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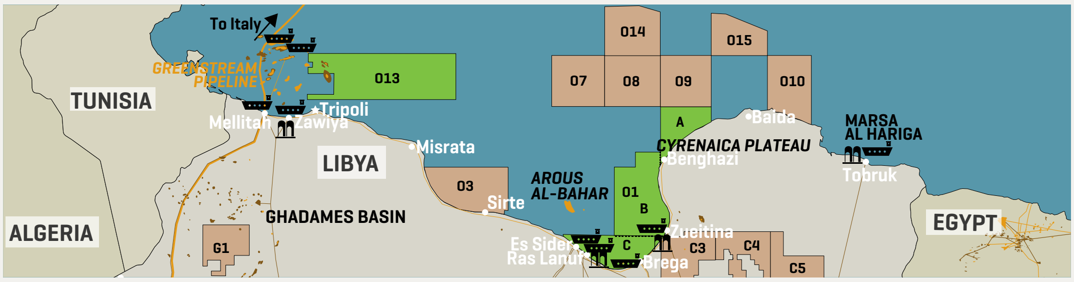
UPSTREAM OIL & GAS

Libya's Mega 22-Block Bid Round

After finally launching a long-awaited bid round, NOC has laid out the details of the 22 concessions on offer. In total a whopping, 235,000 Km² is being offered up, including swathes of onshore and offshore acreage with 19 previous discoveries totaling 1.63bn boe. ***Page 4***



GEOPOLITICAL RISK

Iran Taps Local Firms For South Pars Boost

Iran is ever-more dependent on its South Pars gas field, whose 25bn cfd output meets 70% of domestic consumption. It is investing $17bn in a bid to recover 90tcf more gas. ***Page 12***

POWER & WATER

Iraq Scrambles For Power As US Scraps Waiver

The US has cancelled a sanctions 'waiver' on Iraq power imports from Iran, sending Baghdad scrambling for alternatives. There are few, if any, good options. ***Page 14***

UPSTREAM OIL & GAS

Oman's OQEP Targets 2025 Output Boost

Oman state upstream firm OQEP saw its net output dip to 225,000 boe/d for 2024 but eyes a rebound this year on the back of capacity expansion at its key Block 60. ***Page 2***

UPSTREAM OIL & GAS

Egypt Eyes Takers For Offshore Fields

Cairo has opened bidding for two clusters with seven undeveloped gas discoveries with 7tcf gas in place, as it continues to grapple with a growing gas deficit. ***Page 6***

OPEC & GLOBAL MARKETS

Oil Markets: The Fog Of Trade War

The oil market is struggling to find its bearings as concerns mount over the impact of escalating trade tensions and uncertainty over US sanctions on Venezuela and Iran. ***Page 11***

CORPORATE

US Oil & Gas: 2024 Records, More To Come

US output of crude, gas and NGLs all hit new record highs for 2024, as did exports on both a gross and a net basis. This year is set for further gains. ***Page 8***

ECONOMY & FINANCE

Egypt Secures $2.5bn IMF Cash

Cairo has immediate access to a long-awaited $1.2bn tranche of IMF cash, with another $1.3bn in climate funding also approved. ***Page 17***

UPSTREAM OIL & GAS

BP Set For Imminent Israel Entry

UK major BP will make its official Israel upstream entry this month, as Azeri state firm Socar continues its recent expansion. ***Page 7***

Oman State Upstream Firm Targets 2025 Growth Via Acquisitions & Upgrades

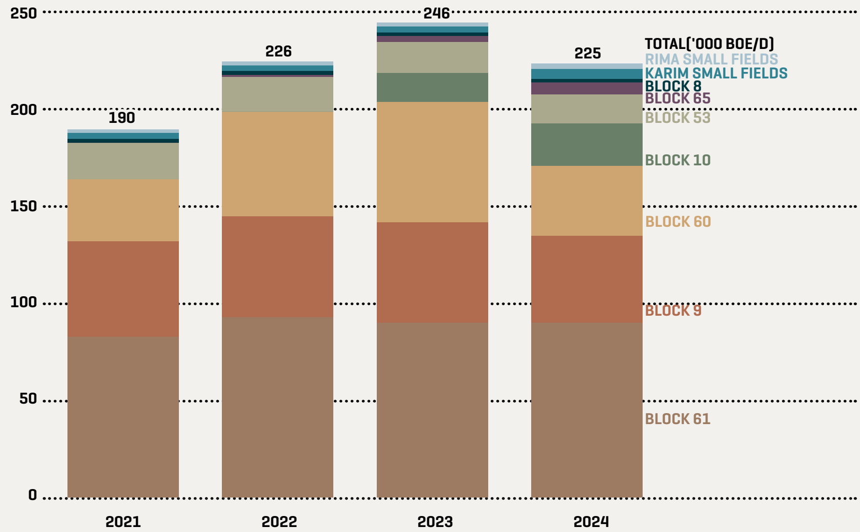
Oman state upstream firm OQEP saw its net output dip to 225,000 boe/d for 2024 but eyes a rebound this year on the back of capacity expansion at its key Block 60.

OQ Exploration and Production (OQEP) has a unique role in Oman's upstream as the vehicle for the government's right to acquire up to 30% in any commercial oil and gas discoveries. As such, its growth in recent years has been fueled by acquisitions of minority stakes in some of the largest producing assets in Oman – the exception is the giant Block 6 which is operated by state-led Petroleum Development Oman (PDO).

OQEP's net output had risen in recent years. But having hit a record 246,000 boe/d for 2023 (see chart), it slipped back to 225,000 boe/d for 2024 as OQEP farmed out 40% from Block 60, the only major producing block operated. Indonesia's MedcoEnergi paid $1.4bn for the 60,000 b/d asset effective 12 December 2023 (MEES, 8 December 2023).

Since floating 25% of its shares in a $2bn initial public offering last year, OQEP has been keen to outline its future growth plans (MEES, 27 September 2024). This includes signing up to new blocks, expanding capacity at Block 60, and reaping the benefits of minority stakes in major assets.

OMAN'S OQEP: OUTPUT HIT BY LATE-2023'S FARMOUT OF 60,000 BOE/D BLOCK 60 (BOE/D, WORKING INTEREST BASIS)



SOURCE: OQEP, PTTEP, MEES.

TWELVE GOING ON THIRTEEN

OQEP started 2025 with stakes in a total of 12 assets in Oman (see table). This excludes exploration Blocks 30, 42 & 52 from which it is in the process of withdrawing. On 10 March its portfolio grew to 13 assets when the energy ministry announced it had awarded exploration Block 54 to a joint venture of OQEP (60%op) and London-listed, Iraqi Kurdistan-focused Genel Energy (40%).

In its press release Genel says the area near the port city of Duqm is "largely underexplored" with the partners planning to invest $25mn over an initial three-year exploration phase. Under a "minimum work obligation" the partners will test existing wells, carry out drilling and shoot 3D seismic.

Block 54 was previously offered under the 2023 bid round where the ministry emphasized its proximity to already producing assets (see map & MEES, 31 March 2023). It borders Block 53 to the west operated by American independent Occidental which is home to the 75,000 b/d Mukhaizna heavy oil field. The previous operator of Block 54, Oman Lasso Exploration and Production, was awarded the block in 2015 and after five years had only drilled two exploration wells.

Despite the block's history, Genel Energy CEO Paul Weir is bullish. He says Oman is a "preferred jurisdiction for geographical diversification, given its stable regulatory environment and the significant steps it has taken in recent years to set its oil and gas sector up for an exciting future." This may be in reference to the ministry's recent revamp of the terms it offers for upstream developers including what it says are more flexible fiscal terms (MEES, 8 November 2024).

As part of the ministry's new strategy, it seems to have also given OQEP a new role that primes it to partner with IOCs that enter Oman. Under a "cooperation framework" with the energy ministry, OQEP will jointly market an expected total of 14 blocks under Oman's ongoing 2025 bid round to "bring new investments into the exploration and production sector in Oman." Muscat launched its bid round at the beginning of the year starting with three onshore blocks (MEES, 7 February).

Speaking about the blocks to be offered at OQEP's 6 March investor day, Anwar al-Kharusi , OQEP's Chief Executive – Commercial, says "At the moment we are studying them and we are looking to find partners in the next six to twelve months. After that, exploration activities will commence which will take three to four years in the first exploration phase. And then, it is up to the geological finding [of partners] to see how production can be fast tracked."

BLOCK 60: 65,000 B/D AND BEYOND

Block 54 is now the second onshore block OQEP operates after Block 60. OQEP signed an exploration and production sharing agreement for Block 60 back in 2011. By 2014 it brought online the Abu Tabul tight gas field (MEES, 23 January 2015) where output averaged 20.1mn cfd for 1H 2024. This was followed by the discovery of the Bisat oil field in 2017 and its ramp up through the construction of the Bisat A, B, and C crude processing facilities.

OQEP is now expanding the Bisat C facility to take overall crude processing capacity from 60,000 b/d to 65,000 b/d with the expanded capacity to be "commissioned in Q3 2025." Last year it also said it had unspecified plans to increase Bisat capacity to 100,000 b/d. Previous expansions have already helped rapidly

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expand the block's liquids output from 5,000 b/d in 2019 to 59,000 b/d in 2023, including condensate from Abu Tabul. Output for 2024 was just shy of this at around 57,000 b/d liquids as well as 20mn cfd gas for total output of 60,550 boe/d versus 2023's 62,200 boe/d. This implies OQEP working interest output of 36,300 boe/d, 16% of the firm's total.

The company is also eying further expansions beyond the Bisat field. The firm drilled two successful exploration wells in 2024 targeting the North Gharif reservoir. OQEP says both wells have already contributed to production at Block 60 after it linked them to existing infrastructure and the company is fast-tracking development for "early commercialization" this year, though CEO Ahmed al-Azkawi says "it is premature" to give more details.

JV GROWTH OPPORTUNITIES

Whilst pursuing growth at its operated assets, OQEP is set to continue benefiting from its non-operated stakes at some of the key Omani fields where it has non-operated stakes.

The largest of these is BP-operated Block 61, home to the giant 1.5bn cfd Khazzan gas field. And output here is set for further expansion, with OQEP revealing BP is updating its Block 61 development to furnish increased gas for Oman's planned LNG expansion (MEES, 7 March).

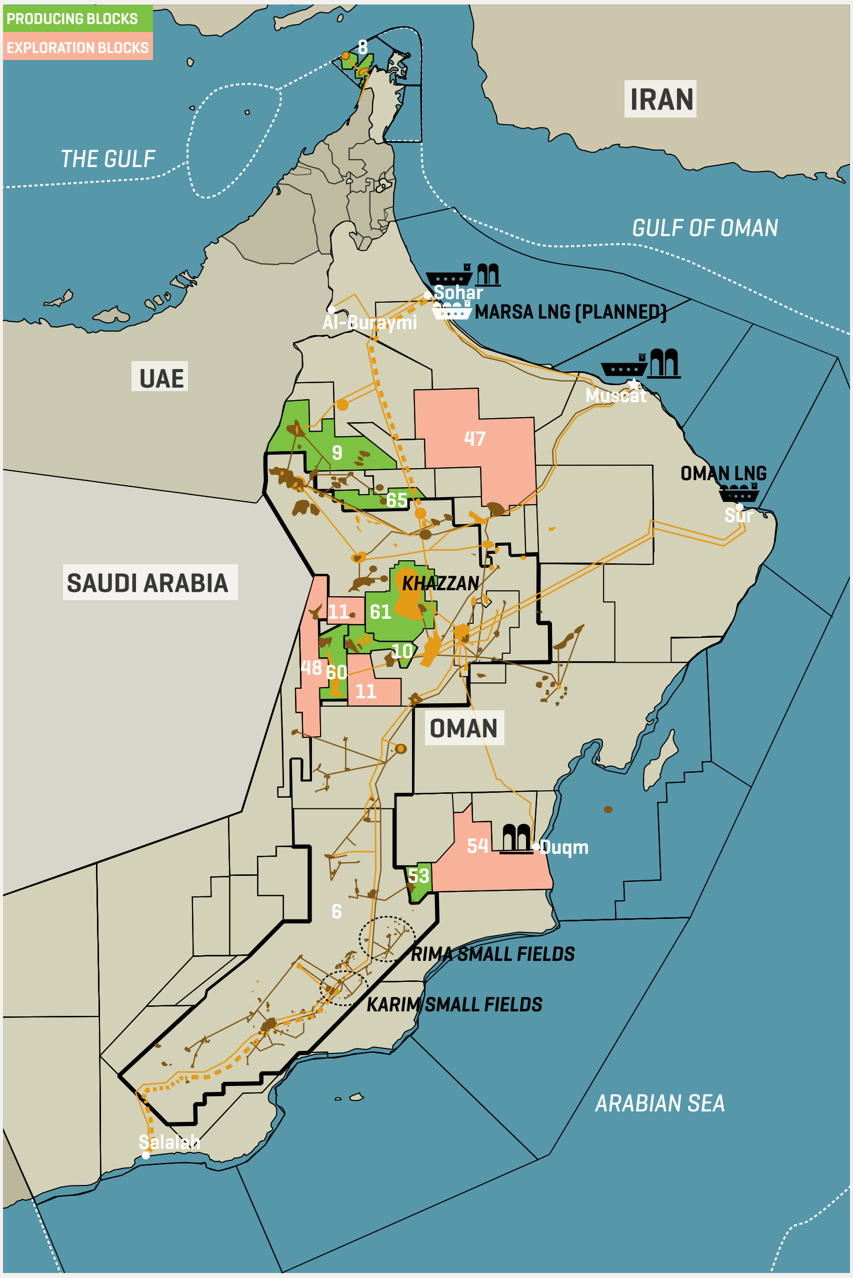
OQEP also partners Shell and TotalEnergies at Block 10 home to the 500mn Mabrouk North East gas field and the exploration Block 11 where it expects a declaration of commerciality from the Jaleel field (MEES, 27 September 2024). Shell and Total have provided no figures on the Jaleel field but according to OQEP's September 2024 prospectus "a number of discoveries have been made there" with "high gas production rates."

As for oil, OQEP owns minority stakes in key Occidental-operated blocks. Oxy has been optimistic about future oil and gas growth despite flagging Mukhaizna output (MEES, 28 February). Oxy appears to be prioritizing oil output at Block 9 (Oxy 50%op, OQEP 45%, Mitsui E&P 5%) which has increased 14% since 2021 to 100,000 b/d, and Block 65 (Oxy 72.86%op, OQEP 27.14%) which ramped up to 13,000 b/d from only 560 b/d in 2021.

Beyond Oman, OQEP is also "newly and actively monitoring the region for relevant oil and gas investments to aid its extrinsic growth and profitability beyond Oman." Currently OQEP's only international asset is a 20% stake in the Dunga field in Kazakhstan which chipped in 3,000 b/d in working interest output for 2024. But the mention of "the region" may spell future acquisitions closer to home.

OQEP'S OMAN UPSTREAM ASSETS

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



OQEP HAS NINE PRODUCING BLOCKS IN OMAN...	Stake	'000 boe/d	'000 b/d	mn cfd	Partners
Block 61	30%	90	16	440	BP (40%op), PTTEP (20%
Block 9	45%	45	37	48	Occidental (50%op) Mitsui E&P (5%)
Block 60	60%op	36	34	12	Medco Daya (20%), MedcoEnergi (20%)
Block 10	20%	22	6	98	Shell (53.45%op), TotalEnergies (26.55%)
Block 53	20%	15	15	0	Occidental (47%op), Liwa Energy (Mubadala; 15%), Indian Oil Corp (17%), PTTEP (1%)
Block 65*	27%	6	5	4	Occidental (72.86%op)
Block 6 (Karim Fields)*	25%	5	5	0	MedcoEnergi (75%op)
Block 6 (Rima Fields)*	25%	3	3	0	Petrogas (75%)
Block 8*	100%	2	1	10	None
OQEP Oman Working Interest Output		**225**	**123**	**612**	
...& FOUR EXPLORATION ASSETS					
Block 54	60%				Genel Energy 40%
Block 48	60%				Medco Daya (20%), MedcoEnergi (20%)
Block 47	10%				Eni (90%op)
Block 11	10%				Shell (67.5%op), TotalEnergies (22.5%)

*BASED ON MEES CALCULATIONS. SOURCE: OQEP, PTTEP, MEES.

LIBYA'S MEGA 2025 BID ROUND 2025: 22 BLOCKS, 235,000 KM², 1.6BN BOE

UPSTREAM OIL & GAS

After finally launching a long-awaited oil and gas bid round, Libya's NOC has laid out the details of the 22 concessions on offer, hoping the 'promising' onshore and offshore acreages will renew international interest in the country's turbulent sector.

Libya's oil ministry on 7 March published the details of its long-awaited oil and gas bid round (MEES, 7 March), offering 22 onshore and offshore concessions in a bid to "revitalize" the country's battered hydrocarbon sector "through increased and focused foreign investments," according to the official website.

The launch of the country's first bid round in 17 years (MEES, 17 December 2007) had seen several delays over the past year (MEES, 6 December 2024), frequently hindered by oil blockades (MEES, 4 October 2024), leadership rivalries (MEES, 7 February), and corruption probes (MEES, 14 February).

But recent output gains on the back of increased drilling activity have renewed interest in the sector. Spain's Repsol and Austria's OMV, as well as Italy's Eni, recently resumed drilling in Libya for the first time since 2014 (MEES, 1 November 2024), with the former two optimistic about further gains in 2025 (MEES, 28 February).

Libya's crude output has hovered around an 11-year high of 1.4mn b/d since late 2024, with officials now hoping the new bid round will lure back international companies and help boost oil output to 1.6mn b/d by end-2025 and up to 2-3mn b/d later this decade (MEES, 24 January).

ROADSHOWS AND TIMELINE

According to NOC, qualification for the bid round will run until 21 April. Bids will be opened and awards made on 15 November, with contract signing set for 22-30 November.

The first of several international roadshows NOC plans for the bid round took place in Houston earlier this week, during the CERAWeek energy conference.

At the industry event on 10 March, NOC acting chief Masoud Suleiman told international oil companies that Libya was looking to expand its energy activities given the current "relative stability" that served as the "main driver" behind the announcement of the bid round, according to an NOC statement.

"Boosting oil and gas production is NOC's main goal and responsibility," he said, "because increased production is the only way to improve Libya's national income and achieve economic development for Libya and its people."

The next stop for NOC's bid round roadshows is London on 7 April. The event will serve as a "crucial touchpoint for global stakeholders looking to capitalize on Libya's vast energy reserves and strategic market position, opening venues for a variety of investors with different appetite," according to NOC.

'PROMISING' EXPLORATION AREAS

The bid round offers 22 "promising" exploration areas totalling 235,267 km² across the Ghadames, Murzuq, and Sirte basins, as well as offshore Sirte, Sabratha, and Cyrenaica, basins that have "already demonstrated strong petroleum system potential," NOC says (see map & table). Nine of the blocks on offer include a total of 19 prior discoveries, seven offshore and 12 onshore, with estimated in-place reserves of 1.63bn barrels of oil equivalent (boe).

In the Ghadames basin in western Libya, Area G2 lies between the two giant blocks 'Area A' and 'Area B', where Eni (42.5%op) and BP (42.5%) back in October resumed exploration drilling campaigns that had been on hold since the country's early-2011 revolution (MEES, 1 November 2024).

With two existing discoveries, A1-NC179 and A1-81/2, NOC says G2 lies near "super-giant fields shared between Algeria and Libya." Primary among these is the Wafa gas-condensate field operated by Eni-led Mellitah Oil & Gas on the border with Algeria, with the existing infrastructure potentially fast-tracking the development of any discoveries in the area.

Area G4, meanwhile, has two discoveries with approximately 0.89tcf of gas reserves and lies just north of Area 113 (Blocks 1&2), where Poland's PGNiG lifted force majeure and resumed exploration in March 2024 (MEES, 22 March 2024).

Area G1 is located immediately north of the undeveloped NC-7 block (2.7tcf gas reserves), which has been at the centre of a fierce rivalry involving a controversial Eni-led development deal (MEES, 1 December 2023).

Also on offer in the country's southwest is Area M1 (131 & 147) in the Murzuq basin, where NOC says 22 exploratory wells were drilled between 1959 and 2010, yielding six discoveries with 181mn barrels of oil reserves. And as recently as 2021 (MEES, 3 December 2021), Turkish state firm TPAO was discussing a return to Area 147 (Blocks 3 & 4), where it made several significant discoveries in a 2009-10 drilling campaign (MEES, 9 July 2012).

In the eastern Sirte basin, NOC says Area S4 is "surrounded by major oil discoveries." This includes 'Block 4' of 'Area 106', where OMV resumed drilling in October (MEES, 1 November 2024).

Much of the remaining acreage on offer includes areas that have been relinquished by major companies over the past two decades, mostly in the country's east. These include Areas S1 (Oil India), S7 (Pertamina), and S2 and C3 (Shell) (MEES, 4 June 2012).

OFFSHORE DISCOVERIES

Meanwhile, the three blocks on offer offshore Sirte (O1A, O1B, & O1C) contain 14 discoveries with 406mn boe in reserves.

While Libya has no current production offshore the Sirte basin, US firm Hess in 2008 made a discovery in the Arous al-Bahar prospect in Cenomanian carbonates on Area 54, around 60km offshore in 850ms water depth (MEES, 22 December 2008).

The A-54/1 discovery well tested at 27mn cfd, whilst reserves were previously estimated at 5-7tcf. The US firm subsequently relinquished the acreage having failed to make the economics work (MEES, 31 May 2013).

Another promising block with existing discoveries is Area O13, offshore Sabratha, with a total of 730mn boe in reserves across the C1-NC35A, E1-NC35A, G1-NC35A discoveries. These are located east of the Bouri oil field and Bahr Essalam gas and condensate field operated by the Eni/NOC Mellitah oil and gas consortium.

NEW FISCAL TERMS

NOC promises "attractive and competitive fiscal and commercial terms" under a new Production Sharing Agreement (PSA) model, replacing Libya's outdated EPSA contract model (MEES, 3 December 2021).

According to the summary brochure, the new PSA could increase contractor internal rate of return (IRR) to 35.8% compared with 2.5% under existing terms. Contractors would also share profits with NOC from day one, while a fixed rate for cost recovery would shorten the investment payback period. The new terms also promise investors "more power in decision making in the operator management."

While the new PSA model, on which officials had been working for years (MEES, 11 June 2021), aims to lure international companies with better terms, political instability and insecurity will likely remain the top concern for cautious investors (MEES, 31 January).

LEGAL CONCERNS

The legality of the bid round has also been challenged, with the eastern authorities questioning the Tripoli government's right to launch and oversee the process despite having an expired mandate.

However, if the eastern authorities and their allies can guarantee their share of profits from new contracts, legal concerns will likely be overlooked, for the time being. ◆◆

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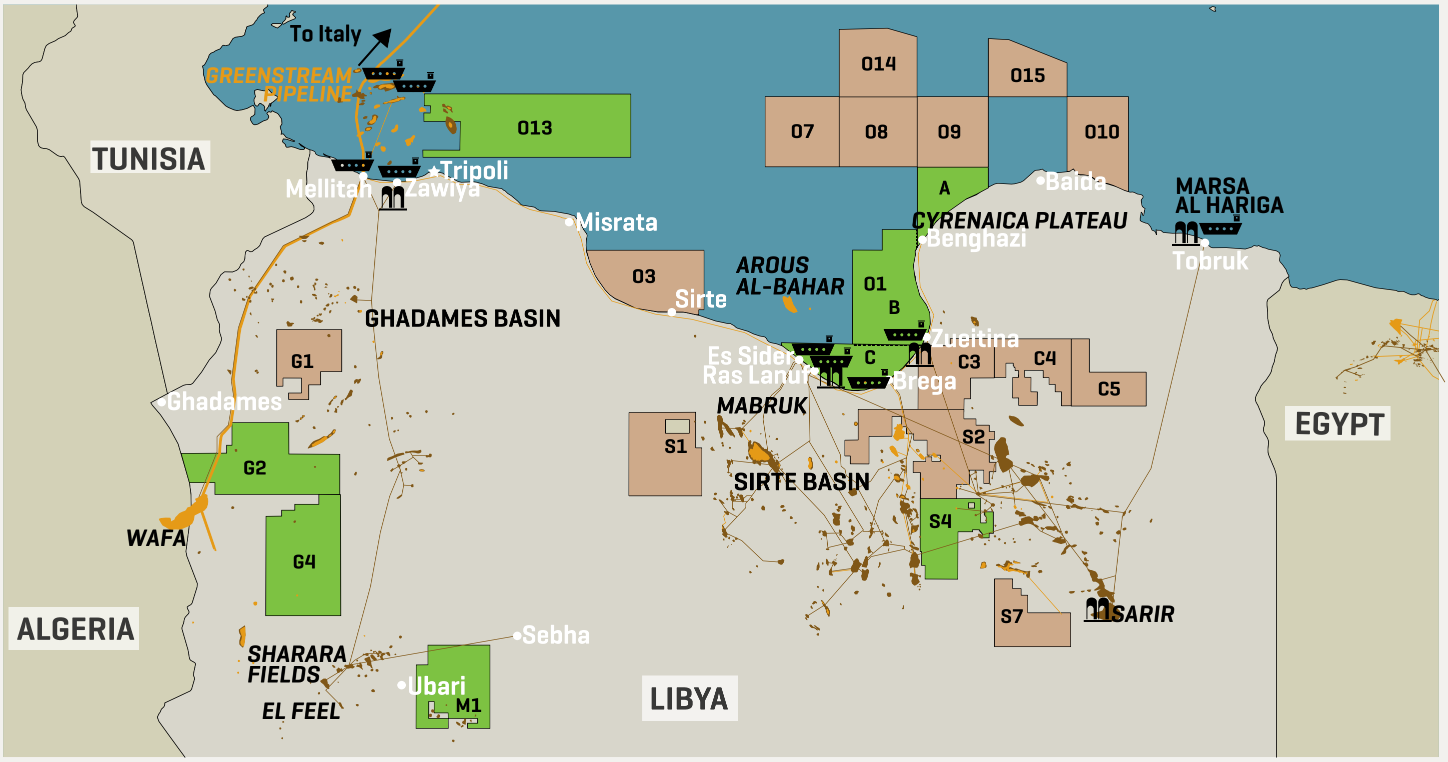
LIBYA BID ROUND 2025: 22 BIDDING AREAS

UPSTREAM OIL & GAS

OIL FIELD/PIPELINE · GAS FIELD/PIPELINE · EXPLORATION & DEVELOPMENT · EXPLORATION

LNG EXPORT TERMINAL · OIL TERMINAL · REFINERY



LIBYA'S 2025 BID ROUND OFFERS UP 22 BLOCKS ONSHORE & OFFSHORE, MANY WITH PRIOR DISCOVERIES

				PAST EXPLORATION & DISCOVERIES							
Code	Basin/Location	Area No.*	Km²	wells	'discoveries'	oil/gas	mn boe	mn bls	gas (tcf)	'prospects'^	Notes
Onshore: Exploration & Development											
G2	Ghadames	79, 80, 81	13,429	5	2	oil/gas	50			<0.5bn	Just north of Eni Wafa gas/condensate field and Eni/BP exploration acreage
G4	Ghadames	97, 113	15,263	8	2	gas	159		0.89	>1.2bn	Just north of Area 113 (Blocks 1&2) where PGNiG resumed exploration in March 2024
S4	Sirte	106	7,437	64	1	gas	100		0.56	<0.3bn	Surrounds Block 4 of Area 106, where OMV resumed drilling in October
M1	Murzuq	131, 147	13,133	22	6	oil	181	181		1.2bn	Previously explored by Turkey's TPAO
Exploration											
G1	Ghadames	64	6,577	10	-					>1.0bn	Immediately north of 2.7 tcf NC-7
S1	Sirte	86	9,781	11	-					<0.5bn	Relinquished by Oil India
S2	Sirte	89, 90	11,186	51	-					<0.5bn	Relinquished by Shell
S7	Sirte	123	7,455	13	-					<0.3bn	Relinquished by Pertamina
C3	Cyrenaica	73	8,263	15	-					0.52bn	
C4	Cyrenaica	74	7,219	2	-					<0.2bn	
C5	Cyrenaica	75	6,662	1	-					<0.2bn	
Offshore: Exploration & Development											
01A	o/s Cyrenaica	40	5,629	4	1	oil	53	53		0.5bn	
01B	o/s Sirte	39, 55, 56	12,168	3	1	oil	147	147		0.7-1.5bn	Near 5-7 tcf Arous al-Bahar
01C	o/s Sirte	71, 72, 73	11,142	7	2	**oil/gas**	206			0.7-1.5bn	Near 5-7 tcf Arous al-Bahar
013	o/s Sabratha	17, 18, 19	28,206	13	3	**oil/gas**	730			>1.5bn	Includes three existing discoveries, east of Eni-operated Bouri and Bahr Essalam fields.
Exploration											
03	o/s Sirte	51, 52	11,322	5	-					1.9-3.5bn	Near 5-7 tcf Arous al-Bahar
07	Sirte/Cyrenaica Ridge	22	10,307	-	-					>3bn	
08	Cyrenaica Ridge	23	10,307	-	-					>3.7bn	
09	o/s Cyrenaica	24	10,365	-	-					>1.0bn	
010	o/s Cyrenaica	26, 42	12,306	-	-					>2.0bn	
014	Ionian Abyssal Plain	8	9,996	-	-					>1.5bn	
015	Mediterranean Ridge	10	7,040	-	-					>1.0bn	
TOTAL			**235,189**	**234**	**18**		**1,626**				

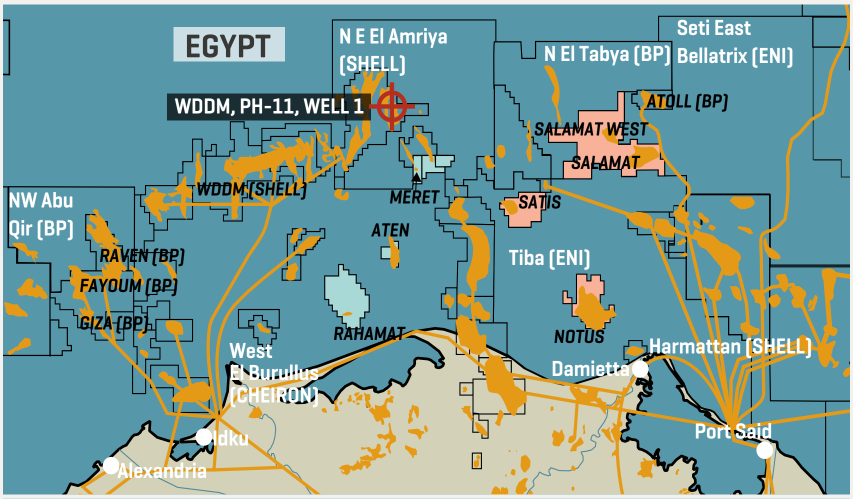
*CORRESPONDS TO 'AREAS' ON NOC MAPS AND IN PREVIOUS LIBYA BLOCK AWARDS. ^BOE IN PLACE ESTIMATE. SOURCE: NOC, MEES.

Egypt Eyes Takers For Undeveloped Offshore Gas Finds

Cairo has opened bidding for two clusters, which combined contain seven gas discoveries, as it continues to grapple with a growing gas deficit. Though previously deemed uneconomic to develop, Cairo's new willingness to pay higher gas prices may see firms look again at their 7tcf of gas in place.

EGYPT CLUSTERS TOGETHER NEW BLOCKS IN LATEST OFFSHORE OFFERING

OIL FIELD/PIPELINE · GAS FIELD/PIPELINE · ONGOING DRILLING · LNG EXPORT TERMINAL



Cluster 1

Blocks	Wells	Gas In Place (tcf)	Discovered Target	Previous Operators	Water Depth (ms)	Size (km²)
Rahamat	3 (Heba, Rahamat, Rosetta)	0.718	Miocene (2009)	BP, Shell	50-70	189.8
Aten	1 (Aten)	0.088	Pliocene (2008)	IEOC (Eni)	60-100	23
Meret	3 (Meret-1, 2, 3)	0.761	Pliocene & Messinian (2006-2007)	IEOC (Eni)	100-250	84
	Total:	**1.57**				

Cluster 2

Blocks	Wells	Gas In Place (tcf)	Discovered Target	Previous Operators	Water Depth (ms)	Size (km²)
Notus	1 (Notus-01)	1.22	Oligocene (2014)	Shell (BG)	25-45	160.6
Satis/Salmon	4 (Salmon-1, Satis 1, 2, 3)	1.1	Pliocene & Oligocene (2011, 2008)	BP, Eni	60-100	131
Salamat	3 (Flower, Salamat West, Salamat-1)	3.05	Oligocene (2013)	BP, Eni	200-1000	552.2
	Total:	**5.37**				

Desperate for more gas to offset a growing domestic gas deficit, Egypt has decided to take a new approach. It is looking to attract firms to develop modest-sized fields in its Mediterranean offshore gas heartland previously considered uneconomic.

On 3 March the oil ministry announced that it was putting two 'clusters' of such fields offshore the Nile Delta on offer with a combined total of 6.94tcf of gas in place.

"The Ministry of Petroleum is seeking to boost production of natural gas in the Mediterranean by introducing seven undeveloped discoveries, and the discoveries have been divided into two groups to ensure the acceleration of production and to maximize economic returns," it says.

The first cluster includes the Aten, Meret and Rahamat discoveries made between 2006 and 2009, in up to 250 meters water depth with total gas in place estimated at 1.57tcf according to the government's Egypt Upstream Gateway (EUG) portal. The second cluster includes the Notus, Salamat, Satis and Salmon discoveries which were made between 2008-2014 in water depths of up to 1,000ms with total gas in place of 5.37tcf.

"This is the first time in which a number of non-developed discoveries are being introduced by the Clusters system, through the investment map open by the Egypt Upstream Gateway, an innovative mechanism aimed at improving return on investment, reducing production costs, facilitating and accelerating the process of development and production."

"Egypt appears to be offering sub-commercial discoveries by clusters, in the hope that synergies could make them viable," an industry source tells MEES.

Unlike traditional bid rounds which typically give firms up to six months to formulate bids, this Open Block Licensing Round (OBLR) will close on 2 May, two months after its launch. Cairo will be hoping to attract more interest than recent bid rounds which have disappointed (MEES, 15 November 2024).

On 25 February it closed its most recent bid round for ten offshore and two onshore blocks launched last year (MEES, 30 August 2024), but as yet no awards have been announced.

On the face of it, Cluster 2 holds much greater potential. Most recently Cairo attempted to drum up interest in the Satis field, after it was revoked in March last year from previous holders, UK major BP (50% op) and Italian firm Eni (50%), which had dragged their feet on development. Satis' inclusion in the cluster indicates Cairo received little-to-no interest.

BP was left with egg on its face after it included Satis as one of the assets to be transferred to its Egypt focused Arcius JV with UAE state giant Adnoc, before the block was returned to state firm EGAS (MEES, 29 November 2024).

The Satis-1 Oligocene discovery was drilled in 2008 to a total depth of 5,883ms with Satis-3 drilled to a total depth of 6,592ms the following year. The block also contains the 2011 Salmon-1 Pliocene discovery which was drilled to a total depth of 1,632ms. The block has 1.1tcf of gas in place, EUG says.

Salamat in Cluster 2 was also discovered by BP in 2013 (MEES, 13 September 2013) and is in close proximity to the UK major's key 400mn cfd Atoll field to the north. It was billed as a "significant gas discovery" and the "deepest ever drilled in the Nile Delta" by BP at the time but was dropped by the UK major in November 2022. It was followed up in 2017 with the Salamat West discovery, which also lies in the on-offer block.

Salamat, like Satis, is an Oligocene discovery, and drilled to a total depth of 6,881ms in water depth of 650ms. EUG pegs the Salamat block's gas in place at 3.05tcf.

Notus is the third undeveloped gas discovery of Cluster 2, made in the Oligocene. Drilled in 2013 to a total depth of 7,200ms by UK firm BG (since taken over by Shell), gas in place is estimated at 1.22tcf by EUG.

In 2014 BG filed a development plan for Notus but stated that moving forward was "contingent upon an improvement in the investment climate, including a significant

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improvement in the outstanding receivable position" (MEES, 6 March 2015).

While Cairo was able to improve its receivables position at the time, it has come full circle again, with a total receivables balance currently estimated at more than $6bn and the oil ministry barely able to keep up with monthly payments.

CLUSTER LUCK

The Cluster 1 blocks, which are located further west, contain more modest discoveries (based on Egypt's gas in place estimates), albeit in shallower average water depths. These discoveries were made in the mid to late 2000s in both Miocene and Pliocene formations. Rahamat, which lies in 50-70ms water depths was drilled a total of three times by BP (not including 4 side track wells) between 1999 and 2014.

The Rahamat-1 discovery well was drilled in 2008 to a total depth of 5,328ms in the lower Miocene. EUG also highlights the potential of the Rosetta-7 well, drilled by BP in 2000 that had "gas shows in the Messinian."

EUG says Rahamat could hold up to 1.4tcf with 0.718tcf of that proved resources and the remaining upside potential. BP wrote the asset off in 2019 although a year earlier had listed Rahamat among key Egypt discoveries that were awaiting to be developed (MEES, 5 April 2019).

To the northeast of Rahamat is the Aten block which contains the discovery of the same name made by Italy's Eni. Aten-1 was drilled in 2008 to a total depth of 3,861ms with proved resources of just 62.5bcf, rising to 87.5bcf with the addition of 25bcf of upside resources according to EUG.

Meret is the third block in Cluster 1 and is located to the south of Shell's North East El Amriya exploration block and the UK major's West Delta Deep Marine (WDDM) development leases. Three Meret wells were drilled by Eni in 2006 and 2007 at totals depths ranging between 2,300-4,200ms with gas in place of 0.761tcf.

The most likely development option for both clusters would be via tieback to existing infrastructure with plentiful ullage left by the country's gas output decline. The surrounding acreage as well as the onshore facilities are all operated by Egypt's three key players: Eni, Shell and BP, which were the previous holders of the blocks on offer.

ECONOMICS THE KEY

It remains unclear what incentives Cairo may provide to attract firms into bid for these new clusters although a gas price in the region of $6/mn BTU in line with that paid for Eni's Zohr and Shell's WDDM will likely be needed.

Eni and its partners receive $6.20/mn BTU for Zohr gas when Brent trades above $70/B while WDDM receives $5.88/mn BTU when Brent is above $45/B. Eni is currently drilling two sidetrack wells at Zohr in a bid to boost waning 1.5bn cfd output while Shell has commenced drilling three wells as part Phase 11 at WDDM, having recently hooked up three wells as part of Phase 10 that have restored output to around 320mn cfd (MEES, 21 February).

Shell is eying an increase on the $5.88/mn BTU it receives for WDDM gas if it is to proceed with any further phases MEES understands (MEES, 24 January).

This has been a common thread in Egypt's upstream in recent years with firms taking advantage of the country's waning gas output and rising gas demand by demanding higher prices for their gas output. The most recent firm to have secured an improved gas price is onshore Western Desert producer, US firm Apache which will receive $4.25/mn BTU for new output compared to $2.65/mn BTU for legacy production (MEES, 7 March).

New offshore gas projects are few and far between but here too it appears firms are holding out for improved terms with US major Chevron and Eni seeking a higher gas price and improved fiscal terms for development of their 2023 Nargis discovery in the offshore North Sinai region with its estimated 2.8tcf of gas in place (MEES, 7 June 2024).

Cairo is likely to acquiesce to most demands as it desperately tries to boost a bare project pipeline that has seen gas output slump by nearly 1bn cfd year-on-year in December to 4.421bn cfd (MEES, 21 February).

BP SET FOR IMMINENT ISRAEL ENTRY

UK major BP will make its official Israel entry this month, as Azeri state firm Socar continues its recent expansion as the mood music surrounding doing business in the country improves.

With conflict having eased, Israel is set to finalize offshore block awards officially made in October 2023 (MEES, 3 November 2023). And the first award will mark BP's country entry: the UK major is set to be awarded the six-block offshore Zone I alongside Azeri state firm Socar and local firm NewMed on 17 March, MEES learns. Socar will operate with 33.34%, while BP and NewMed will hold identical 33.33% stakes.

"We are basically due to receive the blocks and to sign the license during this month. This is an area that has yet to be explored in the Israeli offshore and that's an area which is sitting very close to Tamar, Leviathan, so in the heart of the activity," NewMed CEO Yossi Abu confirmed on his firm's 10 March earnings call.

The 13.7tcf Tamar and 22.3tcf Leviathan fields – by some distance Israel's largest – are both operated by US major Chevron (25% and 39.66% respectively), with NewMed a 45.34% partner at the latter.

"We are really keen to start a 3D [seismic survey] campaign there to understand whether we have leads and prospects to drill," Mr Abu adds.

Officials from BP and Socar are due to fly into Israel on 17 March to attend an official signing ceremony according to numerous sources.

SOCAR SO GOOD

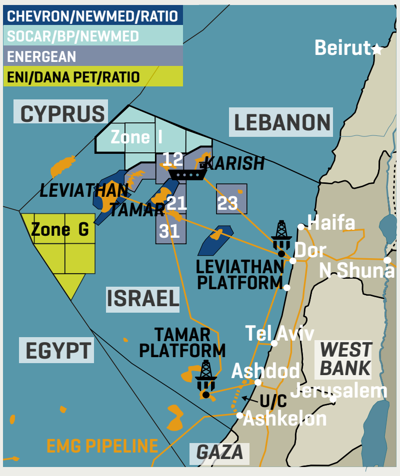
For Socar the deal gives it a second Israeli asset a month after it agreed to pay Israeli businessman Aaron Frenkel $510mn for a 10% Tamar stake (MEES, 7 February).

In the case of BP, it's second time lucky when it comes to an attempt at an Israel upstream entry. In March 2023, BP along with UAE state firm Adnoc, made a $2bn bid to take 50% of NewMed (MEES, 31 March 2023).

Already facing significant hurdles, Hamas' 7 October incursion into Israel later that year and the ensuing conflict that enveloped the region ultimately put the kybosh on the deal twelve months later (MEES, 15 March 2024). But the mood music has seemingly improved in recent weeks.

"Since the US brokered a ceasefire between Israel and Hamas in January 2025, there has been a noticeable uptick in diplomatic activity. But while the ceasefire partially explains an increase in public diplomacy, the arrival of the Trump administration is an equally important factor that has contributed to this phenomenon," Gabriel Mitchell, Visiting Fellow at the German Marshall Fund tells MEES.

ISRAEL'S NEW OFFSHORE GAS AWARDS



Italian firm Eni is also likely to confirm its Israel entry in the coming months after it was awarded the multi-block Zone G, MEES learns. Here Eni (75%, op) will be partnered by Dana Petroleum (15%), the Aberdeen headquartered subsidiary of Korean state firm KNOC and local firm Ratio Energies (10%), which is a 15% partner at Leviathan.

The zone lies on the maritime border with Egypt where Eni plays a predominant role and operates the key 1.5bn cfd Zohr gas field.

US Output & Exports: More Records For 2024, More To Come For 2025

*US upstream producers continue to preach capital discipline despite president Trump's 'drill, baby drill' rhetoric. But the country's output of crude, gas and NGLs nevertheless hit new record highs for 2024, as did exports on both a gross and a net basis. And both official forecasts from the US government's Energy Information Administration (EIA) and MEES analysis of corporate filings suggests more records to come for 2025 and 2026.

*Crude output (including field condensate) rose 2.2% or 284,000 b/d to a record 13.22mn b/d for 2024. And this was outstripped by a near-7% (445,000 b/d) rise to 6.94mn b/d for NGLs to see the country's total liquids production surge through the 20mn b/d barrier to a record 20.16mn b/d (see chart 1).

*On a quarterly basis, Q4's figures of 13.45mn b/d for crude (including 6.47mn b/d for the key Permian basin), 7.22mn b/d for NGLs and 20.66mn b/d for total liquids were all record highs. Indeed, add in record 1.43mn b/d output of renewable fuels (mostly ethanol and biodiesel) and total output topped 22mn b/d for the first time at 22.09mn b/d (see table, p10). On a monthly basis, December, the most recent non-provisional month, set a crude output record 13.49mn b/d, with the EIA's latest Short Term Energy Outlook (STEO), released 11 March, giving a higher-still provisional figure of 13.54mn b/d for February.

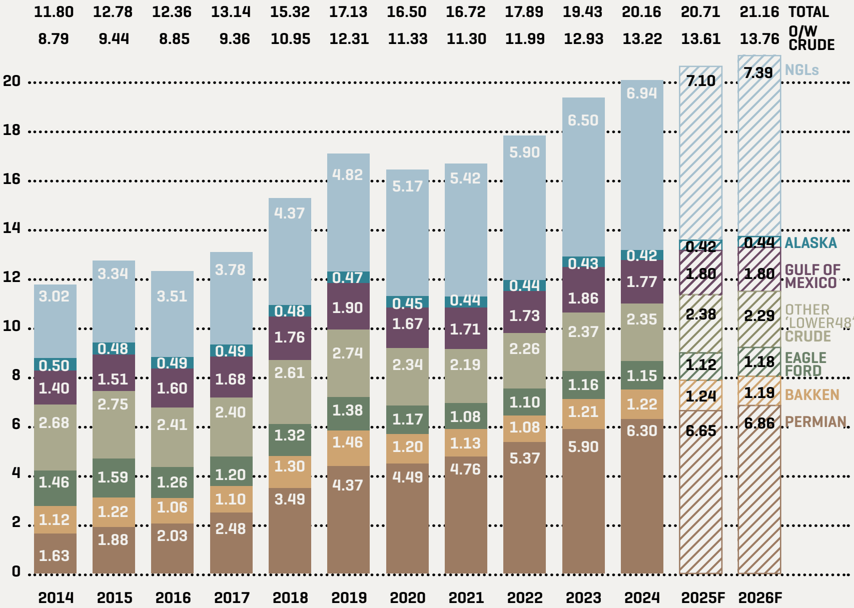
*For 2025, the STEO projects further gains of 400,000 b/d in crude output (to 13.61mn b/d) and 550,000 b/d including NGLs (to 20.71mn b/d).

RECORD EXPORTS

*US oil exports hit records for 2024 on both a gross and a net basis: crude exports were up 1% at 4.11mn b/d, those of refined products up 8% at 3.21mn b/d, and NGLs up 9% at 2.91mn b/d for a record total of 10.76mn b/d, up 5% (see chart 2). Q4 saw exports top 11mn b/d for the first time on a quarterly basis (11.07mn b/d) including a record 3.12mn b/d NGLs as well as 4.02mn b/d crude and 3.47mn b/d refined products.

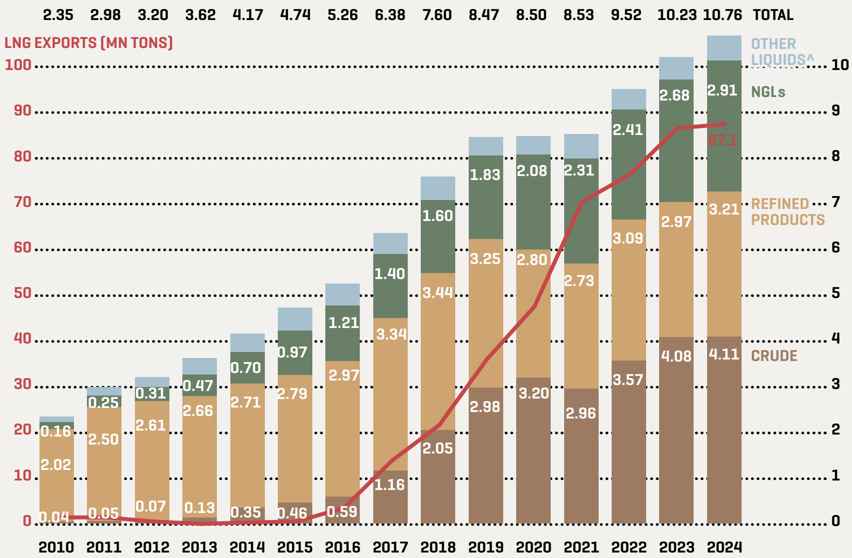
*However, in addition to vying with Saudi Arabia as the world's largest oil exporter (Saudi Arabia, on 6.05mn b/d

1: US LIQUIDS OUTPUT SURGED PAST 20MN B/D FOR 2024 THANKS TO NGLs & PERMIAN RECORDS WITH THE EIA FORECASTING FURTHER GAINS FOR 2025 & 2026 (MN B/D)



F=FORECAST (MAR 2025 STEO). SOURCE, EIA, MEES.

2: US EXPORTS OF CRUDE, REFINED PRODUCTS, NGLs AND LNG ALL HIT NEW RECORD HIGHS FOR 2024 (MN B/D)



SOURCE: EIA, MEES.

for 2024 is ahead for crude alone but the US is top when other liquids are included), the US also remains the world's number two importer, well behind China but ahead of number three India. US oil imports of 8.42mn b/d for 2024 (down 1%) included 6.59mn b/d of crude including a record 4.07mn b/d from northern neighbor Canada, on whose heavy crude a swathe of US Midwest refineries are dependent – the US and not just the Canadian economy will take a major hit should Trump push ahead with his tariff threats. Add in oil products, and imports from Canada hit a monthly record of 4.93mn b/d for December.

*US imports from Mideast and Opec countries continue to dwindle: the 273,000 b/d that the US imported from Saudi Arabia for 2024 was a multi-decade low, as was the quarterly figure of 196,000 b/d for Q4. One Opec producer

Continued on – p9

Continued from – p8

to see a significant rise was Venezuela, with a near-doubling to a six-year high 228,000 b/d for 2024 with 4Q's 275,000 b/d the highest since 1Q 2019. However, with the latest tightening of sanctions such volumes may well grind to a halt over the coming months (see p11).

*On a net basis, US oil exports leapt by 38% to record 2.34mn b/d for 2024, including a records of 2.74mn b/d for NGLs with China the key market (MEES, 20 December 2024) and 2.08mn b/d for refined products. For crude oil, the US remains a net importer to the tune of 2.48mn b/d for 2024. The EIA forecasts that US net oil exports will surge by a further 21% to 2.83mn b/d for 2025 and to 3.19mn b/d for 2026.

*As for gas, most of 2024 saw output and exports below records set at the end of 2023. However 2024 ended with an output surge on the back of the start-up of Venture Global's new 20mn t/y Plaquemines LNG liquefaction plant in Louisiana (MEES, 3 January). US gas output hit a new monthly high for December in terms of both gross (128.9bn cfd) and marketed output (116.0bn cfd), whilst volumes supplied to LNG plants hit a record 14.75bn cfd for February 2025. On an annual basis 2025 as a whole saw slight output gains of 0.3% versus 2024's previous record highs. However, with LNG export capacity set for further expansion this year and next, the EIA predicts a series of new gas output and export records through 2026.

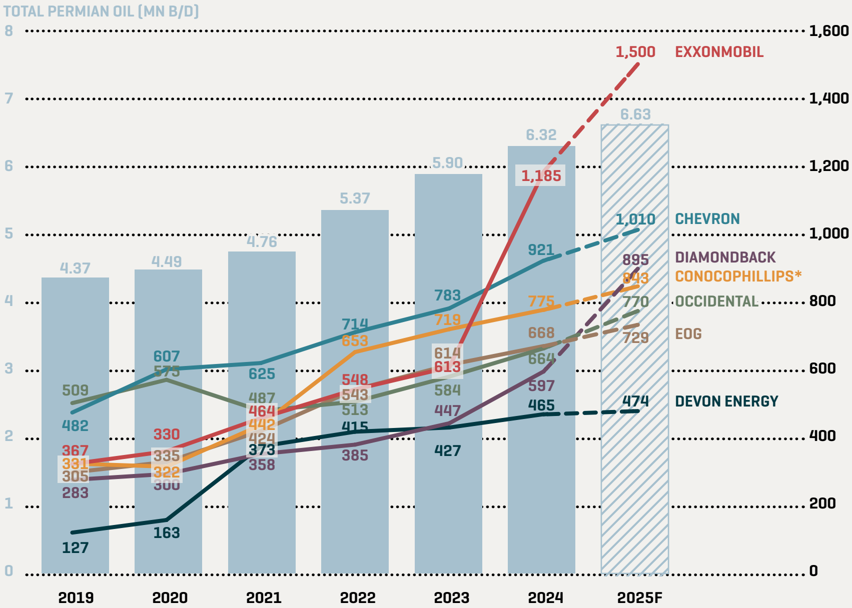
PERMIAN GAINS CONTINUE...

*One basin has played an outsize role in US output gains for oil, gas and NGLs alike, and that is the Permian of Texas and New Mexico. Permian crude output was up 7% at a record 6.30mn b/d for 2024 – 57% of total onshore output – with gas surging by 12% to a record 25.3bcm.

*This should come as no surprise as the Permian, almost without exception, has been and remains front and center of US producers' investment plans (see chart 3). The largest of all, ExxonMobil, saw its Permian output surge to a record 1.185mn boe/d for 2024 and targets a further surge to 1.5mn boe/d for 2025, 2mn boe/d by 2027 and 2.3mn boe/d by 2030 (MEES, 14 February).

*For number two Chevron, 2024 Permian output was up 18% at record 921,000 boe/d thanks to a full year of output from PDC Energy assets the purchase of which completed in August 2023. Last year's output was well above

3: TOP PERMIAN BASIN PRODUCER ('000 BOE/D):
EXXON SURGED AHEAD WITH MAY 2024 COMPLETION OF PIONEER RESOURCES TAKEOVER



*CONCHO RESOURCES TO 2020. 2025F = EIA FORECASTS (MAR25 STEO) FOR OVERALL OUTPUT, BY-COMPANY FIGURES INFERRED FROM COMPANY STATEMENTS. SOURCE: COMPANIES, EIA, MEES.

targets of 900,000 boe/d and 15% set out alongside the firm's Q2 results in August. Q4 saw a quarterly record of 992,000 boe/d, topping 1mn boe/d on a monthly basis for the first time in December. "We expect to continue to grow even as we've now passed our peak investments, and we've started to bring capital investment down. We still expect to see a 9% or 10% production growth in 2025," Chevron CEO Mike Wirth says, for an implied 2025 Permian output figure of around 1mn boe/d.

...AS FIRMS BULK UP

*Though Exxon in particular has demonstrated strong organic Permian output growth, for all of the leading Permian producers (including Exxon) a large part of recent output growth has been inorganic – that is to say via M&A – as Permian assets become increasingly concentrated in the hands of the largest producers.

*Exxon's $60bn purchase of Pioneer Resources, which completed in May 2024, brought with it a whopping 750,000 boe/d of Permian output (MEES, 13 October 2023). Chevron's purchase of PDC chipped in a relatively modest 40,000 boe/d. But Permian number three Conoco first became a significant player in the basin only in 2021 with the purchase of 350,000 boe/d producer Concho Resources. And its output got another boost with the 22 November completion of its $22.5bn purchase of Marathon Oil whose record 379,000 boe/d of US output for 3Q 2024 included 166,000 boe/d in the Eagle Ford, 116,000 boe/d in the Bakken and 56,000 boe/d in the Permian.

*Conoco's Permian output rose 8% to a record 775,000 boe/d for 2024, though as with Chevron the firm stresses that capital discipline is the priority going forward. "In the Lower 48, on a pro-forma basis, we plan to reduce capital spending by over 15% year-over-year, while still delivering low single-digit production growth. This is primarily due to expected material synergy capture associated with the acquisition of Marathon and significant drilling and completion efficiency gains," the firm says.

*For Occidental, Q4 saw record Permian output of 771,000 boe/d, well above guidance. However, the firm is guiding essentially level with this for 2025. "While we expect lower volumes during the first half of the year, production is expected to ramp up in the second half. Much of this increase is coming from the Permian, which is expected to grow by more than 15% in 2025 due to a full year of CrownRock and modest growth across our legacy positions." The latter is a reference to the $12bn purchase of 170,000 boe/d Permian producer CrownRock Resources which closed on 1 August last year.

*Whilst EOG, which pipped Oxy for 2024's Permian number four spot, has posted mostly organic growth (up 9% at 668,000 boe/d for 2024), the last of what are now the basin's 'big 6,' Diamondback, has seen its output surge thanks to the $26bn purchase of 300,000 boe/d Permian producer Endeavor Energy which completed in September 2024. Indeed, for Q4 this saw Diamondback surge ahead of not only Oxy and EOG but ConocoPhillips with record quarterly Permian output of 882,000 boe/d to take number three spot.

US KEY OIL & GAS DATA: OUTPUT & EXPORT RECORDS FOR 2024

CORPORATE

	2024	vs 2023	% chg	2023	2022	4Q24	vs 3Q24	% chg	3Q24	2Q24	1Q24	Nov24	Dec24	Jan25*	Feb25*	2025F	2026F
PRODUCTION: CRUDE OIL	**13,216**	*+284*	*+2.2*	**12,932**	**11,990**	**13,445**	*+199*	*+1.5*	**13,247**	**13,230**	**12,942**	**13,396**	**13,491**	**13,399**	**13,538**	**13,614**	**13,764**
Lower 48 Onshore	11,029	*+387*	*+3.6*	10,641	9,822	11,253	*+133*	*+1.2*	11,120	11,012	10,729	11,302	11,198	11,151	11,237	11,392	11,522
Permian	6,300	*+397*	*+6.7*	5,903	5,373	6,470	*+106*	*+1.7*	6,364	6,268	6,099	6,427	6,474	6,451	6,508	6,649	6,859
Bakken	1,224	*+13*	*+1.0*	1,212	1,084	1,222	*+3*	*+0.2*	1,219	1,234	1,222	1,245	1,215	1,220	1,228	1,237	1,192
Eagle Ford	1,151	*-8*	*-0.7*	1,158	1,100	1,114	*-99*	*-8.1*	1,213	1,191	1,084	1,116	1,078	1,057	1,092	1,124	1,181
other Lower 48	2,354	*-15*	*-0.6*	2,368	2,264	2,447	*+123*	*+5.3*	2,324	2,319	2,324	2,515	2,432	2,423	2,409	2,381	2,291
Gulf Of Mexico	1,767	*-98*	*-5.3*	1,865	1,731	1,759	*+36*	*+2.1*	1,723	1,802	1,782	1,655	1,858	1,808	1,865	1,801	1,803
Alaska	421	*-5*	*-1.2*	426	437	433	*+29*	*+7.3*	404	415	431	439	434	441	436	422	438
NGLs	**6,942**	*+445*	*+6.8*	**6,497**	**5,903**	**7,216**	*+188*	*+2.7*	**7,028**	**7,012**	**6,510**	**7,288**	**7,131**	**6,756**	**7,021**	**7,095**	**7,395**
o/w Ethane	2,830	*+178*	*+6.7*	2,652	2,404	2,970	*+172*	*+6.1*	2,798	2,918	2,633	3,034	2,907	2,582	2,732	2,764	2,969
Propane	2,150	*+130*	*+6.4*	2,021	1,870	2,232	*+51*	*+2.3*	2,181	2,136	2,053	2,241	2,235	2,240	2,259	2,271	2,325
Butane	1,127	*+65*	*+6.1*	1,062	987	1,164	*+9*	*+0.8*	1,154	1,122	1,070	1,166	1,159	1,162	1,188	1,190	1,228
C5+ ('natural gasoline')	834	*+72*	*+9.4*	762	668	850	*-45*	*-5.0*	895	837	755	846	830	772	841	871	873
TOTAL LIQUIDS OUTPUT	**20,158**	*+728*	*+3.7*	**19,429**	**17,892**	**20,661**	*+386*	*+1.9*	**20,275**	**20,242**	**19,452**	**20,683**	**20,622**	**20,156**	**20,558**	**20,710**	**21,159**
Fuel Ethanol	1,055	*+39*	*+3.8*	1,016	1,002	1,095	*+25*	*+2.3*	1,071	1,013	1,041	1,118	1,107	1,082	1,083	1,055	1,052
Biodiesel, other renewble	321	*+39*	*+13.7*	282	201	335	*+2*	*+0.5*	334	320	295	348	322	265	295	345	379
Total inc renewables	**21,534**	*+806*	*+3.9*	**20,728**	**19,095**	**22,092**	*+413*	*+1.9*	**21,679**	**21,575**	**20,788**	**22,149**	**22,051**	**21,502**	**21,937**	**22,110**	**22,590**
Rig Count: Oil	490	*-59*	*-10.8*	550	573	480	*-2*	*-0.5*	483	497	502	478	483	478	484		
Gas	105	*-30*	*-22.4*	135	146	101	*+3*	*+3.1*	98	102	118	101	102	100	101		
Refinery Crude Throughputs	16,218	*+256*	*+1.6*	15,962	15,975	16,482	*-54*	*-0.3*	16,536	16,472	15,382	16,554	16,772	15,748	15,476	15,974	15,892
Domestic Oil Demand^	**20,304**	*+30*	*+0.1*	**20,274**	**20,156**	**20,559**	*+59*	*+0.3*	**20,500**	**20,352**	**19,804**	**20,235**	**20,433**	**20,325**	**20,047**	**20,448**	**20,593**
of which gasoline^	8,941	*-3*	*-0.0*	8,944	8,813	8,889	*-294*	*-3.2*	9,183	9,116	8,575	8,808	8,790	8,385	8,637	8,927	8,893
Crude stocks (mn bls)**	**807**	*+26*	*+3.4*	**781**	**802**	**807**	*+8*	*+1.1*	**799**	**813**	**811**	**813**	**807**	**819**	**835**		
Commercial Crude Stocks	414	*-13*	*-3.0*	426	430	414	*-2*	*-0.5*	416	440	447	421	414	424	438		
SPR	394	*+39*	*+11.0*	355	372	394	*+11*	*+2.8*	383	373	364	392	394	395	397		
CRUDE OIL IMPORTS	**6,588**	*+97*	*+1.5*	**6,491**	**6,280**	**6,497**	*-138*	*-2.1*	**6,635**	**6,766**	**6,453**	**6,578**	**6,557**	**6,545**	**5,965**		
Canada	4,068	*+192*	*+4.9*	3,876	3,794	4,060	*-6*	*-0.1*	4,066	4,087	4,057	3,963	4,234	4,062	3,870		
Mexico	465	*-269*	*-36.6*	733	636	429	*-17*	*-3.7*	446	496	488	453	451	326	447		
Saudi Arabia	273	*-76*	*-21.7*	349	456	196	*-75*	*-27.6*	271	325	300	236	181	356	278		
Opec countries	*1,013*	*-20*	*-1.9*	*1,033*	*979*	*1,010*	*-51*	*-4.8*	*1,061*	*1,087*	*896*	*980*	*1,019*				
PRODUCTS/NGLs IMPORTS	1,831	*-208*	*-10.2*	2040	2050	1,615	*-212*	*-11.6*	1,827	2,065	1,818	1,596	1,750	1,660	1,719		
TOTAL OIL IMPORTS	**8,419**	*-112*	*-1.3*	**8,531**	**8,330**	**8,112**	*-350*	*-4.1*	**8,462**	**8,831**	**8,271**	**8,174**	**8,307**	**8,206**	**7,685**		
Canada	4,646	*+220*	*+5.0*	4,425	4,354	4,700	*+75*	*+1.6*	4,625	4,570	4,687	4,588	4,933				
Saudi Arabia	336	*-103*	*-23.5*	440	559	236	*-111*	*-32.0*	347	393	369	269	219				
Opec countries	*1,253*	*-87*	*-6.5*	*1,341*	*1,252*	*1,203*	*-116*	*-8.8*	*1,319*	*1,393*	*1,099*	*1,163*	*1,208*				
OIL EXPORTS	**10,760**	*+530*	*+5.2*	**10,229**	**9,517**	**11,067**	*+399*	*+3.7*	**10,668**	**10,619**	**10,686**	**11,572**	**11,131**	**10,517**	**10,604**		
Crude	4,112	*+31*	*+0.8*	4,081	3,575	4,018	*+78*	*+2.0*	3,941	4,149	4,340	4,334	3,850	4,049	4,154		
Products/NGLs/other liquids	6,648	*+500*	*+8.1*	6,148	5,942	7,048	*+321*	*+4.8*	6,727	6,470	6,346	7,238	7,281	6,468	6,450		
o/w NGLs	2,914	*+234*	*+8.7*	2,680	2,409	3,124	*+196*	*+6.7*	2,929	2,816	2,788	3,280	3,175				
NET OIL IMPORTS	**-2,341**	*-642*	*+37.8*	**-1,699**	**-1,187**	**-2,955**	*-749*	*+33.9*	**-2,206**	**-1,788**	**-2,414**	**-3,398**	**-2,824**	**-2,548**	**-3,161**	**-2,826**	**-3,194**
Crude	2,476	*+66*	*+2.7*	2,410	2,705	2,478	*-216*	*-8.0*	2,694	2,617	2,113	2,243	2,707	2,466	1,786	1,861	1,519
NGLs	-2,741	*-230*	*+9.2*	-2,511	-2,234	-2,926	*-160*	*+5.8*	-2,766	-2,677	-2,595	-3,082	-2,942	-2,767	-3,160	-3,012	-3,234
Refined Products, other liquids	-2,076	*-478*	*+29.9*	-1,598	-1,658	-2,508	*-373*	*+17.5*	-2,134	-1,728	-1,933	-2,559	-2,588	-2,247	-1,787	-1,674	-1,479
GAS (BN CFD): Gross Output	**125.4**	*+0.4*	*+0.3*	**125.0**	**118.8**	**126.9**	*+2.5*	*+2.0*	**124.4**	**124.0**	**126.1**	**126.4**	**128.9**				
Marketed Output	**113.2**	*+0.4*	*+0.3*	**112.8**	**107.7**	**114.3**	*+1.2*	*+1.1*	**113.1**	**112.1**	**113.4**	**113.7**	**116.0**	**114.4**	**115.5**	**115.3**	**118.1**
Lower 48 states	110.4	*+0.6*	*+0.5*	109.8	104.6	111.5	*+1.1*	*+1.0*	110.4	109.3	110.4	111.0	113.1	111.6	112.6	112.6	115.4
Appalachia (inc Marcellus)	35.6	*+0.1*	*+0.2*	35.5	34.6	35.9	*+0.4*	*+1.3*	35.5	35.0	36.0	35.4	37.0	36.1	36.4	36.2	36.1
Permian	25.3	*+2.7*	*+11.7*	22.7	20.0	27.2	*+1.5*	*+5.7*	25.8	24.5	23.8	27.4	26.8	27.1	27.4	27.8	28.6
Haynesville	14.6	*-1.7*	*-10.7*	16.4	15.5	14.1	*-0.2*	*-1.2*	14.3	14.3	15.8	13.9	14.6	14.2	14.3	14.1	16.5
Eagle Ford	6.7	*-0.0*	*-0.0*	6.7	5.9	6.3	*-0.5*	*-7.1*	6.7	6.9	6.8	6.2	6.4	6.4	6.8	6.8	7.2
Dry Gas (post-processing)	**103.2**	*-0.3*	*-0.3*	**103.6**	**99.3**	**103.9**	*+1.0*	*+0.9*	**103.0**	**102.0**	**104.0**	**103.2**	**105.7**	**104.5**	**105.5**	**105.2**	**107.5**
LNG exports (bn cfd)	11.93	*+0.03*	*+0.3*	11.90	10.59	12.64	*+1.22*	*+10.6*	11.43	11.29	12.37	12.54	13.25	13.67	14.75	14.23	16.37
LNG exports (mn t, Kpler)	87.1	*+0.9*	*+1.0*	86.2	76.1	23.19	*+2.2*	*+10.3*	21.02	20.33	22.54	7.58	8.16	8.39	8.18		

*PRELIMINARY. F=EIA FORECASTS (MAR25 STEO). ^DEMAND INCLUDES BLENDED ETHANOL & BIOFUELS. **END-PERIOD. SOURCE: EIA, BAKER HUGHES, KPLER, MEES.

OIL MARKETS: THE FOG OF TRADE WAR

The oil market is struggling to find its bearings as concerns mount over the impact of escalating trade tensions on the global economy and uncertainty on whether US sanctions on Venezuela and Iran will result in removing sizeable near-term supply. This year's global economic outlook is set to be dominated by White House policy, and President Donald Trump's impulsiveness (MEES, 28 February), as seen in his recent on/off tariff announcements, will only add volatility amidst expectations of lower oil demand growth and higher supply.

This unpredictable economic landscape was the focus of the IEA's latest Oil Market Report published on 13 March, with the Paris-based agency stating that the "macroeconomic conditions that underpin our oil demand projections deteriorated over the past month as trade tensions escalated between the United States and several other countries." While it highlighted underwhelming recent demand data, the IEA only marginally revised down its 2025 demand growth expectations, its global oil demand growth forecast remains just above 1mn b/d, up from 830,000 b/d for 2024 (see table).

It expects this year's global oil demand growth to be largely driven by petchems, and in part by lower oil prices which it says are acting as a "lifeline" to emerging economies as the US dollar has appreciated. The IEA sees 60% of demand this year coming from Asia. While it says the US imposition of 20% tariffs on China comes "at an inopportune time as [China's] economy teeters on the brink of a deflationary spiral," it nevertheless marginally (by 10,000 b/d) increases its 2025 forecast for China's oil demand growth to 230,000 b/d due to "lower oil prices incentivizing consumption." This is up 80,000 b/d on 2024's lackluster performance (MEES, 24 January). The IEA reiterates its forecast that "petrochemical feedstocks will provide the entirety of [China's 2025] growth as demand for refined fuels reaches a plateau." Indeed, China's demand for crude oil may also have peaked with 2025 growth driven by ethane and LPG (MEES, 20 December 2024). With China dependent on near-1mn b/d imports of ethane/LPG from the US it is perhaps no surprise that such volumes have so far escaped the growing tariff war.

In contrast, Opec struck a more optimistic tone in its 11 March Monthly Oil Market Report. While it says that "trade concerns are expected to contribute to volatility," it expects the global economy to "adjust." Opec is bullish on continued oil demand growth outside the OECD industrialized bloc, and has kept its demand expectations unchanged, maintaining a robust growth forecast of over 1.4mn b/d this year and next.

Most of this, Opec expects, is to be non-OECD growth at 1.3mn b/d with Chinese demand up 310,000 b/d supported by government stimulus measures, although this remains far below levels in past years. Unlike the IEA's petchems-centric forecast, Opec also sees healthy demand for transportation fuels, but it cautions that EV and LNG-truck penetration adds downside risk.

IEA SUPPLY & DEMAND FORECASTS, MARCH 2025 (MN B/D)

SOURCE: IEA, OPEC, MEES.

	2023	2024	vs 23	2025	vs 24	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
World Oil Demand	**102.05**	**102.88**	*+0.83*	**103.91**	*+1.03*	**101.29**	**102.80**	**103.78**	**103.64**	**102.52**	**103.77**	**104.87**	**104.44**
vs Feb25 report	*+0.02*	*-0.01*	*-0.03*	*-0.09*	*-0.07*	*-0.01*	*+0.05*	*+0.07*	*-0.16*	*-0.16*	*-0.02*	*-0.01*	*-0.15*
Non-Opec Supply	69.31	70.21	+0.90	71.71	+1.50	69.39	70.25	70.54	70.67	70.35	71.51	72.21	72.74
vs Feb25 report	*+0.00*	*+0.02*	*+0.02*	*+0.09*	*+0.06*	*+0.01*	*-0.00*	*+0.01*	*+0.07*	*+0.02*	*+0.08*	*+0.07*	*+0.16*
Opec NGLs	5.51	5.54	+0.03	5.67	+0.13	5.52	5.56	5.55	5.53	5.59	5.65	5.70	5.75
Call on Opec	**27.22**	**27.13**	*-0.10*	**26.52**	*-0.60*	**26.37**	**26.99**	**27.69**	**27.44**	**26.58**	**26.61**	**26.95**	**25.96**
vs Feb25 report	*+0.02*	*+0.01*	*-0.02*	*-0.17*	*-0.17*	*+0.00*	*+0.04*	*+0.12*	*-0.14*	*-0.13*	*-0.08*	*-0.11*	*-0.34*
Opec Crude Prod	27.43	27.26	-0.17	n/a	n/a	26.92	27.39	27.51	27.21	n/a	n/a	n/a	n/a
Opec vs Call	+0.20	+0.13	-0.07	n/a	n/a	+0.55	+0.40	-0.19	-0.22	n/a	n/a	n/a	n/a
Call on Opec+	**42.2**	**41.5**	*-0.7*	**41.0**	*-0.5*	**41.0**	**41.4**	**42.0**	**41.5**	**40.9**	**41.1**	**41.4**	**40.5**
World Oil Supply	**102.25**	**103.01**	*+0.76*	**n/a**	*n/a*	**101.84**	**103.20**	**103.59**	**103.41**	**n/a**	**n/a**	**n/a**	**n/a**

OPEC SUPPLY & DEMAND FORECASTS, MARCH 2025 (MN B/D)

	2024	2025	vs 24	2026	vs 25	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
World Oil Demand	**103.75**	**105.20**	*+1.45*	**106.63**	*+1.43*	**104.25**	**104.45**	**105.33**	**106.75**	**105.67**	**105.83**	**106.95**	**108.04**
vs Feb25 report	*+0.00*	*+0.00*	*+0.00*	*+0.00*	*-0.00*	*+0.05*	*+0.11*	*-0.17*	*+0.04*	*+0.05*	*+0.11*	*-0.17*	*+0.04*
Non-Opec+ Supply	53.20	54.21	+1.01	55.21	+1.00	53.85	53.98	54.27	54.73	55.00	54.86	55.20	55.77
vs Feb25 report	*+0.00*	*+0.00*	*+0.00*	*+0.00*	*-0.00*	*-0.06*	*+0.02*	*+0.02*	*+0.02*	*+0.00*	*+0.00*	*+0.00*	*+0.00*
Opec+ NGLs	8.29	8.40	+0.11	8.52	+0.12	8.47	8.43	8.31	8.40	8.48	8.51	8.49	8.62
Call on Opec+	**42.26**	**42.58**	*+0.33*	**42.89**	*+0.31*	**41.93**	**42.03**	**42.74**	**43.62**	**42.20**	**42.46**	**43.26**	**43.65**
vs Feb25 report	*+0.02*	*-0.01*	*-0.03*	*+0.00*	*+0.01*	*+0.05*	*+0.09*	*-0.19*	*+0.02*	*+0.05*	*+0.11*	*-0.17*	*+0.04*
Opec+ Crude Prod	40.83	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Opec+ vs Call	**-1.42**	**n/a**	*n/a*	**n/a**	*n/a*	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**
World Oil Supply	**102.33**	**n/a**	*n/a*	**n/a**	*n/a*	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

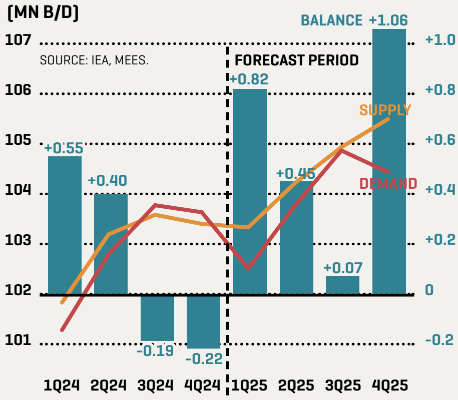
SANCTIONS TO HIT SUPPLY?

While the gap between IEA and Opec demand forecasts has eased compared to last year, they remain far apart on forecasts of supply growth from outside the Opec+ alliance. While Opec sees this growing by 1mn b/d in 2025 and 2026, the IEA expects a higher 1.5mn b/d this year thanks to gains and offshore project start-ups in the US, Brazil, Guyana and Norway (MEES, 7 February). The US broke output records in 2024 with NGLs leading the way (see p8).

Coupled with its lower demand expectations, the IEA sees stocks building in all quarters of 2025 at an average rate of 600,000 b/d (see chart). The agency's 2025 'call on Opec+' – how much the alliance needs to produce to meet demand – is almost 2mn b/d lower than Opec's 42.89mn b/d forecast.

Opec+ will begin unwinding 2.2mn b/d of voluntary cuts next month (MEES, 7 March), adding 138,000 b/d each month to September 2026, although the group has cautioned that these increases "may be paused or reversed subject to market conditions." That said, for the next few months at least, such increases could be offset by 'compensation cuts' for past overproduction from Russia, Kazakhstan and Iraq. Opec+ overproduction in February was largely driven by the ramp up of Kazakhstan's Chevron-operated Tengiz oilfield which saw the country break its 1.47mn b/d quota by around 300,000 b/d. Kazakhstan on 12 March said it had "taken the necessary measures to compensate for the temporary increase in production."

IEA EXPECTS 600,000 B/D OF STOCKBUILDS THIS YEAR (MN B/D)



The IEA expects Opec+ to add just 40,000 b/d to supply in April. The IEA is skeptical that the tapering is to continue beyond April, saying that it's 2025 Opec+ supply forecast "does not incorporate any further production increases."

Countering forecasts of a looming supply glut are expectations that US sanctions on Iran and Venezuela may remove near term volumes. In its 11 March STEO report the US government's EIA says, in contrast to the IEA, that it sees stock-draws in Q2 due to the sanctions "which have the potential to remove significant volumes of crude from the market." The EIA then expects only a minor 30,000 b/d increase in global stocks in Q3. Also in contrast to the IEA, the EIA's modeling presumes that Opec+ will continue to steadily add volumes through September 2026. ◆◆

Iran Signs Local Firms For $17bn, 90tcf South Pars Gas Recovery Boost

Iran is ever-more dependent on its South Pars gas field, whose 25bn cfd output meets 70% of domestic consumption. In a bid to prolong plateau output, Tehran is investing $17bn with the help of local firms in a bid to boost gas recovery by a massive 90tcf.

National Iranian Oil Company (NIOC) on 8 March signed seven contracts with local firms to reverse declines and increase output at Iran's giant 700mn m³/d (25bn cfd) South Pars gas field. The 'South Pars Joint Gas Field Pressure Boosting Project' awards – to NIOC subsidiaries Petropars and Oil Industries Engineering & Construction, private power group Mapna and IRGC engineering arm Khatam al-Anbia – are worth a total of $16.9bn, $3bn less than the $20bn figure given alongside provisional awards a year ago (MEES, 15 March 2024).

Back then Iranian officials said that without intervention, South Pars output would begin declining by 10 bcm/year (967mn cfd) "within the next five years." The program's scope appears to have changed little over the intervening 12 months.

Project director Mohammad-Mehdi Tavasolipour says the field's state-owned operator Pars Oil & Gas Co (POGC) "evaluated over 20 scenarios" to determine whether to add pressure boosting facilities onshore or offshore.

The final decision was to go offshore, with boosting facilities to be split between seven 'hubs', each to include two "pressure enhancement platforms" with a combined 2bn cfd capacity adding 90bar pressure (1,300 PSI), in addition to power generation and life support platforms. In total, the project will add 42 new platforms, 42km of subsea pipelines and 600km of other pipelines connecting wellhead platforms with the new 14 pressure enhancement platforms. Two hubs will be delivered by each company, except Mapna delivering a single hub, and these will cover all the 28 development phases of the field (see map).

IRAN AWARDS $17BN PRESSURE-BOOSTING CONTRACTS AT SOUTH PARS

PROCESSING PLANT ■ OIL FIELD/PIPELINE ■ GAS FIELD/PIPELINE

Company	Hubs	Cost ($bn)	Phase Platforms
Petropars	One	4.8	11A, 11B, 12A, 12B
	Seven		4, 7, 8, 9
OIEC	Two	4.8	3, 15, 16, 21
	Five		10, 13AB, 13BD, 14AC
Khatam al-Anbia	Three	4.9	1, 5, 17, 18
	Six		11, 14BD, 22, 23, 24A, 24B
Mapna	Four	2.36	2, 6, 19AB, 19C, 20
		16.9	

SOURCE: SHANA, MEES.

54% > 75% RECOVERY RATE...

Mr Tavasolipour tells petroleum ministry press outlet Shana that the $16.9bn of pressure boosting awards will increase ultimate recovery of South Pars gas reserves from 54% to 75%, with the petroleum ministry claiming that the overall South Pars production profile would be extended by 20 years as a result. The first pressure boosting platform is only expected online by 2030, and Mr Tavasolipour expects the project to ultimately yield additional gas and condensate volumes with an "economic value exceeding $780bn."

...90TCF MORE GAS, 2BN BLS CONDI

Iran says the program would see the additional recovery of 90tcf of gas and 2bn barrels of condensate. Given the quoted 54% to 75% rise in the gas recovery rate this implies a rise from 230tcf to 320tcf in recoverable reserves. Though Mr Tavasolipour does not indicate how the $780bn figure is calculated, one means of arriving at this figure is to plug in a value of $75/B for the additional condensate volumes and $7/'000ft³ for gas to give $630bn for 90tcf of gas and $150bn for 2bn barrels of condensate.

The field's condensate is key for Iran's gasoline supply. Supplied to the 450,000 b/d Persian Gulf Star (PGS) splitters in Bandar Abass, these in turn provide 35%-40% of Iran's gasoline output. Having achieved self-sufficiency in gasoline with the PGS expansion, rising demand forced Iran last year to resume gasoline imports (MEES, 17 January).

KEEPING GAS FROM QATAR

Shana adds that the project also aims to "prevent gas migration to Qatar from the shared field." South Pars is an extension of Qatar's North Field, where QatarEnergy aims to hike total LNG capacity from the current 77mn t/y to 142mn t/y by 2030, with initial start-up of the 32mn t/y North Field East (NFE) first phase expected by the end of this year (MEES, 17 January).

The development of fields that Iran shares with its neighbors is a domestically-sensitive issue with Iranian media reports frequently highlighting concerns that rapid development of Qatar's portion of the field could result in migration of gas across the boundary. Qatar previously maintained a 12-year moratorium on further expan-

Continued from – p13

Continued from – p12

sion of the field which only ended in 2017 following extensive reservoir studies to determine the optimal development rate.

Mr Paknejad claims that Qatar is in the process of enhancing pressure at North Field "within the next two years," and that this "could also lead to some of Iran's gas flowing toward Qatar due to pressure differences." The minister's comments are most likely directed at his domestic audience, and despite that the management of the shared field can be a delicate issue, Iran and Qatar generally maintain calm bilateral relations.

NEW OUTPUT RECORD

South Pars plays a crucial role in Iran's gas provision. The field makes up 80-90% of Iran's production and is relied upon to satisfy around 70% of gas consumption. Rising annual gas consumption has required securing ever more sales gas volumes (see chart 1), pressing the country's dilapidated energy infrastructure.

This winter Iran has suffered an energy crisis with authorities forced to slash gas supply to power plants amidst unprecedented heating demand by residential users (MEES, 24 January). Gas supplies to industry were curtailed.

South Pars produced a record 716mn m³/d (25.3bn cfd) of sales gas on 12 February, some 70% of the record 1.021bn m³/d (36bn cfd) NIOC says was supplied to the national grid the same day, whilst Iran's overall raw gas production hit a record 1.106bn m³/d (39.1bn cfd). Aside from South Pars, most of Iran's remaining gas output comes from onshore fields managed by Iranian Central Oil Fields Co with NIOC claiming that its subsidiary also set a daily output record of 248mn m³/d (8.75bn cfd) last month.

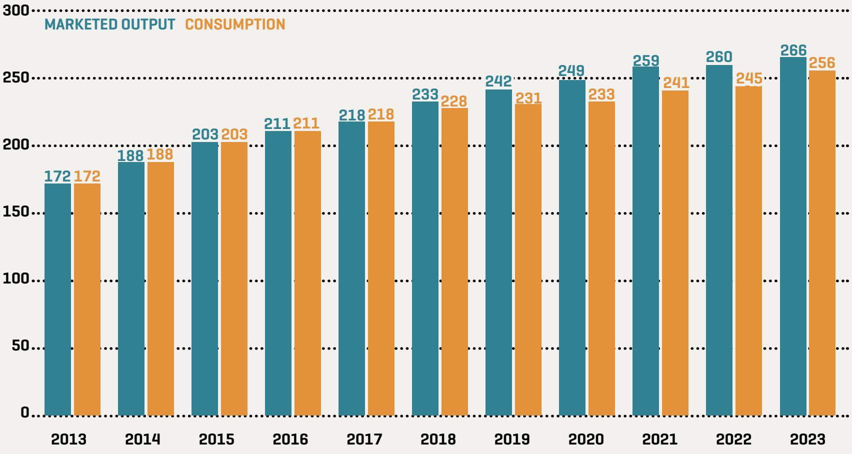
South Pars raw gas is fed to 13 processing plants at the South Pars Gas Complex in Assaluyeh, and $300-400mn has already been invested to upgrade these facilities as part of the pressure enhancement project.

Gas consumption remains elevated in Iran despite milder temperatures in recent weeks. National Iranian Gas Co says that 852mn m³/d (30bn cfd) was delivered to the national grid on 8 March – though well down on February's record volumes it is up 6% on year-ago levels. Runaway domestic demand growth, thanks to subsidies, has impacted Iran's gas exports, with Tehran opting to near-halt flows to Iraq since November. If this extends into summer, amidst US pressure on Baghdad to seek alternative energy suppliers, Iraq will most likely face a difficult power crisis (see p14).

TURKMENISTAN-TURKEY SWAP

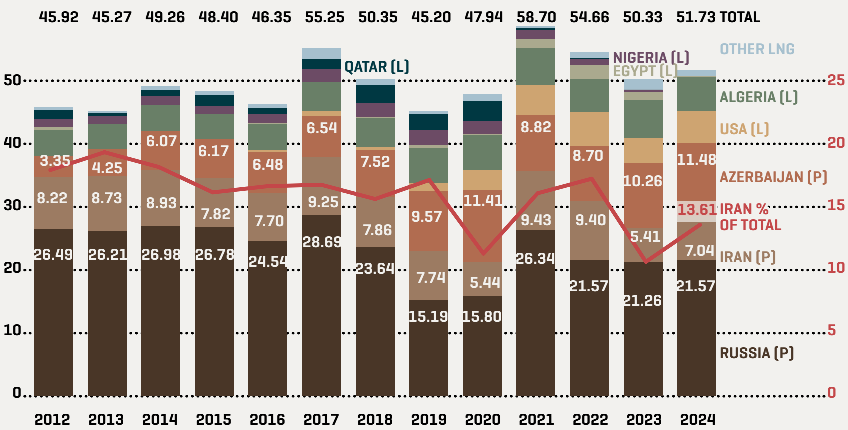
Unlike Iraq, Iran has maintained gas supplies to Turkey with October's 870mn cubic meters of monthly supplies only coming slightly lower at 850mn cubic

1: IRAN'S GAS OUTPUT HAS ONLY JUST MANAGED TO STAY AHEAD OF DEMAND (BCM)



SOURCE: GECF, MEES.

2. TURKEY GAS IMPORTS (BCM):
IRANIAN PIPELINE IMPORTS REBOUNDED BY 30% LAST YEAR BUT REMAIN BELOW THEIR 2021 RECORD



P=PIPELINE, L=LNG. RUSSIAN VOLUMES INCLUDE SOME LNG FROM LATE 2023. SOURCE: EPDK, MEES.

meters in November before decreasing to 550mn cubic meters in December according to official Turkish data. While December was 230mn cubic meters down year-on-year, total Iranian gas exports to Turkey last year rose by 30% to over 7bcm although they remain well below their 9.4bcm record in 2021-22 (see chart 2).

Iranian pipeline flows to Turkey have been impacted by variable domestic demand in recent years with its number two position overtaken by Azerbaijan since 2023. Iran's failure to fully deliver contractual volumes during winter months has frustrated the Turks and comes on top of pipeline faults and stoppages in 2022 and 2023 (MEES, 21 January 2022).

Tehran is seeking to renew its 21-year supply contract with Ankara which expires next year. It remains to be seen whether Turkey will move ahead with the renewal, but Iran's negotiating position may be bolstered after Turkey began importing Turkmen gas volumes this month, swapping them through Iran's gas network. Turkish energy minister Alparslan Bayraktar said on 4 March that the 2bcm/y swap will reduce his country's "overall natural gas costs."

The swap provides crucial winter gas supplies from Turkmenistan to Iran's stranded northeastern region after these were halted last winter when a similar swap arrangement involving Azerbaijan fell apart (MEES, 19 January 2024). Aside from the unreliability of Iran's aging gas pipeline infrastructure, countries importing Iranian gas are wary of US sanctions, the main factor prohibiting Iraq from finalizing a 9bcm/y Turkmen gas swap via Iran.

$75BN GAS PLAN

The sanctions have prohibited Iran from accessing much-needed technology and international expertise to upgrade its gas infrastructure, and Washington's pressure is only expected to mount further as President Trump carries his 'maximum pressure' campaign to strangle Tehran's finances. US Treasury Secretary Scott Bessent said earlier this month "Making Iran Broke Again will [only] mark the beginning of our updated sanctions policy."

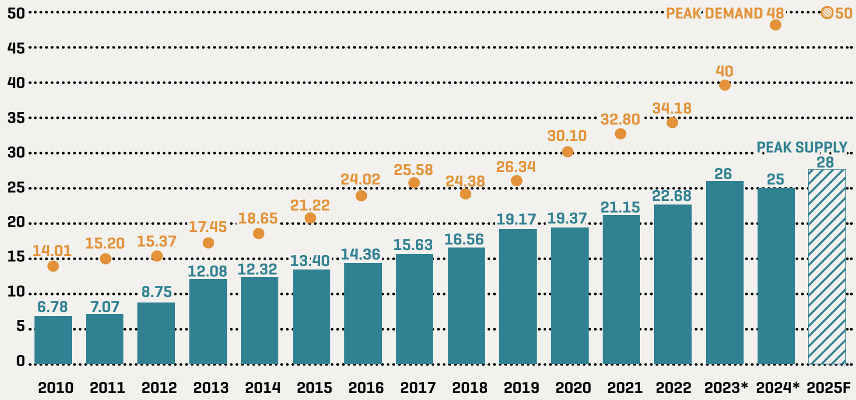
Speaking at the South Pars contracts signature on 8 March petroleum minister Mohsen Paknejad says that Iran wants to invest $75bn over the next four years to reach 1.34bn m³/d (47bn cfd) production capacity which would require spending around $19bn a year. He adds that $53bn of the sum will target developing new gas fields, while $22bn will be directed at maintaining existing ones, including the $17bn allocated to South Pars. But grounded by sanctions' realities, and a track record of delays and insufficient spending, Iran's gas problems are here to stay. ◆◆

Iraq Scrambles For Energy Import Alternatives After US Scraps Iranian Electricity Waiver

The US has cancelled a sanctions 'waiver' on Iraqi imports of electricity from Iran, sending Baghdad scrambling for alternatives to keep the lights on. There are few, if any, good options. If Washington moves to block Iranian gas supplies next, Iraq could face a very difficult summer. Importing LNG just before temperatures pick up is unrealistic, leaving Iraq little option but to hike its liquids burn.

1: IRAQI OFFICIALS FORECAST A FURTHER SURGE IN PEAK LOAD TO A NEW RECORD OF 50GW FOR SUMMER 2025

SOURCE: IRAQ MINISTRY OF ELECTRICITY, MEES.



*2023-24 PEAK DEMAND IS PROVISIONAL & PEAK SUPPLY ESTIMATED. 2025 FORECASTS ARE BASED ON OFFICIALS' PUBLIC COMMENTS.

Iraqi officials are up against the wall in a bid to find alternatives to Iranian energy imports in the run up to the summer peak power demand season, following Washington's decision not to renew a 120-day waiver on Iraqi imports of Iranian electricity when the previous waiver expired on 8 March. This comes as Tehran had already since November halted gas supplies to Iraq amid a domestic shortfall (MEES, 24 January).

The US sanctions waiver had been granted since 2018 as a 'national security' exemption to financial sanctions on Iran, enabling Baghdad to indirectly pay for power imports, but was left to expire on 8 March despite Iraqi attempts to convince US decision makers otherwise (MEES, 14 February).

The State Department said on 9 March that the move was to "ensure we do not allow Iran any degree of economic or financial relief." Adding that it urges "the Iraqi government to eliminate its dependence on Iranian sources of energy as soon as possible, and welcome the Iraqi Prime Minister's commitment to achieve energy independence." Whilst the US had sought to use the waiver to press Iraq towards diversifying its sources of energy imports and reduce routine gas flaring, the renewal over the years became a nominal process.

In a 9 March call with Iraqi PM Mohammed al-Sudani, US National Security Advisor Mike Waltz said the decision was in line with President Donald Trump's 'maximum pressure' campaign on Tehran (MEES, 7 February), cautioning that "pressure on Iran would increase if Iran continued to develop a nuclear weapons capability and support terrorism across the region, including in Iraq." The latter a reference to the outsized role of Iraq's Iranian-backed militias in the country's politics and economy. The waiver's non-renewal is also seen as part of Washington's pressure on Baghdad to restart Kurdish oil exports (see p17).

Tehran's foreign minister Abbas Araghchi struck back at the US decision in an 11 March post on social media platform X, saying Washington "has decided to target the innocent people of Iraq by attempting to deprive them of access to basic services such as electricity, especially ahead of the coming hot months of the year." He says his country remains "firm on our commitment to the Iraqi Government," echoing similar comments by petroleum minister Mohsen Paknejad to Iraqi electricity minister Ziad Fadhel during a 9 March visit to Tehran.

SECURING IRANIAN GAS

Iraq is heavily dependent on imports of both electricity and natural gas from Iran: together they contribute up to 40% of the country's maximum available power supply during summer when demand peaks. The big caveat, however, is that these imports have become ever more unreliable in recent years. In part because of Baghdad's inability to directly pay Tehran due to US sanctions on its banking sector, and increasingly because of higher seasonal gas and power demand on the Iranian side.

Iraq's electricity ministry envisages delivery of up to 28GW maximum power supply over the coming summer. But this is contingent on Iran delivering 70mn m^3/d (2.5bn cfd) of gas and running four cross-border interconnection lines at their full 1.2GW capacity. The total gas volume includes 20mn m^3/d (700mn cfd) of gas contracted from Turkmenistan to be swapped via Iran's gas network.

Altogether, this implies a reliance on Iran for up to 11GW of Iraqi power supply, most of which will now be gas at 8-9GW after the cancellation of the electricity waiver. Comments by electricity ministry spokesperson Ahmed Musa indicate that 8GW would be lost if Iranian gas is cut off, although this includes an implied 2GW as part of the Turkmen gas deal which in any case has yet to be greenlit by Iraq. Mr Musa links the delay here to approving an intermediary company as part of the swap with the need to avoid an Iranian-connected entity apparently the problem. Turkmenistan has begun gas exports to Turkey utilizing a similar swap via Iran (see p12).

Iranian gas is so crucial that its November near-halt in deliveries saw an immediate slump of 6GW in Iraqi power supply – implying that Iraq, which typically imports higher gas volumes in summer, was already relying on sizeable Iranian gas imports even during the colder months. If flows come below contracted levels in summer, the gap between supply and the electricity ministry's unprecedented 50GW peak load estimate will only expand leading to longer blackouts (see chart 1).

The fact that Mr Fadhel was dispatched to meet with Iranian oil officials implies that Baghdad aims to secure the gas volumes as a priority, and perhaps to discuss reactivating a dormant oil-for-gas barter (MEES, 14 July 2023) as a backup payment mechanism if Washington moves to target gas imports next. That barter was apparently halted in late 2024 before President Trump took office, and Baghdad may be wary that its resumption would anger the US.

In contrast to the precarious power waivers regime, gas imports sit under a "significant reduction exception" inherent in the 2012 US Iran Freedom and Counter-Proliferation Act (IFCA), allowing payment for Iranian gas imports via deposits made in an Iraqi bank account. Ending this exception would require the US Congress amend the IFCA legislation, which would likely be a complex and time-consuming process.

US Embassy Charge d'Affaires Daniel Rubinstein informed Iraqi parliamentary finance committee leader Atwan al-Atwani on 9 March that "importing natural gas is still outside the sanctions system." Nevertheless, Iraqi officials continue to confuse the electricity waiver and the IFCA gas exception. Mr Musa on 10 March incorrectly told state

Continued on – p15

Continued from – p14

TV Iraqia that the gas waiver had ended.

600MW TO ZERO

While losing the electricity waiver is one motivation, Iraqi officials are also well-aware that Iran was unlikely to deliver gas and electricity volumes in full come summer given that Iran itself is heavily reliant on gas for power generation and power demand there is expected to mark another record this summer.

Mr Sudani convened a joint meeting of oil and electricity ministry officials on 9 March to discuss preparations for "next summer's electricity provision." Aside from the electricity ministry's promise to complete plant maintenance by May according to Mr Musa, the Iraqis hope they will be able to replace some of the Iranian electricity with imports from Turkey, Jordan and via the GCC's interconnector. But many of these long-delayed projects are yet to reach their full planned capacity, providing only some reprieve at best.

Prior to the halt in deliveries, Iraq's imports of Iranian power were running at 600MW, around 60% of total 'imports' of around 1GW including power purchases from independent power producers in the Kurdistan region. Iranian power imports amounted to 4% of around 16GW of total power supply during February, and were in entirety supplied through the 400kV Diyala-Mersad and 132kV Khaniqin-Serpel-o-Zahab interconnection lines. Both lines feed electricity to Iraq's northern provinces, while two other Iranian lines connecting with Basra and Maysan provinces in southern Iraq appear less utilized given better availability of domestic gas.

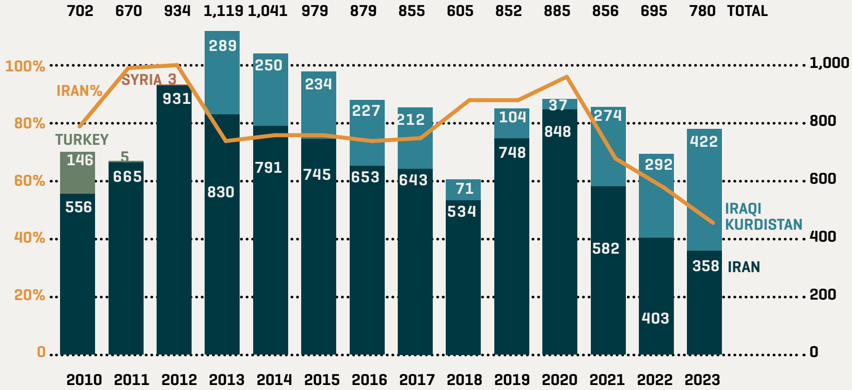
Baghdad's challenge will be to secure additional power supplies during peak demand in northern provinces of Nineveh, Kirkuk, Saladin and Diyala. The likely alternative here would be imports from Turkey which are currently sourced through a 300MW-capacity 400kV line that links Turkey's Cizre to Iraq's Mosul via Kurdistan's Dohuk province (MEES, 26 July 2024). But Iraq appears to be already utilizing the line at near-capacity, meaning it will unlikely replace lost Iranian megawatts unless previous plans to ramp Turkish imports up to 500MW could be achieved by summer.

The practical option would be increasing 'imports' from Kurdistan. Since 2021, the central government has been compensating for repeated Iranian power outages by tapping Kurdish producers, primarily supplying Nineveh and Kirkuk. Annualized flows from Kurdistan overtook those from Iran in 2023 (see chart 2), and are likely to have been at a similar, if not a higher level last year (MEES, 28 June 2024). Baghdad may also fast track a gas purchase agreement to secure 100mn cfd from Kurdistan's Khor Mor gas field to Kirkuk (MEES, 10 January).

In the south, Iraq hopes to purchase 500MW of electricity through the GCC Interconnection Authority's (GCCIA) grid. Initial equipment tests have commenced at the authority's new 2.5GW Wafra (Z)

2: IRAQ HAS INCREASINGLY REPLACED IRANIAN POWER IMPORTS WITH PURCHASES FROM KURDISTAN (MW, ANNUAL AVERAGE)

*'IMPORTS' TO FEDERAL IRAQ. SOURCE: IRAQ MINISTRY OF ELECTRICITY, MEES.



substation in Kuwait, but though commissioning is scheduled to begin next month work to link the substation to the 400kV Fao substation in Basra remains behind schedule. GCCIA officials met Mr Fadhel on 18 February, and the ministry says it has only installed transmission towers for 22km of the 77km line to Fao, covering the remaining distance is delayed by demining work.

Kuwait is expected to import up to 1GW from the GCCIA's network this summer as it faces its own shortages (see p18). With electricity peaking at similar times throughout the gulf in summer, securing purchases through the GCCIA interconnection would be another challenge for Iraq in the long term.

KHOR AL-ZUBAIR LNG IMPORTS?

But the most ambitious of alternatives Baghdad aims to bring before summer is leasing an FSRU to enable it to import LNG at its Khor al-Zubair oil products terminal in Basra. Oil minister Hayan Abdulghani said in late February that berth no 1 at the shallow port is being converted to receive up to 600mn cfd of gas, whilst the ministry's State Company for Oil Projects announced on 4 March that it will build a 41km 42-inch pipeline from Khor al-Zubair to the national gas grid in 120 days. Mr Abdulghani previously put pipeline construction progress at 30% (MEES, 7 March).

South Gas Co CEO Hamza Abdulbaqi told Reuters on 10 March that his firm will contract unknown UAE-based firm "Breeze Investment" by the end of this month for the FSRU, expecting the vessel to handle at least 500mn cfd of LNG imports from Qatar and Oman. If successful, these LNG imports would cover almost a third of the 50mn m^3/d (1.8bn cfd) of already-contracted Iranian gas, excluding swapped Turkmen volumes.

PM Sudani ordered signing the contract for the "mobile [gas] platform" during the 9 March joint meeting. But a senior source within the ministry is skeptical about the announced timelines, saying "it's very difficult."

Iraq has a very small shoreline, with its ports handicapped by their location inside narrow and shallow channels that cannot accommodate large ships, prompting product exports from Khor al-Zubair and the nearby Um Qasr South to be shuttled out through the Khor Abdallah waterway to the Khor al-Zubair lightering area offshore. Mr Abdulghani says that he has been assured that the 12m-deep berth can accommodate an FSRU with studies suggesting that an ideal vessel for the location would have an 11.3m long draft. The minister adds that further deepening would take a few days, if needed.

The ministry source says that "the contractor has claimed that it can secure a small FSRU with small LNG and/or LPG tankers to feed it," but agrees that it would be challenging for such vessels to navigate the 200m wide Khor Abdallah and 250m wide Khor Um Qasr channels north to Khor al-Zubair. Iraq is self-sufficient in LPG production. While the technical feasibility of the project remains questionable, the market for FSRUs is also tight which could see Iraq struggle to secure a vessel before summer.

The move to convert a berth for LNG imports at Khor al-Zubair comes on top of existing plans to build a fixed-LNG import terminal at the new Fao port (MEES, 26 January 2024), which Mr Abdulghani says remain unchanged.

LIQUIDS BURN, OPEC+ COMPENSATION

Electricity ministry spokesperson Ahmed Musa adds that his ministry expects its oil counterpart to increase output this summer, enabling higher production of both associated gas and gasoil to supply neighborhood generators that are crucial to keep the lights on during blackouts. State marketer Somo launched tenders earlier this year to secure up to 5.9mn barrels of gasoil/diesel after importing none in 2024 (MEES, 31 January).

Iraq would also need to hike its liquids burn, and coupled with the need for associated gas this would further derail compliance with its Opec+ oil output quota, let alone compensating for over 65mn barrels of last year's overproduction. Baghdad is under tremendous pressure by the alliance to frontload compensating for these volumes just into summer amidst mounting market concerns of a supply glut (see p11).

The country already enjoys a surplus in fuel oil production, however, with Somo data indicating exports rising by around 50,000 b/d last year averaging 200,000 b/d. Fuel oil exports are a key non-crude revenue stream for the oil ministry though, and diverting these volumes to power plants could be detrimental to the country's finances. But Baghdad has little choice. ◆◆

Oman's OQBI Maxes Gas-Fed Plants For Record 1.9mn Ton 2024 Output

OQ Base Industries (OQBI) pushed its gas-fed plants above nameplate capacity in 2024 to produce a record 1.9mn tons of methanol, ammonia, and LPG. The performance demonstrates it has scope to move ahead with planned expansions.

OQ Base Industries (OQBI), a subsidiary of Oman state energy firm OQ, maxed output in 2024 from its integrated gas-fed facilities located in the southern port city of Salalah. According to its freshly-released results OQBI averaged 112% utilization across its 1.095mn t/y methanol facility, 365,000 t/y ammonia plant and gas processing facilities with their 356,000 t/y of LPG/liquids extraction capacity.

This has translated into record 1.9mn tons annual production across all three facilities (see chart 1). Nearly everything OQBI produces is exported except for a small amount of LPG that stays in the domestic market (see graphic). For 2024 such domestic sales of 'cooking gas' amounted to 38,000 tons. The rest is transferred to the trading subsidiary OQ Trading (OQT) under offtake agreements for each of the three product groups and exported overseas.

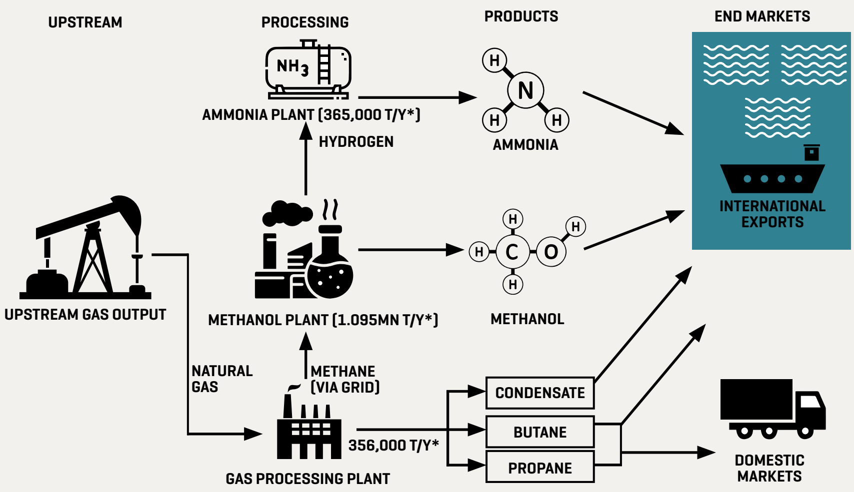
SCOPE FOR MORE CAPACITY

Record output from plants that run above their nameplate capacity points to the possibility of OQBI expanding its facilities, something it already is working on. Last year it outlined expansion plans starting with a $470mn project to increase the methanol plant's capacity by 50% to 1.65mn t/y (MEES, 22 November 2024).

A feasibility study is ongoing with the firm estimating a final investment decision in 1Q 2026 and completion by the end of 2028 if it moves ahead with the expansion. It also has less concrete plans to upgrade both the methanol and ammonia plants to produce plastic and fertilizer derivatives.

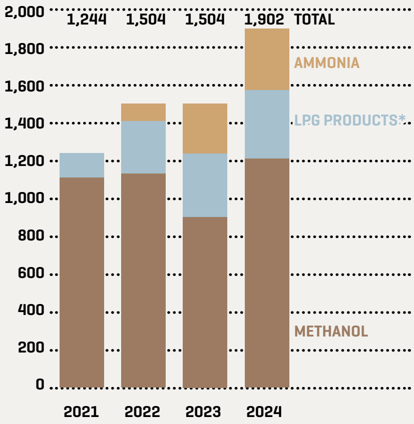
Helping the company with its decision is recent record gas output in Oman which is spurring expansions of key gas-fed downstream facilities like those OQBI runs in Salalah. But top of the energy ministry's list is a fourth 3.8mn t/y liquefaction train at Oman LNG's current 11.4mn t/y three-train facility at Sur. To furnish gas for the expansion the ministry has reportedly tapped BP to expand output at its massive 1.5bn cfd ◆◆

OQBI'S INTEGRATED FACILITIES IN SALALAH



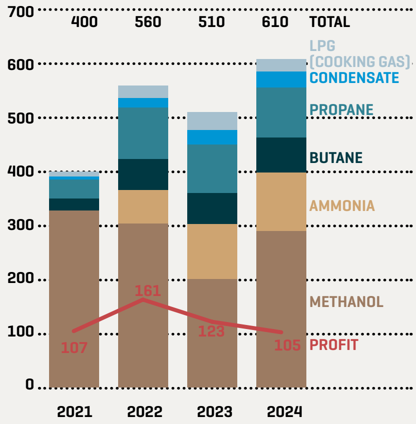
*NAMEPLATE OUTPUT CAPACITY. SOURCE: OQBI, MEES.

1: OQBI PRODUCED A RECORD COMBINED 1.9MN TONS IN 2024 ('000 TONS)



*BUTANE, PROPANE, CONDENSATE, LPG. SOURCE: OQBI, MEES.

2: METHANOL MADE UP THE LARGEST SHARE OF REVENUES FOR 2024 ($MN)



SOURCE: OQBI, MEES

Khazzan gas field (MEES, 7 March).

Not only is gas abundant, but for OQBI it is competitively cheap with the firm paying an average of $3.0/mn BTU over 2019-24. OQBI secures gas from state firm Integrated Gas Company (IGC) under a complex supply agreement that links the price of gas for the methanol and ammonia plants with global methanol prices: when methanol prices are lower the cost of feedstock gas is lowered. For 2024 gas consumption cost OQBI $167mn accounting for 39% of its cost of sales, a proportion in line with 2023 and much lower than the 61% share in 2021.

METHANOL DRIVES REVENUES

Though OQBI notched up record revenues of $610mn for 2024, increase costs outside of gas consumption saw profits fall 15% to $105mn, the lowest level in the last four years.

According to the company, record revenues were "largely driven by methanol" the market price for which rose 11% for 2024. Combined with production jumping by a third, this brought in $290mn of income (see chart 2). For what OQBI terms 'LPG Products' (propane, butane & condensate) prices were up 19% to bring in a combined $188mn. Meanwhile OQBI says the market price of ammonia fell 13% in 2024 keeping revenues roughly in line with 2024 at $109mn even though it produced an additional 61,000 tons.

Beyond being a bumper year for output and revenue, 2024 was also an important year for the company because it floated 49% of its shares on the Muscat Stock Exchange which raised it $489mn (MEES, 22 November 2024). It joins fellow subsidiaries OQ Gas Networks (OQGN) OQ Exploration and Production (OQEP – see p2) in privatizing minority stakes in state owned energy companies. ◆◆

Egypt Secures $2.5bn IMF Cash

Cairo has immediate access to a long-awaited $1.2bn tranche of IMF cash, with another $1.3bn in climate funding also approved. Cairo hopes the fresh cash will ease economic woes amid 'challenging external shocks'.

The IMF on 11 March agreed to disburse $1.2bn to Egypt as the fourth tranche of an $8bn bailout loan agreed in March 2024 (MEES, 8 March 2024).

The international lender also approved Egypt's request for an additional $1.3bn arrangement under the Resilience and Sustainability Facility (RSF), welcoming the authorities' "efforts to implement medium-term macro-critical reforms to address climate change."

"The RSF arrangement will support key reforms to accelerate decarbonization, strengthen the management of environmental risks, and assess the effects of investment plans on achieving resilience," the IMF says.

Egypt will have immediate access to the $1.2bn, while the $1.3bn RSF amount will be disbursed in ten "pieces," conditional upon the implementation of ten reform measures through the fall of 2026, according to mission leader Ivanna Vladkova Hollar.

The fifth review, which will unlock the fifth tranche of the $8bn is set to take place before the end of June, she adds.

Speaking to the press on 12 March, Egyptian PM Mostafa Madbouly welcomed the agreement, saying that the IMF's completion of the fourth review "sends a message of trust in the Egyptian state and its ongoing economic reforms program."

'MIXED' PROGRESS

The IMF had reached 'staff-level agreement' with Egypt on the fourth tranche back in December (MEES, 3 January), but the executive board's final approval saw delays amid "mixed" progress on structural reforms including "notable delays on reforms related to divestment and to levelling the playing field between public and private sector enterprises," Mrs Hollar told a 13 March press briefing.

This refers to Egypt's long-stalled privatization program, one of several promised reforms the IMF has linked with the much-anticipated disbursement of each tranche under the 46-month program (MEES, 22 November 2024), including sustaining a flexible exchange rate and increasing social spending.

The IMF-sought program would see the sale of state-owned assets to reduce the state's – and the military's – footprint in the economy by boosting the private sector (MEES, 27 September 2024).

Egypt in December listed at least ten state-owned firms to be offered for sale by the end of 2025, including four owned by the military (MEES, 13 December 2024). But progress has been slow, and Cairo has yet to prove its commitment to the key reform.

Going forward, the IMF urges the authorities to "take decisive measures to re-start divestment efforts [and] firmly reduce the state's footprint" to "enable the private sector to become the primary engine of growth."

'BRIGHT SPOTS'

While Egyptians have grappled with soaring inflation over the past year, the country's annual inflation rate fell to a three-year low of 12.8% for the year to February as the inflationary impact of last year's currency liberalization wears off .

"Inflation is gradually moderating with a particularly encouraging drop in February," says Mrs Hollar, noting "bright spots" in the economy, including "robust" remittances from Egyptian workers overseas which hit a record $8.8bn for Q4 last year (MEES, 28 February), and tourism receipts.

According to the IMF statement, other areas where the government has "taken more decisive action" this year include improving competition and governance practices. The board also acknowledges the Egyptian authorities' "progress in stabilizing the economy and rebuilding market confidence."

'CHALLENGING EXTERNAL ENVIRONMENT'

This is despite "a very challenging external environment which has been marked by persistent and successive external shocks, including regional conflicts and trade disruptions in the Red Sea," says Mrs Hollar.

These persisting external shocks include the ongoing war in Sudan (MEES, 14 February), which has resulted in a "substantial influx of refugees," the IMF adds.

They also include trade disruptions in the Red Sea since December 2023 (MEES, 10 January), which have dealt a severe blow to Egypt's Suez Canal receipts (MEES, 8 November 2024), costing the country around $6-7bn in lost revenues in 2024. ◆◆

Baghdad/KRG: No Progress

Government officials from Iraq's Federal oil ministry and their counterparts at the Kurdistan Regional Government's Ministry of Natural Resources (MNR) met twice this week on 11 and 12 March with the hopes of reaching a resolution to major disagreements preventing reaching a deal to resume oil exports through the Iraq-Turkey Pipeline. But MEES is told that there was no progress in either committee meeting, and it remains unclear when coming meetings will be held.

After marathon talks earlier this month which for the first time included executives from IOCs producing in Kurdistan after Iraq's parliament passed an amendment to the country's budget increasing an envisaged per-barrel fee for handing over oil production from $6.90/B to $16/B (MEES, 7 March), the two governments had agreed to form two committees. One to discuss the scope of work for a consultant brought to assess production costs at Kurdish oilfields, and another 'technical committee' focused on determining volumes to be exported and locally sold, and agreeing a mutually-acceptable payment mechanism.

The first committee meeting took place on 11 March. But the two parties remain far apart on the consultant's remit. MEES is told that MNR officials continue to insist that the consultant be limited to auditing financial statements, while Baghdad pushes for a holistic technical assessment. KRG and IOCs are wary that Baghdad's push for full assessment may risk the sanctity of their Production Sharing Contracts. IOC executives were not involved in the meeting.

The second committee meeting on 12 March saw officials from the US embassy attend as observers. Here too the two governments failed to see eye to eye, with the most contentious issue being the MNR's demand for Baghdad to cover production costs for 115,000 b/d of crude output to cover demand for refining within Kurdistan, with sales to finance KRG expenses. The two governments had earmarked a separate 185,000 b/d of Kurdish output for export. A source from within the meeting says Kurdish officials claimed that they needed to generate $120mn a month to cover payments to local power plants and gas producers, but Baghdad oil ministry officials remain adamant that they will not cover production costs if revenues do not end up in the federal treasury. An IOC executive tells MEES that the companies will be included in subsequent meetings if and when the two governments reach an agreement, with the firms also demanding that Erbil and Baghdad reach agreement on settling their unpaid dues for past output. ◆◆

NEWS IN BRIEF

KUWAITI POWER MINISTER RESIGNS

Kuwait's Emir Sheikh Mishal Al Ahmad Al Sabah on 10 March accepted the resignation of electricity minister Mahmoud Boushehri, appointing public works minister Noura al-Mashaan in his stead on acting basis.

Mr Boushehri's resignation comes at a critical time for the Ministry of Water and Electricity (MEW) which is preparing its generation fleet for 2025's summer high demand season. Last summer saw blackouts as demand peaked at 17.64GW. With estimates that peak demand will be higher still this summer, MEW plans to hike imports via the GCC Interconnection Authority's grid to 1GW from last summer's 690MW peak, though this may prove insufficient.

Over the past decade, nearly 14GW of new capacity projects have been proposed but have fallen victim to the emirate's disruptive political environment and infamous red tape (MEES, 6 December 2024). There will be no substantial increase in power generation capacity before summer 2026 (MEES, 14 February).

TOTAL STARTS WORK ON 1GW IRAQ SOLAR

Total has this month begun site preparation for its 1GW solar plant in Iraq's Basra province, part of its $27bn 'Gas Growth Integrated Project (GGIP)' signed in mid-2023 (MEES, 14 July 2023). The solar capacity will be built in four stages near the Total-operated Ratawi oilfield, with Iraqi officials in January saying that they expect the first 250MW stage to be delivered by end-2025 (MEES, 17 January). The full 1GW capacity is slated for 2027.

The electricity ministry says the 'Basra Sun' project will utilize 2 million panels covering a 9 km^2 area, whilst Total says 22 km^2. Last year, the French major awarded the project's EPC contract to Chinese state-owned China Energy Engineering Corporation (CEEC or 'Energy China') for "the design, procurement, construction, and commissioning of the PV power plant site and a 132 kV booster station."

Iraq faces power shortages this summer after the US decided not to renew a 120-day 'waiver' to import electricity from Iran (see p14).

LIBYA RESTARTS MABRUK OIL FIELD

Libya's NOC on 12 March announced the restart of TotalEnergies' Mabruk field following a 10-year hiatus. The field in the country's Sirte Basin oil heartland had been out of service since being overrun and badly damaged by IS-affiliated militants in 2015 (MEES, 6 March 2015).

Production operations began on 9 March with 5,000 b/d, with plans to raise output to 7,000 b/d by the end of the month and 25,000 b/d by July, says NOC. The restart follows several delays over the past decade (MEES, 5 April 2024), with Total planning to eventually boost output to pre-shutdown levels of 40,000 b/d (MEES, 10 December 2021).

Libya's overall output has been running at an 11-year high 1.4mn b/d with NOC hoping that a freshly-launched bid round will lay the foundation for further gains (see p4).

UAE $18.5BN SOUR GAS 'AHEAD OF SCHEDULE'

Work on $18.5bn development of sour gas reserves on the Hail and Ghasha concession offshore Abu Dhabi is "ahead of schedule" says Alessandro Bernini, CEO of Italy's Maire Tecnimont, $8.74bn EPC contractor for the onshore gas treatment plant including CO_2 and sulfur recovery (MEES, 6 October 2023).

Speaking on a 4 March strategy call, Mr Bernini says "we hope to be able to complete the project even in advance [of] the planned schedule." Illustrating the importance of its "largest award ever," Project Director Stefania Tarachi joined the 4 March call with a "live from the site" update.

As of end-December, procurement on Maire's EPC contract was 74% complete – "all long-lead items ordered... and initial shipments of steel and piping have arrived on-site" – engineering work 28% complete and construction 5% complete for an "overall progress" figure of 17%, Maire says.

Hail and Ghasha's 340mn cfd first phase (Dalma) is due online in the second half of this year with work well advanced on the gas processing facilities 80km offshore on Arzanah Island (MEES, 7 February). The 1.2bn cfd second phase – with the EPC awards split between that of Maire for onshore work, and an $8.2bn offshore award to a joint venture of Abu Dhabi's National Petroleum Construction Company and Italy's Saipem – will then lift the concession's capacity to 1.5bn cfd upon completion in 2028.

SCATEC: 1.1GW EGYPT SOLAR/STORAGE PPA

Norwegian renewables developer Scatec on 13 March signed a 25-year power purchase agreement (PPA) with Egypt Aluminium for its 'Obelisk Solar' project to be sited next to its 320,000 t/y smelter at Nag Hammadi in southern Egypt, [the country's] largest industrial electricity consumer.

Obelisk will combine 1.1GW of solar PV with a 100MW/200MWh battery energy storage system (BESS). Capex of $650mn "will be funded by approximately 80% non-recourse project debt, and the remainder by equity from Scatec and partners." Scatec currently owns 100% of the "groundbreaking project... is the first utility scale PPA in the country with an industrial offtaker" but is looking for potential partners in a bid to reduce its exposure. The London-based EBRD development bank approved $120mn in funding in December (MEES, 7 February).

Scatec says the "key next steps for the project are to work with the relevant authorities to allocate land, finalize grid connection and secure financing," and targets "to reach financial close and start construction within the next 12 months."

IMF TO LEBANON: NO CASH YET

Lebanon appears to remain someway off securing a financial bailout from the IMF after a team from the Washington-based multilateral lender concluded a visit to Beirut on 13 March.

IMF mission chief Ernesto Ramirez Rigo says the Fund "welcomed the authorities' request for a new IMF-supported program to bolster their efforts in addressing Lebanon's significant economic challenges."

However, he adds that Lebanon's recent economic reforms "are insufficient to address the ongoing economic, financial, and social challenges. A comprehensive strategy for economic rehabilitation is critical to restore growth, reduce unemployment, and improve social conditions," adding that "IMF staff will remain in close contact with the authorities to help them develop a comprehensive economic reform program focused on fiscal and debt sustainability, financial sector restructuring, economic growth enablers, governance and state-owned enterprise reforms, as well as strengthening data provision to enhance transparency and inform policymaking."

CRUDE OSPs ($/B): IRAQ CUTS VS SAUDI

	Feb25	Mar25	Apr25
IRAQ: to Asia (vs Oman/Dubai average)			
Basrah Medium (FOB)	+0.05	+2.65	+2.15
vs Saudi Arab Heavy	*+0.55*	*+0.55*	*+0.35*
Basrah Heavy (FOB)	-3.20	-0.40	-0.90
to Europe (vs Dated Brent)			
Basrah Medium (FOB)	-4.00	-1.25	-1.50
vs Saudi Arab Heavy	*-0.65*	*-1.10*	*-1.05*
Basrah Heavy (FOB)	-6.65	-4.05	-4.15
Kirkuk (FOB Ceyhan)	-1.00	+1.00	+1.00
to US (vs ASCI)			
Basrah Medium (FOB)	-1.05	-0.65	-0.65
Basrah Heavy (FOB)	-5.45	-5.05	-5.05
Kirkuk (FOB Ceyhan)	+1.00	+1.20	+1.50
KUWAIT: to Asia (FOB, vs Oman/Dubai)			
Kuwait Export Blend (31°)	+0.45	+2.80	+2.45
vs Saudi Arab Medium	*-0.30*	*-0.45*	*-0.50*
Kuwait Super Light (48°)	+0.50	+2.80	+2.45
Khafji (28.5°)	-0.50	+2.10	+1.80
Hout (33°)	+1.10	+3.56	+3.21
Kuwait Export Blend to other destinations:			
to Mediterranean*	-3.40	-0.25	-0.45
to North West Europe*	-3.40	-0.25	-0.45
FOB Sidi Kerir (vs Dated Brent)	-3.10	+0.05	-0.25
to US (FOB, vs ASCI)	+3.70	+3.90	+3.90
delivered US Gulf (vs ASCI)	+5.00	+5.20	+5.20
S ARABIA: to Asia (FOB Ras Tanura, vs Oman/Dubai average)			
Arab Super Light (>40°)	+2.25	+4.35	+4.05
Arab Extra Light (36-40°)	+1.50	+3.90	+3.30
Arab Light (32-36°)	+1.50	+3.90	+3.50
Arab Medium (29-32°)	+0.75	+3.25	+2.95
Arab Heavy (<29°)	-0.50	+2.10	+1.80
QATAR: Qatar Land (40°)**	+0.30	+2.75	+1.85
Qatar Marine (36°)**	+0.45	+2.90	+2.10

*FOB, VS DATED BRENT, **VS DUBAI.

INDIA LNG IMPORTS: QATAR TOP SUPPLIER AS US VOLUMES SURGE

SELECTED DATA

Volumes (mn tons)	2024	vs 2023	%	2023	2022	2021	4Q24	vs 3Q24	%	vs 4Q23	%	3Q24	2Q24	1Q24	4Q23	Oct24	Nov24	Dec24
Qatar	11.38	+0.48	+4.4	10.90	10.67	9.93	3.18	+0.73	+29.7	+0.46	+16.7	2.46	2.69	3.05	2.73	0.88	1.00	1.31
% of total	40.8	-8.4		49.2	52.1	40.5	46.0	+11.9		-1.4		34.1	37.5	46.2	47.4	32.1	48.7	61.3
USA	5.42	+2.24	+70.7	3.18	2.38	4.05	1.29	-0.48	-26.9	+0.46	+55.6	1.77	1.65	0.70	0.83	0.63	0.51	0.16
UAE	3.16	+0.12	+3.9	3.04	2.62	3.31	0.72	-0.18	-19.9	-0.04	-5.6	0.90	0.77	0.78	0.76	0.33	0.06	0.32
Angola	1.97	+1.20	+156.4	0.77	0.68	1.06	0.42	-0.28	-40.3	+0.07	+19.6	0.70	0.42	0.42	0.35	0.35	0.07	0.00
Oman	1.46	+0.65	+80.0	0.81	0.93	1.19	0.35	+0.07	+25.0	+0.08	+30.5	0.28	0.48	0.35	0.27	0.20	0.00	0.14
Nigeria	1.42	+0.67	+88.8	0.75	1.12	1.47	0.46	+0.08	+22.0	+0.40	+631.5	0.38	0.19	0.39	0.06	0.20	0.20	0.07
Eq. Guinea	0.97	+0.68	+237.0	0.29	0.14	0.35	0.27	+0.20	+293.3	+0.20	+251.1	0.07	0.35	0.28	0.08	0.07	0.14	0.07
Cameroon	0.79	+0.38	+93.2	0.41	0.38	0.21	0.22	+0.14	+196.8	+0.09	+70.1	0.07	0.22	0.29	0.13	0.08	0.07	0.07
Mozambique	0.59	+0.31	+110.0	0.28	0.00	0.00	0.00	-0.24	-100.0	-0.14	-100.0	0.24	0.14	0.21	0.14	0.00	0.00	0.00
Trinidad & Tobago	0.38	+0.11	+42.4	0.27	0.11	0.32	0.00	-0.25	-100.0	-0.07	-100.0	0.25	0.00	0.13	0.07	0.00	0.00	0.00
Australia	0.12	-0.23	-64.8	0.35	0.44	0.46	0.00	-	-	-	-	0.00	0.12	0.00	0.00	0.00	0.00	0.00
Indonesia	0.06	+0.06	-	0.00	0.07	0.00	0.00	-	-	-	-	0.00	0.06	0.00	0.00	0.00	0.00	0.00
Algeria	0.00	-0.35	-100.0	0.35	0.21	0.07	0.00	-	-	-0.14	-100.0	0.00	0.00	0.00	0.14	0.00	0.00	0.00
Egypt	0.00	-0.20	-100.0	0.20	0.17	1.07	0.00	-	-	-	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	27.88	+5.74	+25.9	22.14	20.48	24.54	6.92	-0.28	-3.8	+1.16	+20.2	7.19	7.16	6.61	5.76	2.74	2.05	2.13
of which Mena	16.00	+0.70	+4.6	15.30	14.61	15.56	4.25	+0.62	+17.0	+0.36	+9.2	3.63	3.52	4.19	3.89	1.42	1.06	1.77
% of total	57.4	-11.7		69.1	71.3	63.4	61.4	+11.0		-6.2		50.5	49.2	63.4	67.6	51.7	51.8	83.1

Price ($/mn BTU)	2024	vs 2023	%	2023	2022	2021	4Q24	vs 3Q24	%	vs 4Q23	%	3Q24	2Q24	1Q24	4Q23	Oct24	Nov24	Dec24
Qatar	10.97	-0.52	-4.5	11.49	15.36	9.20	10.84	-0.41	-3.6	-0.84	-7.2	11.25	11.11	10.77	11.68	10.59	10.75	11.07
vs average price	+0.27	+0.52	-205.9	-0.25	-1.59	-0.40	-0.51	-1.23	-170.2	-0.80	-273.4	+0.72	+0.76	+0.15	+0.29	-0.77	-0.41	-0.44
USA	9.52	+0.51	+5.6	9.01	14.63	10.18	10.25	+0.84	+9.0	+1.31	+14.6	9.41	9.01	9.64	8.94	10.90	9.63	9.66
UAE	11.54	-3.85	-25.0	15.39	22.54	9.52	13.89	+2.84	+25.7	+1.51	+12.2	11.05	10.73	10.71	12.38	13.66	14.11	14.09
Angola	10.90	-0.80	-6.9	11.70	16.36	11.91	12.42	+1.47	+13.5	+1.64	+15.2	10.95	9.36	10.84	10.78	12.12	13.91	-
Oman	10.52	+0.07	+0.6	10.46	20.63	11.16	9.66	-2.20	-18.5	+0.50	+5.4	11.86	11.09	9.55	9.16	10.37	-	8.64
Eq. Guinea	11.43	-1.84	-13.9	13.27	13.34	8.95	13.66	+1.60	+13.3	+0.18	+1.4	12.06	10.05	10.80	13.48	14.04	12.87	14.90
Nigeria	11.93	+0.40	+3.5	11.53	19.05	12.09	14.12	+2.58	+22.4	+1.84	+15.0	11.54	9.89	10.69	12.28	13.14	14.65	15.55
Cameroon	11.56	-0.87	-7.0	12.43	12.01	6.05	11.74	-0.32	-2.7	-0.01	-0.1	12.06	11.87	11.05	11.74	11.82	11.75	11.63
Mozambique	10.34	-2.87	-21.7	13.20	-	-	-	-	-	-	-	7.80	11.85	12.27	13.92	-	-	-
Trinidad & Tobago	11.69	-0.57	-4.6	12.26	15.17	8.11	-	-	-	-	-	11.10	-	12.90	16.65	-	-	-
Australia	10.15	-2.08	-17.0	12.23	20.17	6.04	-	-	-	-	-	-	10.15	-	-	-	-	-
Indonesia	8.67	-	-	-	25.75	-	-	-	-	-	-	-	8.67	-	-	-	-	-
Algeria	-	-	-	12.80	23.75	32.77	-	-	-	-	-	-	-	-	14.69	-	-	-
Egypt	-	-	-	16.00	17.72	8.57	-	-	-	-	-	-	-	-	-	-	-	-
AVERAGE PRICE	10.70	-1.04	-8.9	11.74	16.95	9.60	11.35	+0.82	+7.8	-0.04	-0.4	10.52	10.35	10.61	11.39	11.36	11.15	11.51

Value ($mn)	2024	vs 2023	%	2023	2022	2021	4Q24	vs 3Q24	%	vs 4Q23	%	3Q24	2Q24	1Q24	4Q23	Oct24	Nov24	Dec24
Qatar	6,504	-23	-0.4	6,527	8,540	4,758	1,798	+359	+25.0	+138	+8.3	1,439	1,556	1,712	1,660	484	558	755
% of total	42.7	-6.5		49.2	48.2	39.6	44.9	+7.6		-4.7		37.3	41.1	47.9	49.6	30.6	47.9	60.3
USA	2,580	+1,148	+80.2	1,431	1,744	2,063	663	-170	-20.4	+291	+78.4	833	745	339	372	342	244	77
UAE	1,741	-494	-22.1	2,235	2,814	1,503	477	+3	+0.7	+27	+5.9	474	392	399	450	217	43	217
Angola	1,072	+623	+138.8	449	558	629	261	-124	-32.3	+71	+37.8	385	197	229	189	212	49	0
Oman	814	+365	+81.2	449	1,021	701	177	+3	+1.8	+49	+37.6	174	283	179	129	112	0	65
Eq. Guinea	553	+362	+190.2	190	96	155	187	+145	+345.5	+134	+255.8	42	175	149	53	47	89	51
Nigeria	812	+397	+95.4	416	1,024	848	313	+103	+49.3	+276	+741.0	210	88	201	37	126	138	49
Cameroon	459	+204	+79.6	256	227	62	127	+83	+188.9	+52	+70.0	44	129	159	75	45	44	39
Mozambique	304	+119	+64.4	185	0	0	0	-94	-100.0	-98	-100.0	94	80	130	98	0	0	0
Trinidad & Tobago	218	+57	+35.8	160	82	128	0	-138	-100.0	-57	-100.0	138	0	79	57	0	0	0
Australia	63	-152	-70.8	215	443	140	0	-	-	-	-	0	63	0	0	0	0	0
Indonesia	28	+28	-	0	91	0	0	-	-	-	-	0	28	0	0	0	0	0
Algeria	0	-221	-100.0	221	252	116	0	-	-	-100	-	0	0	0	100	0	0	0
Egypt	0	-150	-100.0	150	145	439	0	-	-	-	-	0	0	0	0	0	0	0
TOTAL	15,219	+1,958	+14.8	13,261	17,710	12,019	4,003	+143	+3.7	+660	+19.8	3,860	3,781	3,576	3,343	1,586	1,164	1,253

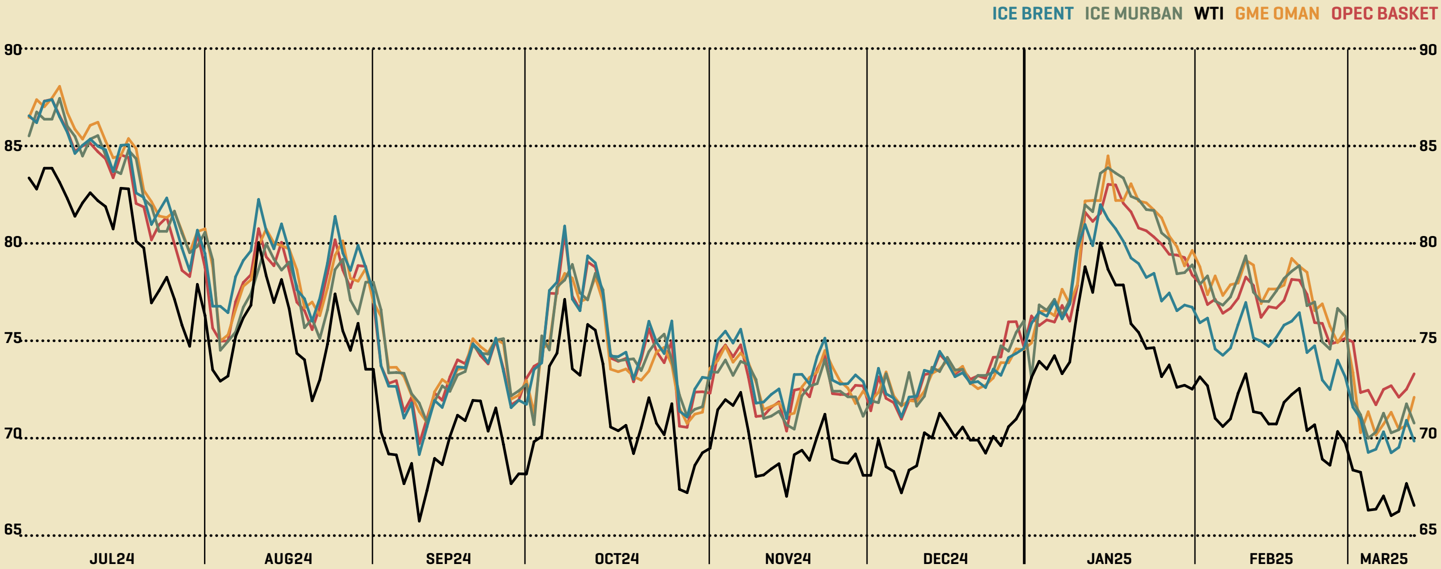
SEE ANALYSIS P20. SOURCE: INDIA DEPARTMENT OF COMMERCE, MEES CALCULATIONS.

SELECTED DATA

BENCHMARK CRUDE PRICES ($/B)

	13Mar	3-7Mar	24-28Feb	Feb25	Jan25	Dec24	4Q 2024	3Q 2024	2Q 2024	2025 (13Mar)	2024	2023	2022
WTI	66.55	67.27	69.67	71.19	75.22	69.87	70.31	75.38	80.61	72.19	75.79	77.58	94.37
ICE Brent	69.88	70.36	73.51	74.95	78.35	73.26	74.01	78.72	85.02	75.57	79.86	82.18	99.02
ICE Murban	70.81	70.98	75.92	77.34	80.18	73.47	73.76	78.34	85.24	77.43	79.74	82.80	98.84
GME Oman	72.14	71.22	75.96	77.64	80.02	73.34	73.60	78.47	85.20	77.53	79.61	82.02	94.42
OPEC Basket	73.34	72.83	75.38	76.81	79.38	73.07	73.54	78.97	85.31	77.20	79.89	82.95	100.08
JCC	na	na	na	na	76.57	76.50	78.24	85.86	87.48	na	83.92	86.56	102.70

AVERAGE SETTLEMENT PRICES FOR PERIOD IN QUESTION.



INDIA IMPORTS RECORD LNG AS US VOLUMES SURGE

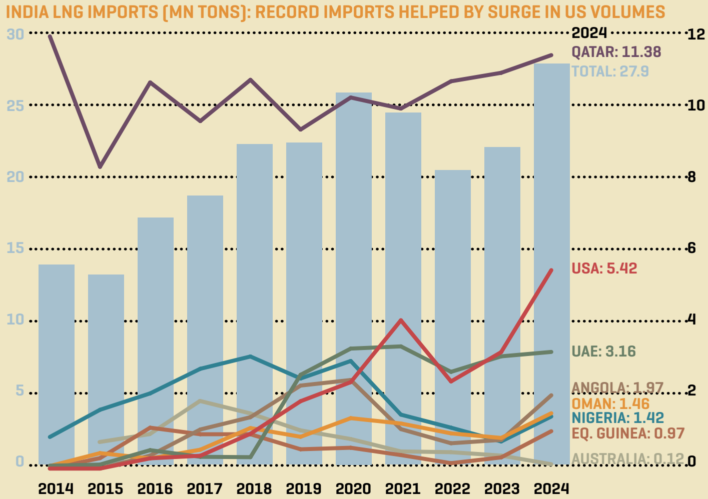
*Freshly released Indian official data indicate that the country cemented its position as the world's number four LNG importer for 2025 with volumes up 26% at a record 27.9mn tons, some 2mn tons higher than the previous record set in 2020 (see chart & table p19).

*India is a price sensitive importer, opting to burn coal for power generation when gas is too expensive. A slump in average LNG import prices from $11.74/mn BTU in 2023 to $10.7/mn BTU in 2024 helped spur deliveries to their record levels (MEES, 31 January).

*Qatar retained the top supplier spot for 2024 with 11.38mn tons. Volumes from Qatar have increased each year since 2021. Further gains could be on the cards as Qatar markets future volumes from its 64mn t/y North Field expansion project (MEES, 17 January).

*Imports from the US surged 70% to a record 5.42mn tons in 2024 putting it well ahead of third place UAE (3.16mn tons) which it had traded places with in previous years. The US is chasing its own LNG capacity expansions which alongside Qatar will likely drive LNG prices lower out to the end of the decade (MEES, 3 January).

INDIA LNG IMPORTS (MN TONS): RECORD IMPORTS HELPED BY SURGE IN US VOLUMES



SOURCE: INDIA COMMERCE MINISTRY, MEES.