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Bahrain's oil industry

Massive investment and exploration operations are under way to expand Bahrain's oil and gas industry.

It is a year in which the objectives of the four-year-old National Oil and Gas Authority (NOGA), chaired by Oil and Gas Minister Dr Abdul Hussain bin Ali Mirza, have begun to come to fruition.

The achievements and advancements that have been made in the last 12 months can be categorised in terms of, building government to government relationships, enlarging the portfolio of companies, creation of new joint venture companies, attracting foreign investment to Bahrain, adoption of new technology, protection of the environment and setting higher standards of safety performance

Within each of these categories considerable progress has been made toward achieving the Noga vision: "To be the oil and gas recognised leader, fuelling economic growth and improving living standards."

The hierarchy of business roles within the industry in Bahrain comprises three levels, namely Noga, The Oil and Gas Holding Company (nogaholding) and the subsidiary companies.

Noga has a political role proposing and implementing government policy and setting standards for the industry in Bahrain. It pro-



● Dr Mirza, seated, centre, and Mubadala Development Company chief executive officer and managing director Khaldoon Khalifa Al Mubarak, second from left, with other officials at the joint venture signing

vides a strategy link with the county's government and more specifically the Cabinet. Nogaholding is the business-focused unit that

aims to create shareholder value by the successful management of a portfolio of oil, gas, and petrochemical assets, in which the government has a shareholding.

Subsidiary companies are guided to focus on financial and operating performance in their specific business.

In the last three years, Bahrain has, through (Noga), embarked on many major and significant initiatives to increase its oil and gas production and hydrocarbon resources.

During the year, two new joint venture companies were added to this portfolio; Tatweer Petroleum and the Bahrain Lube Base Oil Company

In March the interim operating agreement for the Bahrain Field development was signed, and this was followed with a full agreement signing.

In April, a Development and Production Sharing Agreement (DPSA) and a Joint Operating Agreement was signed between Noga, Occidental Petroleum of the US and Mubadala of the UAE.

These agreements led to the formation of Tatweer Petroleum, a joint venture company that will manage the Bahrain oil field and, using the latest tertiary recovery technology, will more than double the production capacity of the field.

The company will also significantly increase the production of Khuff gas, essential to the industrial and social development of Bahrain.

Joint venture activity has not been limited to the oil field; it has also touched the Bahrain Refinery (Bapco).

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to manufacture very high quality lubricating base oils. The shareholders of the project are Bapco, at 27.5 per cent, nogaholding, 27.5pc and Neste Oil of Bahrain, 45pc.

In the future, the year 2009 will be looked on as not the beginning, but the end of the beginning, of a very exciting time in the history of the oil industry in Bahrain.

The country's energy sector is planning to invest about \$23 billion over the next 20 years to ensure future development and prosperity.

This investment, largely from foreign sources, will ensure future energy supplies, and revenue for the national economy.

The majority of this investment will be made by the Tatweer Petroleum Company to develop the 70-year-old Bahrain oil field.

The production capacity of the field will be more than doubled by significantly increased drilling activity, over 20 years.

Investment will be of the order of \$15bn, with the opportunity for service companies within Bahrain to be part of this development.

The off-shore exploration initiative began in 2007, when Dr Mirza announced that offshore areas would be opened for international petroleum companies to participate in oil and gas exploration, development and production.

This offer was part of the Noga vision to increase the Kingdom's endeavours to increase oil and gas reserves.

Noga was eager to be open and transparent with the bidding process and following approval from the Tender Board, the Cabinet and Parliament, according to constitutional requirements, awards were eventually made for exploration of the four offshore blocks.

On the occasion of the 38th National Day of Bahrain

UBL congratulates

**HIS MAJESTY KING
HAMAD BIN ISA AL KHALIFA**

**HIS ROYAL HIGHNESS PRINCE
KHALIFA BIN SALMAN AL KHALIFA
The Prime Minister**

**HIS ROYAL HIGHNESS CROWN PRINCE
SALEMAN BIN HAMAD AL KHALIFA
Deputy Supreme Commander**

UBL is proud to share this moment of happiness with the people of Bahrain.

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