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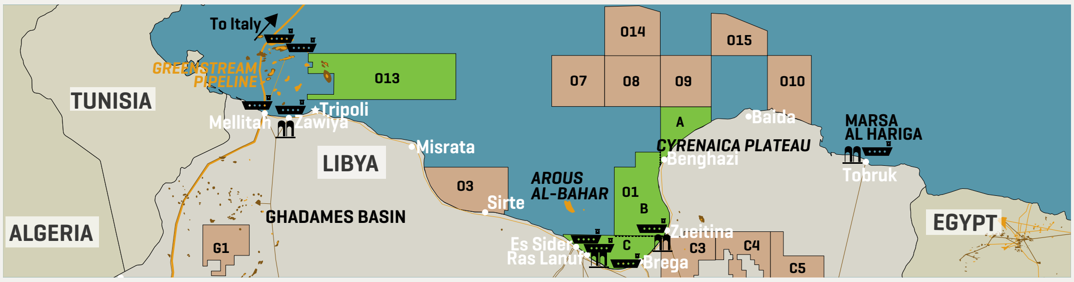
UPSTREAM OIL & GAS

Libya's Upstream, Open For Business?

Libya is heavily promoting its first upstream licensing round in nearly two decades in a bid to 'rescue' its oil and gas sector. Officials held discussions with industry heavyweights during this week's London roadshow. ***Page 2***



OPEC & GLOBAL MARKETS

Opec Sec Gen 'Data & Realities Matter'

Opec's Secretary General speaks with MEES about the role of timely, transparent data, and questions whether the IEA's long-term forecasts always align. ***Page 10***

UPSTREAM OIL & GAS

Cyprus Suffers Electra Well Setback

Exxon's much-hyped Electra well offshore Cyprus has flopped, dealing a major blow to Nicosia's gas dreams. Attention now turns to Eni's Cronos. ***Page 5***

DOWNSTREAM

GCC Feeds Africa's Growing Oil Needs

The Gulf States see Africa as a major long-term growth market for its products. Exports of refined products to the region are already rising quickly. ***Page 13***

OPEC & GLOBAL MARKETS

Opec Output Down For March

Opec output dropped back in March amid improved compliance. The tapering of cuts has now begun, while markets stabilized following the Trump Tariff pause. ***Page 8***

GEOPOLITICAL RISK

Russia Supplying Syria's Oil

With Syria no longer receiving key Iranian oil supplies and trading firms wary of payment risks, Russia is filling the void as it seeks to retain access to military bases. ***Page 11***

GEOPOLITICAL RISK

Egypt's Zohr: Reserves Boost, Output Decline

Zohr's original 1P reserves remain below 10tcf despite an incremental upward revision by operator Eni. Development drilling has begun to halt output declines. ***Page 7***

CORPORATE

Adnoc Drilling Eyes Overseas JVs

As part of its ambitious growth strategy, Adnoc Drilling is considering teaming up with new partners when entering neighboring markets. ***Page 6***

DOWNSTREAM

Yasref Targets Petchems Integration

The Yasref Aramco-Sinopec refining JV is looking to carry out an ambitious petchems integration featuring a steam cracker and aromatics. ***Page 12***

Libya 'Open For Business' As Bid Round Eyes Global Majors

Libya is heavily promoting its latest oil and gas bid round, hoping to 'rescue' a declining oil sector by targeting heavyweight investors including US major ExxonMobil and others. This week was the London roadshow, next up Istanbul.

Libya's first oil and gas bid round in nearly two decades is targeting foreign heavyweights including US giant ExxonMobil, with NOC hoping to lure back international investors to boost oil and gas output after years of political instability and frequent oilfield shutdowns.

With 22 onshore and offshore blocks on offer, including 19 prior discoveries with estimated in-place reserves of 1.63bn barrels of oil equivalent (boe) (MEES, 14 March), NOC hopes to "rescue the Libyan oil sector from declining levels of oil production," it said in a statement on 7 April as acting chief Massoud Suleiman launched the latest promotional event in London.

"You all know about the struggles NOC has faced in recent years and the big challenges in rebuilding and restructuring many parts of our companies and oil fields," Mr Suleiman told attendees, adding that the state firm has been in "a race against time."

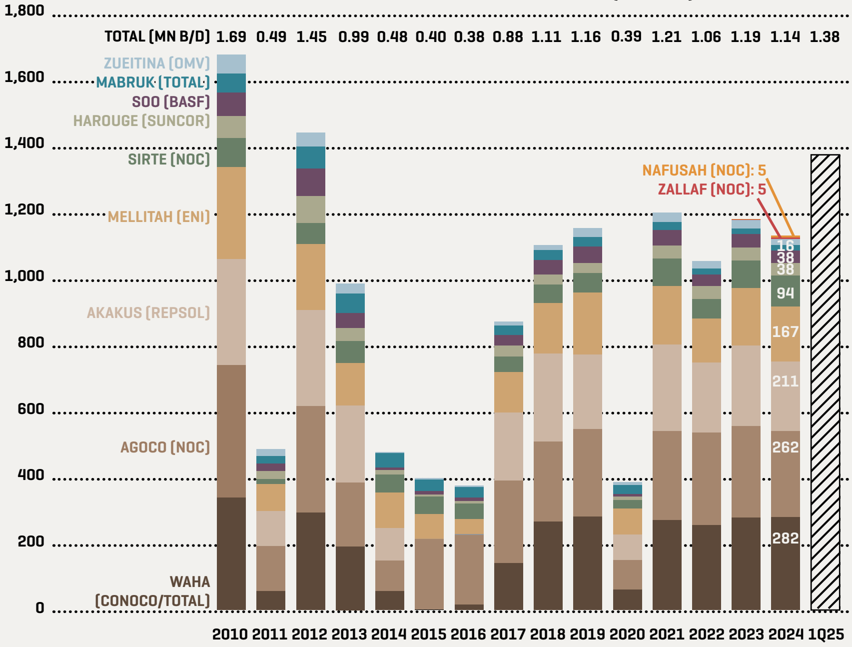
In his speech, the NOC official invited interested companies to explore areas of "untapped potential" in Libya "under new more flexible contract terms," in reference to a new Exploration and Production Sharing Agreement (EPSA) model that replaces Libya's outdated EPSA IV contract model (MEES, 3 December 2021). Libya says the new model could increase contractor internal rate of return (IRR) to 35.8% compared with 2.5% under existing terms. Law firm Clyde & Co flags up the replacement of the 'B-Factor' which reduces profit share when production rises with the 'A-Factor' and a sliding-scale 'R-Ratio' as key improvements.

Libya aims to increase crude output from 1.4mn b/d currently (see chart) to 1.6mn b/d by year's end, and hopes that the new bid round and PSA will help boost it further to 2mn b/d within three years (MEES, 31 January). Seeing such gains so quickly from the bid round appears very optimistic.

Oil Minister Khalifa Abdelsadiq meanwhile hailed the relative stability the country has witnessed recently, with existing partners like Repsol and OMV, as well as Italy's Eni, recently resuming drilling in Libya for the first time since 2014 (MEES, 1 November 2024).

"This is crucial for encouraging investors and allowing foreign companies to resume their exploration activities in our

OUTPUT FOR LIBYA'S KEY PRODUCTION COMPANIES FELL FOR 2024 ON LENGTHY SHUT-INS BUT ONGOING DRILLING SAW A REBOUND TO ALMOST 1.4MN B/D FOR 1Q 2025 ('000 B/D)



NAMED IOCS ARE NOC'S LEAD FOREIGN PARTNERS AT EACH PRODUCTION COMPANY. SOURCE: CBL, NOC, MEES.

country," he said, assuring the attendees that "Libya is open for business."

Since its launch on 3 March after months of delays (MEES, 7 March), the long-awaited bid round has generated great interest from international oil companies. In London, attendees included officials from existing partners BP, Eni, TotalEnergies, Equinor and OMV, as well as potential Gulf-based investors QatarEnergy and Abu Dhabi's XRG.

Interested attendees also included representatives from ExxonMobil, with whom Mr Suleiman held private meetings on the sidelines of the event.

The London event was the third of several roadshows NOC is planning to promote the bid round, following similar events in Tripoli and Houston, with the next and final one set to take place in Istanbul on 17 April.

ELIGIBILITY AND TIMELINE

NOC officials at the event gave a presentation explaining the details of the areas on offer, as well as newly released information on the eligibility criteria and timeline for the bidding process.

The qualification period will run until 8 May, and companies will have until mid-November to submit their bids, with NOC expecting to award the new contracts during the last week of November.

In terms of eligibility, many small and medium companies – including several that were operating in Libya prior to the 2011 civil war – were left disappointed after realizing during the presentation that they do not meet the minimum operator requirements set by NOC.

This is mainly the requirement that the bidders must have net production of no less than 25,000 boe/d from their global operations as of end-2024. They must also have net 2P reserves of at least 250mn boe.

However, when asked about the requirements, the NOC panel clarified that while operators must meet the criteria, smaller investors may still qualify as part of a consortium led by a qualifying partner.

'SMOOTH PROCESS'

During the Q&A session, several attend-

Continued on – p3

Continued from – p2

ees raised questions about the approval process of the submitted bids, an issue that lies at the core of investor concerns amid Libya's divisions between its rival east and west governments (MEES, 8 December 2023).

In response, Mr Abdelsadiq confirmed that the ministry will be involved in the approval process, as well as the controversial Supreme Energy Council, which is led by Tripoli-based Prime Minister Abdul Hameed Dbeibeh.

"Once the contract is signed, it needs to go to the government to be endorsed by the Prime Minister," he explained, adding that the Supreme Energy Council will make recommendations for the cabinet to endorse.

"We're expecting a smooth process, and we're liaising with all the bodies in the country, the government, the parliament, everybody, to make sure we have a successful bid round," he added.

But while the minister says he is "not anticipating any issues" with this matter, his statement comes as the bid round has already faced backlash and opposition from lawmakers in both eastern and western administrations (MEES, 7 March).

'STUMBLING BLOCK'

Another concern raised by the attendees was the issue of dispute resolution, although neither NOC nor the ministry provided any clarity in this regard.

A representative of Vienna-based international contractor Strabag, which has been involved in a €135mn legal dispute with the Libyan Development and Investment Holding Company (Lidco) since 2020, back when it was chaired by PM Dbeibeh, asked the NOC panel how Libya could be described as being open for business when such disputes remained unresolved.

While the NOC panel declined to answer his question, Strabag Managing Director Andrew Dixon told MEES that his company had exhausted all legal and diplomatic means to resolve the issue, including via the PM himself, but to no avail.

He explained that contracts awarded by Libya are "worthless" because the country is not party to the New York Convention, a key instrument in international arbitration, "so you can't enforce the award in Libya, which is where the assets are."

"That is a real stumbling block to investment" in Libya, he adds.

INVESTOR CONFIDENCE

Besides the international roadshows and promises of "attractive and competitive fiscal and commercial terms" under the new PSA model, NOC is sparing no efforts to restore the confidence of investors, who remain wary of political instability, legal disputes, and alleged corruption (MEES, 14 February).

"We're not denying that from time to time there are some sort of media news that make people nervous about investing in Libya," Mr Abdelsadiq said in London. "But the government and all the supervisory bodies in the country are working tirelessly to address all of these issues, so rest assured that we have the right environment."

Moreover, several times in the past month the state firm has issued strong-worded statements to dismiss media reports and "unprofessional rumours" on Libya's illicit oil trade, fuel smuggling, and missing oil revenues.

"What is being published by some media outlets does not reflect reality in any way," Mr Suleiman said in a 2 April NOC statement. "These are erroneous reports based on unprofessional analyses of financial data, which constitutes a clear targeting of the country's reputation for unknown purposes."

He insists that oil revenues are deposited regularly in the treasury "without any delays," stressing that "any claims against these facts are nothing more than attempts to stir up confusion and disruptions."

In an earlier statement on 21 March, NOC specifically denied claims by specialist publication Africa Intelligence, which cites "leaks" from the UN Security Council's Sanctions Committee, that powerful Libyan officials are implicated in oil smuggling and money laundering networks.

In its statement, NOC insisted the information in the report is "inaccurate and unverified," urging media outlets not to publish "unreliable reports that could mislead public opinion and negatively impact the stability of Libya's oil sector."

CORRUPTION CONCERNS

While NOC's new interim leadership under Mr Suleiman has come with a sweeping reform drive (MEES, 7 February), which will supposedly see an end to Libya's controversial crude-for-fuel swap system, the state firm itself remains under the spotlight amid corruption concerns.

A UN Panel of Experts report in December confirmed claims about NOC being "infiltrated" by armed groups who now have access to "lucrative service agreements."

"Individuals close to armed groups were appointed to leadership positions in [NOC] departments," according to the UN report. "The Corporation's organizational structure was changed to limit the functioning of internal checks and balances, such as through the creation of a new strategic office located off-premises. That office is now responsible for service agreements with private companies."

The report identifies Arkenu, an up-and-coming private oil company that has been at the center of controversy since its establishment in Benghazi in early-2023 (MEES, 14 June 2024). The company now holds "several service agreements" with NOC, as approved by the Tripoli-based Government of National Unity (GNU), the report says, determining that the company is effectively controlled by Saddam Haftar, the son of eastern commander Khalifa Haftar.

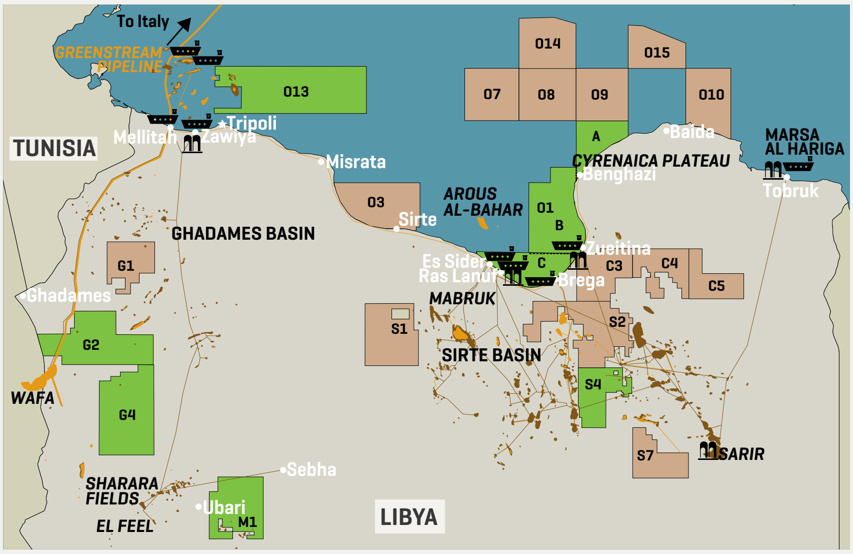
This implies that the country's rival administrations – both negatively affected by revenue loss from frequent oil shut-ins – have reached some sort of agreement to share oil revenue privately and away from official channels.

"Under these agreements, between May and September 2024, Arkenu exported 6 million barrels of crude oil," the UN experts explain. "At an average price of $77 per barrel, these shipments amount to $463 million in total value."

The report also blames state power firm GECOL for "systemic issues in the estimation of fuel needs and in the supply chain," with large surplus amounts of diesel "subsequently illicitly exported by armed groups." ◆◆

LIBYA BID ROUND 2025: 22 BIDDING AREAS

OIL FIELD/PIPELINE GAS FIELD/PIPELINE EXPLORATION & DEVELOPMENT
LNG EXPORT TERMINAL OIL TERMINAL REFINERY



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Saudi Arabia Announces New Discoveries

Aramco's latest string of discoveries help sustain its huge oil and gas reserves.

Saudi Arabia's Minister of Energy Prince Abdulaziz bin Salman Al Saud has announced the discovery of 14 new oil and gas fields and reservoirs. The new discoveries are located in the kingdom's oil and gas heartlands in the Eastern Province, as well as in the more challenging and remote Empty Quarter region.

In a 9 April statement, Prince Abdulaziz said "these discoveries will also support sustained economic growth and prosperity, in line with Vision 2030 and Saudi Arabia's ambitious goals to fully harness its natural resources and enhance global energy security." Neither the ministry nor Aramco released information regarding the size of the reserves discovered, instead providing data on wellhead flows which were a cumulative 8,000 b/d of crude oil and 83mn cfd of natural gas.

For crude oil, the largest discovery was the Ayfan field in Eastern Province, where the Ayfan-2 well flowed 2,840 b/d of Arab Extra Light crude alongside very small volumes of natural gas. Meanwhile, the largest gas discovery was the Ghizlan field, also in Eastern Province, where the Ghizlan-1 well flowed 32mn cfd of natural gas and also yielded 2,525 barrels of condensate (see table).

RESERVES STEADILY RISING

The steady flow of new discoveries, with a similar announcement of seven discoveries made last year (MEES, 5 July 2024), sustains Saudi Arabia's reserves, helping offset Aramco production of 12.4mn boe/d last year, of which 10.3mn b/d was liquids.

In its 2024 annual report, Saudi Aramco noted that the Kingdom's reserves in its fields (i.e. all fields outside of the Partitioned Neutral Zone) edged up from 340.8bn boe to 341.3bn boe. This is slightly higher than Aramco's own reserves as its Concession rights are time-limited for a 40-year period, extendable by 20 years (MEES, 7 March). Of this, crude and condensate reserves stayed flat at 261.7bn barrels, NGL reserves edged up from 37.4bn barrels to 37.5bn barrels, with natural gas up from 252.6 tcf to 255.1 tcf.

Aramco says that it has "enjoyed high success rates in locating new reserves in known hydrocarbon-bearing basins adjacent to its existing fields and production infrastructure," while it is also "looking to further expand its natural gas reserves through new field discoveries, new reservoir additions in existing fields, and the delineation and reassessment of existing reservoirs and fields." ◆◆

SAUDI ARABIA'S APRIL 2025 DISCOVERY ANNOUNCEMENTS

Discovery	Well	Region	Gas (mn cfd)	Oil (b/d)	Oil Grade
Ayfan	Ayfan-2	Eastern Province	0.44	2,840	Arab Extra Light
Unayzah-A reservoir, Mazalij field*	Mazalij-64	Eastern Province	0.92	1,011	Arab Super Light
Jabu	Jabu-1	Eastern Province	-	800	Arab Light
Sayahid	Sayahid-2	Eastern Province	-	630	Arab Extra Light
Jubaila reservoir, Berri* field	Berri-907	Eastern Province	0.2	520	Arab Light
Ghizlan	Ghizlan-1	Eastern Province	32	2,525 bbl condensate	
Araam	Araam-1	Eastern Province	24	3,000 bbl condensate	
Quisaba unconventional reservoir, Mihwaz field*	Mihwaz-193101	Eastern Province	3.5	485 bbl condensate	
Arab-C reservoir, Marzouq field*	Marzouq-8	Eastern Province	9.5	-	
Arab-D reservoir, Marzouq field*	Marzouq-8	Eastern Province	10	-	
Upper Jubaila reservoir, Marzouq field*	Marzouq-8	Eastern Province	1.5	-	
Nuwayr	Nuwayr-1	Empty Quarter	0.55	1,800	Arab Medium
Mishrif-C & D reservoirs, Damda field	Damda-1	Empty Quarter	-	315	Arab Medium, Arab Extra Light
Qurgas	Qurgas-1	Empty Quarter	-	210	Arab Medium
TOTAL: 83MN CFD, 8,000 B/D CRUDE OIL					

*NEW RESERVOIR IN EXISTING FIELD. SOURCE: MINISTRY OF ENERGY, ARAMCO, MEES.

◆◆

Tethys Oil Shifts Focus In Oman

Tethys Oil, now under Chinese ownership, is shifting its focus in Oman away from its only producing asset Blocks 3&4 (CCED 50%op, Tethys 30%, Mitsui E&P 20%), where output continues its steady downwards trajectory, hitting a decade-low 27,000 b/d for 2024.

The company is hoping that Block 56 (Tethys 65%, Biyaq 25%, Medco 5%, Intag 5%), where its field development plan was approved in November, can reverse its fortunes (MEES, 29 November 2024). The firm is looking to develop the Al Jumd discovery over 2025-2026 and the Sarha and Menna discoveries from 2026-2027.

According to its recently released annual report it will drill "three horizontal wells on the Al Jumd discovery in the second half of 2025" while exploration on other prospects will "continue in parallel." But none of the assets are large; extended well tests in 2023 at Al Jumd only flowed 330 b/d (MEES, 10 November 2023).

Hopes for a discovery elsewhere at the company's two exploration blocks look slim. Its wildcat Kunooz-1 well in Block 58 flopped in 2024 (MEES, 13 December 2024). It is now looking to drill a second exploration well by June targeting 23.8mn barrels of "risked recoverable prospective resources" further south in the South Lahan prospect (MEES, 19 April 2024).

At its other exploration Block 49, it is planning to re-test the Thameen-1 well after it flopped in 2021 as well as drill a second exploration well.

Whether these plans will pay off remains to be seen. But the company is likely working with a bigger budget after it was recently taken over by Australia-based Roc Oil, a subsidiary of China's Fosun International (MEES, 20 September 2024). Roc Oil controls 96.19% of shares in Tethys Oil effective since 10 January.

Roc says that it "sees opportunities for new investments into prospects and development of discoveries, which may be better served by being part of Roc, and therefore transitioning to a larger operator would enable Tethys' business to realize the portfolio's full potential."

Cyprus Gas Dreams Take Hit As Exxon's Elektra Well Flops

Cyprus' hopes of discovering up to 30tcf of gas at US major ExxonMobil's Elektra well have been crushed after drilling results disappointed.

US major ExxonMobil's highly prospective Elektra well on Cyprus' Block 5 has failed to discover commercial quantities of gas, MEES learns. Drilling encountered an active petroleum system, but the reservoir didn't hold significant volumes of gas, a source involved in the drilling operations tells MEES. An official statement from Nicosia will be made next week. Neither Exxon nor the Cyprus Ministry of Energy responded to a request for comment.

Results had been expected at the end of March, but drilling encountered technical problems related to the high-pressure nature of the well, MEES understands.

The well was spudded by the Valaris DS-9 drillship in January immediately after making the Nefertari-1 discovery offshore Egypt (MEES, 10 January).

With pre-drill estimates of up to 30tcf at Elektra, the disappointing results will be a bitter blow for Cyprus, operator Exxon (60%) and partner QatarEnergy (40%). The drillship will now move to spud the Pegasus prospect on the adjacent Block 10, where the two firms are again partnered with identical stakes (MEES, 13 December 2024).

Block 10 is the location of the firms' 2019 3.2tcf Glaucus discovery (MEES, 1 March 2019), and was the subject of talks on 6 April at the US major's headquarters in Houston between Cypriot President Nikos Christodoulides and Exxon VP for global exploration John Ardill.

Cyprus government spokesman Kyriakos Letymbiotis says talks touched on "potential synergies with companies that operate neighboring fields with the aim of accelerating the commercial development of all the fields."

Italian firm Eni (50%, operator) is the only other firm to have made discoveries in the vicinity; the 2.5tcf Cronos, 2-3tcf Zeus and 1tcf Calypso are all located in Block 6 to the north, where Eni is partnered with French major TotalEnergies (50% – see map). Cronos is the most advanced of the projects, with plans to tie the field back 60km to Eni's Zohr offshore facilities in Egyptian waters following the signing of a Host Government Agreement (HGA) in Cairo in February between Egypt, Cyprus and the Block 6 partners (MEES, 21 February).

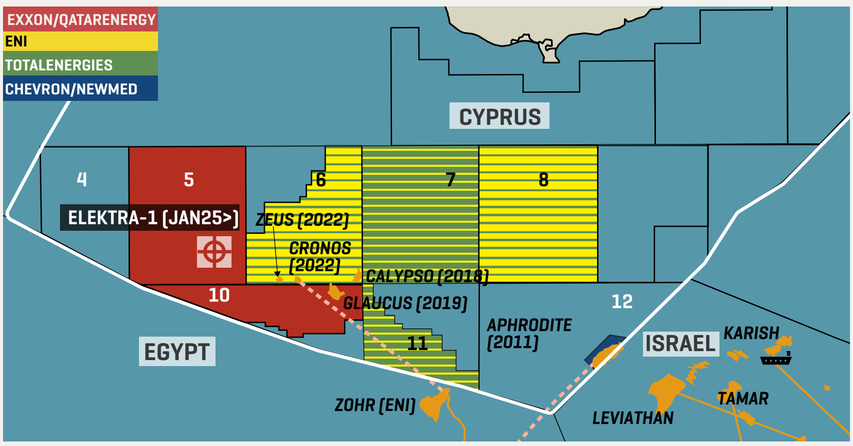
Cronos was also the subject of talks in Ravenna in Italy between Eni CEO Claudio Descalzi and Egypt's oil minister Karim Badawi and while a development plan has yet to be filed, Nicosia hopes for first gas by 2027 (see p7).

While in Houston, President Christodoulides also visited Chevron's headquarters where he met with CEO Mike Wirth to discuss the firm's 3.5tcf Aphrodite, another project that appears to be advancing. Nicosia approved Chevron's Aphrodite development plan in February following more than a year of discussions between the pair (MEES, 30 August 2024). An MoU was subsequently signed in Cairo to sell the gas to Egypt state firm EGAS.

The conditions of Chevron's Aphrodite contract mean the US major has until November of this year to complete the pre-FEED study. Mr Letymbiotis says that the president "was informed about the commencement of a seabed survey in early summer, on the basis of the relevant timetable that has been set, for the placement of a pipeline between Aphrodite and the landing point in Egypt," which MEES understands is Port Said. ◆◆

CYPRUS KEY BLOCKS & GAS DISCOVERIES

GAS FIELD/PIPELINE POTENTIAL PIPELINE



Mubadala Energy Enters US LNG

Mubadala Energy, the upstream arm of Abu Dhabi state investor Mubadala, is joining compatriot Adnoc and its parent company in investing in US LNG. The firm announced on 10 April that it is purchasing a 24.1% interest in Kimmeridge's SoTex HoldCo LLC ("SoTex"), which is developing an integrated wellhead-to-LNG gas system in the US.

SoTex owns two portfolio companies; Kimmeridge Texas Gas, which operates an unconventional gas production business in Texas's Eagle Ford shale basin, and Commonwealth LNG, which plans to develop a 9.3mn t/y LNG export plant at the mouth of the Calcasieu Pass in Louisiana. Kimmeridge Texas Gas currently produces more than 500mn cfd and targets 1.5bn cfd through organic growth by 2031. Meanwhile Commonwealth LNG plans to take FID by year-end, with first offtake slated for 2029.

The planned move marks Mubadala Energy's first entry into the burgeoning US LNG sector, the world's largest such sector. But parent company Mubadala earlier bought into US producer NextDecade with a $65mn investment in 2019 and committed to invest $283mn in the firm's $18.4bn 27mn t/y Rio Grande Phase 1 project. Adnoc subsequently took an 11.7% stake in Phase 1 last year (MEES, 24 May 2024).

Mubadala Energy Chairman Bakheet al-Katheeri says "As the company's first major investment in the U.S., this transaction positions Mubadala Energy for accelerated growth across the gas value chain in one of the world's most important and attractive energy hubs."

CEO Mansoor al-Hamed added that "as our first major investment in the US this transaction offers a significant platform for future growth in one of the world's most important energy hubs."

The acquisition is Mubadala Energy's first large-scale energy investment since Adnoc announced ambitious plans to invest internationally in 2022 (MEES, 23 December 2022), which led to the recent formation of its $80bn XRG subsidiary (MEES, 29 November 2024). There is considerable overlap between XRG and Mubadala Energy, leading to speculation of a potential future merger (MEES, 21 March). ◆◆

Adnoc Drilling Eyes New Joint Ventures For Overseas Expansion

Adnoc Drilling is implementing a major growth strategy which has seen it acquire multiple companies to expand its offerings, set up new JVs with experienced partners and embark on an international expansion drive. Profits increased by 26% last year to a record $1.304bn, and it expects further growth to $1.35-1.45bn for 2025, with the trajectory continuing to point upwards (MEES, 14 February).

As it puts in place the building blocks for further growth, the firm's Enersol JV with fellow Abu Dhabi state firm Alpha Dhabi this week completed the purchase of its fourth portfolio company, Deep Well Services, which it says "will play a role in contributing to the development of the UAE's conventional and unconventional energy resources."

GCC GROWTH MARKETS

Adnoc Drilling (Adnoc 78.5%, Baker Hughes 5%, free float 16.5%) provides services to a number of overseas markets, but with the exception of a single rig in Jordan, its core drilling operations are currently limited to Abu Dhabi. Despite the profitability of its domestic operations, Adnoc Drilling is actively targeting expansion into neighboring markets. It has been prequalified by Kuwait Oil Company (KOC) for drilling, rig and ancillary services and has also been prequalified "for certain services" in Oman.

A spokesperson for the company says that "it is considering a number of ways of entering the markets, options include, organically from its existing fleet and capabilities as it entered Jordan recently, or for example through a JV with a partner already operating there in order to de-risk entry."

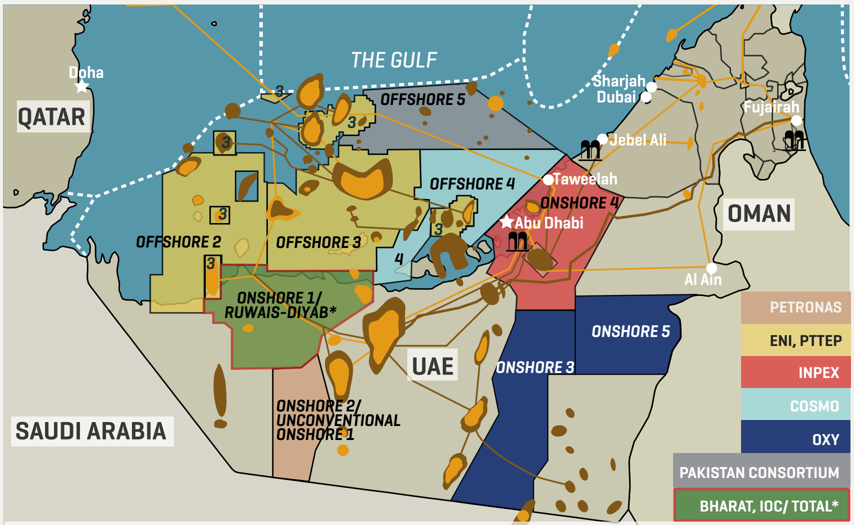
The potential establishment of new JVs with partners in Kuwait and Oman is an interesting option which could help Adnoc Drilling quickly expand its market position upon entry. Kuwait in particular is set to step up its drilling activity as KOC seeks to expand capacity from 2.8mn b/d currently to 3.65mn b/d by 2035 (MEES, 31 January). As part of this, KOC has launched its first offshore drilling campaign in decades with the first two wells of the six-well campaign yielding sizeable discoveries (MEES, 24 January). A second offshore exploration campaign is also planned to start in 2027.

Meanwhile in Oman, state-led PDO plans to increase crude oil production from 655,000 b/d to 700,000 b/d. While Oman's oil-sector ambitions are more modest than Kuwait's, the number of active oil-rigs averaged a five-year high 44 in Q1 according to the Baker Hughes Rig Count (see p20).

Adnoc Drilling executives told the

ABU DHABI EXPLORATION BLOCKS

GAS FIELD/PIPELINE · OIL FIELD/PIPELINE · REFINERY · OIL TERMINAL · LNG EXPORT TERMINAL



*TOTAL'S RUWAIS-DIYAB EXPLORATION CONCESSION FOR UNCONVENTIONAL GAS IS COTERMINOUS WITH THE ONSHORE 1 CONCESSION OF BHARAT/IOC.

firm's Q4 earnings call on 13 February that while international markets can offer some incremental growth opportunities, the fundamental premise of the business remains its Abu Dhabi operations (MEES, 14 February). Instead, Adnoc Drilling's international growth strategy will help it develop new expertise through operating in new environments. Opportunities to develop new expertise will be further strengthened when overseas operations are with new partners, and this will yield benefits domestically.

Adnoc Drilling's international plans are typically viewed through the prism of where it is conducting drilling operations. But the firm's diversification, especially through its Enersol venture, has seen it already expand its global footprint.

For instance, Enersol last year acquired a 100% stake in the downhole visualization company EV, which has a presence in 36 countries including neighboring Saudi Arabia.

UNCONVENTIONAL BOOST

Adnoc Drilling is the sole provider of drilling services to Adnoc, which has embarked on an ambitious growth strategy to boost crude oil production capacity to 5mn b/d by 2027 and achieve national gas self sufficiency by 2030. This provides Adnoc Drilling with a strong pipeline of work, which will continue well beyond 2030 given the amount of drilling required to sustain these capacity levels.

Within this, Adnoc is also embarking on a large-scale development of its unconventional resource base, where it estimates it has 220bn barrels of unconventional oil and 460tcf unconventional gas in place. Adnoc Drilling is again key to this, through another recently established JV; Turnwell where it has a 55% stake alongside SLB (30%) and Patterson-UTI (15%). Again, Adnoc Drilling's partners provide considerable expertise, with SLB one of the world's largest oilfield services firms, and Patterson-UTI having extensive experience from the US Shale patch (MEES, 17 May 2024).

Turnwell has been awarded a $1.7bn unconventional drilling contract covering 144 wells by end-2026, and MEES understands that it has already drilled more than 30 wells and can now drill a well in around 20 days. This Phase 1 contract is for derisking the Ruwais-Diyab unconventional gas concession (Adnoc 90%, TotalEnergies 10%) where Adnoc targets 1bn cfd by 2030.

Going forward, Adnoc Drilling will also help derisk Abu Dhabi's unconventional oil reserves. Malaysia's Petronas has been awarded two unconventional exploration blocks since 2022, with 'Unconventional Onshore Block 1' to the south of Ruwais-Diyab (see map) specifically targeting oil. Adnoc CEO Sultan al-Jaber said of the award that "We are delighted to partner with Petronas on this historic unconventional oil concession" (MEES, 9 December 2022).

As it supports Adnoc's growth strategy, Adnoc Drilling is significantly increasing the size of its drilling fleet. After adding 13 last year, it ended 2024 with 132 rigs – eight of which are working on the unconventional drilling – and expects this to increase to more than 148 by 2026 and more than 151 by 2028. The last 16 rigs delivered are hybrid rigs which can be connected to the grid in order to reduce emissions, with supplied electricity sourced from nuclear and renewables, as are the next six.

Eni Revises Up Zohr Reserves But Output Decline Continues

Zohr's original P1 reserves remain below 10tcf despite an incremental upward revision by operator Eni. Ongoing development drilling is only likely to slow the decline in the field's output, which now stands at 1.5bn cfd.

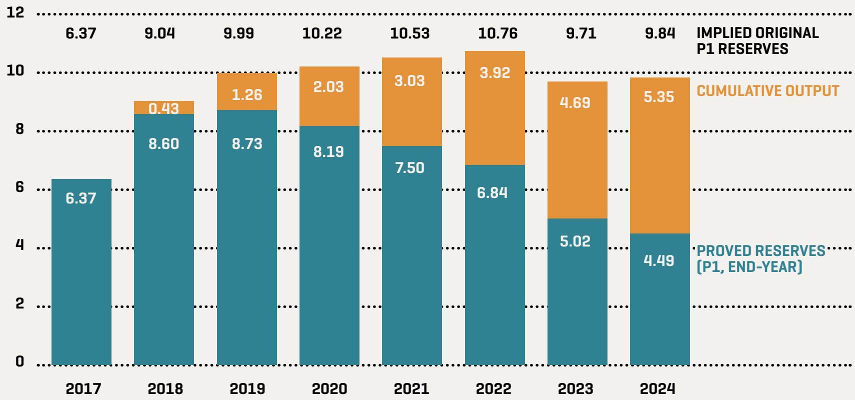
Italian firm Eni, the operator of Egypt's flagship 1.5bn cfd Zohr has revised up the gas field's original 1P reserve estimate by 125bcf from 9.71tcf at the end of 2023 to 9.84tcf at the end of last year according to MEES calculations.

This is a far cry from the 22tcf implied by Eni's initial comments and the 30tcf gas in place estimate Eni gave when Zohr was discovered in 2015, and does little to ease concerns regarding the field's lifespan as output continues to drop on water breakthrough issue that began in 2021 (MEES, 11 June 2021). The figures imply remaining reserves amount to around 45% of original 1P reserves.

At the end of 2024 "Eni's proved reserves booked at the Zohr field amounted to 429mn BOE," the firm says in its 2024, 20F annual report filed to the US SEC on 4 April. With Eni holding a 50% operator's stake at Zohr this implies remaining proved reserves of 4.49tcf. Output for 2024 of 1.8bn cfd according to MEES calculations, which slumped 14% year-on-year, gives cumulative production since the field started up in late 2017 of 5.34tcf, implying an original recoverable resource of 9.84tcf (see chart 1).

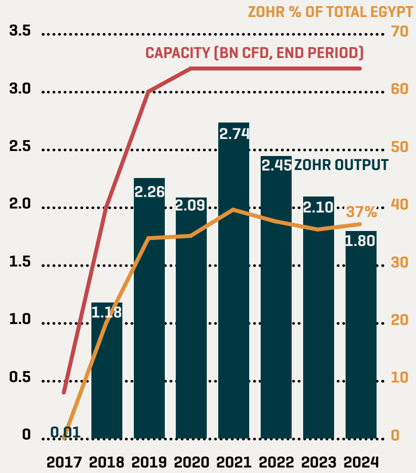
Zohr's slump has been the key driver in Egypt's overall gas output decline, with the field making up 37% of last year's eight-year low 4.87bn cfd (see chart 2).

1: ZOHR END-2024 P1 RESERVES UPGRADED BY 0.13TCF BUT IMPLIED ORIGINAL RESERVES REMAIN BELOW 10TCF (TCF)



SOURCE: ROSNEFT, ENI, BP, MEES.

2: ZOHR OUTPUT SLUMPED 14% FOR A THIRD CONSECUTIVE YEAR TO 1.8BN CFD FOR 2024 (BN CFD)



SOURCE: ENI, ROSNEFT, JODI

FROM FIRST TO THIRD

The 9.84tcf figure leaves Zohr in third place in the Eastern Mediterranean behind Chevron's two Israeli gas fields, Leviathan and Tamar, if reserves were calculated in the same manner. Leviathan end 2024 proved (1P) reserves of 13.12tcf combined with 1.82tcf of cumulative production leaves it in first place with an original estimate of 14.93tcf while Tamar's 7.33tcf proved reserves and to-date output of 3.81tcf imply an original reserve base of 11.14tcf according to MEES calculations.

Nevertheless, Eni has a very strong footprint in the region through its dominant position in both Egypt and Cyprus. The firm is seeking to further strengthen its position and will soon finalize contracts for exploration blocks offshore Israel (MEES, 21 March).

It also has plans to cement its position in Algeria and Libya. Speaking in Ravenna at an industry event, Eni CEO Claudio Descalzi said his firm will invest more than €8bn ($8.8bn) in each of Algeria and Libya over the next four years, "and about the same in Egypt."

Investments in Egypt will largely focus on the joint development of two fields where Eni has stakes. Speaking on the sidelines of the conference in Ravenna, Egypt's oil minister Karim Badawi and Mr Descalzi discussed "development plans for Nour and Nargis fields," a ministry statement says.

At the 2.8tcf Nargis (gas in place) discovered in 2023, Eni (45%) is partnered by Chevron (45%, operator) and state firm Tharwa (10%) while at the 1-2tcf Nour, discovered in 2020, Eni (40%, operator) is partnered by BP (25%), Mubadala (20%) and Tharwa (15%) again.

Appraisal drilling will need to take place at both fields before development plans are filed, with authorities hopeful that first gas could be achieved in 2027 (MEES, 21 February).

ALL GOING TO PLAN

For 2024 Eni says "Zohr production was aligned with expectation sustained also by two development projects: (i) a compression project through operational synergy with the nearby El Gamil plant; and (ii) a project to increase onshore water treatment plant."

Eni had initially planned to drill two sidetrack wells at Zohr in a bid to sustain output last year but a fallout with Cairo regarding late and insufficient payment of receivables led to these being pushed back until this year. The first well was spudded in February (MEES, 21 March).

Painting a more positive picture, Eni says "in 2024 the situation has improved, and no incremental overdue amounts have been noted," although the risk remains and "in the past [state-owned oil companies] have failed to pay receivables owed to us in a timely manner."

While Egypt's Petroleum Ministry hopes that the two Zohr wells will help provide a 220mn cfd boost to production, underlying decline may not see those translate into a net gain and may only keep output steady at 1.5bn cfd for a brief period.

The plentiful spare capacity at Zohr's 3.2bn cfd midstream infrastructure has provided an opportunity for the Italian firm to fast-track its 2.5tcf Cronos discovery offshore Cyprus. Discussions between Mr Descalzi and Minister Badawi at Ravenna touched on "the implementation of commercial agreements related to Cyprus' Cronos field, focusing on the regulation of connection, transportation, processing, liquefaction, and export processes."

Talks also touched on the project's timeline after Cyprus, Egypt and Eni signed a Host Government Agreement (HGA) in Cairo in February (MEES, 21 February). Cypriot authorities were expecting Eni to file a development plan for Cronos by the end of March but that has been pushed back with first gas likely in 2027, MEES understands.

OPEC OUTPUT SET FOR GAINS AFTER MARCH DECLINE

Opec production fell back in March, but even amid an increasingly bearish market the near-term outlook is for production growth as producers press ahead with plans to accelerate the tapering of production cuts in May.

Opec crude oil production fell by 90,000 b/d to 26.87mn b/d for March but is now set to climb this month and next as voluntary cuts begin to be unwound. The Opec+ 'Group of Eight' will unwind production cuts by 138,000 b/d this month, accelerating to 411,000 b/d next month, despite oil prices crashing over the past week amid a broader market meltdown following US President Donald Trump's 'Liberation Day.'

The scale of the actual production increases should be markedly less than the headline announcement given that many Group of Eight members are already overproducing, while so-called 'Compensation Cuts' should also limit the gains (MEES, 4 April). Even though output gains will be limited, the 3 April announcement of the accelerated tapering contributed to a market selloff in which Brent dropped from nearly $75/B on 1 April to less than $60/B at one point on 9 April, before President Trump's announcement of a 90-day pause on many of the tariffs generated a rally.

That pause has provided breathing space for oil markets, but the US retention of blanket 10% tariffs on trading partners and a worsening US-China trade war means that the global economy remains fragile and there remain concerns of global recession. At $63/B when MEES went to press Brent remains more than $10/B down on levels at the beginning of the month.

Despite the market meltdown, the future structure remains relatively positive. General Index assessed the premium for front month ('M1') Dubai crude over the M3 contract at $1.44/B when MEES went to press, indicating continued strong near-term demand (see chart 1).

However, the US EIA warned in its monthly STEO report on 10 April that the tariff announcements are likely to slow down global oil demand and slashed its demand growth forecasts for 2025 by 400,000 b/d to 900,000 b/d. It notes that significant uncertainty remains and that "the effect that new or additional tariffs will have on global economic activity and associated oil demand is still highly uncertain and could weigh heavily on oil prices going forward."

The next major price movements will likely be driven more by White House statements than by market fundamentals. As well as the potential for further tariff developments in the coming days and weeks, either ratcheting them up again or softening them, high profile talks with Iran this weekend also bear watching.

SHOCK THERAPY

Last week's decision by the 'Group of Eight' – Saudi Arabia, UAE, Kuwait, Iraq, Algeria, Russia, Kazakhstan and Oman – took observers by surprise, and amplified the price crash instigated by the tariff announcement.

Officials maintain that the decision was made at least in part by strong demand, but the key motivation appears to have been to provide shock therapy for overproducers. Compliance has been weakening again, primarily due to non-Opec member Kazakhstan which overproduced by nearly 300,000 b/d in February. "Kazakhstan was unable to achieve its goal in March and exceeded its commitments under the OPEC+ agreement...In April, we plan to fulfill our commitments and compensate for part of the overproduced volumes," the country's energy ministry told Russia's Interfax this week.

Compliant producers have been growing increasingly frustrated with this overproduction, and the May acceleration serves as a warning that their patience is wearing thin. Last week's shock therapy could yet be repeated when the Group of Eight next meets on 5 May to agree June production levels if compliance doesn't improve. Equally, the tapering of cuts could be paused or even reversed.

Russia's move last week to close two of the three SPMs at its Novorossiysk terminal from which Kazakhstan's CPC crude grade is exported raised expectations that as much as 700,000 b/d of Kazakh crude could be shut-in. But a Russian court this week ruled against the closure.

Producers submitted new compensation plans to the Opec Secretariat last month, which were published on 20 March (MEES, 21 March). However, continued overproduction means that new "front-loaded" plans are to be submitted to the Secretariat by 15 April.

Under the current plans, Iraq was to cut an extra 116,000 b/d last month, resulting in an adjusted quota of 3.884mn b/d (see chart 2). In the end, MEES calculates that production fell only slightly from February to 4.08mn b/d

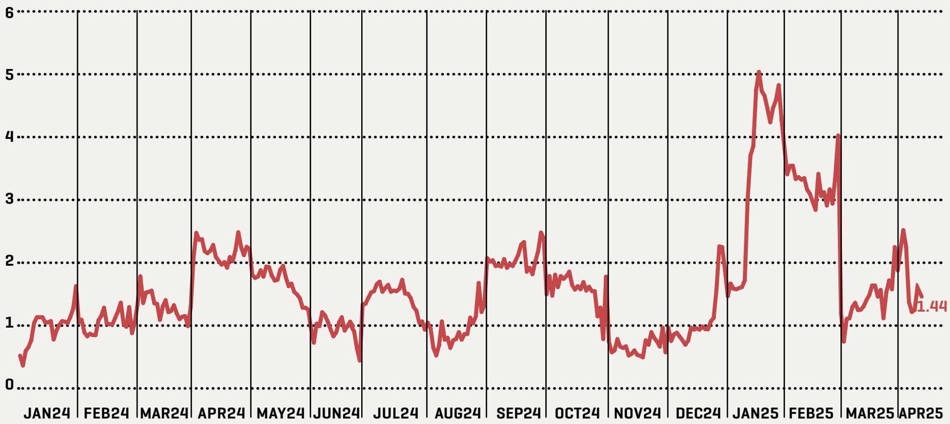
Continued on – p9

OPEC WELLHEAD PRODUCTION, MARCH 2025 (MN B/D, MEES CALCULATIONS)

	Mar25	vs Feb25	vs Mar24	vs Allocation	Allocation**	Feb25	Jan25	1Q25	vs 4Q24	2024	vs	2023
Algeria	0.91	-	-	+0.00	0.91	0.91	0.91	0.91	-	0.91	-0.06	0.97
Congo	0.26	-	+0.01	-0.02	0.28	0.26	0.26	0.26	+0.00	0.25	+0.01	0.25
Eq Guinea	0.06	-	-	-0.01	0.07	0.06	0.06	0.06	+0.00	0.06	-0.00	0.06
Gabon	0.23	+0.01	+0.01	+0.06	0.17	0.22	0.23	0.23	+0.01	0.21	+0.01	0.20
Iran^	3.27	-0.03	+0.09	n/a	n/a	3.30	3.26	3.28	-	3.22	+0.41	2.81
Iraq^	4.08	-0.02	-0.23	+0.08	4.00	4.10	4.00	4.06	-0.00	4.20	-0.11	4.31
Kuwait*^	2.44	+0.03	+0.03	+0.03	2.41	2.41	2.41	2.42	+0.01	2.42	-0.20	2.62
Libya	1.37	-0.01	+0.17	n/a	n/a	1.38	1.40	1.38	+0.15	1.12	-0.06	1.18
Nigeria^	1.49	-0.05	+0.09	-0.01	1.50	1.54	1.51	1.51	+0.06	1.41	+0.10	1.31
S Arabia*	8.98	+0.03	-0.02	+0.00	8.98	8.95	8.97	8.97	-0.04	9.00	-0.65	9.65
UAE	2.91	-	-0.06	-0.00	2.91	2.91	2.90	2.91	-0.02	2.96	+0.01	2.95
Venezuela^	0.88	-0.05	+0.06	n/a	n/a	0.92	0.90	0.90	+0.02	0.84	+0.11	0.73
TOTAL^	**26.87**	-0.09	+0.15	n/a	**n/a**	**26.96**	**26.81**	**26.88**	+0.18	**26.59**	-0.44	**27.04**
Opec 9	21.36	-0.00	-0.17	+0.13	21.23	21.36	21.25	21.32	+0.02	21.41	-0.90	22.31

^REVISED *INCLUDES SHARE OF NEUTRAL ZONE. ** INCLUDES VOLUNTARY CUTS, EXCLUDES COMPENSATION CUTS. SOURCE: MEES.

1: DUBAI M1 V M3 SPREAD REMAINS BACKWARDATED DESPITE PRICES SLUMPING FOLLOWING US TARIFF ANNOUNCEMENTS ($/B)



SOURCE: GENERAL INDEX, MEES.

Continued from – p8

– 196,000 b/d over-target. Continued over-production makes the task of compensating ever-harder, and the prospects of Iraq successfully frontloading cuts in the coming months are minimal. Temperatures in the Middle East are already beginning to rise, pushing up electricity demand, which in Iraq increasingly means higher rates of oil burn (MEES, 14 March).

In contrast to this, the UAE and Saudi Arabia are set for significant quota increases this month and next. Even after accounting for modest compensation cuts, the UAE's adjusted quota increases from 2.91mn b/d last month to 3.01mn b/d in May, while Saudi Arabia's rises from 8.96mn b/d to 9.19mn b/d (see charts 3 & 4).

SANCTIONS START TO HIT

Ever since returning to office, Mr Trump's sanctions policy regarding Iran and Venezuela has been closely watched. The successful enforcement of tighter sanctions on the pair could take more than 1mn b/d of crude exports off the market. Since taking office, the President has re-launched his 'maximum pressure' campaign on Iran, and revoked licenses allowing foreign oil firms to deal with Venezuela.

The Trump administration has issued a number of fresh sanctions packages targeting Iran's oil sector, but the picture remains unclear. The vast majority of exports flow to China, which had reduced its purchases since January, resulting in a build up of floating storage offshore Malaysia/Singapore (MEES, 7 February), but a US-China trade war would reduce US leverage over Chinese buyers.

Although Iranian oil exports fell by more than 200,000 b/d to 1.58mn b/d in March, arrivals of Iranian-origin cargoes to China reached a five-month high 1.71mn b/d according to Kpler data. This indicates increased buying by Shandong-based independent refiners as sanctions workarounds have come into play.

However, in late March, the US sanctioned for the first time one of China's 'teapot' refiners, the "Shandong Shouguang Luqing Petrochemical Co," for buying Iranian oil (MEES, 21 March), further raising the stakes.

Homayoun Falakshahi, Head of Crude Oil Analysis at Kpler, says "the latest sanctions on Luqing could become very significant in the end, we're hearing there's been no new deals from Chinese teapots in the past 10 days, so it seems like they are hitting the pause button to check on the risks." He adds that increased March buying has somewhat helped lower floating storage, although it has subsequently increased again.

As for exports from Iran, Mr Falakshahi downplays last month's decline "it's basically just 3-4 fewer loadings and could just be a port loading program issue, exports usually average 1.6-1.7mn b/d and February's 1.8mn b/d was an outlier," adding that exports were potentially squeezed by higher domestic demand during the Nowruz holidays (see p17).

All this means that observers will be focusing on Oman this week where high-level talks between the US and Iran are due to take place on 12 April. Iran will be represented by Foreign Minister Abbas Araghchi, with the US by Middle East Envoy Steve Witkoff. Whether or not the talks will be direct has been hotly contested in the build up to the discussions, and positive talks could push oil prices down further while a negative outcome could provide pricing support (see p17).

In Venezuela's case, Mr Trump has upped his pressure on Caracas, announcing a 25% US tariff on Venezuelan oil buyers starting 2 April. This impacted exports in late March as many tankers delayed loadings before resuming operations again this month. Despite this, Washington has extended a deadline to Chevron and others to unwind operations to 27 May, but Mr Trump's harder stance on Venezuela already took exports last month to their lowest since September at 690,000 b/d according to Kpler. Venezuelan output dropped by 50,000 b/d to a four-month low 880,000 b/d in March.

Even Chinese buyers appear unwilling to take the risk, with Venezuelan exports to China falling to 123,000 b/d, their lowest since July last year. US waivers helped PDVSA secure crucial diluents needed to lighten its heavy oil production to enable exports, and these imports are also set to decline.

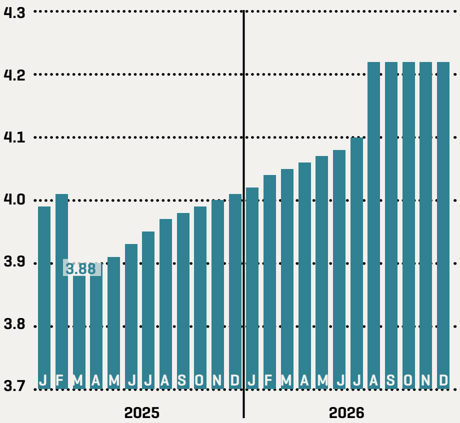
NIGERIA SET BACK BY SABOTAGE

Nigeria's oil production also declined by 50,000 b/d, although this was in part the result of an 18 March explosion at the country's key Trans-Niger pipeline which carries around 450,000 b/d to export terminals. Despite increased security measures recently, the Niger Delta oil heartland remains a focal point for oil theft and infrastructure vandalism, pushing IOCs to exit their onshore operations in favor of more secure offshore assets.

President Bola Tinubu has declared a state of emergency at the Rivers State following the incident, which was a major setback for Nigerian oil production. Production had previously notched up five consecutive monthly increases, and has even been exceeding its 1.5mn b/d Opec quota since December. Resolving the security situation in the Niger Delta would support NNPC plans to reach 2mn b/d crude and condensate production by 2027 and 3mn b/d by 2030. Mr Tinubu appointed ex-Shell executive Bayo Ojulari as NNPC CEO earlier this month.

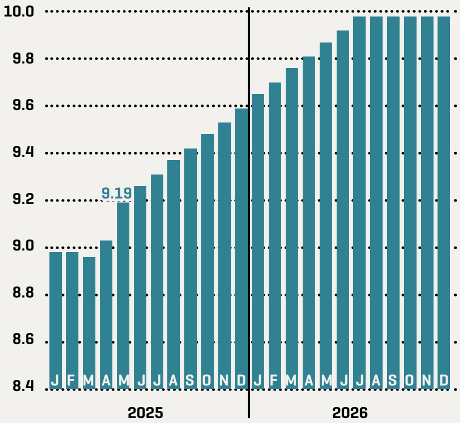
Nigeria's crude shipments, including seaborne cargoes heading to the domestic Dangote refinery, declined by around 250,000 b/d according to Kpler, with Dangote arrivals falling from 464,000 b/d to 151,000 b/d. The reduced flows to the 650,000 b/d refinery also impacted output and coincided with payment disagreements between NNPC and the Dangote Group. ◆◆

2: IRAQ OPEC+ PRODUCTION QUOTA* TO REMAIN UNDER 4MN B/UNTIL NOVEMBER UNDER LATEST COMPENSATION PLAN (MN B/D)

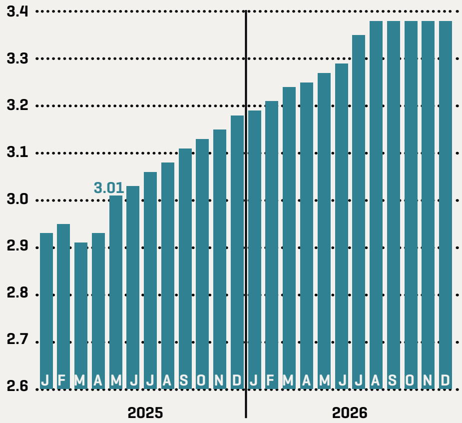


*INCLUDING COMPENSATION CUTS ANNOUNCED MARCH 2025. SOURCE: OPEC, MEES.

3: SAUDI ARABIA'S VOLUNTARY PRODUCTION ALLOCATION* SET TO JUMP ABOVE 9MN B/D IN MAY (MN B/D)



4: UAE'S VOLUNTARY PRODUCTION ALLOCATION* TO RISE ABOVE 3MN B/D IN MAY THANKS TO ACCELERATION OF TAPERING (MN B/D)



OPEC SECRETARY GENERAL: 'DATA-DRIVEN MESSAGING MORE IMPORTANT THAN EVER'

OPEC's Secretary General Haitham Al Ghais speaks with MEES about the vital importance of timely, transparent data for the energy sector and the challenges posed by disinformation and politicization.

Q: Recent comments from the IEA Executive Director that the "data always wins" have sparked a lot of discussion. You've frequently raised the importance of ensuring data remains unaffected by policy-biases, so what do you make of these comments?

A: OPEC fully supports the importance of data. Actually, it underpins everything we do. Data before facts, is OPEC's mantra for providing realistic outlooks that are coherent and consistent.

Since you reference the IEA in your question, the real question should be which of the IEA's data or data sets 'always wins', given the often-contradictory nature of its messaging?

For example, which IEA data has 'won' regarding 'peak oil demand'? Is it the data that led the IEA Executive Director to say in 2017, "We don't see a peak in oil demand any time soon"? Or the data that led the Executive Director to say in 2022, "Global oil demand will peak before 2030."

Which IEA data has 'won' regarding peak gasoline consumption? The IEA stated in its Oil 2023 report (analysis and forecasts out to 2028: MEES, 16 June 2023), that gasoline demand "is likely to exhibit the earliest and most pronounced peak in demand. Usage will never return to 2019 levels (demand reached 26.7mn b/d) and the post- pandemic peak could come as early as 2023." However, the IEA's subsequent Oil 2024 report (analysis and forecasts to 2030) sees gasoline demand exceed 2019 levels in the years 2023, 2024, 2025 and 2026 (MEES, 14 June 2024).

There are also examples for other energies, such as coal, with past IEA talk of global peaks in 2014, and then in 2024 stating that "global coal production is expected to reach an all-time high."

I could go on.

Q: When can data be said to have won, given that historical datasets are often still subject to revision?

A: This is an important point and OPEC appreciates that perfection does not exist in forecasting, and that data can receive multiple revisions. However, when talking about data 'always' winning it is important to not selectively focus on one data set, while overlooking others and their oft associated policy recommendations.

This is also about understanding realities, not winning or losing, which the IEA Executive Director emphasized at the Global Energy Review launch (2025), "It is something we all need to learn. Stick to data, stick to realities."

Again, which 'realities' did the IEA 'stick to' when it published, for example, its Net Zero Roadmap, which modelled that oil demand would have to drop to 72mn b/d by 2030 to reach net-zero by 2050? The IEA's Oil Market Report of March 2025 noted global oil demand will average 104mn b/d this year. So there is a five-year period for global demand to drop by 32mn b/d.

Which 'realities' did the IEA 'stick to' when it said that to realize its Net Zero Roadmap, between 2022 and 2030, the world needed to build fifty new lithium mines, sixty new nickel mines and at least seventeen cobalt mines. This comes despite the IEA's other own writings on long project development lead times for mining asserting that it has taken 16.5 years on average to move mining projects from discovery to first production.

Which 'realities' did the IEA 'stick to' when it argued there should be no investments in new oil and gas projects?

Data and realities matter.

Q: Given the apparent slowing down of the energy transition narrative, do you expect other agencies' medium-and-long-term forecasts to be revised so that they are more in line with OPEC's?

A: The narrative we heard a few years ago from various parties framed renewables as 'good' and hydrocarbons as 'bad', with targets and timelines that lacked a clear grasp of what meeting them truly entailed. Today, we are witnessing more realistic visions for future energy pathways, which consider energy security, energy availability and reducing emissions, and an understanding that they are distinct for countries and populations around the world.

Our medium- and long-term forecasts are underpinned by the data we see before us. By 2050, we see the global economy more than doubling in size, the global population reaching 9.7bn, a massive urbanization drive and the need to bring electricity to the 685mn people worldwide who still lack access, and clean cooking fuels and technologies to the 2.1bn who still go without. The history of energy has also been one of additions, not subtractions, and today we continue to see expansion in all energies.

We cannot speak for other agencies in relation to their future forecasts, but a non-ideological reference case is essential; adhering to data-focused analysis and grounded in energy realities. After years of OPEC advocating for an all-encompassing approach to future energy pathways – often feeling like the only organization truly considering annual energy demand growth trends and real-world data on hydrocarbon use – it has been encouraging in recent times to see more pragmatic policy-making returning to prominence worldwide.

Q: You have frequently called for forecasting agencies to adhere to data-focused analysis. Looking internally, what does OPEC do to ensure that its methodologies remain as robust as possible?

A: One of the challenges for analysts working in the oil industry is the huge volume of information and disinformation, background noise, agendas, and politicized motivations that energy as a topic can generate. Everyone has an opinion on oil, and many are only too happy to distort facts and data to suit their opinion.

The challenge for reporting and forecasting agencies and organizations like ours is to cut through the noise, distil the information and make sense of the facts. In this way we can deliver on our goal, indeed our mandate, of un-politicized and objective analysis. This is crucial in enabling our Ministers to take informed decisions in the interests of the long-term health of the global industry.

Our methodology to achieve this involves constant monitoring of oil market developments, with the Secretariat's analysts continuously engaged in this activity. Our focus is very much orientated towards energy realities. Some reporting agencies have unfortunately strayed away from energy realities, resulting in outlandish and damaging claims like there is no need for investments in new oil and gas projects. Strikingly, at this year's CERAWeek conference in March, the IEA Executive Director said that "there is a need for oil and gas upstream investment. Full stop."

Q: How important are initiatives such as the Joint Organizations Data Initiative (JODI) for providing the market with timely, transparent data?

A: To put it simply: timely and transparent data are vital. This was underscored in the workshop we held at the Secretariat on 'Communications and Robust Data' at the end of February. Amid today's complex energy and communications landscapes, transparent, data-driven messaging is more important than ever.

In this regard, we fully support JODI and its objectives, and welcome that it is based at the International Energy Forum that has its home in one of our Member Countries, Saudi Arabia.

Additionally, the Secretariat is currently working on making our data available to external partners through the OPEC Data Hub, which includes data and information going as far back as 1960. We should have more information on this later in 2025.

**Interview conducted over email by Senior Editor Jamie Ingram*

Russia Fills The Void As Syria's Oil Supplier

Major oil suppliers remain reluctant to deal with Syria's new government. Western sanctions have been eased, but payment concerns remain. With Syria facing acute fuel shortages, Russia has emerged as the solution as Moscow seeks to retain its strategically important assets in the country.

Syria's new government has found a new supplier to help relieve its acute fuel shortages and replace part of the approximately 80,000 b/d of crude oil previously sent by Iran to the Assad regime; Russia. But rather than simply replacing Iranian crude oil supplies to Syria's refineries, Russia is supplying a combination of crude oil and key refined products.

The development comes as Russia and Syria are considering a reset in their relationship. Moscow views its Hmeimim and Tartus military bases as strategically crucial assets on the Mediterranean Sea, and while the overthrow of the Assad regime lost it a key ally, the ability to supply crucial oil volumes is a trump card which can win it favor with the new government.

In mid-February, Syria's interim President Ahmed al-Sharaa spoke to Russian President Vladimir Putin in a call that the Kremlin described as "constructive," adding that Mr Putin emphasized his support for "the unity, sovereignty and territorial integrity" of Syria. Any rapprochement between Damascus and Moscow will not be viewed positively in the west, although US President Donald Trump may not obstruct it, given his interest in striking a deal to end the Ukraine war and eventually pulling American troops from Syria.

Kpler data show that Syrian oil imports rebounded last month after virtually grinding to a halt for three months following the toppling of the regime in late 2024 (MEES, 13 December 2024). March imports to the country's sole operating oil terminal of Banias rose to around 89,000 b/d (see chart 1) with most volumes originating from Russia (see chart 2).

Over 60% of these imports were crude, shipped from Russia's Murmansk port in the Arctic and sold by Gazprom through unknown intermediaries. So far Syria has received one shipment each of ARCO and Novy Port grades in March totaling 1.68mn barrels, and is due to receive another 1.76mn barrels of ARCO crude on 14 April.

All deliveries have been on tankers which were sanctioned by the US in January as part of the former Biden administration's final crackdown on 183 'dark fleet' vessels that carry Russian oil mostly to India and China. Syria's pivot to import Russian oil comes as established traders have shied away from dealing with the country's new government despite the easing of US and EU sanctions on energy imports (MEES, 17 January).

MORE VOLUMES NEEDED

They remain reluctant partly due to fear of being hit with secondary sanctions, but primarily due to concerns over Damascus' ability to pay in full, and in US dollars, which is another reason that makes discounted Russian oil attractive. For Syria, the clandestine nature of the trade allows businessmen linked to the Hay'at Tahrir al-Sham-led government to be involved.

Syria had tendered for 4.2mn barrels of crude in late January (MEES, 24 January), which has now been covered by Russian oil, and Syria's petroleum ministry has since tendered for more volumes. On 25 March, it issued a tender for a total of 7mn barrels of 31-37°API quality crude which it intends to receive in tranches between April and June, for refining at the 140,000 b/d Banias refinery.

Last month also saw Syria import 24,000 b/d of diesel (740,000 barrels). Around 530,000 barrels of this was from Russia, alongside 190,000 barrels from major Russian transshipment hubs in Turkey and Georgia, alongside other smaller suppliers.

March also saw the first fuel oil imports (111,000 barrels), from Russia's Taman terminal on the Black Sea. Syria has also tendered for 160mn tons (950,000 barrels) of fuel oil on 24 March which it aims to take delivery of in May. Syria's LPG imports remain dominated by Turkey, primarily from Dortyol, and it also receives smaller volumes from Jordan via trucking. Syria imported LPG from Turkey during Assad rule as well.

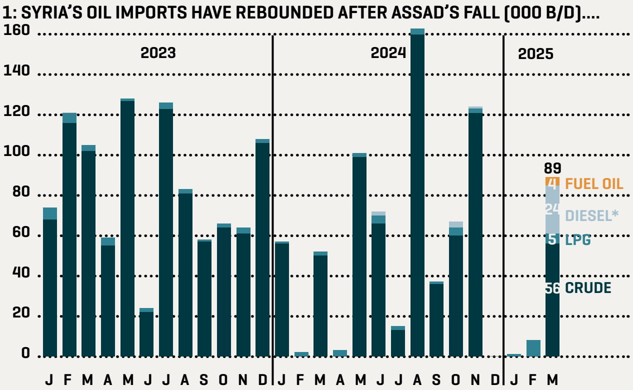
KURIDSH OIL TO DAMASCUS?

To attract more interest in its tenders, the ministry has altered payment terms to allow 30% of the fee to be made upon delivery instead of the previous 10%. But with the mandatory 'performance bond' still required to be issued by a local Syrian bank, traditional trading firms are unlikely to consider getting involved, paving the way for further Russian imports via local intermediaries.

Looking inwards, Damascus may soon be able to secure more crude oil from Kurdish-controlled northeastern Syria after a deal was struck in early March between Syrian Democratic Forces (SDF) commander Mazloum Abdi and Mr Sharaa to integrate the group into the new Syrian government. In late February, an existing Assad-era oil supply contract from oilfields in Hasakeh and Deir el-Zor was renewed allowing 5,000 b/d to head to the 120,000 b/d Homs refinery.

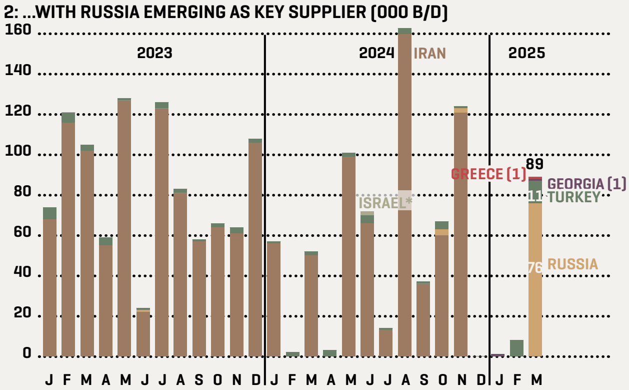
But whether more crude volumes might be secured from SDF-controlled areas remains unknown. The country's oil infrastructure is in need of rehabilitation, meaning Syria will remain dependent on imports for the foreseeable future. Kurdish-controlled oilfields produced about 65,000 b/d last year, and on 18 March oil minister Ghiath Diab led a meeting "to discuss the handover mechanism to manage oilfields in northeast Syria." ◆◆

1: SYRIA'S OIL IMPORTS HAVE REBOUNDED AFTER ASSAD'S FALL ('000 B/D)....



*INCLUDES SMALL VOLUMES OF MID-DISTILLATES AND CLEAN PRODUCTS. SOURCE: KPLER, MEES.

2: ...WITH RUSSIA EMERGING AS KEY SUPPLIER ('000 B/D)



*MISS-TRACKING LIKELY DUE TO GPS JAMMING DURING HAMAS-ISRAEL WAR. SOURCE: KPLER, MEES.

Aramco-Sinopec's Yasref Planned Petrochemicals Expansion Takes Shape

This week's agreement paves the way for a major expansion of Saudi Arabia's Yasref refinery, with a complex petrochemicals integration project yielding higher-value chemicals products to feed derivatives plants in the growing Yanbu downstream hub.

Saudi Aramco, Sinopec and the Yanbu Aramco Sinopec Refining Company (Yasref) have signed a framework agreement for a major petrochemicals expansion project at Yasref. The project is a key plank of Aramco's strategy to bring its liquids-to-chemicals conversion capacity to 4mn b/d by 2030, and follows an MoU in December 2022 (MEES, 23 December 2022).

In a joint 9 April statement, the trio announced the signing of a Venture Framework Agreement (VFA) "intended to pave the way for a major petrochemical expansion" at the Yasref refinery, located at Yanbu on the Red Sea coast. The Yasref refinery (Aramco 62.5%, Sinopec 37.5%) started commercial operations with 400,000 b/d capacity in 2015, and was subsequently expanded to 430,000 b/d in 2020.

Under the terms of the VFA, the partners hope to develop "a state-of-the-art petrochemical unit, a large-scale mixed feed steam cracker with a 1.8 million tons per year capacity, and a 1.5 million tons per year aromatics complex with associated downstream derivatives integrated into the existing Yasref complex." No planned start date has been announced, and the project remains at a preliminary stage.

Aramco Downstream President Mohammed al-Qahtani says the planned expansion will help "unlock the full potential of our resources," and that "in partnership with Sinopec, we aim to advance cutting-edge refining and petrochemical capabilities to deliver high-value products, create new opportunities, drive industrial innovation, and enable economic transformation."

Sinopec President Zhao Don says "Sinopec and Aramco are poised to establish a world-class, integrated refining and petrochemical complex distinguished by comprehensive competitive advantages, aiming to redefine traditional energy cooperation models and expand new frontiers for more sustainable development."

YASREF: HIGH VALUE CONVERSION

Yasref describes itself as a "world-class, full-conversion refinery," which consumes 430,000 b/d of Arab Heavy crude oil feedstock delivered via pipeline. Its output is almost entirely high-value transportation fuels alongside chemicals, with post-expansion capacity of around 308,000 b/d diesel, 112,000 b/d gasoline, 3,225 b/d benzene and 6,450 b/d of propane alongside more than 2.2mn t/y of petroleum coke.

YANBU INDUSTRIAL CITY: KEY DOWNSTREAM UNITS

The announced plan to integrate both a steam cracker and an aromatics complex is the most complex but value-accretive option for integrating petrochemicals into an existing refinery. It will result in a large number of products streams being exchanged between the interdependent facilities, yielding more valuable outputs. Such projects typically supply light naphtha to the steam cracker and heavy naphtha to the aromatics complex, greatly reducing gasoline production and therefore exports.

Saudi gasoline exports were at record highs last year, with gross exports of 281,000 b/d and net exports of 197,000 b/d, but the rise of electric vehicles has led to expectations of slowing gasoline demand growth globally; if not an absolute near-term peak.

CHINA RELATIONS DEEPEN FURTHER

Moving ahead with the Yasref expansion project is the latest example of the deepening relationship between Aramco and its Chinese counterparts, especially when it comes to petrochemicals. Praising China as a key partner, Aramco CEO Amin Nasser told last month's China Development Forum that "we are seeking to further strengthen our collaboration along multiple avenues. There is already a busy two-way street. Here in China, Aramco is actively supporting energy and chemical feedstock security by investing in multiple downstream projects. In fact, China is among our key investment destinations... In the other direction, we are supportive of China's growing list of Saudi investments."

China is central to Aramco's 4mn b/d conversion target, up from around 2mn b/d currently, with Mr Nasser saying last year "the best integrated refineries, with 60-70% and some of them reaching 80-90% conversion, are in China. They are able to build them at a low cost. They are commercially viable because of the low construction costs and the market demand is there" (MEES, 9 August 2024).

Aramco and Sinopec are also teaming up in China, with Aramco holding a 20% stake in the Fujian Refining and Petrochemical (FREP) JV's 280,000 b/d refinery and 1.1mn t/y steam cracker alongside Sinopec and ExxonMobil. Construction last year began on the Fujian Gulei Phase II project which will consist of a 320,000 b/d refinery and 1.5mn t/y ethylene unit along with derivatives units, and is being developed by Aramco (25%), Sinopec (25%) and the 50:50 JV of Sinopec and Fujian Petrochemical Industrial Group Company (50%). The project is due online by end-2030, after being initially touted for end-2025 (MEES, 22 November 2024).

Aramco also purchased a 10% stake in China's Rongsheng in 2023, which holds a 51% stake in Zhejiang Petroleum and Chemical's 800,000 b/d refinery and 4.2mn t/y petrochemicals complex. The firms are discussing ways to deepen their partnership, with Rongsheng potentially taking a 50% stake in Aramco's wholly owned 305,000 b/d Sasref refinery in the Gulf coast's Jubail industrial city. ◆◆

GCC Deepens Africa Ties, Starting 2025 With Record Oil Product Exports

Africa is a growing market for refined oil exports from the GCC, with volumes nearly reaching 1.3mn b/d in March. Gulf NOCs are investing in fuel storage and distribution facilities in the continent to help facilitate flows.

Africa is expected to be one of the fastest growing sources of oil demand growth in the world over the medium and long term. Opec's 2024 World Oil Outlook forecasts its demand growing by 4.4mn b/d out to 2050. Starting from 2030 its demand growth will be second only to India. Eying this trend, GCC states have been buying strategic stakes in oil infrastructure in recent years and ramping up exports to eastern and southern Africa.

GCC refined oil export flows to Africa have been transformed since 2020. Exports to the continent previously averaged around 660,000 b/d, according to data intelligence firm Kpler. But, from 2021 onwards this grew dramatically and surpassed 1mn b/d for the first time in 2022 with the completion of refinery upgrades in Kuwait.

Volumes then increased to 1.1mn b/d in 2024, driven by the ramp-up of Kuwait's 615,000 b/d Al Zour refinery through 2023 and the February 2024 inauguration of Oman's 230,000 b/d Duqm refinery. This coincided with the start of the Red Sea crisis, which has forced the rerouting of cargoes to Europe around the Cape of Good Hope, making the comparative economics of exporting to African hubs more attractive.

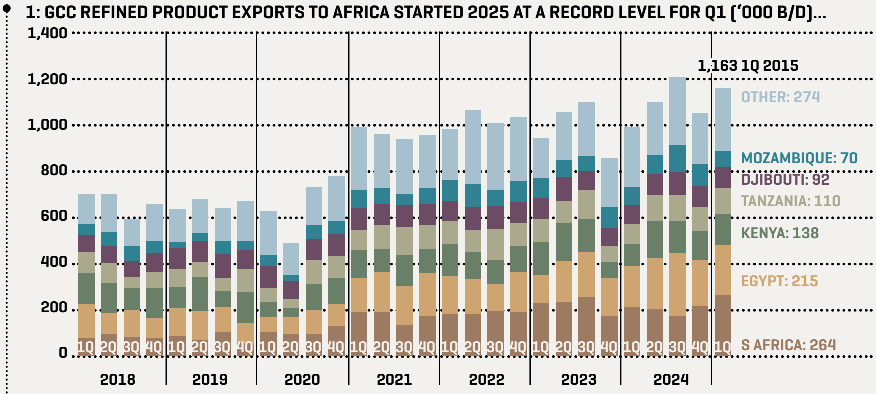
In March, exports reached a new high of 1.293mn b/d and for the first quarter as a whole averaged 1.163mn b/d, the highest ever start to a year and the second highest quarter ever after Q3 last year (see chart 1).

Much of the 1.2mn b/d refining capacity brought online in the GCC since 2023 was designed to produce profitable high-spec diesel to send to Europe. But traders are managing to find profitable markets particularly for diesel and gasoil, the largest exports to Africa from the GCC (see chart 2, MEES, 5 July 2024).

DEEPENING DEPENDENCE ON THE GCC

One of the biggest changes pushing imports higher in recent years has been the closure of refining capacity on the continent, especially in South Africa. Once a key local refining hub, the country has closed down nearly half of its 700,000 b/d refining capacity since 2020 opting to use old refineries as import and storage terminals.

1: GCC REFINED PRODUCT EXPORTS TO AFRICA STARTED 2025 AT A RECORD LEVEL FOR Q1 ('000 B/D)...



SOURCE: KPLER, MEES.

This change is clearly reflected in Saudi exports to the country. Before 2019 Saudi Arabia exported roughly 150,000 b/d of crude to South Africa. By 2023, this collapsed to around 30,000 b/d, while refined products supplies are up from around 20,000 b/d to almost 50,000 b/d.

Elsewhere in Africa a similar fate hit Tanzania's much smaller 16,000 b/d Tiper refinery. Originally built in 1966 the government closed it down in 2000 and converted it into a 255,000m³ storage and import terminal dependent on cargoes coming from GCC countries and India.

Africa's refining sector has found a new home in west Africa following the construction of the massive 650,000 b/d Dangote refinery in Nigeria. The refinery is still ramping up, but for now most of its products have either stayed in West Africa, or gone further afield to North America or Asia, leaving East Africa open to GCC imports.

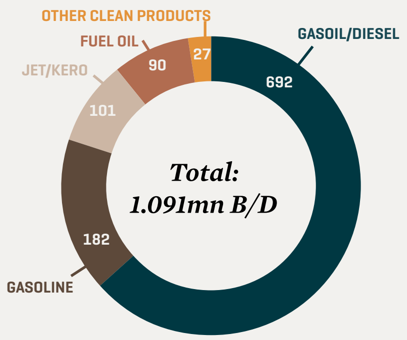
ON-THE-GROUND INVESTMENTS

With GCC producers seeing substantial opportunities in Africa, NOCs and listed firms from the region are investing in key fuel import and distribution infrastructure across the continent.

Publicly-listed Kuwaiti Independent Petroleum Group holds shares in a number of overseas storage facilities including in east Africa. In Mozambique, the firm holds 45% stakes in terminals alongside Portuguese energy firm GALP at the ports of Beira (65,000m³ IPG-Galp Beira terminal) and further south in Maputo (66,000m³ Matola terminal). It also has a 40% stake at the 95,000m³ Inpetro Sarl terminal in Beira which pumps fuel from Mozambique to land-locked Zimbabwe.

Further north, the company also holds a 22.22% stake in the 399,000m³ Djibouti Horizon Terminal alongside state firm Emirates National Oil Company (40%).

2:...WITH GASOIL AND DIESEL REMAINING THE DOMINANT FUEL EXPORTED ACROSS 2024 ('000 B/D)



SOURCE: KPLER, MEES.

The terminal is a major hub for around 80,000 b/d of middle distillates and gasoline coming from Saudi Arabia and Kuwait, supplying fuel to countries in the Horn of Africa, particularly Ethiopia.

Gulf NOCs are also investing in retail fuel distribution operations in Africa. Shell is in the process of divesting from its downstream operations in South Africa, and Bloomberg has reported that Aramco and Adnoc are eying the major's assets including more than 600 distribution stations up for sale.

Adnoc Distribution previously entered the continent through the purchase of a 50% stake of TotalEnergies Marketing Egypt in 2023. The joint venture currently runs 245 service stations in Egypt, according to Adnoc Distribution's end-2024 results.

Oman's state energy firm OQ has also expanded into distribution in Africa. It took a 40% stake in Kenya-based Hass Petroleum through its subsidiary OQ Trading back in 2017. The company operates more than 150 retail stations across nine countries in central and east Africa. Oman, like other countries in the GCC, is betting that road fuel demand is quite literally driving the growing markets in Africa, and will remain profitable a long way down the road. ◆◆

UAE 'Clean Energy's' 30% Share, But Gas Use Up

Low carbon power generation's share of the UAE electricity sector hit another record high in 2024, but amid rapid demand growth, gas consumption increased for the first time in three years. With clean power growth slowing, gas-for-power demand looks set to accelerate again.

The reshaping of the UAE's power generation sector continued apace in 2024, with low carbon sources accounting for a record 29.7% of total generation, up from just 5.1% in 2020. The key driver of these gains has been Abu Dhabi's 5.6GW Barakah nuclear power plant, but renewables are also playing an increasingly prominent role in both Abu Dhabi and Dubai.

This increased share came despite total power generation rising by 9.5TWh to a record 177TWh last year, MEES calculates. UAE power demand has been increasing rapidly in recent years, driven by a rising population and strong economic growth, and the country has more than enough installed capacity to meet this.

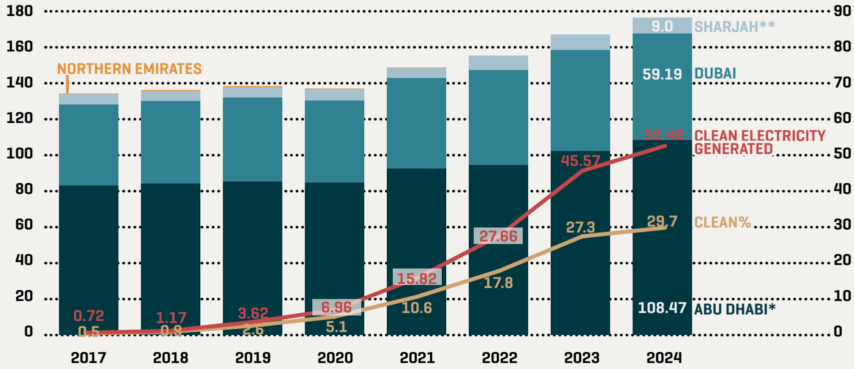
The bulk of last year's power generation increases came from nuclear and renewables, which increased by 6.9TWh to a record 52.5TWh (see chart 1). However, clean energy sources by themselves were insufficient to meet the increased requirement, and there was also a first annual rise in gas-fired power generation since 2021. Gas-fired power generation edged up to 124TWh l for 2024, and although it remains considerably lower than its 2019 peak of 137TWh (see chart 2), last year's increase indicates that the figure has now bottomed out.

BARAKAH COMPLETE: WHAT'S NEXT?

The surge in low-carbon generation over the past five years has been driven by the ramp up of the Barakah nuclear plant. The power plant reached full 5.6GW capacity in September, and generated a record 39TWh for the year as a whole. There may be some modest increases in overall generation this year – officials have routinely said it will produce 40TWh annually – but its completion means that low-carbon generation growth rates have now likely passed their peak. In contrast to Barakah's 39TWh, the UAE's 5.8GW of installed renewables generated around 13.5TWh last year.

That's not to say that there aren't

1: UAE POWER GENERATION BY EMIRATE (TWh). CLEAN ENERGY'S^ SHARE OF THE MIX HAS BEEN INCREASINGLY RAPIDLY



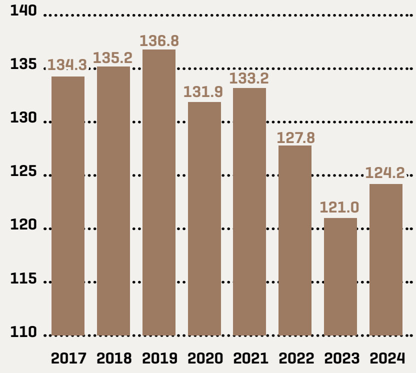
^NUCLEAR & RENEWABLES. *INCLUDES EWEC POWER PLANTS IN FUJAIRAH. **SHARJAH 2024 FIGURE = MEES ESTIMATE.
SOURCE: EWEC, DEWA, SEWA, ETIHADWE, MEES.

major, innovative clean-energy developments underway in the UAE. The most notable of these is a $6bn project to deliver 1GW of solar-generated electricity 24/7 through development of 5.2GW of installed solar PV and a 19GWh battery energy storage system (BESS), which the country's leadership has described as its "moonshot" (MEES, 17 January). Assuming 24/7 provision of 1GW, this facility will produce 8.8TWh annually, equivalent to around 5% of total UAE generation last year, and is due online in 2027.

However, the electricity set to be generated by this ambitious project is still less than last year's 10TWh increase in power generation, underlining the key role that gas will play in meeting incremental demand. Certainly Adnoc Gas sees power sector demand continuing to drive increased demand for its gas output over the coming years. "The [demand] growth that we see is very much driven by the power sector, and that, in turn, is explained by the growth in the economy, and also the population growth," said the firm's CFO recently (MEES, 7 February).

Last year's growth in UAE gas-for-power consumption was driven by Dubai, where levels surged by 7% to a record 52.6TWh (MEES, 14 February). This more than offset the continued decline in use of the fuel by Abu Dhabi (MEES, 7 March). The two emirates' power systems account for

2: GAS-FIRED POWER GENERATION IN THE UAE (TWh): A SLIGHT RISE FOR 2024, BUT STILL WELL BELOW 2019 LEVELS



SOURCE: EWEC, DEWA, SEWA, ETIHADWE, MEES.

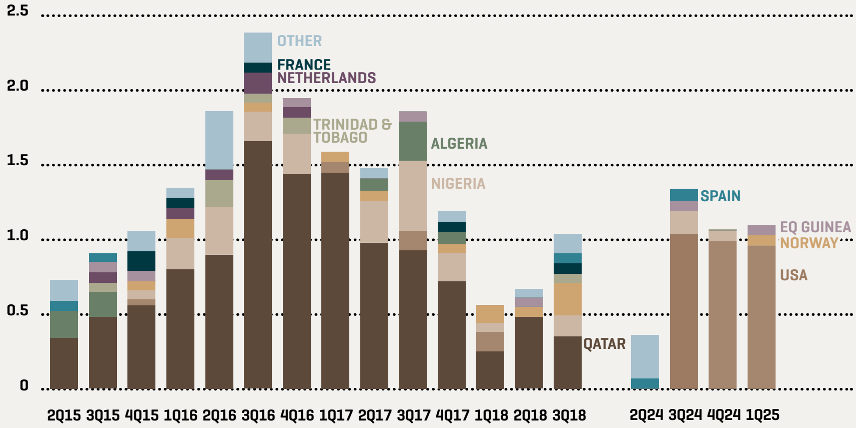
the vast majority of power generation in the UAE, with just 9TWh coming from Sharjah's gas fired plants.

Across the UAE, power demand will continue its strong upwards trend amid the ongoing electrification of industrial facilities to reduce emissions, population growth and strong economic growth. Plans to aggressively invest in the emerging artificial intelligence sector will also drive up demand for power generation and gas. Adnoc Gas last year cited AI as a driver of increased gas demand expectations, noting that each 5GW of incremental demand will require an additional 1bn cfd of natural gas (MEES, 13 December 2024). ◆◆

Egypt Eyes Summer Power Needs, Looks To Limit LNG Spending

Cairo is moving away from public spot tenders to secure its summer LNG needs. It has indicated that it will pay a maximum of $14/mn BTU, but will likely have to fork out an additional $2 premium for 12 month-deferred payments.

EGYPT LNG *IMPORTS BY ORIGIN: Q1 IMPORTS RISE TO 1.10MN TONS, HIGHEST FIRST QUARTER SINCE 2017 AS US REMAINS TOP SUPPLIER BY SOME DISTANCE (MN TONS)



*IMPORTS ZERO 4Q18-1Q24. SOURCE: KPLER, MEES.

As Egypt's gas output continues to dwindle, the country is becoming increasingly dependent on gas imports to ensure continued supplies to power plants and petrochemicals facilities, with the era of net-LNG exports firmly ending. Already reliant on around 1bn cfd of pipeline gas imports from Israel, Egypt imported 1.1mn tons of LNG in the low-demand Q1 period according to Kpler, putting it well on course to smash last year's seven-year high 2.5mn tons.

Since July last year Egypt's gas deficit (output minus demand) has averaged 1.7bn cfd, peaking at 1.85bn cfd in August during the summer peak electricity demand season (MEES, 22 November 2024). Gas accounts for more than 80% of Egypt's power generation fuel mix, and with summer looming, Cairo is seeking to secure sufficient volumes to avoid a repeat of last year's blackouts (MEES, 28 June 2024).

Its preference would be for increased Israel pipeline imports, with volumes priced at around $6.50/mn Btu, but infrastructure constraints continue to cap flows until at least next year (MEES, 28 March). Instead, incremental volumes will have to come in the form of LNG via the Hoegh Galleon FSRU, moored at Ain Sukhna on the Red Sea. But European restocking following a cold winter is supporting LNG prices (MEES, 4 April), with current TTF futures at $11.60/mn Btu.

With its finances floundering even before US President Donald Trump launched his new tariff regime, causing global markets to crash amid heightened volatility (see p8), the prospect of a hefty LNG import bill is concerning for Egypt.

Should LNG prices remaining elevated, Egypt may opt to reduce its import bill by capitalizing on the recent sharp drop in oil prices and boosting fuel oil imports to supply power plants. Imports already rose to a nine-year high 59,000 b/d last year.

NEW DIRECTION

When Egypt recommenced LNG imports a year ago it launched public tenders, but it is now changing direction and looking to directly negotiate contracts with global suppliers for the rest of this year according to a source at the oil ministry. Cairo hopes to pay no more than $14/mn BTU for any LNG cargoes it agrees to buy, the source says, but it is also offering to tag on a further $2/mn BTU if suppliers will agree to 12 month deferred payments.

As Egypt has begun its move away from public tenders, it has inked deals with UK major Shell and France's TotalEnergies to import 60 LNG cargoes (around 4.2mn tons) this year (MEES, 14 February), although pricing for that deal has not been made public. This alone is more than half the record 7.5mn tons imported in 2016, and Egypt is also sourcing additional cargoes. A tender for four cargoes (around 280,000 tons) for Q1 delivery was the only public tender awarded so far this year.

How much LNG Egypt hopes to import this year has been the subject of much debate and a previous tender for Q4 deliveries last year for 20 cargoes was overly pessimistic, as Egypt imported 16 cargoes or 1.08mn tons according to Kpler (MEES, 10 January).

LNG imports are predominantly sourced from the US which has supplied 3.00mn tons or 77% of the 3.89mn ton-total since imports resumed last May (see chart). Egypt will doubtless point to its growing requirement for US LNG supplies in negotiations with Washington over tariffs. Egypt received the minimum 10% levy.

FSRU DEAL CLOSE

With LNG imports set to rise significantly this year, Egypt has moved to secure a second FSRU. Currently Egypt has the Hoegh Galleon at Ain Sukhna, and it can also use the Energos Eskimo FSRU moored at Jordan's Red Sea port of Aqaba, under a deal inked in 2023 with Amman (MEES, 16 June 2023). So far it has only been used to import three cargoes in April and May last year, before the Hoegh Galleon arrived in Egypt.

The Energos Eskimo's utility is limited as any onwards shipments to Egypt are through the Arab Gas Pipeline which is already maxed out with Israel-Egypt gas deliveries (MEES, 21 March).

As such, the Energos Eskimo is to be transferred to Ain Sukhna, which has the infrastructure to accommodate two FSRUs, later this year. Jordan and Egypt signed a deal covering the transfer last year, under which Egypt will supply Jordan with its gas needs, although in reality the molecules will likely come from Israel (MEES, 6 December 2024).

With the Energos Eskimo needing extensive maintenance following the end of its 10-year lease with Amman, its arrival at Ain Sukhna will likely be after the peak summer period. Egyptian officials have therefore been scrambling to secure the short term lease this summer of another FSRU.

Talks have taken place with Germany to take the Energos Power, which was moored at the German port of Mukran after private German firm Deutsche ReGas terminated its charter with the country's economy ministry in February.

Egyptian business portal Enterprise reports that a deal has been struck with Germany, which has the FSRU under contract until 2032, to lease the vessel from June at an estimated cost of $80mn per year although an official announcement has yet to be made.

Talks have also taken place with Turkey and Cyprus about potentially borrowing or leasing their FSRUs, but with the deal to take the Energos Power seemingly close, those talks have not progressed. ◆◆

Egypt Economy: Trump's Tariffs Highlight Fragility

Buoyed by an influx of foreign cash earlier this month, Egypt's economy appeared to be on the mend, but US President Trump's tariffs have highlighted its continued fragility.

*Egypt has been left comparatively unscathed by US President Donald Trump's new tariffs, for now. A 10% tariff on imports from Egypt is relatively mild compared to many fellow Mena countries with Syria facing a 41% tariff, Iraq a 39% tariff and Libya a 31% tariff.

*Financial market analysts BMI forecast in a 3 April note that "the US tariff announcement made on April 2 will create a significant negative economic shock to economies across MENA." The immediate fallout saw the Egyptian pound slip further against the dollar, dropping from $1=E£50.6 for March, passing the E£51 mark following Trump's 2 April announcement.

*The tariff announcement also spooked investors with Egyptian investment bank Al Ahly Pharos' Senior Economist, Esraa Ahmed telling local business portal Enterprise News that uncertainty about the tariffs "led investors to exit some high-risk markets." While some have returned after the initial shock, it highlights the precarious nature of Egypt's situation.

*Former finance minister Mohamed Maait believes it's too early to make a judgement call on what the ultimate impact will be of the tariffs. "The outlook for the short and medium term will depend largely on how other countries respond to this trade war — and how the US, in turn, responds to them," Mr Maait, who is now an IMF Executive Director told a press conference on 6 April.

*One source of good news recently for Egypt has been falling inflation. After peaking at 38% in November 2023 it had remained stubbornly high throughout last year, but the start of 2025 saw it near-half to 12.8% for February according to the latest Egyptian central bank data. Inflation increased in March to 13.6% though with Mr Maait warning that it could yet increase further amid the new tariffs.

*While Egypt's economy continues to face numerous challenges, the 4 April disbursement of $1.2bn by the IMF, whose board also approved a further $1.3bn (MEES, 14 March), along with the European parliament approving a further €4bn ($4.3bn) in funding has provided at least a short-term boost to the country's finances. This should lift foreign reserves further for April after they ended Q1 at a record $47.76bn (see chart).

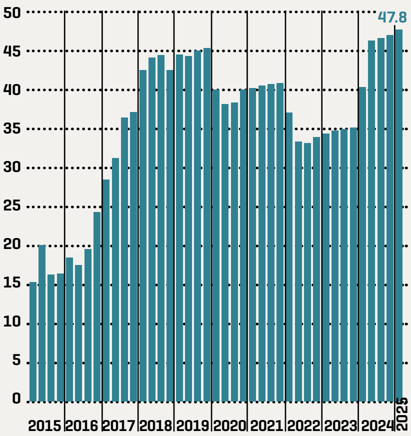
*But the ongoing conflict in the region continues to severely negatively impact Egyptian revenues from the Suez Canal as Yemen's Houthi rebels continue to target vessels making their way through the Red Sea. Trade disruptions in the Red Sea saw Egypt's Suez Canal revenues fall by more than $6bn, or 61%, year-on-year to $3.99bn for 2024 while net tonnage traversing the canal also slumped by 2/3rds to 525mn tons (MEES, 4 April). "And so this has of course, adverse spillovers to growth in Egypt and also to fiscal revenues in Egypt," the IMF's Director, Communications Department, Julie Kozack said on a 27 March press briefing.

*Despite the ongoing situation in the Red Sea, the IMF continues to project growth for the Egyptian economy, increasing from an estimated 3.6% for the current 2024-25 financial year (to 30 June) to 4.1% for the upcoming year. But while the IMF may have approved the most recent tranche of the $8bn loan agreed with Egypt 12 months ago, there remains a level of discontent with Cairo's slow progress on the long-delayed privatization program (MEES, 13 December 2024).

*Egypt's revenue and spending figures may also be of some concern. Egyptian officials often like to focus on the country's primary surplus, which was up five-fold for 2023-24 to E£853bn, but this doesn't tell the whole story. Egypt's revenues were boosted last year with an influx of foreign aid which included the UAE's $35bn outlay on the Ras el Hekma resort project (MEES, 17 May 2024), rising 63% to E£2.54trn in local currency terms and up 16% to $70.3bn in dollar terms. The primary surplus also excludes interest payments which near-doubled to E£1.36trn and make up the lion's share of Egypt's spending at 45%. Egypt is forecasting that this will continue rising both in absolute terms and as a share of spending in the ongoing financial year and in next year's budget (see chart).

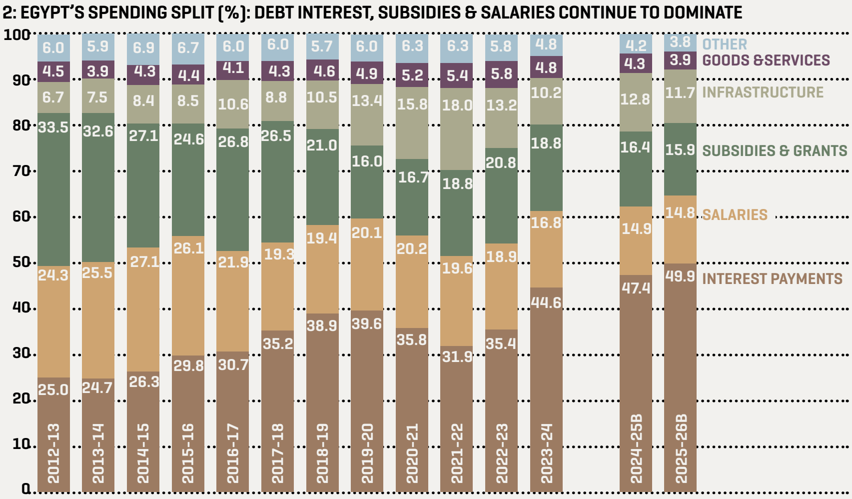
*The Gulf cash from last year, which also included Saudi Arabia and Qatar depositing billions of dollars at the CBE, helped Egypt cut its deficit by 17%, to E£504bn ($13.9bn) or 3.6% of GDP in 2023-24, but that is forecast to rise to E£1.24trn (7.3% of GDP) for 2024-25 and to E£1.50trn (7.5%) next year. With the country's gas deficit growing, Cairo has been forced to spend big on importing LNG to keep the lights on, a situation that will likely continue until the end of this decade at least (see p15).

1: EGYPT FOREIGN RESERVES* INCH UP YET AGAIN TO RECORD $47.8BN FOR 1Q 2025 ($BN-END QUARTER)



*NET INTERNATIONAL RESERVES. ^FINANCIAL YEARS TO 30 JUNE.
SOURCE: CBE, MEES.

2: EGYPT'S SPENDING SPLIT (%): DEBT INTEREST, SUBSIDIES & SALARIES CONTINUE TO DOMINATE



FINANCIAL YEARS FROM 1 JULY. SOURCE: EGYPT FINANCE MINISTRY, CENTRAL BANK OF EGYPT, MEES CALCULATIONS.

NEWS IN BRIEF

US-IRAN PREPARE FOR MUSCAT TALKS

All eyes will be on Muscat on 12 April, when senior US and Iranian officials will hold talks over a potential new nuclear deal. The US will be represented by Special Envoy to the Middle East Steve Witkoff, with Iran sending Foreign Minister Abbas Araghchi. There is uncertainty over whether or not the talks will be direct – US President Donald Trump says yes, Iran insists it will be indirect – but either way, this is a pivotal moment.

If the talks go well, regional geopolitical tensions stand to ease and oil markets will begin to price in the potential for increased Iranian oil production and exports. Go badly and expectations of additional US sanctions will increase, while a worst case scenario would see the narrative shift towards concerns of Israeli military strikes against Iran.

The talks follow a 12 March letter from Mr Trump, delivered by the UAE, in which he set a two-month timeline to reach a deal.

Iran's Supreme Leader Ayatollah Ali Khamenei had previously ruled out the prospect of talks with the Trump administration, but the dismantling of Tehran's regional proxy networks has weakened its position (MEES, 21 March). Iran may also think it can capitalize on Mr Trump's publicly stated desire for a deal.

Iran will attempt to limit the talks to its nuclear program, excluding its missile/drone capability and proxies. Mr Witkoff has signaled that Washington's main objective is to prevent Iran from reaching nuclear military capacity, having significantly increased enrichment. "If they were to have a bomb that would create North Korea in the GCC [the Gulf], we cannot have that," he said on The Tucker Carlson Show on 21 March. "The next thing we need to deal with...[is Iran] being a benefactor of these proxy armies because we've proven that that's not existential [to Israel and the GCC]," he said.

EGYPT, FRANCE $7.7BN GREEN H2 DEAL

Egypt and France signed a deal on 8 April for the potential development of a €7bn ($7.7bn) green ammonia plant..

The deal, signed during French President Emmanuel Macron's visit to Egypt this week, is between Egypt's Red Sea Authority and New and Renewable Energy Authority (NREA) in partnership with the Green Fuel Alliance which teams France's EdF Renewables and Egyptian-Emirati firm Zero Waste.

The project aims for 2029 start-up in three phases that will eventually produce 1mn t/y of green ammonia, with investment of €7bn ($7.7bn) fully financed by the project's developers, Egypt's Industry Minister Kamel El-Wazir says. EdF and Zero waste will initially invest €2bn ($2.2bn) in the project's first phase to produce 300,000 t/y of green ammonia, he adds.

The plant will be built in the vicinity of the Ras Shukeir area on the Gulf of Suez, around 200km south of Ain Sukhna, the epicenter for all previously announced green hydrogen/ammonia projects. None have yet reached FID. On 6 March, the cabinet called for the conversion of land belonging to oil and gas firms in Ras Shukeir into a "clean industrial zone for the petrochemical industry and production of green hydrogen."

IRAN: NEW YEAR GASOLINE RECORD

Iranian gasoline consumption during the recent Persian New Year (Nowruz) holiday (from 15 March to 3 April) set a new record of 135mn l/d (848,800 b/d), up nearly 10% year-on-year, according to National Iranian Oil Products Distribution Company CEO Keramat Veis Karami. In 5 April comments to oil ministry press outlet Shana, Mr Karami says consumption peaked this holiday on 19 March at 164mn l/d (1.03mn b/d). Generous subsidies and rising demand forced Iran last year to resume gasoline imports (MEES, 17 January), with the country also dependent for 35-40% of its supply on the 450,000 b/d Persian Gulf Star (PGS) condensate splitters in Bandar Abass. PGS receives its feedstock from the giant offshore South Pars gas field where Tehran is investing $17bn to boost gas recovery (MEES, 14 March).

CRESCENT TO DRILL IRAQ WELLS

Sharjah-based Crescent Petroleum said on 10 April that it has completed the first stage of 3D seismic work at its Khashim al-Ahmar/Injana block in Iraq's Diyala province, providing "the first high-resolution insight into the field's reservoirs." The study will inform where appraisal wells will be drilled. It says it will now "be issuing turn-key contracts on an accelerated basis for drilling the appraisal wells with spudding expected later this year."

The firm did not disclose a date for when drilling will commence but says exploration studies are being conducted to "define the ranked portfolio of opportunities and target the most attractive for exploration activities planned in 2026." It is unclear when the next stage of seismic work is planned.

The Emirati firm plans to invest $200-250mn in early production facilities once appraisal is done, and eventually more than $1bn to build a central processing facility and associated infrastructure to handle up to 400mn cfd of gas and 80,000 b/d of condensate. Gas from the non-associated gas block is earmarked for the nearby 1GW gas-fired Mansuriya plant in Diyala.

BAGHDAD CALLS FOR MORE KRG TALKS

Iraq's oil ministry has called for a new meeting to discuss the resumption of oil exports through the Iraq-Turkey Pipeline after talks appeared to collapse in late March (MEES, 4 April). In a 4 April statement the ministry said that a 28 March statement by Apikur, a body representing Kurdistan IOCs, was "false and misleading." Apikur had said that the ministry's actions were "not acceptable," and that its members would only resume exports if their contracts are honored and that surety of payment is provided for past and future exports.

While calling for new talks, the ministry's criticism of its counterparts will do little to ease relations. It says that while the Iraqi government has "taken concrete and serious steps to demonstrate its good faith in negotiations" the other parties have taken "negative steps...every time progress is made."

OMAN'S BLOCK 47 EXPLORATION DRIVE

Italy's Eni is drilling its first exploration well at Oman onshore Block 47, according to a 10 April LinkedIn post from the energy ministry. The announcement came on the back of a visit by Undersecretary Mohsen al-Hadrami to see the company's operations and follows the completion of a 3D seismic survey.

Block 47 is one of only two blocks the company now holds in Oman after relinquishing Block 52 (Eni 55%op, QatarEnergy 30%, OQEP 15%) due to a 2024 shallow-water wildcat flopping. The energy ministry has now divided the block into three and will offer it under the ongoing 2025 bid round (MEES, 7 February).

Eni's other block is onshore exploration Block 77 (Eni 50%op, BP 50%) where it holds an exploration and production sharing agreement for non-associated gas from 2019. It spudded its first exploration well in October 2023, but Oman's absence from namechecked successes in Eni's 2024 Form 20F filing points to a flop.

LIBYA'S TO DRILL OFFSHORE GAS WELLS

Libya's Eni-led Mellitah Oil and Gas company says Norwegian contractor Borr Drilling's Vali rig will start drilling eight offshore gas wells "soon," according to an NOC statement on 8 April.

Drilling to water depths of up to 100 meters in offshore Structure A, the company aims to produce up to 160mn cfd from the wells, which it expects to finish drilling within 15 months.

"This will further stabilize natural gas supplies to the domestic market, feeding power plants, cement factories, and iron and steel plants, in addition to providing cooking gas," according to the NOC statement.

This comes as NOC plans to boost production to 2 million b/d of oil and 4bn cfd of gas in the coming years (see p2).

Eni and BP, as well as Austria's OMV, recently kicked off Libya exploration drilling campaigns, which had been on hold since the country's early-2011 civil war (MEES, 1 November 2024).

AMSPEC SUSPENDED FROM FUJAIRAH

The Port of Fujairah updated its list of approved oil testing providers on 11 April, according to a port announcement seen by MEES, excluding leading US inspection company Amspec. Only the 10 listed labs are permitted to collect samples from vessels at Fujairah Offshore Anchorage, Port of Fujairah berths and oil terminals. The labs perform a key role at the storage and trading hub in testing specifications and blending. Amspec's exclusion, which sources say is expected to last six months after the firm fell afoul of Port regulations,, is a blow for the firm as it excludes it from work at the region's largest storage hub. MEES understands that a number of terminals at Fujairah had already voiced concerns with Amspec, with one itself halting work with the firm.

CRUDE OFFICIAL SELLING PRICES ($/B): SAUDI SLASHES ASIA MAY PRICES

SELECTED DATA

	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Jan25	Feb25	Mar25	Apr25	May25
SAUDI ARABIA																	
to Asia (FOB Ras Tanura, vs Oman/Dubai average)																	
Arab Super Light (>40°)	+4.95	+2.95	+2.95	+2.95	+2.95	+3.45	+2.95	+2.75	+2.95	+2.45	+2.95	+2.45	+1.75	+2.25	+4.35	+4.05	+1.75
Arab Extra Light (36-40°)	+3.55	+1.55	+1.50	+1.70	+2.10	+2.80	+2.20	+1.60	+1.70	+1.10	+2.00	+1.50	+0.90	+1.50	+3.90	+3.30	+1.00
Arab Light (32-36°)	+3.50	+1.50	+1.50	+1.70	+2.00	+2.90	+2.40	+1.80	+2.00	+1.30	+2.20	+1.70	+0.90	+1.50	+3.90	+3.50	+1.20
Arab Medium (29-32°)	+2.75	+0.75	+0.55	+0.85	+1.35	+2.35	+1.95	+1.25	+1.25	+0.45	+1.35	+0.95	+0.25	+0.75	+3.25	+2.95	+0.65
Arab Heavy (<29°)	+1.70	-0.30	-0.30	+0.00	+0.50	+1.60	+1.20	+0.50	+0.50	-0.50	+0.20	-0.20	-0.90	-0.50	+2.10	+1.80	-0.50
to Northwest Europe (FOB Ras Tanura, vs ICE Brent)																	
Arab Extra Light (36-40°)	+4.20	+2.70	+2.70	+2.00	+2.00	+3.70	+4.70	+5.60	+2.85	+2.05	+1.15	+1.45	+0.35	+1.65	+4.85	+4.65	+4.15
Arab Light (32-36°)	+2.90	+0.90	+0.90	+0.30	+0.30	+2.10	+3.10	+4.00	+1.25	+0.45	-0.45	-0.15	-1.25	+0.05	+3.25	+3.05	+2.55
Arab Medium (29-32°)	+1.70	+0.20	+0.20	-0.40	-0.40	+1.30	+2.30	+3.20	+0.45	-0.35	-1.25	-0.95	-2.05	-0.75	+2.45	+2.25	+1.75
Arab Heavy (<29°)	-1.00	-2.50	-2.50	-3.10	-2.80	-1.10	-0.10	+0.80	-1.95	-2.75	-3.65	-3.35	-4.45	-3.15	+0.05	-0.15	-0.65
to Mediterranean (FOB Ras Tanura, vs ICE Brent)																	
Arab Extra Light (36-40°)	+3.80	+2.30	+2.30	+1.60	+1.70	+3.70	+4.70	+5.60	+2.85	+2.05	+1.15	+1.45	+0.35	+1.65	+4.85	+4.55	+4.05
Arab Light (32-36°)	+2.40	+0.40	+0.40	-0.20	-0.10	+2.00	+3.00	+3.90	+1.15	+0.35	-0.55	-0.25	-1.35	-0.05	+3.15	+2.85	+2.35
Arab Medium (29-32°)	+1.40	-0.10	-0.10	-0.70	-0.60	+1.40	+2.40	+3.30	+0.55	-0.25	-1.15	-0.85	-1.95	-0.65	+2.55	+2.25	+1.75
Arab Heavy (<29°)	-1.60	-3.10	-3.10	-3.70	-3.30	-1.30	-0.30	+0.60	-2.15	-2.95	-3.85	-3.55	-4.65	-3.35	-0.15	-0.45	-0.95
to US (FOB Ras Tanura, vs ASCI)																	
Arab Extra Light (36-40°)	+9.30	+7.30	+7.10	+7.00	+7.00	+7.00	+7.00	+7.10	+6.35	+6.25	+6.15	+6.05	+6.05	+5.75	+6.05	+6.05	+5.85
Arab Light (32-36°)	+7.15	+5.15	+4.85	+4.75	+4.75	+4.75	+4.75	+4.85	+4.10	+4.00	+3.90	+3.80	+3.80	+3.50	+3.80	+3.80	+3.60
Arab Medium (29-32°)	+7.85	+5.85	+5.85	+5.65	+5.65	+5.45	+5.45	+5.45	+4.70	+4.60	+4.40	+4.10	+4.10	+3.70	+3.90	+3.90	+3.70
Arab Heavy (<29°)	+7.40	+5.40	+5.40	+5.30	+5.30	+5.10	+5.10	+5.10	+4.35	+4.25	+4.05	+3.75	+3.75	+3.35	+3.45	+3.45	+3.25
delivered US Gulf (vs ASCI)																	
Arab Light (32-36°)	+8.45	+6.45	+6.15	+6.05	+6.05	+6.05	+6.05	+6.15	+5.40	+5.30	+5.20	+5.10	+5.10	+4.80	+5.10	+5.10	
Arab Medium (29-32°)	+9.15	+7.15	+7.15	+6.95	+6.95	+6.75	+6.75	+6.75	+6.00	+5.90	+5.70	+5.40	+5.40	+5.00	+5.20	+5.20	
Arab Heavy (<29°)	+8.70	+6.70	+6.70	+6.60	+6.60	+6.40	+6.40	+6.40	+5.65	+5.55	+5.35	+5.05	+5.05	+4.65	+4.75	+4.75	
IRAQ																	
to Asia (vs Oman/Dubai average)																	
Basrah Medium (FOB)	+1.00	-0.80	-0.80	-0.60	+0.00	+1.00	+0.60	-0.10	+0.00	-0.50	+0.40	+0.00	-0.60	+0.05	+2.65	+2.15	+0.25
vs Saudi Arab Heavy	*-0.70*	*-0.50*	*-0.50*	*-0.60*	*-0.50*	*-0.60*	*-0.60*	*-0.60*	*-0.50*	*+0.00*	*+0.20*	*+0.20*	*+0.30*	*+0.55*	*+0.55*	*+0.35*	*+0.75*
Basrah Heavy (FOB)	-1.90	-3.80	-4.10	-4.00	-3.20	-1.95	-2.25	-3.00	-3.00	-3.50	-2.75	-3.15	-3.70	-3.20	-0.40	-0.90	-2.90
to Europe (vs Dated Brent)																	
Basrah Medium (FOB)	-4.35	-5.15	-5.45	-5.85	-5.15	-3.35	-2.85	-2.40	-3.90	-4.70	-5.00	-4.60	-5.50	-4.00	-1.25	-1.50	-2.00
vs Saudi Arab Heavy	*-2.75*	*-2.05*	*-2.35*	*-2.15*	*-1.85*	*-2.05*	*-2.55*	*-3.00*	*-1.75*	*-1.75*	*-1.15*	*-1.05*	*-0.85*	*-0.65*	*-1.10*	*-1.05*	*-1.05*
Basrah Heavy (FOB)	-7.35	-8.15	-8.65	-8.95	-8.15	-6.15	-5.55	-4.95	-6.45	-7.25	-7.55	-7.05	-8.05	-6.65	-4.05	-4.15	-4.55
Kirkuk (FOB Ceyhan)	-1.25	-1.25	-1.25	-1.25	-1.15	-1.15	-1.15	-0.90	-1.00	-1.00	-1.00	-1.00	-1.30	-1.00	+1.00	+1.00	+0.70
to US (vs ASCI)																	
Basrah Medium (FOB)	-0.70	-1.00	-1.00	-0.95	-0.90	-0.65	-0.65	-0.65	-1.10	-1.10	-1.10	-1.10	-1.25	-1.05	-0.65	-0.65	-0.65
Basrah Heavy (FOB)	-5.20	-5.50	-5.35	-5.25	-5.15	-4.80	-4.85	-4.95	-5.45	-5.45	-5.45	-5.55	-5.65	-5.45	-5.05	-5.05	-5.05
Kirkuk (FOB Ceyhan)	+1.35	+1.35	+1.35	+1.45	+1.50	+1.65	+1.65	+1.65	+1.25	+1.25	+1.25	+1.25	+1.00	+1.00	+1.20	+1.50	+1.50
KUWAIT																	
to Asia (FOB, vs Oman/Dubai)																	
Kuwait Export Blend (31°)	+2.10	+0.25	+0.25	+0.55	+1.15	+2.35	+1.95	+1.25	+1.25	+0.15	+1.00	+0.60	+0.00	+0.45	+2.80	+2.45	
vs Saudi Arab Medium	*-0.65*	*-0.50*	*-0.30*	*-0.30*	*-0.20*	*+0.00*	*+0.00*	*+0.00*	*+0.00*	*-0.30*	*-0.35*	*-0.35*	*-0.25*	*-0.30*	*-0.45*	*-0.50*	
Kuwait Super Light (48°)	+2.45	+0.65	+0.70	+0.90	+1.40	+2.35	+1.95	+1.35	+1.25	+0.25	+1.00	+0.60	+0.00	+0.50	+2.80	+2.45	
Khafji (28.5°)	+1.70	-0.30	-0.30	+0.00	+0.50	+1.60	+1.20	+0.50	+0.50	-0.50	+0.20	-0.20	-0.90	-0.50	+2.10	+1.80	
Hout (33°)	+3.10	+1.10	+1.00	+1.25	+1.66	+2.61	+2.16	+1.51	+1.60	+0.85	+1.75	+1.30	+0.56	+1.10	+3.56	+3.21	
Kuwait Export Blend to other destinations:																	
to Mediterranean (FOB, vs Dated Brent)	-1.10	-2.95	-2.95	-4.55	-4.35	-2.45	-0.70	+0.30	-2.50	-3.60	-4.10	-3.65	-4.90	-3.40	-0.25	-0.45	
to North West Europe (FOB, vs Dated Brent)	-0.70	-2.55	-2.55	-4.15	-4.05	-2.45	-0.70	+0.30	-2.50	-3.60	-4.10	-3.65	-4.90	-3.40	-0.25	-0.45	
FOB Sidi Kerir (vs Dated Brent)	-0.80	-2.65	-2.65	-4.25	-4.05	-2.15	-0.40	+0.60	-2.20	-3.20	-3.60	-3.25	-4.60	-3.10	+0.05	-0.25	
to US (FOB, vs ASCI)	+7.85	+5.85	+5.85	+5.65	+5.65	+5.45	+5.45	+5.45	+4.70	+4.60	+4.40	+4.10	+4.10	+3.70	+3.90	+3.90	
delivered US Gulf (vs ASCI)	+9.15	+7.15	+7.15	+6.95	+6.95	+6.75	+6.75	+6.75	+6.00	+5.90	+5.70	+5.40	+5.40	+5.00	+5.20	+5.20	

CRUDE OFFICIAL SELLING PRICES ($/B): (CONTINUED)

	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Jan25	Feb25	Mar25	Apr25	May25
IRAN to Asia (FOB Kharg Island, vs Oman/Dubai average)																	
Iranian Light (33-34°)	+3.60	+1.75	+1.75	+1.95	+2.25	+3.10	+2.60	+2.10	+2.35	+1.70	+2.60	+2.15	+1.35	+1.95	+4.35	+3.95	
vs Saudi Arab Light	*+0.10*	*+0.25*	*+0.25*	*+0.25*	*+0.25*	*+0.20*	*+0.20*	*+0.30*	*+0.35*	*+0.40*	*+0.40*	*+0.45*	*+0.45*	*+0.45*	*+0.45*	*+0.45*	
Iranian Heavy (30-31°)	+1.40	-0.50	-0.70	-0.45	+0.05	+1.10	+0.80	+0.10	+0.15	-0.65	+0.25	-0.10	-0.80	-0.30	+2.20	+1.90	
vs Saudi Arab Medium	*-1.35*	*-1.25*	*-1.25*	*-1.30*	*-1.30*	*-1.25*	*-1.15*	*-1.15*	*-1.10*	*-1.10*	*-1.10*	*-1.05*	*-1.05*	*-1.05*	*-1.05*	*-1.05*	
Foroozan (31°)	+1.50	-0.35	-0.50	-0.25	+0.25	+1.25	+0.90	+0.25	+0.30	-0.40	+0.50	+0.15	-0.55	-0.05	+2.45	+2.15	
South Pars Condensate	+0.20	-1.75	-1.80	-1.50	-1.00	+0.10	-0.25	-0.95	-0.95	-1.95	-1.15	-1.55	-2.20	-1.80	+0.80	+0.55	
Soroosh (18.6°) vs Iran Heavy	-3.10	-3.05	-2.85	-2.80	-2.80	-2.65	-2.70	-2.70	-2.75	-2.95	-3.05	-3.10	-3.05	-3.15	-3.05	-2.95	
to Northwest Europe/South Africa (FOB Kharg Island, vs ICE Brent)																	
Iranian Light (33-34°)	+1.15	-0.80	-0.75	-1.25	-1.15	+0.65	+1.65	+2.50	-0.20	-1.00	-1.90	-1.60	-2.70	-1.35	+1.85	+1.75	
vs Saudi Arab Light	*-1.75*	*-1.70*	*-1.65*	*-1.55*	*-1.45*	*-1.45*	*-1.45*	*-1.50*	*-1.45*	*-1.45*	*-1.45*	*-1.45*	*-1.45*	*-1.40*	*-1.40*	*-1.30*	
Iranian Heavy (30.7°)	-1.10	-2.55	-2.50	-3.00	-2.90	-1.20	-0.20	+0.70	-2.00	-2.80	-3.70	-3.40	-4.50	-3.15	+0.05	-0.05	
vs Saudi Arab Medium	*-2.80*	*-2.75*	*-2.70*	*-2.60*	*-2.50*	*-2.50*	*-2.50*	*-2.50*	*-2.45*	*-2.45*	*-2.45*	*-2.45*	*-2.45*	*-2.40*	*-2.40*	*-2.30*	
Foroozan (31°)	-1.00	-2.40	-2.20	-2.70	-2.60	-0.80	+0.20	+0.90	-1.80	-2.60	-3.65	-3.35	-4.40	-8.00	+0.15	+0.05	
to Mediterranean (FOB Kharg Island, vs ICE Brent)																	
Iranian Light (33-34°)	+0.70	-1.20	-1.10	-1.70	-1.50	+0.60	+1.60	+2.50	-0.25	-1.00	-1.80	-1.50	-2.60	-1.25	+1.95	+1.70	
vs Saudi Arab Light	*-1.70*	*-1.60*	*-1.50*	*-1.50*	*-1.40*	*-1.40*	*-1.40*	*-1.40*	*-1.40*	*-1.35*	*-1.25*	*-1.25*	*-1.25*	*-1.20*	*-1.20*	*-1.15*	
Iranian Heavy (30-31°)	-1.75	-2.55	-3.10	-3.70	-3.50	-1.50	-0.50	+0.40	-2.35	-3.10	-3.90	-3.60	-4.70	-3.35	-0.15	-0.40	
Foroozan (31°)	-1.65	-2.40	-2.85	-3.50	-3.25	-1.20	-0.20	+0.60	-1.80	-2.90	-3.85	-3.55	-4.60	-3.25	-0.05	-0.35	
ABU DHABI																	
Murban (40.3°)	83.32	77.69	79.06	80.99	84.52	89.14	83.93	82.52	83.80	77.94	73.41	74.87	72.81	73.28	80.22	77.62	72.63
Das (38.8°)	82.72	76.99	78.31	80.19	83.82	88.39	83.28	81.77	83.00	77.19	72.71	74.27	72.36	72.88	79.82	77.27	72.23
Das-vs Murban	-0.60	-0.70	-0.75	-0.80	-0.70	-0.75	-0.65	-0.75	-0.80	-0.75	-0.70	-0.60	-0.45	-0.40	-0.40	-0.35	-0.40
Umm Lulu (38.7°)	83.57	77.94	79.31	81.14	84.67	89.34	84.13	82.67	84.00	78.19	73.66	75.05	73.06	73.53	80.47	77.92	72.93
Umm Lulu vs Murban	+0.25	+0.25	+0.25	+0.15	+0.15	+0.20	+0.20	+0.15	+0.20	+0.25	+0.25	+0.20	+0.25	+0.25	+0.25	+0.30	+0.30
Upper Zakum (34.1°)	83.82	77.49	78.91	80.99	84.42	89.74	84.23	82.52	83.85	77.49	73.46	74.82	72.81	73.28	80.32	77.92	72.93
Upper Zakum vs Murban	+0.50	-0.20	-0.15	+0.00	-0.10	+0.60	+0.30	+0.00	+0.05	-0.45	+0.05	-0.05	+0.00	+0.00	+0.10	+0.30	+0.30
QATAR																	
Qatar Land (40°)-vs Dubai^	+0.10	-0.75	-0.10	+0.05	+0.40	+0.85	+0.35	-0.40	+0.35	+0.30	+0.85	+0.70	+0.15	+0.30	+2.75	+1.85	+0.50
Qatar Marine (36°)-vs Dubai^	+0.90	-0.75	+0.20	+0.25	+0.65	+1.75	+1.10	+0.15	+0.60	+0.25	+1.00	+0.65	+0.15	+0.45	+2.90	+2.10	+0.60
DUBAI																	
Dubai (31°, vs Oman)	+0.05	+0.05	+0.10	+0.00	+0.00	+0.00	-0.10	+0.00	+0.00	+0.10	+0.00	+0.00	+0.00	+0.05	+0.05	+0.00	+0.05
outright price	83.22	77.26	78.85	80.85	84.14	89.30	83.79	82.50	83.85	77.64	73.49	74.82	72.46	73.21	80.31	77.63	72.56
OMAN																	
Oman (34°)	83.17	77.21	78.75	80.85	84.14	89.30	83.89	82.50	83.85	77.54	73.49	74.82	72.46	73.16	80.26	77.63	72.51
ALGERIA (vs Dated Brent)																	
Saharan Blend (45.7°)	+1.10	+2.10	+2.10	+0.90	+0.25	+0.15	+0.15	+1.00	+1.95	+1.95	+0.65	+0.85	+1.00	+0.95	+0.30	+0.20	
LIBYA (vs Dated Brent)																	
Zueitina (41°)	-0.20	+0.20	+0.30	+0.00	-0.10	-0.65	-0.45	+0.05	-0.50	-0.70	-1.05	-0.65	-0.45	-0.25	-0.40	-0.40	
Brega (40°)	-0.90	-0.50	-0.35	-0.70	-0.80	-1.55	-1.45	-1.05	-1.70	-2.00	-2.40	-2.00	-1.80	-1.30	-1.55	-1.40	
Sirtica (41°)	-0.75	-0.40	-0.55	-0.85	-0.95	-1.55	-1.45	-1.15	-1.55	-1.75	-2.10	-1.70	-1.55	-1.05	-1.05	-0.75	
Es Sider (37°)	-0.60	+0.05	-0.10	-0.55	-0.55	-1.25	-0.90	-0.50	-1.05	-1.55	-2.25	-1.85	-1.70	-1.15	-1.35	-0.75	
Bu Attifel (36°)	-0.05	+0.25	+0.00	+0.00	-0.15	-0.70	-0.50	-0.10	-0.65	-1.25	-1.95	-1.55	-1.35	-0.85	-1.05	-0.55	
Sarir (36°)	-2.90	-2.90	-3.05	-3.35	-3.35	-3.95	-3.60	-3.10	-3.65	-3.95	-4.55	-4.15	-4.00	-3.50	-3.70	-3.20	
Amna (36°)	+0.00	+0.65	+0.50	+0.25	+0.10	-0.50	-0.15	+0.25	-0.30	-0.70	-1.20	-0.90	-0.80	-0.25	-0.70	-0.40	
Sharara (43°)	+0.30	+0.40	+0.55	+0.20	+0.05	-0.70	-0.45	-0.05	-0.65	-0.95	-1.45	-1.05	-0.85	-0.40	-0.70	-0.70	
Mellitah (41.6°)	-0.75	-0.35	-0.20	-0.55	-0.70	-1.45	-0.45	-0.95	-1.55	-1.75	-2.15	-2.05	-1.55	-1.10	-1.40	-1.25	
Bouri (26°)	-1.85	-1.85	-1.95	-1.95	-1.65	-1.65	-1.55	-1.55	-1.85	-2.05	-2.05	-2.05	-1.95	-1.55	-1.55	-1.55	
Al Jurf (30°)	-0.35	-0.35	-0.45	-0.45	-0.25	-0.25	-0.15	-0.15	-0.45	-0.65	-0.65	-0.65	-0.65	-0.45	-0.45	-0.45	

SAUDI LPG OFFICIAL CONTRACT PRICES ($/T)

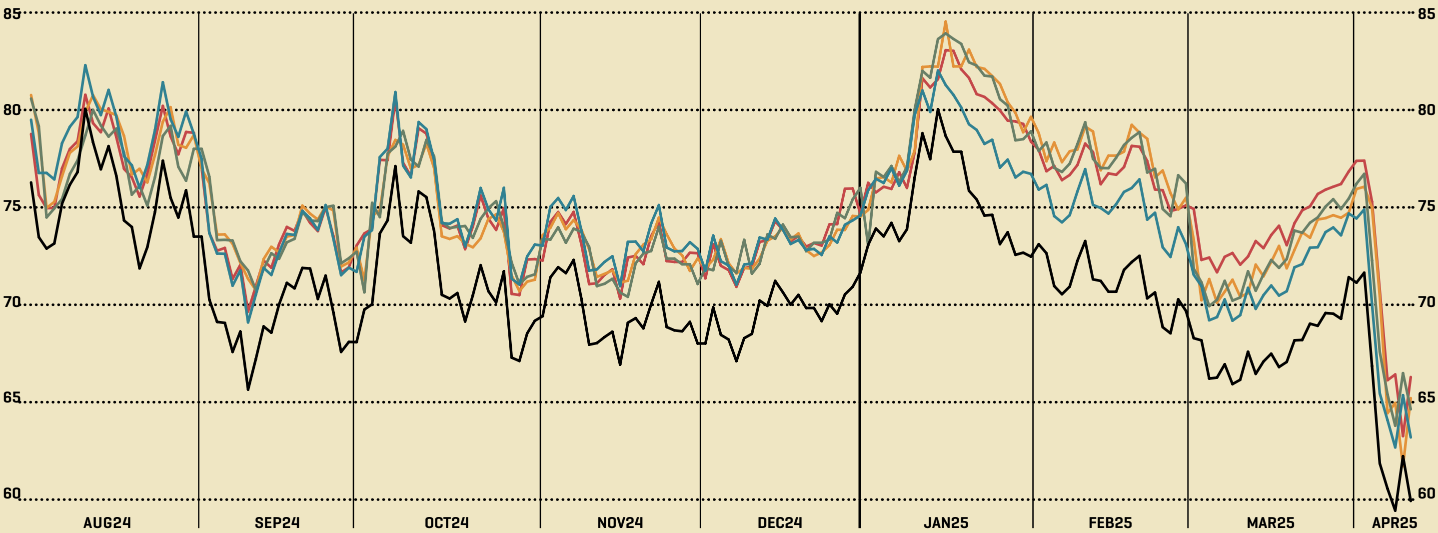
	Dec23	Jan24	Feb24	Mar24	Apr24	May24	Jun24	Jul24	Aug24	Sep24	Oct24	Nov24	Dec24	Jan25	Feb25	Mar25	Apr25
Propane	610	620	630	630	615	580	580	580	590	605	625	635	635	625	635	615	615
Butane	620	630	640	640	620	585	565	565	570	595	620	630	630	615	625	605	605
propane vs butane	*-10*	*-10*	*-10*	*-10*	*-5*	*-5*	*+15*	*+15*	*+20*	*+10*	*+5*	*+5*	*+5*	*+10*	*+10*	*+10*	*+10*

SELECTED DATA

BENCHMARK CRUDE PRICES ($/B)

	10Apr	31Mar-4Apr	24-28Mar	Mar25	Feb25	Jan25	1Q 2025	4Q 2024	3Q 2024	2025 (10Apr)	2024	2023	2022
WTI	60.07	68.67	69.35	67.93	71.19	75.22	71.51	70.31	75.38	70.70	75.79	77.58	94.37
ICE Brent	63.33	71.98	73.49	71.47	74.95	78.35	74.98	74.01	78.72	74.15	79.86	82.18	99.02
ICE Murban	64.77	73.72	74.88	72.58	77.34	80.18	76.74	73.76	78.34	75.90	79.74	82.80	98.84
GME Oman	65.33	74.49	74.33	72.51	77.64	80.02	76.76	73.60	78.47	75.92	79.61	82.02	94.42
OPEC Basket	66.41	75.59	75.83	74.00	76.81	79.38	76.77	73.54	78.97	76.06	79.89	82.95	100.08
JCC	na	na	na	na	80.40	76.57	na	78.24	85.86	na	83.92	86.56	102.70

AVERAGE SETTLEMENT PRICES FOR PERIOD IN QUESTION.



DRILLING IN THE GCC RISES TO ITS HIGHEST LEVEL SINCE 2Q 2020

SOURCE: BAKER HUGHES.