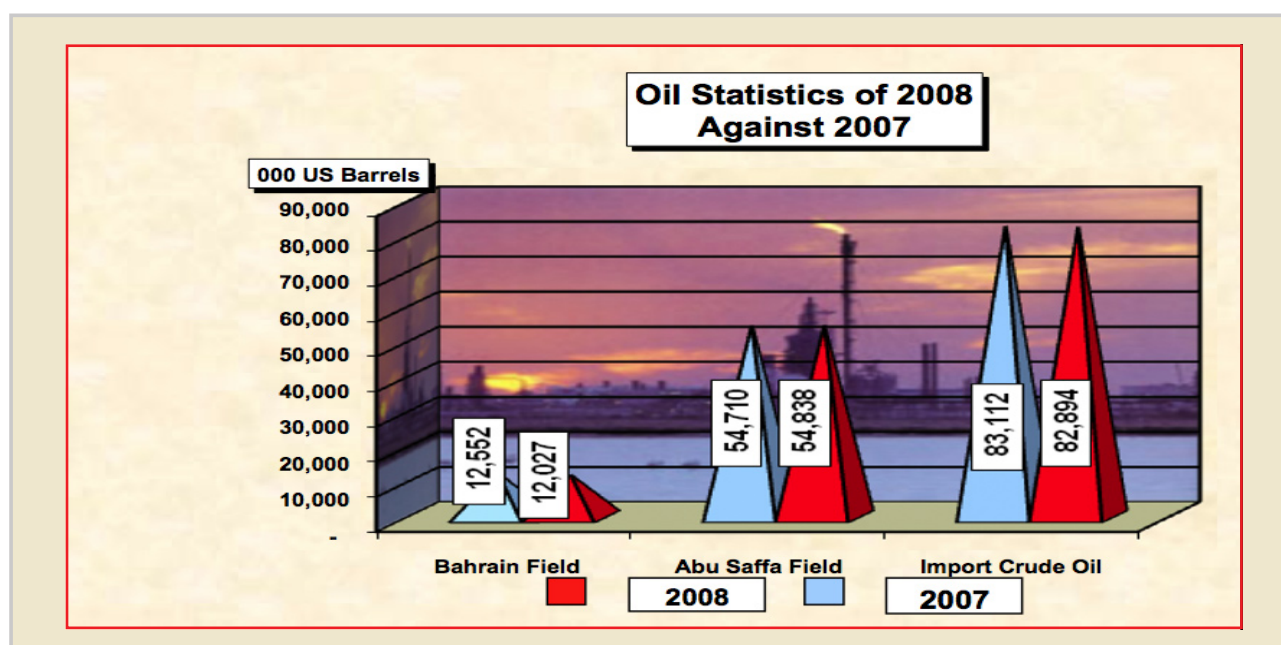
### I.OIL PRODUCTION

Description	2008 (,000 barrels)	2007 (,000 barrels)	Daily Average	
			2008	2007
Bahrain Field	12,027	12,552	32,861	34,389
Abu Saafa Field	54,838	54,710	149,829	149,890
<b>Total</b>	<b>66,865</b>	<b>67,262</b>	<b>182,690</b>	<b>184,279</b>
Imported Saudi oil	82,894	83,112	226,488	227,703
Crude run to Refinery	94,815	95,163	259,058	260,720
Refinery Production	96,367	97,904	263,299	268,730
Local sales – Refined products	9,060	8,327	24,753	22,815
Petroleum Products Exports	81,594	91,500	222,935	250,685

### 1- OIL PRODUCTION

- The total Bahrain Oil Field production in 2008 amounted to 12.027 million barrels, at a daily rate of 32,861 barrels, against 12.552 million barrels in 2007. The reduction in production is attributable to the aged of wells. The National Oil & Gas Authority (NOGA) is in the course of introducing development plans to increase the production level of oil and gas in the 77 years old Bahrain Oilfield.

- The share of the Government of Bahrain in Abu Saafa Oil Field production in 2008 amounted to 54.838 million barrels, at a daily rate of 149,829 barrels. Abu Saafa's production increased by nearly 0.2% in 2008, or 128,000 barrels against 2007.





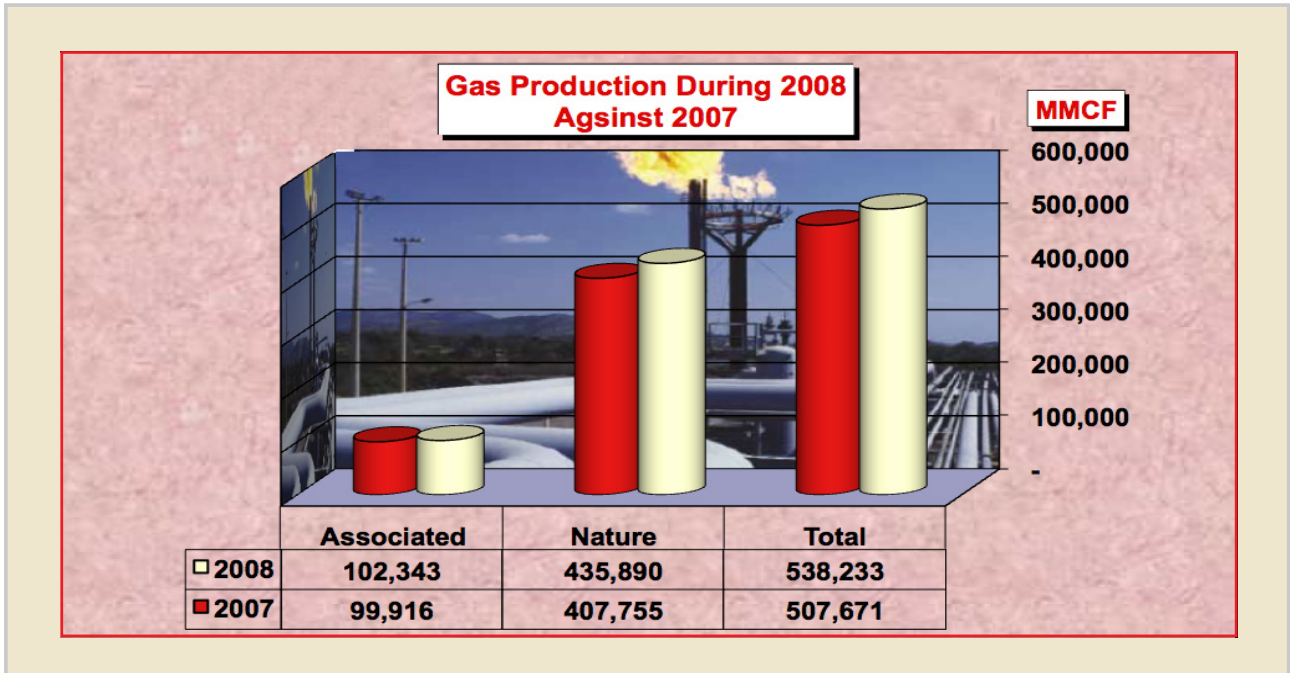
- During 2008, the Arabian crude imports reached 82,894 million barrels, against 83.112 million barrels for the same period in 2007, a slight decrease of 0.3%, or 218,000 barrels. This was due to maintenance work. The daily crude oil imports amounted to nearly 226,000 barrels.
- The crude run to the Refinery in 2008 was 94.815 million barrels, against 95.163 million barrels in 2007, a decrease of 0.4%, as a result of scheduled maintenance work. The crude run to the Refinery represents the total of the crude oil imported from Saudi Arabia and the crude oil produced from Bahrain Oilfield. The daily average amounted to nearly 259,000 barrels.
- The Bahrain Refinery output during 2008 was 263,000 barrels per day. This daily output is higher than the Refinery normal daily average output of 250,000 barrels. The increase of 13,000 barrels per day is equivalent to 5.2%.
- The total amount of the petroleum product exports in 2008 was 81.594 million barrels, against 91.500 million barrels in 2007. The daily average of exports amounted to 223,000 barrels, against 251,000 barrels in 2007. The decrease in exports is attributed to maintenance work to refining units. The exports include several petroleum products – naphtha, gasoline, kerosene, jet fuel, diesel, fuel oil, sulphur and asphalt.

The local sales of refined petroleum products increased in 2008 by 8.8% over 2007, to 9.060 million barrels, against 8.327 million barrels in 2007. The daily consumption of these products was nearly 25,000 barrels in 2008, against 23,000 barrels per day in 2007. The increase is attributed to the higher number of vehicles arriving through King Fahd Causeway, an indication of promoted family tourism in Bahrain, as well as to the increase in the number of local vehicles. It is also due to the construction boom covering roads and commercial and residential complexes throughout the Kingdom.

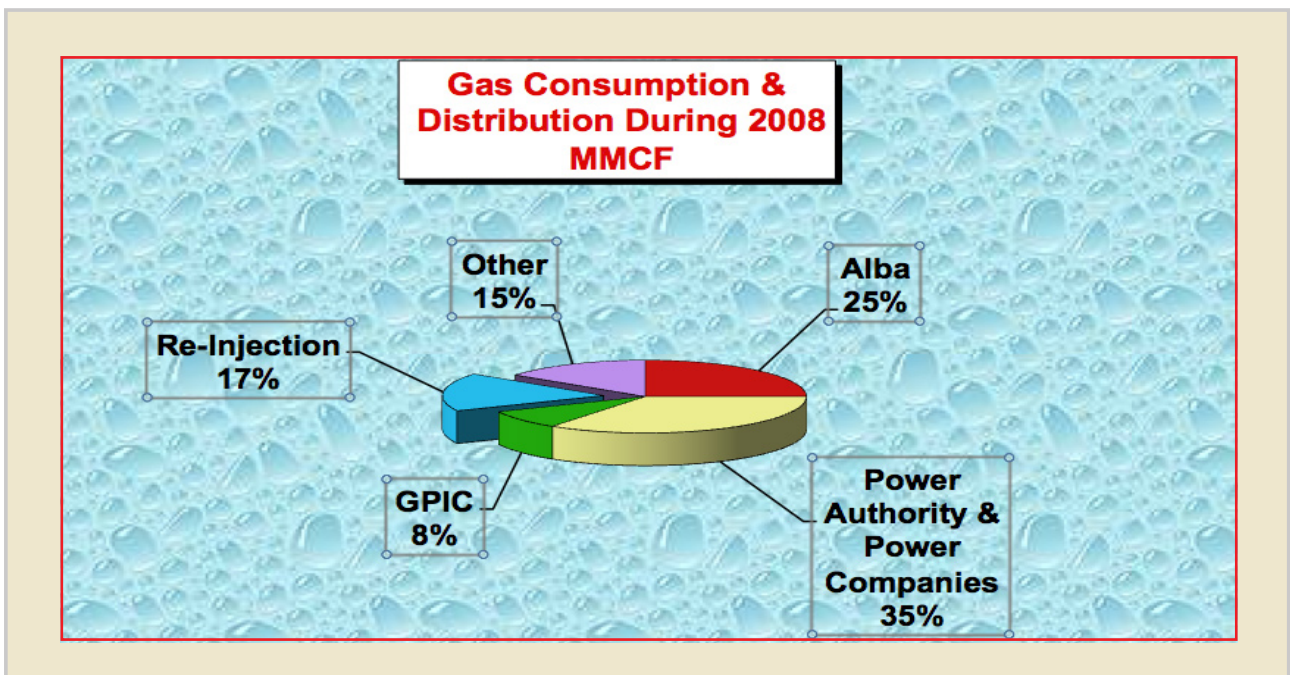
## 2- Gas Production And Consumption

**Table No. 2**  
**Gas Production During 2008 Against 2007**

Description	2008 (MMCF)	2007 (MMCF)	Difference (MMCF)	%
Natural Gas Production	435,890	407,755	28,135	٪6.9
Associated Gas Production	102,343	99,916	2,427	٪2.4
Total	538,233	507,671	30,562	٪6



- The total production of both natural and associated gas in Bahrain during 2008 was 538 billion cubic feet , against 508 billion cubic feet in 2007, an increase of 30 billion or 6%. The total production of the associated gas was 102 billion cubic feet in 2008, against 100 billion in 2007, an increase of 2%. The total production of the natural gas was 436 billion cubic feet, an increase of 28 billion cubic feet barrels, or 6.9% over 2007. The daily average of natural and associated gas was 1.471 billion cubic feet.





- Bahrain's production of gas is totally consumed locally by power stations and by industrial companies. It is used as feedstock for power generation, in addition to being used in oil well re-injection operations to maintain production levels. Consumption of gas by the Electricity & Water Authority and other power companies is the highest, 35% of the total production (15% by the Electricity & Water Authority, 14% by Hidd Electricity Company and 6% by Izel Electricity Company), followed by Aluminium Bahrain (ALBA), 25%, and Bapco, 17%, for oil well re-injection operations, followed by the Gulf Petrochemical Industries Company (GPIC), 8%. The balance of 15% is distributed to other industrial companies operating in Bahrain.

### 3- Production of the Petroleum Companies

#### \* Gulf Petrochemical Industries Company (GPIC)

The company was able to achieve a total production of 1.545 million metric ton in 2008, against 1.373 million metric tons in 2007, an increase of 172 metric tons, or 12.5%. GPIC manufactures three different types of products – ammonia, methanol and urea. The highest production of the total output was that of urea, 43%.

#### \* Bahrain National Gas Company (BANAGAS) & EXPANSION:

The company's output of associated gas liquids (propane, butane and naphtha) during 2008 was nearly 3.568 million barrels, against 3.503 million barrels in 2007, an increase of 65,000 barrels. The highest production is that of naphtha, 48%, followed by propane, 27%, and by butane, 25%.

#### \* Bahrain Aviation Fuelling Company (BAFCO)

The company's jet fuel sales at Bahrain International Airport during 2008 reached 5.312 million barrels, an increase of 14% over 2007. This is due to the increase in the number of aircraft using Bahrain International Airport and to the growth of business in 2008.

### 4-Inspection of Exported Petroleum Shipments

The total number of petroleum tankers inspected during the year was 313, against 387 in 2007. The average monthly number of tankers inspected in 2008 was nearly 26.

**Table No. 3**

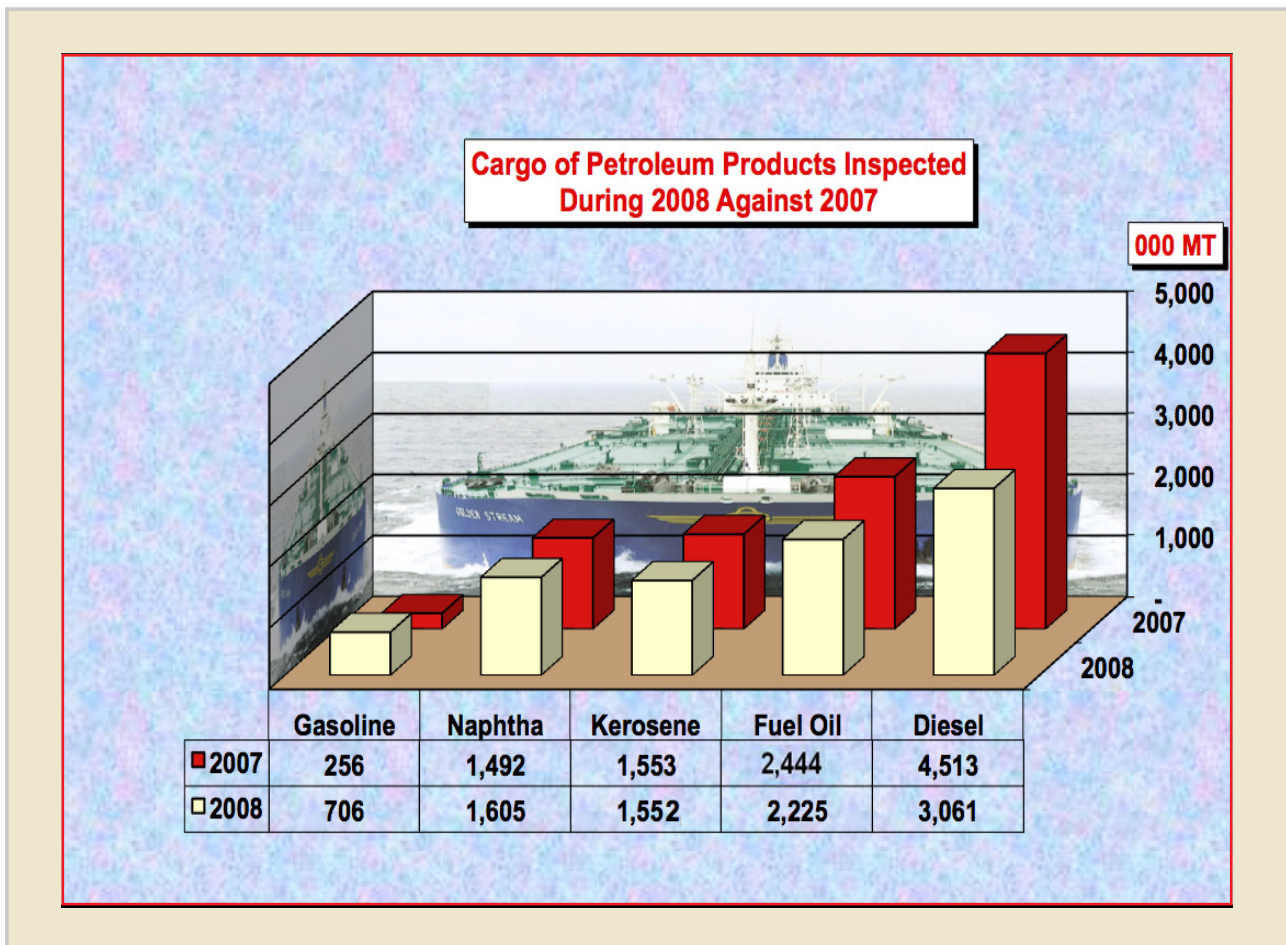
### Total Number of Tankers and Quantities of Petroleum Products Inspected in 2008 Against 2007

Year	No. of Tankers	Products (,000 Metric tons)					Total
		Naphtha	Gasoline	Kerosene	Diesel	Fuel oil	
2008	313	1,605	706	1,552	3,061	2,225	9,149
2007	387	1,492	256	1,553	4,513	2,444	10,258
<b>Difference</b>	<b>(74)</b>	113	450	<b>(1)</b>	<b>(1,452)</b>	<b>(219)</b>	<b>(1,109)</b>
<b>%</b>	<b>(19%)</b>	7.6%	176%	-	<b>(32%)</b>	<b>(8.9%)</b>	<b>(10.8%)</b>



-The volume of petroleum shipments loaded on these tankers and exported from the Kingdom of Bahrain to GCC, other Arab, Asian, African and European Union countries in 2008 was nearly 9.149 million metric tons, against 10.258 million tons in 2007. The shipments consisted of five products – naphtha, gasoline, kerosene, diesel and fuel oil.

-The average charges of oil tanker inspections generated by NOGA is in the region of BD320,000 per year. These payments are charged for inspection of the tankers' storage facilities before and after loading to ensure proper and safe shipment, for ensuring compliance of exports with quality and quantity specifications and for preparation of technical reports. Inspection of tankers is overseen by the Inspection & Oil Gauging Section.



**TWO**

**STRATEGIC PROJECTS**





## **Firstly: Bahrain Refinery Modernization Projects (under construction):**

### **(1) Refinery Gas Desulphurization Project**

This is a significant environmental project, which aims at improving the quality of carbon emissions into the air and of ground waters. At the cost of US\$155 million (BD57.350 million) the project was completed in December 2008.

### **(2) Sulphur Pelletizing Project**

The purpose of this project is to manufacture high quality sulphur to ensure long-term ability to sell such product to various international markets. Upon completion of the project, the manufactured quantity of sulphur will increase from 220,000 tons per day to 465,000 tons per day. Construction of the project started in March 2006 and was completed in April 2008. The project was partially commissioned. The cost of the project is US\$40.6 million (BD15.3 million).

### **(3) Lubricant Base Oil Production**

An engineering, procurement and construction (EPC) agreement was signed, on Tuesday, 19th August 2008, at NOGA headquarters, between the NOGA Holding Company, the Bahrain Petroleum Company (BAPCO), Neste Oil of Finland and the contractor Samsung Engineering of Korea, for the construction of a new lubricant base oil production plant.

This joint venture is one of the first projects by the NOGA Holding Company which acquires a 27% stake. At a value of US\$314 million, this contract is the largest part of the total cost of US\$430 million. The construction period is scheduled to last 33 months. The annual production of the plant will be 400,000 tons of high quality, super viscous lubricant base oil which conforms to state-of-the-art technologies and specifications. This project is unique in the Middle East and will provide 1,500 temporary and 30 permanent employment opportunities. The project is scheduled for completion by 2011. This is the first project in which the Oil & Gas Holding Company employed investments.

### **(4) Power Generators Project**

The total cost of this project is nearly US\$70 million (BD26.320 million). The purpose of the project is to provide the Refinery with new power generators. This project is scheduled for completion by 2010.

## **Secondly: New Projects (Under consideration and Planning)**

### **(1) Process of Refinery Gas and Bahrain Oilfield Associated Gas**

The initial cost of the project is estimated at nearly US\$261 million. The purpose of the project is to process the 883 million cubic feet (MMCF) per day Refinery extra gas and the anticipated increase in Bahrain Oilfield associated gas, expected from Bahrain Oilfield upon development and estimated at 450 MMCF per day, from the plant of the Bahrain National Gas Company (BANAGAS).



## (2) Sewage Water Treatment Plant

The project is under basic design consideration and estimated at a total cost of US\$120 million (BD45.120 million). It is an environmental project of constructing an auxiliary plant for treating sewage waters to meet the restricted requirements for permitted dischargeable water into the marine environment. The project is scheduled for completion by 2012.

## (3) Petroleum Product Storage and Export Facility

The project is for the construction of storage facilities with an initial capacity of 500,000 cubic meters, at an estimated cost of US\$95 million (BD35720- million). It is a joint venture between BAPCO, Independent Petroleum Group (IPG), ENOC/Horizon Terminals of the UAE and (APICORP). The project is still under initial consideration. Once completed, the project will provide a leading role for Bahrain in the field of oil storage services and associated petroleum trading.

## (4) Replacement of the Saudi Arabia Bahrain (A-B) Pipelines

The estimated cost of the project is US\$350 million (BD131.600 million). The purpose of the project is to replace and increase the capacity of the pipeline to 350,000 barrels per day. It is also to improve the 55 km crude oil pipeline from Saudi Arabia to Bahrain Refinery. The pipeline carries more than 230,000 barrels of crude oil per day. It is still under initial consideration.

# Thirdly: Strategic Petroleum Resources Development Projects

## (1) Deep Zone Exploration for Natural Gas in Bahrain Oilfield

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil and Gas Authority (NOGA), a project for deep zone exploration for natural gas within Bahrain Oilfield was inaugurated





on Monday, 27<sup>th</sup> October 2008, at NOGA headquarters. This project is in line with the directions of Bahrain's political leadership for meeting the local requirement for energy (gas) and for endeavouring to explore for gas at deeper zones.

The success which has been achieved in neighbouring countries, where gas was discovered in commercial quantities, is enhancing the potentiality of discovering similar gas reserves in Bahrain. Several international companies have expressed their interest to participate in this project.

## **(2) Development of Bahrain Oilfield**

The project for the development of Bahrain Oilfield was offered to international companies for increasing production. Through a website specifically established for this purpose, 8 international companies submitted their proposals. Upon evaluation, they were short listed to 3 companies – ExxonMobil, Maersk and Occidental. Upon technical and financial analysis, Occidental was awarded the project. The initial estimate of the project is US\$15 billion. The cost will be absorbed by the winning company. The Government of Bahrain will have the right to take up to a 20% stake in the winning company's share.

## **(3) GPIC - Under Construction/Future Projects**

### **-Carbon Dioxide Capture Project**

The estimated total cost of this project is US\$52 million with construction period lasting 27 months from the date of signing the project's contract in October 2007. The capacity of the project will be 450 tons per day of carbon dioxide (CO<sub>2</sub>). The project is about capturing a sufficient quantity of carbon dioxide for recycling into the methanol and urea plants for increasing production without the need for using additional quantities of natural gas. The project will also contribute to reducing greenhouse gas emissions into the atmosphere and will reflect positively on the environment.

**-Ammonia Plant Project** (with a capacity of 2,000 tons per day) and a urea plant (with a daily capacity of 3,200 tons). The estimated cost is US\$1 billion.

**-Methanol Plant** (with a capacity of 5,000 tons per day) at a cost of nearly US\$650 million.

**-Acetic Acid Project** (with a capacity of 900 tons per day) at a cost of US\$1.1 billion.

## **(4) BAFCO Depot and Head Office**

**-This project** will involve the relocation of the Arad Fuel Depot and construction of a new head office for the Bahrain Aviation Fueling Company (BAFCO). The new depot will be moved into Bahrain International Airport. The project is expected to commence during 2009 at an initial cost of BD18 million. The Project is scheduled for completion by 2011.

**The deep zone GAS exploration project is in line with the interests and guidance of the leadership of the kingdom of Bahrain to provide the needs of the local Gas.**



## **FOURTHLY: Other Projects and Petroleum Consultations**

<b>Project</b>	<b>Cost</b>	<b>Commencement Date</b>	<b>Expected Completion</b>	<b>Remarks</b>
<b>1. Study on privatization of service stations</b>	<b>BD630,000</b>	<b>End 2008</b>	<b>End 2009</b>	_____
<b>2. Noga headquarters (Design &amp; construction)</b>	<b>Not set to date</b>	<b>End 2008</b>	<b>4 – 5 years</b>	<b>Memorandum of understanding signed with Idama, which will finance the project</b>
<b>3. Study on strategy and policy of natural gas importation and development of legislations required</b>	<b>US\$250,000 TO US\$700,000</b>	<b>End 2008</b>	<b>2009</b>	_____
<b>4. Study on privatization of oil tanker inspection</b>	<b>Not set to date</b>	<b>End 2008</b>	<b>Mid 2009</b>	<b>The scope and volume are under consideration</b>
<b>5. Evaluation of utilization of wind power, in cooperation with Interdomin of Japan</b>	<b>US\$120,000</b>	<b>Beginning 2008</b>	<b>2010</b>	<b>Interdomin will pay nearly US\$100,000 of the cost</b>

# THREE

## PETROLEUM AGREEMENTS & INTERNATIONAL COOPERATION





### 1. Ratification of Petroleum Exploration Agreements

The House of Deputies, at its session held on 15<sup>th</sup> January 2008, and the Shura Council, at its session of Monday, 28<sup>th</sup> January 2008, ratified the two exploration and production sharing agreements (EPSA) between the Government and each of Occidental of the United States and PTTEP of Thailand. Occidental won Blocks 3 and 4, while PTTEP won Block 2.

A special ceremony was held to inaugurate the EPSA agreement on Blocks 3 and 4 with Occidental. Under the agreement Occidental will drill three wells in the Arab Zone, two of which will be in Block 4 and one in Block 3 during the first three-year phase, with one well in each block in the second phase. A similar ceremony was also held to inaugurate the EPSA on Block 2.

### 2. Exploration & Production Sharing Agreement on Block 1

The exploration and production sharing tender in Block 1 was initially awarded to Occidental, the house of deputies at its session held on Tuesday 30<sup>th</sup> December 2008 ratified the agreement and then it was transferred to Shura Council.

### 3. Gas Cooperation Agreement between NOGA, Represented By BAPCO, And ExxonMobil

H.E. the minister of oil & gas affairs, chairman of NOGA signed an agreement on 5<sup>th</sup> March 2008 between NOGA and ExxonMobil for the study on the optimal utilization of gas in Bahrain. ExxonMobil has conducted a comprehensive analytical study on Bahrain's present and future natural gas demand. The study also covers assessment of the current production of gas from Bahrain Oilfield and the possibility of enhancing production through gas pressurization, improvement of efficiency of the distribution





network and development of potential gas reservoirs. ExxonMobil completed the study which was presented to NOGA during the last quarter of 2008.

#### 4. Memorandum of Understanding on LNG Terminal Study

On Tuesday, 14th October 2008, at NOGA head office, a memorandum of understanding was signed between NOGA and HESS LNG LLC on an advisory study on the feasibility of constructing a liquefied petroleum gas reception terminal. The US\$250,000 agreement was signed by His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of NOGA, and by Mr. Gordon Shearer, President and Chief Executive Officer of HESS LNG LLC.

The study aims at:

- a) determining whether or not the introduction of LNG into the Kingdom is a realistic and economic option;
- b) assessing the commercial viability of constructing an LNG import terminal and identify the best configuration and most suitable location for such a terminal;
- c) in the event that an LNG terminal is assessed to be commercially and practically viable, consideration will be given to forming a suitable venture to own and operate such an undertaking.
- d) this study will afford an opportunity to form a true partnership and knowledge sharing whereby LNG and terminal knowledge and expertise of HESS LNG and the domestic and engineering know-how of Bapco will compliment one another to meet the goal of achieving energy security for the future generations.

#### 5. Framework Agreement between Bahrain and Iran

On 15<sup>th</sup> October 2008, a framework agreement between the Kingdom of Bahrain and the Islamic Republic of Iran was signed by His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of NOGA, and His Excellency Eng. Ghulam Hussain Nowzari, Minister of Oil of the Islamic Republic of Iran, during the Iranian Minister's visit to Bahrain.

While in Bahrain, the Iranian Minister delivered a message in writing to His Majesty the King from H.E the Iranian President. Accompanied by the Minister of Oil & Gas Affairs and Chairman of NOGA, the Iranian Minister visited H.H the Prime Minister and discussed the enhancement of cooperation between the two countries, in general, and the import of Iranian gas into Bahrain, in particular. This agreement will be a step forward in the negotiations about the import of gas from the Islamic Republic of Iran to the Kingdom of Bahrain and will augment cooperation in the field of gas and energy.





### **6. Cooperation Agreement between NOGA and Gas Broom Company of Russia**

During the state visit of His Highness King Hamad bin Isa Al-Khalifa to the Russian Federal Republic, a Letter of Intent was signed on Tuesday, 2<sup>nd</sup> December 2008, between the National Oil and Gas Authority (NOGA) and Gas Broom Company.



The agreement was signed by His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of NOGA, and, on behalf of Gas Broom, by Mr. Alexy Miller, Chairman of the Russian company. The Letter of Intent will initiate cooperation between NOGA and Broom, which is one of the leading gas companies worldwide.

# FOUR

## INTERNATIONAL PARTICIPATIONS AND JOINT COMMITTEE





## (A) International Participations

### 1. Participation in the International Energy Forum

His Excellency Dr. Abdul Hussain bin Ali Mirza, presided over Bahrain's delegation to the International Energy Forum which was held in the Italian capital, Rome, during the period 20<sup>th</sup> through 22<sup>nd</sup> April 2008. The meeting was attended by more than 80 ministers from oil producing and consumer countries.

IEF was first launched in Paris in 1991. Meetings of the IEF were then held in various parts of the world. Saudi Arabia hosted the 7<sup>th</sup> meeting of IEF in 2000. The 10<sup>th</sup> meeting of IEF was hosted in Qatar in 2006.

The energy forum, which is held biennially and alternatively in a producing and a consumer country, aims at providing the opportunity for high level dialogues and discussions between oil and gas producers and consumers and at developing a better understanding of global energy issues. It also seeks to enhance the relationship between the oil producing and consumer countries, as well as links between energy, environment and economic development.

### 2. Jeddah Energy Meeting

His Excellency Dr. Abdul Hussain bin Ali Mirza participated in the the Jeddah Energy Meeting which was held on 22<sup>nd</sup> June 2008 under the patronage of the Custodian of the Two Holy Mosques, King Abdulla Ibn Abdul Aziz Al-Saud. The meeting attracted representatives of petroleum producing and consumer countries, as well as companies operating in the production, export and sale of petroleum. The meeting discussed the increase in prices and the objective handling of such unjustified rise. During the





meeting, the Custodian of the Two Holy Mosques launched His Majesty's historical initiative, which included:

- . launch of the initiative of «Energy for the Poor» and its aim is to enable developing countries to confront the increasing cost of energy, with a call upon the World Bank to organize a meeting as soon as possible for the donor countries and regional and international financial institutions to discuss and implement this initiative.



- . A call upon the Ministerial Council of OPEC Fund for International Development to meet and consider the approval of a parallel programme to the previous one with continual characteristic, and a proposal of an allocation of US\$1 billion for this programme. Saudi Arabia expressed willingness to contribute to financing the two aforementioned programmes.

- . The Custodian of the Two Holy Mosques announced the allocation of US\$500 million for soft loans through the Saudi Fund for

Development for financing projects which help developing countries to obtain energy and finance development projects which they are in need for.

- . A call for the formation of a working group of countries and organizations participating in the Jeddah meeting under the umbrella of the General Secretariat of the International Energy Forum. The working group will follow up and implement recommendations to be issued by this conference in addition to monitoring developments in the oil market. It was announced that Saudi Arabia was willing to support the working group with all human and material potentials to successfully perform its function.

- . The meeting was attended by 37 energy ministers from producing and consumer countries, 22 international petroleum companies and several major international organizations concerned with petroleum. The total number of participants was nearly 2,000 from oil producers and consumers. The participants recognized the importance of the following issues:

- \* That the existence of spare capacity throughout the oil supply chain is important for the stability of the global oil market. Hence an appropriate increase in investment are necessary.

- \* That transparency and regulation of financial markets should be improved through measures to capture more data on index fund activity and to examine cross-exchange interactions in the crude market.

- \* That the quality, completeness and timeliness of oil data submitted through the monthly Joint Oil Data Initiative (JODI) should be enhanced. In order to further improve market transparency and stability, the seven organizations involved in JODI (APEC,



Eurostat, IEA, IEF, OLADE, OPEC and UNSD) are called upon to start work to cover annual data that includes, among other things, upstream and downstream capacities and expansion plans.

- \* That there should be immediate collaboration between the IEA and OPEC Secretariat, together with the IEF Secretariat, on preparing shared analyses of oil market trends and outlook, as well as of the impact of financial markets on the level and volatility of oil prices, which can be used to better understand the market situation.
- \* That development assistance from the national, regional and international finance and aid institutions is intensified to alleviate the consequences of higher oil prices on the least developed countries.
- \* That co-operation is enhanced among international, national and service companies from all producing and consumer countries in investment, technology and human resource development.
- \* That energy efficiency is promoted in all sectors through passing on market price indices, technology transfer and the sharing of best practices in energy production and consumption.

### **3. Abu Dhabi International Exhibition & Conference (ADIPEC) 2008**

His Excellency Dr. Abdul Hussain bin Ali Mirza, participated in ADIPEC 2008 which was held in Abu Dhabi and opened on 3rd November 2008 by His Highness Shaikh Mohammed bin Zayed Al-Nahayan, the Crown Prince of Abu Dhabi. During the event, His Excellency opened a special stand on the deep natural gas exploration project in Bahrain Oilfield.

This special deep natural gas exploration stand was timed during ADIPEC in view of the large number of major international oil companies participating in the exhibition. Many queries were received about the objectives of the project, the price of gas and about accessibility to documents of the project. Representatives of international petroleum companies took interest in viewing posters and other information related to the project.





At a press conference held by the Minister, he announced that, in cooperation with BAPCO, a website, specifically designed for the project, was launched under «[www.bahraindeepgas.com](http://www.bahraindeepgas.com)» detailing the project's deep exploration for natural gas at more than 15,000 feet deep in the ground. As always, NOGA will exercise every transparent and clear procedure for awarding the project. Efforts were still being made for promoting the project and for attracting specialized companies to make their bids. Initial indications have shown that there is keen interest in the project by major international companies.

#### 4. Meeting of OAPEC Council of Ministers

His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs, and Chairman of the National Oil & Gas Authority (NOGA), headed Bahrain's delegation to the 81<sup>st</sup> meeting of the Ministerial Council of the Organization of Arab Petroleum Exporting Countries (OAPEC), which was held in Cairo, Egypt, on Saturday, 29th November 2008.

During the meeting, several international and Arab petroleum- related issues were discussed, including the effect of low oil prices on the member countries. The Council adopted the following resolutions:

- Approval of the 2009 budget (General Secretariat and Judicial Tribunal) at Kuwaiti Dinars 2,053,800.
- Reappointment of Al Buzai'a & Associates as auditors (General Secretariat and Judicial Tribunal) for 2009.
- Extension of the period of supervision over the Arab Petroleum Training Institute in Baghdad by the Government of Iraq, as of January 2009.
- Review of the result of the OAPEC Committee for the 2008 Award for Scientific Research on « Carbon Dioxide Capture and Storage ». The winners were announced as follows:





+ **First Prize of KD5,000 was awarded for the two researches presented by:**

Mr. Jamil Harbi of Algeria

Mr. Wisam Qassem Al-Shalji of Iraq

+ **Second Prize of KD3,000 was awarded equally to:**

Dr. Asma Ali Aba Hussain of Bahrain

Mr. Omer Khalid Al Hajj of Syria

Approval of the Executive Bureau's recommendations on the various activities of OAPEC, including progress in the databank, follow up on environmental issues, organization of and participation in seminars and meetings, and studies conducted by the General Secretariat. The meeting also reviewed a report on the OAPEC companies and updates on the Arab Energy Conference proposed to be held in Doha from 9 – 12 May 2010.

### **5. London Energy Meeting**

His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs, and Chairman of the National Oil & Gas Authority (NOGA), headed Bahrain's delegation to the London Energy Meeting (advisory meeting following up on the Jeddah Energy Meeting) which was held in the British capital, London, on 19<sup>th</sup> December 2008 under the auspices of the British Prime Minister, His Excellency Gordon Brown. The meeting focused on the following five topics:

- Enhance transparency in energy information.
- Regulate oil market through joint cooperation.
- Invest in the various energy resources.
- Assist low-income countries in developing an alternative energy and absorb increasing cost of oil.
- Optimize the energy and reduce carbon emissions.



More than 27 ministers from producing and consumer countries and representatives of international organizations such as OPEC, IEF, IEA and more than 20 international petroleum companies also participated in the London Energy Meeting.

Dr. Abdul Hussain bin Ali Mirza addressed the meeting and emphasized the importance of transparency and further cooperation between the producers and consumers for ensuring stability of petroleum markets and prices. The delegation of Bahrain also attended the dinner held on Thursday, 18<sup>th</sup> December 2008, which was addressed by the Duke of York, Prince Andrew.

At the end of their meeting, the participants emphasized that a stable and better functioning oil market was vital for future prosperity. They called for closer cooperation between national and international companies and for minimization of forward oil market speculations. They agreed on setting up an expert group to better regulate the oil and commodity markets. They also welcomed the IEF work to identify, and find



solutions to, the uncertainties that are hampering investment decisions. The meeting also noted the potential of carbon capture and storage (CCS) and increased use of renewables and nuclear technology to cut carbon emissions.

### **6. The 22nd Meeting of the Petroleum Cooperation Committee(GCC)**

His Excellency Dr. Abdul Hussain bin Ali Mirza, presided over Bahrain's delegation to the 22nd meeting of the P.C.C. - (GCC) which was held in Doha, Qatar, on 21<sup>st</sup> December 2008. The agenda of the meeting included the following topics:

A memorandum of the General Secretariat on the implementation of the Supreme Council's resolution with respect to expediting performance and elimination of impediments and barriers that obstacle the progress of the GCC joint action; a memorandum of the General Secretariat on the proposals of the Iranian President on cooperation with the GCC countries in the field of oil, gas, energy and petrochemicals; a report by the GCC Energy Team Head; a memorandum of the Secretariat General on the meetings of the GCC Energy Team; a memorandum of the General Secretariat on the unified law (regulations) on mining in the GCC countries; a report on the



United Nations Framework Convention on Climate Change and the Kyoto Protocol; a memorandum of the General Secretariat regarding information on ethanol and the utilization thereof as motor fuel in Brazil; a memorandum of the General Secretariat on the regional emergency plan on the GCC petroleum products.



### **(B) The Joint Committees**

The National Oil & Gas Authority has participated in the following Joint Committees, which aim at developing performance and at preserving energy:

**1. The Committee for Consideration of the Prices of the Local Petroleum Products:** The Committee held a number of meetings to discuss the prices of the local petroleum products and gas and to compare such prices with those of similar products regionally and worldwide.

**2. The Energy Conservation Committee:** This Committee seeks to establish a programme for saving in the consumption of gas used as a fuel in the Government and private power stations and to ensure meeting future requirements of the country.

**3. Petroleum Installations Security Committee:** This Committee comprises representatives of the Ministry of the Interior, the National Oil & Gas Authority and of the portfolio companies of nogaholding Company. Several meetings were held by the Committee to discuss the duties entrusted to it with respect to safeguarding and protecting the petroleum installations.

**4. Service Station Privatization Committee:** NOGA participated in the meetings held by the team entrusted with the task of privatizing the seven service stations owned and operated by the Bahrain Petroleum Company (BAPCO).

**5. The Supreme Traffic Technical Committee:** The function of this Committee is to establish plans and consider suitable locations for proposed service stations, taking into consideration future housing and business areas throughout the Kingdom, to ensure providing sophisticated services to users.

**6- Import of Gas from neighboring countries committee.**

**7- Consideration of the applications of Gas committee.**

# FIVE

## LOCAL CONFERENCES, EXHIBITIONS AND OTHER EVENTS





## 1. Middle East Conference and Exhibition of Geological Sciences (GEO 2008)

Under the patronage of His Highness the Prime Minister, Shaikh Khalifa bin Salman Al-Khalifa, the Middle East Conference & Exhibition of Geological Sciences, GEO 2008, was hosted by, and held in, Bahrain from 2<sup>nd</sup> to 5<sup>th</sup> March 2008. His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority, addressed the opening ceremony of the conference and



emphasized the positive developments in the oil and gas sector in Bahrain. The event attracted more than 2,100 professionals, officials, engineers and geologists representing 32 countries. More than 132 exhibitors from 22 countries participated in the accompanying exhibition, including Chevron, Schlumberger, Halliburton, ExxonMobile, Total, Occidental and several other major international companies, together with GCC petroleum companies. Held at the Bahrain International Exhibition Centre, the event was organized by the Arabian Exhibition Centre, American Association of Petroleum Geologists, Dhahran Geosciences Society, and other societies in cooperation with NOGA.

## 2. The Regional Forum on Clean Fuel & Vehicles

His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority, opened the two-day Regional Forum on Clean Fuel & Vehicles, on Wednesday, 12<sup>th</sup> March 2008, at the Crowne Plaza Hotel. The event was organized by the United Nations Environment Programme Regional Office of West Asia.

It was the first meeting of its kind to be held in the Kingdom of Bahrain, with positive participation of 130 delegations from 15 countries.



### 3. The Renewable Energy Workshop

Organized under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, the Renewable Energy – Policies, Economics, Motivations and Applications – a workshop was held in Bahrain from 14<sup>th</sup> to 16<sup>th</sup> April 2008 at the Diplomat Radisson Sas Hotel, Bahrain. The workshop highlighted the importance of incorporating alternative energies in the energy policy of the regional countries. It discussed «legislations and motivations» and presented practical examples of strategies adopted by advanced countries to increase contribution of renewables to energy supplies.



### 4. Nuclear Technologies in the Service of Arab Society Conference

This two-day conference was opened on Monday, 5<sup>th</sup> May 2008, at the Crowne Plaza Hotel, Bahrain, and organized by the Gulf Council for Foreign Relations.



Speaking at the opening ceremony of the conference, His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority, emphasized the importance of nuclear awareness and utilization of the nuclear energy by the GCC countries for peaceful purposes.

### 5. GCC Human Resources Forum

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority, the GCC Manpower Forum was held during the period 19<sup>th</sup> through 21<sup>st</sup> May 2008 at the Regency Intercontinental Hotel. It was organized by the GCC Instructors' Union in cooperation with the National Oil & Gas Authority.

Held under the theme of «Knowledge-Based Human Resources Management», the forum aimed at instilling the concept of manpower management in a new and changing world of scientific and technological developments, information and communications revolution and other achievements in production and services.



## 6. The GCC - Jordan Toastmasters Annual Conference

This event was held under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority, from 22<sup>nd</sup> to 24<sup>th</sup> May 2008 at the Crowne Plaza Hotel, Bahrain. Several distinguished guests and international dignitaries attended the conference. The conference encourages members to speak and instills self-confidence in addressing the public.

This is the first time that this event takes place in Bahrain, with more than 1,000 participants, against the previous year's participation of 800 in Doha, Qatar. The number of the Toastmasters clubs throughout the world is nearly 11,000 in 90 different countries.

## 7. Petrotech 2008

Under the gracious patronage of His Highness the Prime Minister, Shaikh Khalifa bin Salman Al-Khalifa, the Sixth Refining and Petrochemical Conference - Petrotech 2008, was held during the period 25<sup>th</sup> through 28<sup>th</sup> May 2008 at the Bahrain International Exhibition Centre. It was attended by a large number of national, regional and international companies, and by several experts in the refining and petrochemical industries. On behalf of His Highness the Prime Minister, the exhibition was opened by His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority, in the evening of 26<sup>th</sup> May 2008 at



the Ritz-Carlton Hotel under the theme of “Refining and Petrochemical Integration: The Way for Future Growth” and organized by the Arabian Exhibition Management, Overseas Exhibition Management Services (OES) and All World, in cooperation with NOGA and certain professional societies, with the support of a number of petroleum companies in the GCC and overseas. More than 120 discussion papers were presented before more than 900 participants from 130 companies from 21 countries worldwide.



## 8. Graduation of Skills for the Workplace

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority, the Bahrain Petroleum Company (BAPCO), in cooperation with the Ministry of Labour and with local contractors, celebrated on Tuesday, 27<sup>th</sup> May 2008, the graduation of the final group of the Skills for the Workplace Programme participants, which aimed at developing young Bahrainis to meet labour market requirements.



More than 457 male and 154 female young Bahrainis received instruction in vocational training and office management. The total number of training hours was 5.3 million, with 133 participants receiving their National Vocational Qualifications (NVQ).

## 9. International Laboratory Technology Conference (Lab-Tech)

On Monday, 20<sup>th</sup> October 2008, His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority, inaugurated the International Laboratory Technology Conference (Lab-Tech) 2008 at the Gulf International Convention Centre, Gulf Hotel. The event was organized by the Bahrain Society of Chemists and the Dhahran Chemical Sciences, under the sponsorship of Saudi Aramco.

Addressing the opening ceremony were Dr. Mirza, Prince Dr. Turki bin Saud Al-Saud, Vice President of King Abdul Aziz City for Science & Technology, and Eng. Mohammed Al-Qaseer, Vice President for Refining, Saudi Aramco.



The conference was attended by more than 450 participants, with some 60 discussion papers presented in the form of posters. A technical exhibition was also held along the conference in which several international specialized companies took part and exhibited relevant state-of-the-art-technologies. Four specialized courses were conducted just before the conference.



### **10. Mind Mapping Seminar**

On Tuesday, 28<sup>th</sup> October 2008, a seminar on mind mapping was held at the Diplomat Radisson Sas Hotel Under the auspices of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority. A presentation was made by Professor Tony Buzan. It was attended by a large number of interested individuals from government and private establishments. The event was organized by the Bahrain Society for Training & Development, in cooperation and coordination with the Gulf Training Solutions.

The seminar covered an objective analysis of using mind map to conduct business and to write notes by drawing a mind map to link information and facilitate reference to such map.

### **11. 10<sup>th</sup> International Conference on Advances in Materials and Processing Technologies AMPT**

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza the 10<sup>th</sup> Conference on Advances in Materials and Processing Technologies (AMPT 2008) was held at the Gulf International Convention Centre, Gulf Hotel, during the period 2 – 5 November 2008. The event was organized by the Bahrain Society of Engineers and King Fahd University of Petroleum & Minerals (KFUPM) with the support of Saudi Aramco and other companies. It was attended by 800 participants from Bahrain, Saudi Arabia, Qatar, the United Arab Emirates, Iran, Syria, Jordan, Turkey, Poland, Russia,



France, Italy, Spain, the United Kingdom, Brazil, China, India, Malaysia and the United States of America. More than 550 papers and posters were presented. Twenty four manufacturers and research centres exhibited their products and services related materials, processing technology and associated services.

The AMPT conference series was founded in 1993 at Ireland's Dublin City University where it was held in 1993. The conference provides a chance for academicians, researchers, and engineers to meet and exchange innovative ideas and information on all aspects of material processing technologies.

### **12. Training and Education Conference for Oil & Gas Sector**

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Bahrain hosted the Conference for Training and Education for chemical, petrochemical and refining (oil refineries) companies which was held at the Gulf Hotel from 10<sup>th</sup> to 11<sup>th</sup> November 2008. The event was organized by GETENERGY with the support of (NOGA) (GPIC), (BAPCO), (BANAGAS) and the Gulf Petrochemical and Chemical Association (GPCA). The conference discussed several topics including safety in plant operations, creative methods and training curricula for qualification of operators and technical staff for such industries, partnerships between industrial plants and institutes, project management, simulation technology, and recruitment and retention of trained work force. It was attended by 180 participants. An accompanying specialized conference was also organized and a number of specialized training institutions took part in the exhibition.

### **13. Oil Exploration and Production Technology Conference**

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority, the Oil Exploration and Production Technology Conference was held at the Regency Intercontinental





Hotel. The event was organized by the Arab Organization of Petroleum Exporting Countries (OAPEC) in cooperation with the National Oil & Gas Authority (NOGA) and the Bahrain Petroleum Company (BAPCO) and held from 10 – 12 November 2008. The issues discussed at the conference included processing and interpreting seismic data, petroleum systems, the modeling of sedimentary basins, heavy crude oil, the re-exploration of abandoned sites, subsidized oil extraction, geochemistry as well as limiting environmental effects of excavation and oil production.

Live examples were presented, as well as actual field studies from the industries of the member states. More than 90 participants from OAPEC members took part in this specialized conference, in addition to Bahraini petroleum companies and a number of representatives of international petroleum companies operating in the region. Established in 1968, OAPEC has 11 Arab member countries and was joined by Bahrain in 1970.

#### 14. 2<sup>nd</sup> Oil & Gas ICT Summit – Middle East

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority, the Kingdom of Bahrain hosted the 2nd Middle East Oil & Gas Information & Communications



Technology Summit (OT Summit) at the Crowne Plaza Hotel on Tuesday and Wednesday, 18<sup>th</sup> and 19<sup>th</sup> November 2008. Organized by the World Development Forum, the event is the second of its kind, since the first summit was held in Dubai. IT experts in petroleum companies from 10 Arab countries, mainly Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Sultanate of Oman, and the hosting country, Bahrain, participated in this conference. The summit was held under the theme «IT for Improving Productivity and Profitability in the Oil and Gas Sector».

The ICT Summit focused upon information architecture strategy for the oil & gas sector in view of the various special features of this sector. It is recognized that modern technology is a vital issue for improving efficiency in the petroleum sector, which is considered to be the most effective economic sector in the sustainable development process.



### 15. Bahrain and Dhahran Geosciences Societies Meeting

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority, a joint meeting of the Bahrain and Dhahran Geosciences Societies was held on Tuesday, 25<sup>th</sup> November 2008, at the Regency Intercontinental Hotel, Bahrain. Dr. Mirza made a presentation in which he highlighted the long-standing historical relations between the Kingdom of Bahrain and the Kingdom of Saudi Arabia, as well as the well established common oil history relationship between the Bahrain Petroleum Company (BAPCO) and Saudi Aramco.

His Excellency also reviewed the history of the petroleum industry in Bahrain and the construction, in 1936, of the first refinery in the GCC countries, and the Saudi Arabia-Bahrain pipeline in 1945. The meeting was attended by professionals and specialists from Bapco and Aramco.

### 16. Asia Cooperation Dialogue on Energy and Climate Change: Challenges and Opportunities

The Kingdom of Bahrain hosted the Asia Cooperation Dialogue Conference on Energy and Climate Change: Challenges and Opportunities, which was held at the



Gulf International Convention Centre, Gulf Hotel, on Wednesday and Thursday, 26<sup>th</sup> and 27<sup>th</sup> November 2008. Addressing the opening ceremony, His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority, emphasized the effects of climate change on various parts of the world and on the production and use of energy. His Excellency highlighted the great importance given by the Government of Bahrain to mitigating emissions affecting the environment. The Government has allocated a budget of US\$175 million for environment protection projects, of which US\$150 for the Refinery Gas Desulphurization Project and US\$25 million for minimizing emissions. The conference was organized by NOGA, the Ministry of Foreign Affairs, the Public Commission for the Protection of Marine Resources, Environment and Wildlife and by the Thai Embassy in the Kingdom of Bahrain.

# SIX

## LEGISLATIONS AND OFFICE ORDERS





## A- Royal Decrees

### Royal Decree about the appointment within NOGA:

\* His Majesty the King, Shaikh Hamad bin Isa Al-Khalifa, promulgated Royal Decree No. 6 for the year 2008, making the following appointments within NOGA:

-Dr. Ahmed Ali Al-Sharyan, Secretary-General of NOGA, at the status of Undersecretary.

-Mr. Jassem Isa Al-Shirawi, General Manager for Oil & Gas Affairs, at the status of Assistant Undersecretary.

-Mr. Ali Abdul Jabbar Al-Sawad, General Manager for Strategies & Planning, at the status of Assistant Undersecretary.

\* His Excellency Shaikh Mohammed bin Mubarak Al-Khalifa, Deputy Prime Minister, issued Edict No. 3 for the year 2008 appointing Shaikh Fahd bin Salman Al-Khalifa as Acting Director – Oil & Gas Affairs at NOGA.

## B- Legislations

1. Law No. 2 for the year 2008 ratifying the exploration and production sharing agreements between the Government of the Kingdom of Bahrain and each of Occidental of the United States and PTTEP of Thailand;

2. Memorandum of Incorporation of Banagas Expansion Company, on 20<sup>th</sup> February 2008. The company is a member of the portfolio companies of the Oil & Gas Holding Company. The Memorandum consists of eight clauses.





## **C -Ministerial Orders**

- 1. Ministerial Order No. 1 for the year 2008 on the formation of a recruiting committee and on specifying the functions thereof – 13<sup>th</sup> January 2008.**
- 2. Ministerial Order No. 2 for the year 2008 with respect to Personnel Regulations for members of NOGA – 20<sup>th</sup> January 2008.**
- 3. Ministerial Order No. 3 for the year 2008 on reconstruction of the Follow-up Committee on the Implementation of the Organizational Structure within NOGA – March 2008.**
- 4. Ministerial Order No. 4 for the year 2008 in connection with the formation of the E-Government Steering Committee – 11<sup>th</sup> March 2008.**
- 5. Ministerial Order No. 5 for the year 2008 with respect to the rules and regulations of creating casual positions and occupation and elimination of such positions – March 2008.**
- 6. Ministerial Order No. 6 for the year 2008 in respect of increasing the diesel sale price – March 2008. Article 1 of this Order reads:  
. The sale price of diesel is hereby adjusted and shall be increased to become within the following categories per litter:  
\* diesel for local consumption, land and marine uses: 100 Fils per litter;  
\* diesel sold to Bahraini fishermen (fishermen to be compensated for the difference between the current price of 70 Fils per litter and the new price): 100 Fils per litter.  
\* The current price of 120 Fils for diesel sold at Muharraq Pier to commercial vessels shall continue in effect.  
Coordination is to be maintained between NOGA, the Public Commission for the Protection of Marine Resources, Environment and Wildlife and BAPCO for establishing a mechanism for compensating the Bahraini fishermen for the difference between the current price of 70 Fils and the new price of 100 Fils.**
- 7. Ministerial Order No. 7 with respect to the application of Personnel Regulations for NOGA and the introduction of its relevant implementation regulations – 14<sup>th</sup> April**
- 8. Ministerial Order No. 8 for the year 2008 on the formation and functions of the Higher Committee for quality management and development – 16<sup>th</sup> July 2008.**
- 9. Ministerial Order No. 9 for the year 2008 on the formation of a committee for identification and registration of State Property under the control of NOGA and its portfolio companies – 19<sup>th</sup> August 2008.**
- 10. Ministerial Order No. 10 for the year 2008 with respect to specifying the functions of (NOGA & Nogaholding) Legal Adviser.**
- 11. Ministerial Order No. 12 with respect to the extension of Bapco Board Committee.  
Article 1 of the Order reads: The task of overseeing (BAPCO) by the Board of Directors of the National Oil & Gas Authority is hereby extended. The Board shall assume the functions of the Board of Directors of the Company for a period of one year from 22<sup>nd</sup> November 2008.**
- 12. Ministerial Order No. 13 on the formation of a committee for the discussion and review of petroleum product prices in the local market. The committee will generally consider all matters related to the prices and all options to adjust such prices along the lines of the Kingdom's policy and directions which aim at enhancing the national economy. Mr. Jassem Isa Al-Shirawi, G-M of Oil & Gas Affairs is Chairman and 2 members from (NOGA), 2 members from Bapco and one member from the Ministry of Finance.**

# Seven

## MANAGEMENT DEVELOPMENT AND MODERNIZATION





## 1. Recognition of Retiring and Outstanding Staff



Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority, the National Oil & Gas Authority organized the annual recognition ceremony in honour of retiring and outstanding employees nominated for incentives and awards. The event took place at Bapco Club, Awali, on 2nd June 2008.

His Excellency the Minister thanked the retiring and outstanding members of NOGA and presented them with gifts and awards. Sixty five members were recognized of whom 35 employees took the voluntary retirement. The number of employees who received awards and incentives (for Quality Performance Incentives, Employee-of-the-Year Awards and Letters of Merit and Appreciation) was 30 members.

## 2. Cooperation with Bahrain Centre for Excellence

Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority, and in the presence of His Excellency Mr. Mohammed bin Ibrahim Al-Mutawa>a, Cultural Adviser to His Highness the Prime Minister, an induction seminar on the programme of the Bahrain Centre for Excellence was held on Sunday, 7<sup>th</sup> September 2008, at the Conference Hall, 6th floor, NOGA headquarters.

The seminar discussed the excellence culture and the concept of knowledge-based economy through the Government innovation culture, clearance of goals of corporate work and enablement of human resources to excel in quality performance and meeting functional challenges and difficulties in civil service positions. The aim is to promote the human element which is the core of the production process. In addition, the seminar included interesting discussions between the facilitator and participants on several issues related to excellence in Government performance. The discussions significantly contributed to enriching the seminar and to increasing knowledge and created an atmosphere of a relevant constructive dialogue.



### 3. Recognition of Inspection Members for Excellent Business Development Suggestion

The head and a number of employees of the Inspection and Oil Gauging Section received a special recognition on 23rd September 2008 from His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority. They were presented with certificates of merit and financial awards in recognition of a suggestion for designing an LPG cylinder carrying vehicle. The suggestion was rated «excellent and contributing to business development». It was made upon complaints and press reports about hazard caused and damage sustained by such cylinders during loading, storage and use.

### 4. Recognition of NOGA Female Employees on Bahraini Women's Day



Under the patronage of His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority, a special function was held on 1<sup>st</sup> September 2008 in honour of the female employees of NOGA on the occasion of the Bahraini Women's Day. The function's programme included an address by His Excellency the Minister and a speech on behalf of the recognized employees. On behalf of His Excellency the Minister, the Secretary-General, Dr. Ahmed Ali Al-Sharyan, presented the outstanding eight female employees and the participating 11 female employees with special awards. This presentation is part of Bahrain's celebrations of the Bahraini Women's Day on 1<sup>st</sup> December each year. His Excellency the Minister is a keen advocate of women, many of whom assume advanced positions in NOGA and within the portfolio companies of the Oil and Gas Holding Company.

### 5. Signing of a Framework Agreement on NOGA's New Headquarters

On Thursday, 20<sup>th</sup> November 2008, a framework agreement for constructing a new headquarters for NOGA was signed by His Excellency Dr. Abdul Hussain bin Ali Mirza, Minister of Oil and Gas Affairs and Chairman of the National Oil and Gas Authority, on behalf of NOGA, and by Mr. Khalid Al-Bassam, Chairman of the Bahrain Commercial Investment Company, EDAMA. The proposed 48-story building will be located on a plot



of land adjacent to the Bahrain Financial Harbour. The land is granted to NOGA by His Majesty the King for this building, which will enhance the status and role of NOGA. An environment friendly construction, the proposed building will use renewable energy estate-of-the-art technologies for energy saving and rationalization.

#### **6. Separation from the Civil Service Bureau**

To complete this separation, a special training programme for both the Human Resources and Finance Sections was prepared in cooperation with the Civil Service Bureau. The employees involved were trained on functional procedure processing as a preliminary step for separation. NOGA staff will be able to process the Horizon system independently.

#### **7. The Voluntary Retirement Scheme as a Result of Elimination of Positions**

Upon the final ratification of the organizational structure of NOGA by His Highness the Prime Minister on 28<sup>th</sup> February 2008, a Ministerial Order was issued by His Excellency the Minister of Oil & Gas Affairs and Chairman of the National Oil & Gas Authority providing an opportunity for NOGA staff to elect early retirement as a result of elimination of positions and in view of the attractive offer from which 36 employees benefited.

#### **8. Creation of a Central Information Unit**

A central information unit, Data Centre, was created for NOGA and for the Oil & Gas Holding Company. It was established to high quality specifications that would ensure the uninterrupted operation of servers for a long time under normal working circumstances.

The unit will be able to protect information against any damage resulting from any emergency condition such as fire, power interruption, water leakage, etc.

#### **9. Training Plan**

A training plan for members of NOGA has been prepared and implemented. Employees participated in 29 various training courses (23 in-house and 6 outside). The plan is part of NOGA's direction to improve the efficiency of staff members and to prepare them for coping with the requirements of the Economic Vision for Bahrain, which the Government seeks to achieve.

# Eight

## STUDIES, RESEARCHES AND PERIODICALS





### **1. A Study on Refining and Petrochemical Industries in the Gulf Region**

This study was published in February 2008 and covered the refining and petrochemical industries in the Gulf Cooperation Council (GCC) countries, Iraq and Iran over the period 2006 – 2008 during which the price of oil increased by 100%. As a result, this situation created a sound basis for constructing new refineries and petrochemical complexes.

### **2. The 2007 NOGA Annual Report**

NOGA published the 2007 Annual Report in March 2007, the 11<sup>th</sup> publication in this series and the third since the promulgation of Royal Decree No. 63 on the establishment of the National Oil & Gas Authority, which superseded the then Ministry of Oil.

### **3. Statistical Folder on Inspection of Exported Oil Shipments**

This report was issued by NOGA in March 2008. It deals with the number of oil tankers inspected and the volume of shipments exported.

### **4. Statistical Abstract on Oil & Gas Statistics**

This statistical abstract was published in March 2008, covering the oil statistics on the production of crude oil, crude imported from Saudi Arabia and exported petroleum products. It also included the production and consumption of gas and production of the petroleum companies within the portfolio of the Oil & Gas Holding Company.

### **5. Oil & Gas – Facts & Figures**

This booklet was published in June 2008 covering petroleum statistics and a brief history on oil and gas in the Kingdom of Bahrain, as well as the organizational structure of the National Oil & Gas Authority and the Oil & Gas Holding Company which acquires the Government's shareholdings in the petroleum companies of Bapco, Banagas Expansion Company, Banagas, Bafco and GPIC. The booklet also explains NOGA's relations with Arab and international petroleum organizations.

### **6. Manpower and Training in the Local Petroleum Companies**

The booklet covers manpower in the petroleum companies of the Oil & Gas Holding Company. It also includes the percentage of Bahrainization and training in such companies. The booklet was published in June 2008 and is issued on an annual basis.

### **7. Government's Participation in Petroleum Companies Locally and Overseas**

This booklet was published in June 2008. It dealt with the capital of each company and the Government's shareholding in the local petroleum companies and in OAPEC companies. The booklet also contained the particulars of the Board members of each such company and the Government's representatives in such petroleum companies.

### **8. A Special Report on Strategic Projects**

This report was issued in November 2008 containing the 2009 strategic projects of the National Oil & Gas Authority and the petroleum companies within the portfolio of the Oil & Gas Holding Company. The special report covers the petroleum projects under construction, under consideration and those planned.